Evaluation of the Impact of HMO Licensing and Selective Licensing
The findings and recommendations in this report are those of the authors and do not necessarily represent the views of the Department for Communities and Local Government.
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive summary</td>
<td>6</td>
</tr>
<tr>
<td>1 Introduction</td>
<td>10</td>
</tr>
<tr>
<td>2 Description of the project</td>
<td>11</td>
</tr>
<tr>
<td>3 Reference of terms and acronyms</td>
<td>13</td>
</tr>
<tr>
<td>3.1 Terms</td>
<td>13</td>
</tr>
<tr>
<td>3.2 Acronyms</td>
<td>13</td>
</tr>
<tr>
<td>4 Background</td>
<td>15</td>
</tr>
<tr>
<td>4.1 The Housing Act 2004</td>
<td>15</td>
</tr>
<tr>
<td>4.2 Aim of the project</td>
<td>17</td>
</tr>
<tr>
<td>4.3 Summary of the baseline</td>
<td>17</td>
</tr>
<tr>
<td>4.4 Summary of the private rented sector in the twelve case studies</td>
<td>18</td>
</tr>
<tr>
<td>5 The HMO market</td>
<td>20</td>
</tr>
<tr>
<td>5.1 Definition of an HMO</td>
<td>20</td>
</tr>
<tr>
<td>5.2 About HMOs</td>
<td>21</td>
</tr>
<tr>
<td>5.3 The number of HMOs in England</td>
<td>22</td>
</tr>
<tr>
<td>5.4 Management and conditions of HMOs</td>
<td>24</td>
</tr>
<tr>
<td>5.5 Mandatory licensable HMOs</td>
<td>27</td>
</tr>
<tr>
<td>5.6 Profile of landlords and agents managing mandatory licensable HMOs</td>
<td>31</td>
</tr>
<tr>
<td>6 Implementing mandatory HMO licensing</td>
<td>35</td>
</tr>
<tr>
<td>6.1 Overview</td>
<td>35</td>
</tr>
<tr>
<td>6.2 Number of licensed properties</td>
<td>35</td>
</tr>
<tr>
<td>6.3 The licensing process for each case study</td>
<td>37</td>
</tr>
<tr>
<td>6.4 Licensing process</td>
<td>41</td>
</tr>
<tr>
<td>6.5 Enforcement</td>
<td>59</td>
</tr>
<tr>
<td>6.6 Good practice in licensing</td>
<td>76</td>
</tr>
<tr>
<td>6.7 Supporting LAs</td>
<td>78</td>
</tr>
<tr>
<td>7 Impact of mandatory HMO licensing</td>
<td>79</td>
</tr>
<tr>
<td>7.1 Changes to the HMO market</td>
<td>79</td>
</tr>
<tr>
<td>7.2 Changes in HMOs since the introduction of licensing</td>
<td>86</td>
</tr>
</tbody>
</table>
7.3 The effect of mandatory licensing on the physical condition of HMOs
7.4 The effect of mandatory licensing on the management of licensable HMOs
7.5 The effect of mandatory licensing on affordability
7.6 The effect of mandatory licensing on the LAs relations with landlords
7.7 Liveability

8 Non-mandatory licensable HMOs
8.1 Overview
8.2 Difficulty with the mandatory threshold
8.3 Problem properties
8.4 Migrant worker housing
8.5 Future plans for additional licensing

9 Selective licensing
9.1 Overview
9.2 The purpose of selective licensing, application process and criteria
9.3 Profile of current and possible future areas with selective licensing schemes
9.4 How does selective licensing sit alongside market renewal, regeneration and overall neighbourhood management?
9.5 How is selective licensing working alongside strategies to tackle anti-social behaviour and provide support to vulnerable tenants?
9.6 How is selective licensing working alongside other strategies and overall co-ordination of funding streams?
9.7 How are the selective licensing schemes operating?
9.8 Working with other departments and agencies to implement selective licensing

10 The impact of selective licensing
10.1 Overview
10.2 How should the impact of selective licensing be assessed?
10.3 Housing markets, supply and demand
10.4 Property condition
10.5 Standards of management
10.7 Anti-social behaviour
10.8 Environmental nuisance
10.9 Neighbourhood and community cohesion
11 Conclusions

11.1 HMOs and mandatory licensing
11.2 Selective licensing

12 References

Appendix A – Methodology
Appendix B – Local Authority Questionnaire
Appendix C – Topic Guides
Appendix D – Supplementary Tables
Appendix E – Maps
Appendix F – Terms and conditions of Selective Licensing schemes in the three case study authorities with a current designation
Executive summary

Communities and Local Government commissioned the Building Research Establishment (BRE) to evaluate HMO (houses in multiple occupation) and selective licensing in England. The two-part study began in October 2005 and finished in April 2009. The first phase of the study established a baseline position on HMOs in England before licensing came into force on 6 April 2006. The baseline report was published by Communities and Local Government in August 2007\(^1\). The second phase of the research started at the end of March 2008. The purpose of this phase of the study was to evaluate HMO and selective licensing by surveying local authorities (LAs) and conducting a detailed evaluation in twelve authorities. This report details the quantitative and qualitative findings of the research. The key findings were:

HMOs and mandatory licensing

- There are between 236,000 and 379,000 HMOs in England. HMOs provide accommodation to a range of tenants in the majority of local authorities in England. HMO accommodation is valued by all stakeholders including local authorities (LAs), tenants and landlords. The quality of HMO accommodation varies but often it provides basic and affordable accommodation to various tenants. The survey estimates that there are 56,000 licensable HMOs in England, a quarter of all HMOs. The majority of licensable HMOs are in London and Yorkshire and the Humber.
- The majority of LAs (93%) have received applications for mandatory licences. Three quarters of authorities had received between 1 and 100 applications, 11 authorities had received more than 500 applications. As of June 2008, the survey reported that 22,648 mandatory HMO licence applications had been received and 16,399 licences had been issued.
- Both landlords and LA officers were concerned by the number of landlords that were avoiding licensing. The majority (83%) of LAs reported having less than 100 potential mandatory licensable HMOs where landlords had not applied for a licence; some of these authorities may have significantly fewer. Around a fifth of authorities thought they may have more than 100. The survey estimates that there were 23,000 outstanding licences.
- The average cost of a mandatory HMO licence is £387. At the time of the survey some authorities had not set a fee, therefore fees range from £0 to £1500. Each authority had various fee structures in place; some offered discounts to accredited landlords and members of landlord associations while a few were beginning to include penalty fees as an additional sanction for landlords that had not applied for a licence within a particular time frame.
- Thirty-two per cent of LAs were aware of changes to the HMO market as a result of HMO licensing, including the reduction in occupancy levels to below

the mandatory threshold and conversions of HMO property into self-contained flats. Landlords were also selling property to avoid mandatory licensing. The number of landlords employing these methods and the number of tenants affected by these changes is not available as LAs do not keep these records.

- Over 50 per cent of LAs reported a positive effect of licensing on the physical condition of properties, the quality of management and the quality of accommodation. This indicates that in a short period licensing has brought about improvements. For many authorities, licensing will bring about long-term improvements to these HMOs and changes to the physical condition of these properties will take place over a number of years. This is equally the case for the management of properties, as local authorities follow up licensing with landlord accreditation and training.

- A significant number of mandatory licensable HMOs are in areas with large student populations. All eleven authorities that had received more than 500 applications for mandatory licences have sizeable student populations as they each house at least one higher education institution. As a result, students are benefiting from mandatory licensing. Twenty-nine per cent of LAs considered the unemployed the most likely tenant group of these HMOs followed by full time students (22%). Migrant workers were the most likely tenant group in 28 (13%) LAs.

- Some tenants had experienced significant improvements to the physical condition of their properties as a direct result of licensing, including improved fire safety measures, kitchen and bathroom facilities. Other tenants were not aware of any changes to their property and described problems with damp and a lack of fire safety in their accommodation. Not all mandatory licensable properties needed improvements and a number of tenants were satisfied with the status quo.

- Mandatory licensing targets a quarter of HMOs in England. In some areas non-mandatory HMOs are in the poorest physical condition and are poorly managed. In some authorities this is particularly the case with HMOs that house migrant workers. Landlords operating HMOs in areas with large migrant worker communities provide overcrowded accommodation that is often in a poor condition. Exploitation remains widespread and in some areas discretionary licensing powers are being sought to tackle this particular problem.

- Twenty-four (11%) LAs participating in the survey were considering applying for additional licensing powers for HMOs that fall outside the mandatory definition, but only nine were expecting to apply within a year of the survey. A lack of resources was the greatest barrier to additional licensing.

Selective licensing

- At the time of the research, there were eight existing designations operated by six LAs. An additional 28 LAs who responded to the survey were considering applying for selective licensing; 11 of these expect to apply within a year.
• The main barriers to applying for a designation are: the criteria are too narrow and tightly specified; lack of resources to research and compile the evidence; and uncertainty about whether problems will be deemed to be severe enough.

• The consultation process for selective licensing was extensively criticised by landlords in a number of case study areas. More widely, LAs need to consider how they communicate with all stakeholder groups about the need for licensing and its implementation; in particular, how they can bring different interest groups together.

• The schemes in the three case study authorities with a designation were all operating differently. The approach of issuing a licence without first inspecting the property was criticised by landlords, tenants and residents and makes it more likely that landlords will fail to apply for all, or some of, their properties, as they think they can get away with it.

• In all three case studies with a designation, selective licensing was being implemented as part of a wider package involving regeneration, landlord support and initiatives to deal with anti-social behaviour (ASB) using effective joint working relationships with other departments and agencies. Regular meetings with residents’ associations and having one or two named points of contact for all matters were an important feature in two areas.

• Because of the different approaches, situations and linked initiatives in the three case study areas it is difficult to assess the impact of selective licensing per se and in general. Also, the schemes had been in operation for a year or less at the time of the case study interviews. The biggest impacts of licensing appear to have been on standards of management; in particular by providing referencing or vetting services for tenants and requiring written tenancy agreements in the terms and conditions.

• Poor management still exists in these three areas, although none had applied for any interim management orders largely because of the amount of resources required and risk inherent in the process.

• The impact of selective licensing on ASB is difficult to assess because much of the work is done by other agencies (particularly social services and the police) and one single case can have a profound impact on a small local area. The case study authorities have provided a number of success stories and good practice procedures. They have also highlighted the need to work more closely with social landlords in the licensing and adjacent areas to ensure that the good practice and intensive effort put into dealing with ASB in the private sector is not compromised by ASB caused by social rented tenants.

• One of the key concerns expressed in the baseline was that selective licensing of one area would displace problems to another area. As yet, there is no evidence that this has happened in any of these three areas.

• Although it is difficult to assess the impact of selective licensing in isolation; it does appear to have added three main things in the case study areas:
  – It has helped to safeguard investment in regeneration by dissuading purchase of properties in these ‘cheap’ areas by short term investors with little interest in providing decent homes for people in the local community.
– It has also started to compel landlords who were unwilling to join voluntary accreditation schemes (the majority of landlords in these areas) to improve the standards of management and property conditions.

– The tenancy agreement, combined with referencing, has also provided a way of persuading those causing ASB to mend their ways, otherwise they risk losing their home and any prospect of finding good accommodation in the same area.

• The case studies have highlighted many examples of good practice and failed initiatives which could valuably be shared by those with current designations and also those considering selective licensing schemes. It may be useful to provide a forum where LAs could network and share this.

• The main things preventing licensing playing a bigger role in transforming these areas are the overall level and security of resources. It is not self-financing and expecting it to be so would transform it into an administrative exercise that would have little impact on the communities it was brought in to help.

• There are also major concerns that five years is nowhere near long enough to effect change that would be self-sustaining in the medium to longer term.
1 Introduction

Communities and Local Government have commissioned BRE to evaluate the impact of HMO (houses in multiple occupation) licensing and selective licensing in England. The Housing Act 2004 set out statutory and discretionary licensing powers for HMOs and other private rented properties in areas with low demand and/or suffering from anti-social behaviour. These powers came into force on 6 April 2006.

The evaluation was carried out in two phases, with the first phase starting in October 2005. This established a baseline position on HMOs in England and described areas considering selective licensing by collecting information on the situation before licensing arrangements came into force. The baseline report2 was published in August 2007 and covered the expectations of local authorities, landlords, tenants and long term residents about licensing.

This report examines the impact of licensing two years after it was implemented. It provides details on the number of private rented properties affected by the legislation and, based on detailed case studies with 12 local authorities, has assessed the impact of the legislation on key stakeholders.

---

2 Description of the project

To evaluate the impact of HMO licensing and selective licensing a qualitative and quantitative approach was taken using:

- a web-based questionnaire to all local authorities in England
- detailed case studies in 12 authorities

This largely replicated the methodology used in the baseline. Local authority officers involved with the implementation of licensing were contacted to complete the web-based questionnaire. The purpose of the questionnaire was to establish the number of HMOs in England and the type of tenants residing in this accommodation, and to assess the general impact of licensing on issues ranging from the physical condition of properties to affordability. The questionnaire also asked about discretionary licensing, support services provided by the LA, and the enforcement process. Individuals from LACORS (the Local Authorities Coordinators of Regulatory Services) and the HMO Network provided feedback on an initial version of the questionnaire, and final approval was gained from Communities and Local Government. The survey achieved a good overall response rate for surveys of this type (69%). More details of the survey methodology are in Appendix A. The full questionnaire is reproduced in Appendix B.

The case studies selected during the baseline were approached for the second phase of the study; 11 of the 12 original authorities continued with the study. One authority was replaced by another in the same region to allow for more information on selective licensing to be gathered.

The case studies were split into two main groups – those where the focus would be on HMOs and others that would concentrate on selective licensing. Two of the five local authorities that formed the HMO side of the evaluation were in London; the others were in the south west, south east and the east of England.

Because of the longitudinal nature of the study, circumstances had changed in some LAs and one authority that had not considered selective licensing was in the process of making an application. Other authorities selected because they were considering selective licensing had not submitted an application. Only two of the original six local authorities that were selected for the study because they were considering selective licensing had a designation when phase 2 of the study began. An additional local authority was selected in phase two as it had a designation in place. Therefore, there were three case studies with a selective licensing designation; two were in the early stages of applying for selective licensing and the others were implementing mandatory licensing and had transitional licensing schemes in place, some were also considering additional licensing.
A summary of LAs involved in the case studies can be found in Appendix A.

The twelve detailed case studies involved in-depth group interviews and/or focus groups with various stakeholders in each LA:

- local authority staff directly involved in implementing licensing
- local authority staff and others involved in broader strategic issues related to private sector housing
- landlords and landlord representatives
- tenants and tenant representatives

In the case study authorities focusing on selective licensing, additional interviews were carried out with local authority officers who monitored anti-social behaviour – this ranged from community cohesion officers to neighbourhood wardens. Long term residents in designated areas were also contacted for their perspective on licensing.

All interviews and focus groups were recorded and transcribed. The qualitative data gathered from the case studies was managed within the NVIVO software package and analysis was based on a thematic framework focusing on the key aims of the research and emerging issues revealed through interviews.

Full details about the methodology appear in Appendix A and the topic guides used in the interviews and focus groups are in Appendix C.
3 Reference of terms and acronyms

3.1 Terms

**Tenant** – individuals renting from a private landlord

**Resident** – primarily owner occupiers but may include other individuals that do not rent from a private landlord, for example social renters

**Landlord** – individuals and companies that let property

**Agent** – an individual or company that manages a residential property on behalf of a landlord

**Implementation officer** – local authority staff that have been involved in implementing HMO licensing and/or selective licensing

**Strategic officer** – local authority staff that focus on housing strategy

**Landlord accreditation** – a voluntary scheme set up to improve the management and condition of properties in the private rented sector

**Landlord licensing** – a licence to operate a particular type of property issued by local authorities to landlords that comply with certain terms and conditions

**HMO registration** – before HMO licensing some local authorities ran registration schemes for some types of HMOs

**Passported** – the process of transferring properties from a registration scheme to licensing

**Disclosure Scotland** – a service that provides criminal history information on individuals

3.2 Acronyms

**ALMO** arms-length management organisation

**ASB** anti-social behaviour

**ASBO** anti-social behaviour order

**CAB** citizens advice bureau
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGT</td>
<td>capital gains tax</td>
</tr>
<tr>
<td>CIEH</td>
<td>Chartered Institute of Environmental Health</td>
</tr>
<tr>
<td>CPO</td>
<td>compulsory purchase order</td>
</tr>
<tr>
<td>EDMO</td>
<td>empty dwelling management order</td>
</tr>
<tr>
<td>EHCS</td>
<td>English house condition survey</td>
</tr>
<tr>
<td>EHO</td>
<td>environmental health officer</td>
</tr>
<tr>
<td>EPC</td>
<td>energy performance certificates</td>
</tr>
<tr>
<td>FMO</td>
<td>final management order</td>
</tr>
<tr>
<td>GLA</td>
<td>Gangmasters Licensing Authority</td>
</tr>
<tr>
<td>GOR</td>
<td>Government Office Region</td>
</tr>
<tr>
<td>HHSRS</td>
<td>housing health and safety rating system</td>
</tr>
<tr>
<td>HMO</td>
<td>houses in multiple occupation</td>
</tr>
<tr>
<td>HMR</td>
<td>housing market renewal</td>
</tr>
<tr>
<td>HSE</td>
<td>Health and Safety Executive</td>
</tr>
<tr>
<td>HSSA</td>
<td>housing strategy statistical appendix</td>
</tr>
<tr>
<td>IMO</td>
<td>interim management order</td>
</tr>
<tr>
<td>LA</td>
<td>local authority</td>
</tr>
<tr>
<td>LACORS</td>
<td>Local Authorities Coordinators of Regulatory Services</td>
</tr>
<tr>
<td>LHA</td>
<td>local housing allowance</td>
</tr>
<tr>
<td>MRP</td>
<td>market renewal pathfinder</td>
</tr>
<tr>
<td>NRF</td>
<td>neighbourhood renewal fund</td>
</tr>
<tr>
<td>ODPM</td>
<td>Office of the Deputy Prime Minister</td>
</tr>
<tr>
<td>PACE</td>
<td>police and criminal evidence</td>
</tr>
<tr>
<td>PCSO</td>
<td>police community support officer</td>
</tr>
<tr>
<td>PCT</td>
<td>primary care trust</td>
</tr>
<tr>
<td>PFI</td>
<td>private finance initiative</td>
</tr>
<tr>
<td>RLA</td>
<td>Residential Landlords Association</td>
</tr>
<tr>
<td>ROLHMO</td>
<td>Register of Licensed Houses in Multiple Occupation</td>
</tr>
<tr>
<td>RPT</td>
<td>Residential Property Tribunal</td>
</tr>
<tr>
<td>RRO</td>
<td>rent repayment order</td>
</tr>
<tr>
<td>RSL</td>
<td>registered social landlord</td>
</tr>
<tr>
<td>SIMO</td>
<td>special interim management order</td>
</tr>
<tr>
<td>TEN</td>
<td>temporary exemption notice</td>
</tr>
</tbody>
</table>
4 Background

HMO licensing and selective licensing are means of improving the physical condition and management of various types of properties in the private rented sector. Vulnerable tenants with limited housing options should benefit from this type of intervention as it seeks to improve properties at the bottom end of the sector. Mandatory HMO licensing seeks to ensure that ‘high risk’ HMOs are in a good condition and well managed and additional licensing offers LAs the opportunity to manage other HMOs. While selective licensing promotes good management of the private rented sector in areas suffering from low demand and/or anti-social behaviour. The Housing Act 2004 introduced these measures.

4.1 The Housing Act 2004

Licensing of Houses in Multiple Occupation is described in Part 2 of the Act and selective licensing of other residential accommodation is explained in Part 3. This project evaluates the use of these aspects of the Act since they came into force in April 2006. Although licensing is the focus of this report, a discussion of the housing health and safety rating system (HHSRS) described in Part 1 of the Act and management orders (Part 4) will be referred to in the report.

4.1.1 HMO licensing

Section 254 of the Housing Act 2004 defines a house in multiple occupation. A summary\(^3\) of the types of properties that fit this category follow:

- an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet
- a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities
- a converted house which contains one or more flats which are not wholly self contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households
- a building which is converted entirely into self-contained flats, if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies

Licensable HMOs must also fit the following criteria, as defined in the Statutory Instrument 2006 No. 371\(^4\)

- the HMO or any part of it comprises three storeys or more
- it is occupied by five or more persons and
- it is occupied by persons living in two or more single households

The number of licensable HMOs is a proportion of the total HMOs in England, as the legislation sought to identify high risk HMOs. HMOs that are three or more storeys, with five or more people that comprise of two or more households were targeted because:\(^5\)

- physical conditions in these HMOs are often very poor
- there is a significantly increased risk of dying or being injured in a fire. The fatality rate in HMOs of three or more storeys is around four times higher than that for one or two storey HMOs
- a range of health, safety and general welfare problems for residents can arise where structural conditions are unsuitable for the number of persons accommodated, or where conversion has been poorly undertaken
- there are often substantial problems of management in such HMOs, especially where facilities are shared
- tenants in these HMOs are often vulnerable and may not have access to other housing options

Mandatory licensing is the statutory duty of each local authority. If an LA wishes to license other types of HMO they must apply to central government for additional powers.

### 4.1.1 Selective licensing

The Housing Act 2004 introduced selective licensing. This type of licensing is based on two particular factors; low demand and anti-social behaviour and can apply to any private rented property in an area designated by the local authority. Local authorities apply to the Secretary of State in order to designate an area if one or both of these issues arise. Section 80(3)(a) of the Act states ‘that the area is, or is likely to become, an area of low housing demand’ to qualify for licensing, other conditions include an identified area that ‘is experiencing a significant and persistent problem caused by anti-social behaviour’.\(^6\)

---


\(^6\) Housing Act 2004 Section 80 (6)(a)
4.2 Aim of the project

The project aims to establish how far licensing is working to meet its key objectives. HMO licensing seeks to ensure that HMOs are safe and provide acceptable basic living conditions for the tenants, many of whom are from vulnerable sectors of the community. HMO licensing also aims to improve standards without reducing the supply of available rented accommodation. Selective licensing focuses on the management of private rented properties in areas in low demand and/or with anti-social behaviour. The legislation seeks to improve landlords’ management of these properties and therefore help to regenerate the area and ensure that accommodation is managed effectively.

4.3 Summary of the baseline

The first phase of the evaluation reported the expected impact of HMO licensing and selective licensing from the perspective of key stakeholders. The report examined how LAs were preparing for licensing and looked at licensing from the perspective of local authorities, landlords, tenants and long term residents in areas earmarked for selective licensing. Other interest groups such as tenant representatives, the Citizens Advice Bureau and landlord associations were involved in describing the private rented sector affected by HMO and selective licensing. The baseline report may be referred to in this report and can be found at the Communities and Local Government website. The following are some of the key findings from the baseline:

- the ‘buy to let’ initiative had increased the number of unprofessional landlords
- there were large numbers of migrants workers from A8 countries accommodated in the private rented sector (PRS)
- there were around 700,000 HMOs in England with an estimated 200,000 – 300,000 expected to fall within the mandatory licensing definition
- the tenants likely to occupy private rented HMOs are unemployed people and full time students
- almost a quarter of authorities had controlled registration schemes
- about a third of local authorities reported significant problems with property condition and the quality of management in HMOs
- the mandatory licensing criteria was considered restrictive in areas where other HMOs were considered problematic – one in six authorities were considering applying for additional licensing

8 Czech Republic, Estonia, Latvia, Lithuania, Slovenia, Slovakia, Poland, and Hungary are the 8 accession countries (A8) which joined the EU on 1st May 2004.
• twelve per cent of LAs were considering applying for selective licensing
• selective licensing was viewed as one of a number of initiatives to improve standards
• licensing and additional powers under the 2004 Housing Act were generally welcomed by local authorities, tenants and residents
• landlords generally viewed licensing as ‘over-regulation’ and many expressed doubts about the local authority’s ability to track down and enforce on the ‘bad’ landlords
• tenants raised issues around affordability and supply and were concerned that these would be made worse due to licensing

4.4 Summary of the private rented sector in the twelve case studies

The Rugg review\(^9\) provides a comprehensive analysis of the modern private rented sector. This study, however, looks closely at the HMO market which has a defined role within this sector and the privately rented properties affected by selective licensing. Interviews with the case studies reveal that LAs vary in their understanding of the dynamics of the local housing market and the role of the private rented sector in these markets. Consequently, there are distinct differences in how they see private sector initiatives (including licensing) linking into their broader strategic roles. For some case studies, raising standards in the sector is a must for regeneration strategies. For other LAs, the private rented market has been left to its own devices. The following provides a summary of the issues raised by the case studies:

• the case studies underline the growing diversity and complexity of the private rented sector generally as ‘new’ tenants and landlords enter it. There has been an expansion at the ‘top’ end of the market to meet the needs of young professionals. Here, standards tend to be good, often managed by larger portfolio landlords
• all case studies have seen a rise in the number of properties made available via ‘buy to let’ underlining the dominance of the small portfolio landlord within the market
• landlords who have inherited a property, rented out a property they formerly lived in, or were investing in the buy to let market, were generally considered inexperienced landlords, lacking the knowledge and skills for property and tenancy management. These form part of the large ‘middle’ private rented sector the case studies generally refer to, where standards are not very poor but not generally good either
• large portfolio landlords were considered more knowledgeable and more experienced landlords, treating the profession as a business

• for case studies affected by a growing number of absentee landlords through speculative purchasing, there were concerns over lack of landlord experience, and the difficulty in trying to establish communication and engagement

• in many areas, the poorest housing stock, normally pre 1919 Victorian terraced houses, often has a concentration of private rented stock occupied by the poorest households. Here, conditions and management standards are also poorer

• case studies with high numbers of migrant workers in the PRS experience different issues from the wider PRS. These LAs have seen concentrations of migrant workers in overcrowded and inappropriate housing, such as outbuildings, which they have to deal with alongside ongoing problems of disrepair and poor tenancy management. The significant level of transience among landlords and tenants makes raising standards especially problematic

• views on the management standards of lettings agents vary, with one LA suggesting regulation of the profession and others citing agency standards to be better than those of the individual landlord

Fieldwork for this report took place during a period of uncertainty in the housing market. This may be reflected in the views and opinions of participants. During the fieldwork, issues were raised around the reduction in property prices, banks withdrawing buy to let mortgages and the repossession of buy to let properties. Economic migrants’ leaving the UK, and therefore a drop in demand for private rented dwellings in some areas was also mentioned by various stakeholders. There was also concern about the empty new build properties available and the potential increase in the private rented market if they could be rented out or the increase in long term empty properties if they could not. All these issues surround the evaluation of licensing in varying degrees depending on the case study area.
5 The HMO market

5.1 Definition of an HMO

The chapter on the background to licensing (section 4) provides details of what an HMO is and the definition of a mandatory licensable HMO. However, it is important to explain that the term HMO has caused widespread confusion for landlords and for some tenants. A number of LAs would have preferred a simple definition of an HMO as they pointed to the general confusion among landlords. LAs were confronted by landlords that associated the term HMO with mandatory licensing. If their property did not require a licence then it was difficult to convince them that it was an HMO and therefore had to comply with the corresponding standards. One LA described the problem:

... and just trying to explain to people what an HMO is, all the various different tests, is a nightmare and we've never quite been able to understand why they took out the original bill definition which was two sentences and replaced it with four pages and various tests, and it does, I mean that makes it very difficult for landlords as well. (Implementation officer, CS8)

The Residential Landlords Association (RLA) punctuate the point by describing the complexities associated with the HMO term. It would seem that not only do landlords fail to understand the general definition of an HMO but that they do not associate themselves with HMOs, possible seeing this as a negative association:

Even members come to meetings, we’ve been button holed by them and they said what exactly is an HMO and they’ll say, but I don’t have any HMOs, what exactly is one, because actually they’ve got an HMO, they didn’t realise they had one and quite often people are in denial in this, because I don’t know what vision they’ve got in their minds, what an HMO consists of, but it’s probably more to do with the owner of the HMO and they don’t identify with that and they say, well, I’m just a private person, I just rent a house out to some people, but they haven’t realised they’ve created an HMO. (RLA committee member)

Communities and Local Government and individual LAs have used their websites\(^\text{10}\) and other sources to disseminate information on the definition of an HMO. However, the message from various stakeholders is that there continues to be a lack of understanding about the term. Some positive publicity around the subject of HMOs and plain English approach to the definition may reduce the level of confusion about the term and may highlight this term for tenants who generally had little awareness about the subject.

\(^{10}\) http://www.communities.gov.uk/housing/rentingandletting/privaterenting/housesmultiple/
5.2 About HMOs

HMOs have for many years provided cheap accommodation at the lower end of the private rented sector, although they are not exclusively part of this market. Generally, this type of accommodation suffers from a reputation for providing poor housing standards, including problems with ‘poor fire standards, overcrowding, inadequate facilities and poor or unscrupulous management.”

The baseline study highlighted problems with the standard of HMO accommodation in some of the case studies, this included areas with problematic two storey HMOs housing migrant workers in overcrowded conditions. In other areas poorly converted properties offered bedsit accommodation to vulnerable tenants with drug and/or alcohol dependency. Heating, insulation and a general poor standard of amenities was raised by local authorities and tenants involved in the baseline study. There was also awareness that poor management of these properties led to tenants complaining about not getting repairs done and local authorities concern about the lack of professionalism in the sector and the potential harm to tenants from poor management practices.

Although some of the worst types of properties can be found in this sector, it is clear from all stakeholders that HMOs provide a valuable resource in the housing market. On the whole, HMOs provide affordable housing for tenants, one tenant said: “I am delighted to pay £400 per month and virtually no electricity, so I mean in terms of London that’s fantastic really” (CS4). Most local authorities understood the need for this type of accommodation. A London borough commented: “We do see HMOs as performing a particular role. They have a place in the market and it sort of seems odd that you would say that you want to keep single room shared accommodation, you know, with sort of shared facilities, but there is a need for that” (Strategic officer, CS4).

Another London borough noted the changes that were taking place in the HMO market, pointing to the reduction in bedsit accommodation housing single employed men on a temporary basis to those HMOs that were increasingly higher end and attractive to a wide range of people:

… for those old style HMOs, if you like, this legislation was born, wasn’t it, from the predominance of that sort of old style HMO, that they’re disappearing, you know and they’re being replaced by a different type of HMO, where the standards are higher, so licensing is really benefiting and reducing, certainly in …, a reducing stock, if you like and for the stock outside of that small group, the market is driving increasing standards. (Strategic officer, CS1)

Landlords equally value HMOs, the Residential Landlords Association consider HMOs an “essential part of the housing mix and it’s certainly,
from the point of view of instant access, it’s the only instant access generally that’s available in the market”. Many point to the range of HMOs and are clear about which sectors of the HMO market they belong to and which they avoid. Some landlords that participated in focus groups as part of this study declared themselves as student landlords, others focused on young professionals and some accommodated people in receipt of housing benefit. The variety of stock number in each area, types of property and the profile of tenants and landlords involved in the HMO sector is apparent from interviews and focus groups with LA officers, landlords, and tenants; however, the following provides an overview of HMOs in England.

5.3 The number of HMOs in England

HMOs form part of the housing stock in the majority of local authorities across England; large numbers of HMOs are located in urban centres and in university towns where certain types of tenants share accommodation because it is more affordable. The survey of local authorities carried out in June 2008 estimates that there are around 236,000 HMOs, the English house condition survey (EHCS) 2006 reports around 238,000 while the housing strategy statistical appendix (HSSA) 2007\(^\text{12}\) states that there may be as many as 379,000.

Figure 1 clearly shows the geographic spread of HMOs. As expected, London houses the greatest number, an estimate of 50,270. Other regions, including the South East, with an estimated 41,702 and the South West with 29,088 also house a large number of this type of accommodation. When the survey estimates are compared with data collected by Communities and Local Government in 2007, BRE’s estimates are significantly lower, notably in London, the South East, South West and the North West.

In the sample of authorities responding to the survey, the number of HMOs ranged from 6 to 4,355. The mean was 667 (n=243). Map 1 in Appendix E highlights each local authority responding to the survey and the number of HMOs within that area. LAs submitting returns to the HSSA report that the number of HMOs range from 0 to 15,000. The difference between the local authority survey and the HSSA may be due to the fact the HSSA guidance stated that the return could be completed using the Housing Act 2004 or 1985 definition of an HMO. The previous study highlighted that the number of HMOs in England was reported to be much greater when a definition other than that specified in the Housing Act 2004 was used.

The type of properties included in the EHCS estimates of the number of HMOs includes 67,000 buildings containing self contained flats converted before 1990. 171,000 bedsits or shared houses with two or more households and three or more people. Of these 171,000, the majority (109,000) are occupied by 3 or 4 people and over half (98,000) are 1 or 2 storeys. 125,000 are shared houses and 46,000 are properties separated into bedsits.

While the EHCS can provide a breakdown of the type of HMOs and how they are occupied, this information is generally unknown at the local authority level. Local authorities involved in the case studies discussed the difficulty of knowing the number of HMOs in their area. Most local authority officers provided estimates based on their experience or on house condition surveys that had sampled a small proportion of HMOs. One officer stated “in total, well, taking into consideration additional and self contained flats, it's really hard for me to give a figure, but I can only say over 1,500” (Implementation officer, CS4), their HSSA return suggests that there are over 2,000 HMOs in the borough.

One of the case studies had conducted a house conditions survey in 2006 and this estimated that there were 3,500 HMOs in the area; however, council officers thought that this estimate was conservative. Officers considered some parts of the HMO market to involve “areas that are quite hidden,” and thought that as a service they were “dealing with a lot more HMOs than before, a greater range of HMOs” (Implementation officer, CS11).

In one sense, HMOs can be considered hidden because they are difficult to identify from external surveys. They are easily formed by three or more unrelated people renting a property. Locating these types of properties that could be an HMO for six months and then let to a single household for another six months means that determining how many there are in any one area at a given time is problematic. They may also fall into the hidden...
sector of the market because of the way they are managed. Some are let informally without tenancy agreements, often by unprofessional landlords that avoid the LA and provide cheap and substandard accommodation. The existence of these types of Lets is difficult to quantify as tenants that are often associated with this type of accommodation have limited housing options and are therefore unlikely to complain about poor conditions.

5.4 Management and conditions of HMOs

The survey of local authorities asked respondents to consider HMOs as a whole, including better and poorer quality properties and indicate their level of agreement about statements relating to; the quality, management, affordability, supply and demand of HMO accommodation. Table 1 shows that LAs had mixed views on the general profile of HMOs, which may be due to the variety of HMO stock across England. Over 40 per cent of LAs highlighted the poor quality of this type of accommodation, while LAs were divided on whether HMO accommodation was well managed, with the largest single group (38%) neither agreeing nor disagreeing. Forty-six per cent thought that this type of accommodation was affordable and over 50 per cent recognised the high demand for this type of accommodation in their LA, with 40 per cent stating that the supply of HMO accommodation was difficult for some tenant groups. When asked about the behaviour of tenants, over 50 per cent neither agreed nor disagreed that the ‘behaviour of tenants is generally good’. It is noticeable that few LAs (14%) pointed to problematic tenant behaviour in this type of accommodation.

<table>
<thead>
<tr>
<th>LA Attitude to HMOs</th>
<th>1 = strongly agree – 5 = strongly disagree</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>The quality of HMO accommodation is a major problem</td>
<td>12  31  27  21  9</td>
<td>240</td>
</tr>
<tr>
<td>(this includes both physical condition and health and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>safety issues)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HMO properties are generally well managed</td>
<td>3   28  38  26  5</td>
<td>240</td>
</tr>
<tr>
<td>Behaviour of tenants is generally good</td>
<td>3   30  53  13  1</td>
<td>240</td>
</tr>
<tr>
<td>HMO accommodation is generally not affordable</td>
<td>1   14  38  37  10</td>
<td>243</td>
</tr>
<tr>
<td>There is a good supply of HMO accommodation for all</td>
<td>4   22  35  28  10</td>
<td>243</td>
</tr>
<tr>
<td>groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is a high demand for HMO accommodation</td>
<td>16  36  30  11  5</td>
<td>243</td>
</tr>
</tbody>
</table>

Local authorities involved in the case studies also described a diverse HMO market. In terms of housing quality, one LA highlighted the variability in conditions, noting that some of the older housing stock was in poor condition generally and was being converted to maximise rental income without considering building regulations and health and safety. While
other properties in the same area provided good quality accommodation: “I mean we’ve had some incredibly poor and incredibly dangerous properties, but on the other end of the spectrum, we’ve got some incredibly good properties” (Housing strategy staff, CS7).

Another case study was concerned about the level of overcrowding and poor standards in some HMOs. An officer lists the problems in some HMOs in this area: “dangerous electrics, dangerous gas installation, you get things like interior doors, internal doors removed, you know, throughout the property, basically your staircase becomes a flue, so anything that starts down on the ground floor, it’s just going to be straight upstairs and into the attic” (Implementation officer, CS9).

Generally, tenants expected basic accommodation and complained only if their property had serious health and safety issues: “It’s not really modern. You know, it hasn’t really probably been done up properly any time soon but it’s nice and it’s clean but it’s not got any like flash bathroom or any flash kitchen. It’s quite simple but all the rooms like I said are a decent size” (Tenant, CS11).

Most of the case studies were cautious about generalising about management in the HMO market. Mainly they would focus on particular types of poor management and landlord practice. However, one London authority was clear that poor management is a concern for properties across the private rented sector and sought more responsible landlords in the sector:

The Government does say a lot that the majority of landlords are good and we want to deal with the rogue landlords, but I don’t think that’s necessarily always our experience. We think a lack of knowledge about how to run a property and the profit motive means, I think, about 50 per cent of the property is poorly managed in some way, shape or form, the private rented sector, so we think it’s a bit higher than the Government seems to be suggesting. There’s a small pocket of very bad landlords, but there’s quite a large pocket of medium, not particularly good or just don’t really understand what they should be doing, the properties aren’t necessarily falling down, like our bad landlords. (Implementation officer, CS1)

Issues around affordability were raised in different ways by tenants depending on their economic status. Students were concerned about basic accommodation and reasonable rent, while young professionals and employed people looked for good quality well managed property that was affordable. An HMO tenant in a London borough summarised the position of young professionals:

I think it’s a mixture of both really, I mean condition is for me its very important and, you know, its kind of like the atmosphere of the place and how it looks and but on cost wise if you live with say five or more people, kind of economies of scale sort of thing comes in, for where I
live, kind of cost versus condition is just about right I think, especially for five people. (Tenant, CS1)

Sharing provides cheaper accommodation, however, in some areas with migrant worker communities this has led to overcrowding. Landlords in one area were aware of groups of migrant workers looking to share bedrooms: “I’m sure we’ve had a phone call “there are 6 of us, we all want to be in one room”, you know, “there’s 4 of us we want to pay as little as possible”, and there is a massive market of those” (HMO landlord CS6). Affordability for tenants in receipt of housing benefit was discussed in a number of case studies, in one area tenants mentioned paying ‘top-up’ payments to supplement the housing benefit payments. Many could not afford this additional cost. A local authority officer in another case study area was aware that non payment of ‘top-ups’ was often a reason for eviction in some HMOs.

In areas with large migrant worker communities there is generally a high demand for HMO properties. Although some areas have seen reductions in the number of migrant workers, others have seen a marked increase. In one case study area the baseline reported a large and seemingly growing number of migrant workers that had led to an increase in HMO accommodation that was often overcrowded and in poor condition. Property in this area was generally bought by speculative landlords. The situation is changing in this area as one local authority officer states:

The problems are less, so I guess there is a decrease. I think where we’re noting the decrease is in the massive upturn in private rented properties that are available on the market every week. It’s gone from nothing to just a mass of, we run a local lettings list every week and it’s gone from nothing to an enormous amount in a very short scale of time. There aren’t the people sticking in the houses, the people who do remain know they can strike a better bargain. They actually would like their own front door, not to go in and have to share with god knows who. So the market has morphed very much in that manner. (Implementation officer, CS7)

In areas with large student populations, landlords reported reduced demand for HMO properties mainly due to the increase in purpose built student accommodation. In 2005 there were over 91,000 purpose-built private sector bed spaces available for students in the UK; by 2007 this had increased to over 120,000. 13 Although this type of accommodation makes up a small proportion of accommodation for students, the impact of this type of accommodation may have affected some areas more than others. An officer in one authority with a large student population noted: “There’s purpose built blocks gone up all over …, so it’s actually sort of changing the market here and expectations. The market is just changing, it’s just completely changing throughout” (Implementation officer, CS9).

In most case studies there was an apparent demand for HMO property, some landlords had waiting lists for their property. Tenants in some areas felt that they had a choice because there was sufficient supply. An HMO tenant in the south east said: “There were a lot out there but like I said before this was the first one that we saw that was probably appropriate and what we needed whereas the others were a bit, some of them were tiny and the condition wasn’t acceptable.” (CS11) Tenants in a London borough raised concerns about the limited number of HMO stock available to them for a reasonable rent.

5.5 Mandatory licensable HMOs

This section looks specifically at mandatory licensable HMOs, considering the number of licensable properties, the profile of tenants in this accommodation and the profile of landlords operating these types of HMOs.

5.5.1 Number of licensable HMOs

The survey of LAs carried out in 2008 found that survey respondents had around 38,000 licensable HMOs and the estimated number of licensable HMOs for all authorities in England was around 56,000. Communities and Local Government surveyed LAs in 2006 and estimate that there are around 42,000 licensable HMOs in England. Table 2 shows that London and Yorkshire and the Humber have the most mandatory licensable HMOs.

<table>
<thead>
<tr>
<th>The number of licensable HMOs by region (Estimated)</th>
<th>Survey respondents (Sample)</th>
<th>All LAs in England (Population)</th>
<th>Communities and Local Government estimate Survey of LAs 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total N</td>
<td>Total N</td>
<td>Total N</td>
</tr>
<tr>
<td>East</td>
<td>1,644 35</td>
<td>2,255 48</td>
<td>1,891</td>
</tr>
<tr>
<td>East Midlands</td>
<td>3,605 24</td>
<td>6,008 40</td>
<td>6,230</td>
</tr>
<tr>
<td>London</td>
<td>8,613 21</td>
<td>13,535 33</td>
<td>8,713</td>
</tr>
<tr>
<td>North East</td>
<td>2,212 17</td>
<td>2,993 23</td>
<td>1,789</td>
</tr>
<tr>
<td>North West</td>
<td>3,965 31</td>
<td>5,500 43</td>
<td>3,849</td>
</tr>
<tr>
<td>South East</td>
<td>5,489 50</td>
<td>7,355 67</td>
<td>4,495</td>
</tr>
<tr>
<td>South West</td>
<td>5,755 32</td>
<td>8,093 45</td>
<td>4,349</td>
</tr>
<tr>
<td>West Midlands</td>
<td>1,129 21</td>
<td>1,828 34</td>
<td>1,456</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>5,884 10</td>
<td>12,356 21</td>
<td>9,174</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38,296 241</strong></td>
<td><strong>56,252 354</strong></td>
<td><strong>41,946</strong></td>
</tr>
</tbody>
</table>
Although the case study authorities had carried out various pre-licensing assessments of their HMO stock to determine the number likely to warrant licensing, it was clear that previous estimates in some cases had not proved accurate. A number of case studies noted that there was a reduction in the number of properties that they had expected to license and those that met the threshold and needed a licence. One London borough estimated that there would be around 1,000 licensable HMOs in the borough; this figure was based on a House Conditions Survey conducted in 2004. The local authority now estimates that the number of licensable HMOs is closer to 300. Officers charged with implementing licensing said:

*I think a lot of authorities have found that they haven’t got as many as they thought. So that’s quite disappointing to us, really, because we thought, you know, we’ll get more properties on board, it’ll be more meaningful to have a greater group of properties subject to licensing and landlords won’t be able to object too much if everybody’s involved.*

(Implementation officer, CS1)

Landlords were aware of an authority that had claimed to have 8,000 licensable HMOs but had reduced their estimate to around 3,000.Generally, landlords raised concerns that only a small proportion of landlords were affected by licensing. They were concerned that mandatory licensing did not target poor performing landlords. Determining the number of mandatory licensable properties has proved difficult for some authorities who have relied on databases formed many years before licensing and which are out of date.

### 5.5.2 Type of tenants in mandatory licensable HMOs

Students and the unemployed were the main tenant groups expected to benefit from the improvements brought about by mandatory HMO licensing. Table 3 shows the results from the LAs survey in 2008. There were 29 per cent of LAs that considered the unemployed to be the most likely occupants of licensable HMOs, followed by full time students (22%). It is interesting that there were 28 LAs (13%) ranking migrant workers as the most likely to accommodate licensable HMOs. The baseline reported that only a small number of LAs were aware of this tenant type occupying licensable HMOs. Some of the case studies reported in the baseline that this tenant type was more likely to access two storey HMOs rather than the three storey properties because of the housing stock in the area. The survey shows that while traditional tenant types, such as the unemployed and full time students, are accessing this type of accommodation, other types of tenants, including migrant workers and young professionals, may also be competing for licensable HMO accommodation.
Table 3: Most likely tenant type in mandatory licensable HMOs

<table>
<thead>
<tr>
<th>Tenant type</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployed</td>
<td>63</td>
<td>29</td>
</tr>
<tr>
<td>Full time students</td>
<td>49</td>
<td>22</td>
</tr>
<tr>
<td>Employed (other)</td>
<td>41</td>
<td>19</td>
</tr>
<tr>
<td>Young professionals</td>
<td>36</td>
<td>16</td>
</tr>
<tr>
<td>Migrant workers</td>
<td>28</td>
<td>13</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Statutory homeless</td>
<td>1</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Refugees/asylum seekers</td>
<td>1</td>
<td>&lt;1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>221</td>
<td>100</td>
</tr>
</tbody>
</table>

In London, a number of regulated tenants attended focus groups as tenants of mandatory licensed properties. In this area, tenants also included students, young professionals and other working people. A tenant in one London borough (CS4) had lived at their current address for between eighteen months and ten years, a number lived in bedsit accommodation and one lived in a flat share with four others. LA officers in this area were aware that a number of migrants lived in licensable HMO property and were concerned about the condition of this property, “The vast majority of tenants I see would be from ethnic minorities, east Europeans, Middle Eastern, Pakistani, Bangladeshi, Somali … migrants and generally the housing conditions for those people is worse than any other type of house, any other type of accommodation”. (Implementation officer, CS4) Officers in an inner London borough noted the diversity of their tenants:

I think again a whole mixture, I would say probably a lot of young mobile people, obviously working perhaps in the area or locally within London. I think X is quite an attractive place to live, despite there being issues with private sector housing there and I think there is a premium for living here, well, certain places within … places like that that have this certain effect, but then you equally come across, you know, people from every walk of life, sort of like renting. (Implementation officer, CS1)

In this borough the variety of tenants mirrors the variety of mandatory licensable HMO properties in the area. Tenants described living in converted properties that were made up of bedsits, self contained flats and studios; they lived in properties above shops, or converted properties that had as many as five storeys. In some cases, tenants were not aware of the exact number of tenants occupying the building, with two tenants sharing facilities with 11 and 12 others. One tenant lived in a spacious five bedroom flat share “all big double bedrooms, really nice flat, nice landlord,” while another lived in a townhouse.
The case study in the east of England highlighted the mix of tenants accessing HMOs:

"We don’t have a university, you get anything from, you know, people from, we’ve got a lot of projects going on, so we’ve got a lot of people out of town working on the new hospital, on new roads and so you get people on 60, 70, 80 grand a year who just want somewhere to stay during the week, so you get, you know, people from that walk of life and then you get people who will approach you, you know who are basically looking for their first place away from the their parents and then obviously you’ve got migrant workers and you’ve got a small student base of people, so I think we get a bit of everything, to be honest, I don’t think there so much one huge main type of tenant that you get in HMO properties." (HMO landlord, CS6)

Tenants that participated in the focus group in this area included employed and unemployed people. The employed tenants tended to live in new build properties with good facilities and extras such as broadband connection built into their contract. The unemployed described more traditional HMOs, older buildings, in poorer condition with basic facilities. In other areas there was less diversity in the make-up of tenants in mandatory licensable HMOs. Students were the dominant tenant type in three other case study areas. In one authority in the south east, students that attended the focus group mainly lived in terrace houses. They were aware that many of their properties had been extended. Space was an issue for some of these students, and a number of participants at the focus group had opted to pay slightly higher rent for a six bedroom property although only five people would occupy the space, as they felt that generally one of the rooms in the property did not provide enough space.

LA officers in the North West and Yorkshire and the Humber were fully aware of the student population in mandatory licensable HMOs. One officer noted: “We do have some old fashioned ones where you’ve got rooms being let to individuals off the street and there’s even a few bedsits where you’ve got cookers in each bedroom, but the vast majority are shared student houses” (Implementation officer, CS9). In these areas the traditional bedsit property provide accommodation to some of the vulnerable sectors of society such as: “… migrant workers, illegals, all the other sort of stratas, you know, and in many ways it’s a lot of vulnerable people who don’t want to be registered as … as living at a property or, you know, want to stay below the radar” (Implementation officer, CS8).

In one local authority, a focus group was held with tenants that had history of drug and alcohol misuse. This group had been identified during the baseline study as inhabiting some of the HMOs in the poorest condition in this area. On the whole, the tenants that participated in the focus group lived in basic HMO accommodation, sharing facilities with up to twenty others, in one case a participant was “sofa surfing” in a property with six bedsits. A participant described his housing biography
stating: “I have been at the … which is like all flat and bed sits like all in one house about 20 rooms like a few bathrooms and toilets shared. It has been atrocious, I have been in and out of bed and breakfast and flat lets, and bed sits for about 23 years now” (HMO tenant, CS3)

5.6 Profile of landlords and agents managing mandatory licensable HMOs

Discussions with the LA, landlords and tenants provided a profile of landlords involved in mandatory licensable HMOs in the twelve case study areas. Landlords included; agents, portfolio landlords, absentee landlords, speculative purchasers, gangmasters, corporate landlords, small scale landlords, professional landlords, buy to let landlords and student landlords. These typologies were sometimes extended to include descriptions of ‘cooperative’ and ‘responsible’ landlords and at times ‘troublesome’, ‘naïve’, ‘bad’ and ‘problem’ landlords.

One London borough described the mix of landlords that they have experience of through licensing:

* A complete mixture, really, we’ve got a mixture of the large portfolio landlords, the troublesome landlords that provide problems and then you’ve got a lot of small scale landlords and those that are very co-operative and do the work. (Implementation officer, CS1)

Letting and managing agents were singled out by LAs and tenants as providing both a good and a poor service when they dealt with mandatory licensable HMOs. Some of the LAs and tenants complained about the way that agents managed HMO properties:

* We rent it through a small landlord, it’s a sort of small letting agency, they’re relatively useless but I phone up quite often and just kind of shout at the manager and things get done” (HMO tenant, CS1).

A LA noted that poor landlords often gravitated to poor letting agents that were unable to improve the management of the HMOs:

* Problematic landlords have then decided to use an agent, the agents, they’ve got specific contracts and they’re perhaps not that keen on taking on certain aspects of the management and then they tend to be the problem areas. When licensing came in, certain agents sprung up and said we’ll take over the management of the property, but when you actually say are you taking responsibility for the property? No, they’re getting paid to have a contract to basically just put tenants into the property, but not do any day to day management and there are certain agents, its not all agents, there are some good agents out there, definitely, but there are certain groups of agents that tend to just exploit the market perhaps a little bit, exploit those landlords who don’t know anything about management in the first place. (Implementation officer, CS11)
One inner London borough was keen to see some regulation of letting agents; they use the private rented sector to provide housing for those in immediate need and pointed out that there were letting agents that they could not work with because of their poor practices:

*There’s quite a few sort of small agents who, you know, we won’t do business with, we’re very watchful of, because and I think that’s the one area, I hate to think of more regulation in the private sector, but that is the one area that I would love to see something.* (Strategic officer, CS1)

Officers in one London borough (CS4) were aware that landlords that lived abroad used agents; they were satisfied that agents on the whole provided a good service.

In one area in the East Midlands (CS7) where there is a large migrant worker community, there seems to be a trend where people from this community act as agents for landlords, sometimes this is on an official basis, as letting agents, other times a tenant may act as an agent for the landlord, by taking full responsibility for the rent on an assured shorthold tenancy and then renting out bed spaces as they see fit. The officer described both practices as “a kind of slightly grey market” as these ‘agents’ were reluctant to engage with the LA and avoided any intervention by the council:

*A lot of the absentee landlords are in total denial and they’ll often get the properties to be managed by people in the migrant worker community and sometimes it’s virtually impossible to establish any contact with anybody about the properties at all.* (Implementation officer, CS7)

In this authority, because of the number of migrant workers renting privately, there had been problems with gangmasters housing workers in substandard accommodation. The LA saw the work of the Gangmasters Licensing Authority (GLA) as having a direct impact on improving this type of housing. The GLA’s licensing standards clearly state that gangmasters must comply with Housing law. Its guidance on housing states “there should be no evidence of poor or overcrowded conditions or failure to conform to local housing regulations on Housing of Multiple Occupation”\(^\text{14}\). However, officers were aware that gangmasters were not officially housing their own workers but were still involved in their accommodation. “It’s just one step removed now, you get your friend to buy a house. I mean the gangmaster I deal with, his girlfriend has properties, he has properties. He houses her workers, she houses his workers” (Implementation officer, CS7).

Absentee landlords that do not have a good management system in place can cause significant problems for tenants and the LA. A tenant with an

\(^{14}\) Gangmasters Licensing Authority (2006) Licensing standards: Agriculture, horticulture, Shellfish gathering and processing and packaging for Food, Fish and Shellfish
absentee landlord described the difficulty contacting the landlord: “He does things as a last resort, I think he lives out of London so, you know, if we want to get through to him through a phone it’s difficult, because he never answers, it’s always an answer machine. And you know he’s quite reluctant to take care of things” (HMO tenant, CS4). Students in one of the case study areas were in a situation where their landlord was away and had not put any system in place for managing the property, therefore when a problem occurred the tenants moved out temporarily:

Chap was away in India for a good month when the central heating broke down at the beginning of the time and they didn’t have a phone number for him because they went directly through to that landlord, not to a letting agent, they couldn’t get through to him at all for a whole month. (HMO tenant, CS11)

Corporate landlords were mentioned in most case studies. In some, it was noted that large organisations owned the mandatory licensable HMOs and managed them well: “I suppose the two that we’ve got, they’re reputable organisations that are running them and they run them to a high level and if you’ve seen the processes in place, then you haven’t got a problem” (Implementation officer, CS5). While for another authority there was concern about overseas companies owning poorly managed properties and completely avoiding regulation.

In this case, the LA needed legislation that would prevent companies from exploiting vulnerable tenants and defying the law. In London, a regulated tenant housed in a licensable HMO had been issued with an eviction notice by a corporate landlord. He suspected that the new landlord aimed to refurbish the bedsit accommodation and consequently charge increased rent. Generally, corporate landlords were described as companies and organisations that ran professional businesses and were in sharp contrast to the small scale landlord that operated in the sector.

The small scale landlords that participated in focus groups often owned one to three mandatory licensable HMOs; some also owned other types of rented properties. Some lived in the property, or had done in the past. In one inner London borough a landlord had owned, lived in and managed the property for over 50 years. Many of the small scale landlords had a personal connection to the property and managed the properties with a lot of respect for their tenants, aiming to create a well managed but a ‘homely’ atmosphere. Small scale, but long-term landlords are perhaps different to other small scale buy to let landlords that pervade the private rented sector, including the HMO market. A couple attending a focus group in London had recently bought a property that they let to five young professionals, a five bedroom flat above a retailer, they were unaware of the legislation before their purchase and seem to typify the experience of a number of buy to letters:
The sort of influx of buy to let, we’ve seen over the last few years the number of small landlords, so landlords that have 1–3 properties has increased hugely and they’re not your professional landlords, they’re not bad landlords, they just don’t know what to do and you know, the mass of regulations that we have, they simply don’t know the way through it. (Strategic officer, CS1)

Discussions with the LA in some case studies revealed that some of the small scale landlords, presumed to be part of the buy to let group, had actually bought the property on an owner occupier mortgage. When the LA sought details about the landlord from land registry records, in these cases, it shows that the owner is living at the property. This can cause serious problems for LAs trying to track down the landlords of mandatory licensable HMOs.

In the student sector there were a number of landlords with large portfolios. Many professional landlords had been involved in the sector for between 10 and 30 years. Their portfolios tended to include student and professional lets, some had over 100 properties. LAs with landlords that had large portfolios had good levels of co-operation from them and tended to engage with them through the licensing process.

There are clearly a range of landlords involved in mandatory licensable HMOs. As each LA progresses with licensing they will undoubtedly uncover the bad and the good. An officer working in a large urban centre with a number of different types of landlords, however, did not accept that there was a clear difference between good and bad landlords:

I mean the point that we’ve tried to make to landlords and I think to Communities and Local Government in terms of licensing, I mean I’ve been working with private landlords for five years now and there’s no such, its not a very clear distinction between good landlords and bad landlords, actually what we have is an awful lot of good landlords who do know what they’re doing, who don’t cause any problems because all of the people that rent privately can’t be wrong and, you know, they don’t come across our radar because they don’t want our help. They know what they’re doing and it’s all working out quite well, or they do engage with us. And then there are a small minority of very bad ones that, you know, the Tenancy Relations Officers deal with, where we tend to have a whole range of problems in their particular properties and they don’t do anything where there are issues. (Implementation officer, CS8)
6 Implementing mandatory HMO licensing

6.1 Overview

The evaluation of HMO licensing is based mainly on the information collected from each case study, with some contribution from the survey findings. The case study summaries show that each of the twelve authorities has had a different experience of licensing. Some authorities, with registration schemes prior to April 2006, were more informed about the HMOs in their area compared to other LAs. Authorities with few HMOs have had to collect new intelligence on the stock in their area. Each case study authority is effectively at different stages in the implementation of licensing; for those with few mandatory licensable HMOs they have completed their statutory duty and will continue to engage with their HMO landlords, for other case studies they are continuing to process applications, issue licenses, inspect properties and carry out enforcement work.

6.2 Number of licensed properties

The survey of LAs found that 20 councils in the East, East Midlands, North East, North West and West Midlands had not received any applications for mandatory HMO licences (see Appendix D). Seventy-nine authorities across England including one London borough had received between 1–10 applications. The majority of authorities (75%) had received 1–100. Eleven authorities had received more than 500 applications. These authorities have sizeable student populations as they each house at least one higher education institution, and they all ranked full time students as the most likely tenant type in mandatory licensable HMOs.

LAs reported receiving a total of 22,648 applications and had issued 16,399 at the time of the survey (June 08). Figure 2 compares the number of applications received and licences issued by Government Office Region (GOR). There is a clear disparity in East Midlands as only a third of applications had resulted in a licence.

The majority of LAs however were working well towards processing applications received for mandatory HMO licences with an average 72 per cent of applications being dealt with across the country (see Table 4). The Register of Licensed Houses in Multiple Occupation (ROLHMO) data reported in July 2008 that 23,024 licences had been issued, this

15 ROLHMO data provided by Communities and Local Government for July 2008
accounted for 76 per cent of all applications received at that time. The survey data identifies some regional variations in the percentage issued; the South West processed 97 per cent compared with 35 per cent in the East Midlands. The ROLHMO data also shows some regional differences with 84 per cent of applications being processed in the West Midlands compared with 46 per cent in the North East.

Figure 2: Comparison of numbers of applications received and licences issued by GOR

Table 4: Comparison of numbers of applications received and licences issued

<table>
<thead>
<tr>
<th>GOR</th>
<th>LA Survey June 2008</th>
<th>ROLHMO Data July 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Applications received</td>
<td>Licences issued</td>
</tr>
<tr>
<td>East</td>
<td>938</td>
<td>735</td>
</tr>
<tr>
<td>East Midlands</td>
<td>1,779</td>
<td>625</td>
</tr>
<tr>
<td>London</td>
<td>2,973</td>
<td>1,883</td>
</tr>
<tr>
<td>North East</td>
<td>2,050</td>
<td>1,409</td>
</tr>
<tr>
<td>North West</td>
<td>2,195</td>
<td>1,646</td>
</tr>
<tr>
<td>South East</td>
<td>3,325</td>
<td>2,609</td>
</tr>
<tr>
<td>South West</td>
<td>3,989</td>
<td>3,864</td>
</tr>
<tr>
<td>West Midlands</td>
<td>787</td>
<td>473</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>4,612</td>
<td>3,155</td>
</tr>
<tr>
<td>Total</td>
<td>22,648</td>
<td>16,399</td>
</tr>
</tbody>
</table>

* ROLHMO returns received as at 3/7/08 plus supplementary figures from some LAs that have not yet made full ROLHMO return
Using data provided by survey respondents it is possible to estimate the number of mandatory licensable HMOs in England (see methodology Appendix A). Table 5 shows the responses to the 2008 survey of LAs. Using the known number of applications received and the estimates of potential licensable HMOs, the sample has a total of 38,000 mandatory licensable HMOs. As the sample is representative of England, it is possible to provide an estimate of the number of mandatory licensable HMOs in England. The table shows there are an estimated 56,000 mandatory licensable HMOs in England. The sample estimates that the number of HMOs that have not applied for a licence is 16,000, for all LAs in England this figure is likely to be around 23,000.

Table AD 16 in Appendix D compares the estimated number of licensable HMOs provided by the survey with estimates provided by Communities and Local Government for each region, and there are some differences. The survey estimate for the number of licensable HMOs is greater than the Communities and Local Government estimate. The greatest regional differences are in the South West, North East and London. These estimates are based on an HMO market that is changing, in some places more than others (see section 7.1). As LAs gather more information on the HMO stock and carry out more enforcement work to locate unlicensed HMOs, which 86 per cent of authorities are committed to doing (see section 6.5.1), the actual number of licensable HMOs will become more evident.

### Table 5: The number of mandatory licensable HMOs

<table>
<thead>
<tr>
<th>The number of mandatory licensable HMOs</th>
<th>Survey respondents (Sample)</th>
<th>All LAs in England (Population)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>N</td>
</tr>
<tr>
<td>Number of applications received for mandatory HMO Licences</td>
<td>22,684</td>
<td>243</td>
</tr>
<tr>
<td>An estimate of the number of mandatory HMOs that have not applied for a licence</td>
<td>15,668</td>
<td>243</td>
</tr>
<tr>
<td>The total number of mandatory licensable HMOs</td>
<td>38,352</td>
<td>243</td>
</tr>
</tbody>
</table>

6.3 The licensing process for each case study

Information gathered from the survey and interviews with officers and landlords in each of the case studies informs the following assessment of mandatory licensing. Each of the local authorities involved in the case studies raised various issues about the process; some had very few mandatory licensable HMOs while others had large numbers. The twelve case studies had licensed between two and 824 mandatory HMOs when they participated in the study. The local authorities involved in the case studies were drawn from each of the nine Government Office Regions and there will be regional differences in the type of stock in the area and the issues faced by each authority. The summaries that follow provide a brief overview of the licensing process for each case study:
Case study 1

This LA initially thought that they had 700 potential HMOs, however around 300 licences have been issued and 60 ‘passported’ from the previous registration scheme. Licensing was very much a paper exercise. LA officers used the application form received to determine the terms and conditions of the licence. Officers were then carrying out compliance inspections before moving towards carrying out HHSRS inspections on licensed properties. Officers accept that there are unlicensed properties in the borough and are tackling these HMOs by sending out letters to landlords that they suspect have mandatory licensable HMOs in the borough.

Case study 3

There are approximately 2,500 HMOs in this seaside resort in the south west, although only a small proportion of these are licensable. One officer has been working on licensing full time since April 2006, eighty properties have been licensed, and half of these were previously registered properties. Officers were concerned that HMOs previously registered would fall into disrepair because there was no longer any direct intervention.

Case study 4

This London borough had an HMO registration scheme in operation prior to licensing. There were around 700 properties registered under the scheme that had been set up in the 1990s. The focus of HMO registration had been the health and safety of the property and officers were pleased that they were able to consider the management of the property through licensing. Ninety-five properties from the registration scheme were ‘passported’ into mandatory HMO licensing with around 100 other licences being issued. The first licence was issued in April 2007, as it took the authority some time to decide on their approach to licensing.

The authority had considered running an additional licensing scheme so that all the properties that had been registered would be ‘passported’ into licensing. However, it was decided that they did not have the resources to operate an extended scheme. It is likely that this authority will consider additional HMO licensing in the future.

Case study 5

There are three officers that are responsible for HMO licensing. To ensure service provision to the whole council each officer is responsible for one of three geographic areas. They are responsible for providing licensing as one of the services in their area. Other services include issuing disabled facilities grants, home safety grants and inspecting caravan sites. They do not have a specialist who deals with HMOs. The council has licensed three properties. These are properties that provide staff accommodation for care homes and a small college. This authority’s experience of licensing may
help to consider licensing from the perspective of those authorities that do not have a large HMO sector.

**Case study 6**

Six officers provide the HMO licensing service in this area. The authority had a registration scheme in place before April 2006. As a result of misinterpreting the legislation they attempted to license all HMOs as defined by the Housing Act 2004 as part of the transitional provisions. Having recovered from this mistake they have since gone on to process around 70 applications and had issued 40 licences. At the time of the fieldwork, the LA were setting up an accreditation scheme to tackle poor management in this sector and were applying for both an additional and selective licensing scheme.

**Case study 7**

At the time of interviewing, the council had received 12 applications and issued six licences; two were full licences the others were conditional. This authority has been slow to implement mandatory HMO licensing, however they are using other provisions of the Housing Act 2004 to manage property in the private rented market.

In this area there has been an issue with overcrowding and poor house conditions in the migrant worker community. Recently, new build properties have been built in the area. Many of these properties have been bought by landlords and house migrant workers in properties that meet the criteria for mandatory HMO licensing. However, because the council regards these properties as low risk the council has not prioritised the licensing of these properties. Instead they have continued to focus on those properties that they deem to be high risk. Although this has generally involved two storey properties the council has successfully prosecuted a landlord of a three storey HMO let to seven people (four households) for failing to license. This case study presents the difficulty posed by licensing for those authorities with limited resources and a problematic private rented sector.

**Case study 8**

This case study is a large urban centre in the north west. It has over 6,000 HMOs within their area; one in six are licensable. Licensable HMOs tend to be associated with the provision of accommodation for the large student population in the area. This LA also has a selective licensing scheme in place. The council has committed a large resource to implementing licensing. In terms of mandatory licensing there are around sixteen officers working on this, this includes licensing officers, enforcement officers and administrators. In terms of mandatory HMO licensing, officers were carrying out compliance inspections on around 900 properties that had been licensed, reacting to complaints from mandatory licensable HMOs, they are continuing to process applications and are identifying unlicensed properties. The LA changed their policy on inspections because of the
number of category 1 hazards that were found in properties that had been issued with a licence. While the authority is focusing on mandatory and selective licensing, environmental health officers were keen to see other types of HMO property addressed.

**Case study 9**

This LA is similar to case study 8. As it has a large student population, it has recently experienced large increases in purpose-built student accommodation and that has had an impact on the demand for shared student properties in the area. Case study 9 has experienced particular problems implementing mandatory licensing mainly because of problems establishing their fire standards.

At the time of the fieldwork the LA had received 1,250 applications, issued 30 licences and ‘passported’ 300 HMOs from the previous registration scheme. Officers estimate that there are 2,000 licensable HMOs. Officers were negotiating with landlords about the fire standards to set using the guidance\(^{16}\) provided by LACORS. It is very early days in terms of licensing in this area, and therefore it is difficult to assess the impact of licensing. The problem around implementing licensing here has worsened the relationship between the LA and landlords in the student sector.

**Case study 10**

This case study had licensed 27 mandatory HMOs, there were around 1,000 HMOs in total in the area. The authority had encountered some difficulty with managing agents. At the time of the fieldwork the local authority were considering prosecuting an agent. The officers discussed the fact that landlords and agents were trying to avoid taking responsibility for some properties as neither party wanted to be named as the licensee. This authority considered mandatory licensing beneficial for those authorities with large numbers of properties that fall into the mandatory criteria. The LA thought that a more selective process would be more beneficial for authorities with a different make up of stock and had applied for selective licensing when they were interviewed. Officers were also considering additional licensing to target properties occupied by migrant workers due to issues of overcrowding, poor conditions and management in these HMOs.

**Case study 11**

This case study was originally included in the study as it was the only local authority in the south of the country that was considering selective licensing. The authority is still considering some form of discretionary licensing but has focused on mandatory licensing since April 2006. It is an authority with a high demand for private rented properties from students, migrant workers and young professionals as well as those on housing benefit.

\(^{16}\) LACORS (2008) *Consultation on draft national guidance on fire safety standards in certain existing residential accommodation*
There are five officers in this case study that are involved in implementing mandatory HMO licensing. They are responsible for the 3,500 HMOs in this area and have received applications from around 600 properties. 470 properties have been licensed. While officers license the remaining properties they are also carrying out enforcement work and trying to identify the 200 – 300 unlicensed properties.

**Case study 12**

In this case study there were around 500 HMOs. LA officers were unsure how many were mandatory licensable although they had issued licences for 84 properties. In this area officers have found that when they have inspected properties, and raised concerns, landlords have generally been cooperative and have brought the properties up to standard.

**Case study 13**

This case study has around 100 HMOs; 29 are licensable and have been licensed and 68 are non-licensable HMOs. Due to the small number of licensable HMOs licensing was achieved quickly and with little difficulty. The licensing officer already had an existing relationship with most of the landlords with mandatory HMOs, there are a handful of landlords that own these properties, the majority of them are high end properties, let to professionals working on temporary contracts. Most of the properties were up to the required standard although in some cases the landlords had to install additional fire safety measures.

### 6.4 Licensing process

The majority of case studies had experienced some difficulties implementing mandatory HMO licensing. Local authorities expressed concern about the lack of guidance and the level of duplication of effort in terms of the application forms and the setting of fees during the baseline study, before April 2006. For the majority, initial teething problems had been resolved, while for one there was an existing problem that has caused serious delay to the implementation of mandatory licensing. A problem mentioned across all case studies and specifically mentioned as a failing of licensing by 14 LAs in the survey was the level of bureaucracy involved in licensing. For many this has increased the workload of officers with very little direct benefit to landlords or tenants. The following provides details of issues that were raised by local authorities as they were implementing licensing.

#### 6.4.1 Publicity and raising awareness

The licensing process for most authorities began when they started to raise awareness about licensing. The government funded a national advertising campaign with the strap line “no licence, no rent”. However, both landlords and local authority officers felt that this advertising
campaign led to confusion. One authority recalled “old ladies phoning up to find out if their care homes were licensable” (CS8). An HMO landlord was aware of tenants refusing to pay rent because landlords could not produce a licence.

Most authorities carried out localised publicity campaigns either targeting existing landlords or advertising in the local press. A number of authorities sent letters to landlords on their databases, carried out letter drops in specific areas, organised landlord forums to publicise the new legislation and targeted landlord associations and letting agents in order to raise awareness. Some authorities put adverts in the local press, or put posters up in various public places. All of them updated the council’s website with information on licensing. Thirteen LAs responding to the survey felt that more national publicity would be useful. The case study authority in the south west was keen to see more national publicity targeting the landlord rather than the tenant, and expected to do some further work to raise awareness in their area. A London authority considered large advertising campaigns too costly and was using other methods such as writing to landlords and targeted letter drops, to raise awareness of licensing in an attempt to identify unlicensed landlords.

A number of LAs operating mandatory licensing schemes only, spoke of difficulties in engaging with private sector tenants particularly due to high tenant turnover and the absence of residents’ forums/associations. This had impacted on the success of tenants’ consultation on licensing. Low expectations of tenants of the private rented sector, and the concentration of vulnerable tenants, were also cited as engagement barriers:

I think it’s very difficult to get tenants interested in those things, you would think that people would be interested in their rights, but again I think it’s that point when people are accessing housing, all they can focus on is actually getting the accommodation, they’re not necessarily that interested in their rights and it’s very difficult. (Implementation officer, CS11)

Tenants gave a numbers of reasons as to why they would not take up of support services, the most common being: fear of eviction, increased rents to pay for any required improvements or repairs, lack of knowledge of who to complain to, and dissatisfaction on the quality of support services from personal experiences. There were concerns regarding the financial implications of taking legal advice. Most tenants, however, were aware that their local housing advice centre or council could provide advice on tenancy matters, even if they were unsure of the relevant team, and many tenants spoke of the importance of the Citizens Advice Bureau (CAB) as a first port of call.

Tenants showed mixed expectations as to what mandatory licensing and regulation could deliver. One tenant with a good awareness of licensing explained how her knowledge of required standards would help her be selective in choosing future accommodation, and be more confident in raising issues with the council if the landlord failed to engage about
complaints. She had found her council’s information pack useful in this respect. At the other end of the spectrum, one tenant wished for the whole private rented sector to receive a huge ‘clean up’.

Many tenants wanted councils to have the power to monitor and enforce standards throughout the private rented sector. They were several calls for annual condition reports, tenancy questionnaires and other consultation to build up a picture of landlords’ standards, removing those landlords out of the sector that will not comply with any given minimum standards. Licenses could therefore act as a type of quality mark showing that the landlord was meeting basic standards. Others saw a need for regular inspections throughout the lifetime of the licence.

6.4.2 Fees

LAs responding to the survey were asked to provide information on the annual licence fee for an HMO containing five bed-sits, not including any discounts. When the data is compared with the Register of Licensed Houses in Multiple Occupation (ROLHMO) data (see Appendix D), it appears that many LAs have responded with the fee for a five year licence. The mean fee from the survey is £387 and from ROLHMO data is £406. The survey suggests that the fee ranges from £0 to £1,500.

Table 6 shows the range of fees for the local authorities participating in the case studies. The lowest is under £300 the highest over £1,000. Most authorities had increased, or were considering increasing, their fees at the time of the fieldwork.

<table>
<thead>
<tr>
<th>Case study</th>
<th>GOR</th>
<th>Five year licence fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS1</td>
<td>L</td>
<td>£500 + £30 per bedsit (10% discount with accreditation)</td>
</tr>
<tr>
<td>CS3</td>
<td>SW</td>
<td>£300 – £400</td>
</tr>
<tr>
<td>CS4</td>
<td>L</td>
<td>£813 – £1079</td>
</tr>
<tr>
<td>CS5</td>
<td>SE</td>
<td>£280</td>
</tr>
<tr>
<td>CS6</td>
<td>E</td>
<td>£80 per bedroom</td>
</tr>
<tr>
<td>CS7</td>
<td>EM</td>
<td>£470</td>
</tr>
<tr>
<td>CS8</td>
<td>NW</td>
<td>£455 – £565 + £30 per room 10% discount if accredited or part of existing landlord scheme (£250 penalty charge for failure to apply within 6 months)</td>
</tr>
<tr>
<td>CS9</td>
<td>YH</td>
<td>£620 – £820</td>
</tr>
<tr>
<td>CS10</td>
<td>NW</td>
<td>£527 – £641</td>
</tr>
<tr>
<td>CS11</td>
<td>SE</td>
<td>£415 – £800 (accredited pay lowest)</td>
</tr>
<tr>
<td>CS12</td>
<td>NE</td>
<td>£450 (25% discount for accredited landlords)</td>
</tr>
<tr>
<td>CS13</td>
<td>NE</td>
<td>£709 + £12 per bedroom over 5 bedrooms (40% discount for members of a landlord association)</td>
</tr>
</tbody>
</table>

17 ROLHMO date provided by Communities and Local Government for May 2008
Local authorities during the baseline study discussed the difficulties that they had experienced calculating the fee. Licensing was expected to be self financing and authorities had based their calculations on the work that they expected to carry out per licence. Two years on, some authorities were aware that much more work was involved in licensing than they initially anticipated. The key items that they had not costed for were variations in the condition of license and the associated administrative work and the cost of setting up management orders.

One London borough was pragmatic in their assessment of their fees. They realised that their current fee meant that licensing was not self financing but felt that significant increases would introduce a further barrier to HMO landlords. They were keen to retain HMO accommodation within their borough as one officer states:

> I think one of our aims has got to be to keep bed-sit type accommodation within the borough and encourage landlords not to get rid of it, because we think we need it for a sector of the population that need that sort of cost of accommodation, so we don’t want to drive landlords out by fixing the high fees. So possibly it’s a bit of a loss leader situation, where we have to keep fees, you know, just put them up by inflation and not really get everything back that we should. (Implementation officer, CS1)

### 6.4.3 Application forms

The lack of a national application form provides further indication of the inconsistencies associated with mandatory licensing. Each local authority developed their own application form although many worked with neighbouring authorities to try and make them as uniform as possible. Generally, landlords complained about the depth of information that they had to provide about themselves and their tenants. A number of local authority officers complained that incomplete forms had been received, when this happened they had to chase landlords for additional information and this was resource intensive.

The form was regarded as more bureaucracy by both local authority officers and landlords. Local authorities were guided by the legislation as to what was needed on the form but much of this was not necessary to issue a licence:

> … but the application form is daunting, because of the wealth of information that’s expected to be in that, information, that’s a bit daunting, you know, to the people who have to fill it out and the information in it isn’t, all of the information in there is not particularly useful or relevant for us when we come to license. If that could be made a lot simpler, that would be helpful, but we’ve tried ourselves

---

18 Information gathered from interviews with each LA and website
in the county to make that a more simple application form. It’s not an easy task to do. (Implementation officer, CS3)

The type of information that was requested was particularly problematic for landlords in a London borough that were asked to provide information about their tenants:

… on the application forms, you have to disclose the name of every tenant and their nationality. (HMO landlord, CS1)

In this particular case the landlords were unsure of the LA’s motive for asking about their tenants. Some authorities mentioned that application forms were accompanied by guidance documents, while this may be helpful the fact that a form needs this type of guidance is worrying. Those landlords who did not receive information on how to complete the form struggled to complete long and onerous forms. Others requested further assistance from the local authority; some authorities had surgeries for landlords to help them with the process. One of the issues for landlords was providing a plan of the building some had these professionally drawn although many local authorities offered this service for an additional fee.

While many landlords found the application form long and at times difficult to understand, local authorities tried to ease them through the process. One authority provided landlords with a licence number that meant that they did not have to repeat the information that they provide to the local authority when they complete more than one licence application.

6.4.4 Fit and proper

In deciding whether the person is fit and proper, the LA must have regard, among other matters:

• to any previous convictions relating to violence, sexual offences, drugs or fraud and
• whether the proposed licence holder has contravened any laws relating to housing or landlord and tenant issues and
• whether the person has been found guilty of unlawful discrimination practices

It is, however, a matter for the LA to determine the relevance of these considerations (or other matters it considers to be relevant) in deciding whether or not the person is fit and proper. The proposed licence holder must also be the most appropriate person to hold the licence.

The proposed manager, if he or she is not the licence holder, and any other persons involved in the management of the house must also be fit and proper. Additionally, the LA must be satisfied that the proposed management arrangements are acceptable; including that the person involved in the management of the house is competent and the structures
and funding for the management are suitable. If the LA is not satisfied that it can grant a licence under the above conditions it must refuse to grant the licence and make an interim management order.

A number of local authorities were asking landlords to declare that they were ‘fit and proper’ as part of the application form, others were using Disclosure Scotland to make their assessment. One authority described using local knowledge to determine whether a landlord was fit and proper alongside a self declaration form. In one case a landlord who had failed to declare a conviction that had occurred twenty-five years ago had withdrawn his application and sold the property rather than continue with the process.

Another authority pointed to a landlord who had a recent conviction for a violent crime, this landlord has sought an application for a three storey HMO. The officer is clear that given the landlord’s conviction he will not issue a licence and would recommend an alternative manager for that property. However, the officer is fully aware that this landlord has other non licensable HMOs. This suggests that “you can have the same number of people in a two storey one as you have in a three storey one, but you can’t manage the three storey one, even though it’s probably better than your two storey one” (Implementation officer, CS7).

A London authority promoted a database for recording information about landlords. It is a London based database that records whether a landlord is ‘good or bad or average’. The benefits of such a database are that it accepts that landlords may have properties across a number of London boroughs. Many landlords may have properties in locations across England, this database is now being populated by some authorities from outside of London, and the extension of such a database could provide some assistance to local authority officers assessing the fit and proper status of landlords and managing agents.

6.4.5 Terms and conditions

The Housing Act 2004 s67 lays out in some depth the conditions that maybe included in any HMO licence that is issued. Schedule 4 lays out a number of conditions that must be included.

S67 (1) allows a wide definition of conditions to be made and s67(2) names some particular conditions regarding anti-social behaviour, the making available or keeping of facilities and equipment in working order and, the attendance on approved training courses. This section also allows the local authority to stipulate the provision of certain amenities within a certain timescale if not already present (c). There are therefore three different types of conditions that can be stipulated:

- items included as part of Schedule 4 (mandatory conditions)
- other items which LAs consider necessary for all licences
• items specific to the HMO, concerning the timescale for additional amenities or facilities to be provided

Initial guidance on what to include in conditions was given to all authorities as part of the IDeA training. This stated that conditions should be in line with the council’s housing strategy and appropriate for regulating the management, use and occupation, condition or contents of the property. Different authorities may therefore decide to use different clauses in accordance with those best suited to landlords in their area.

S67 (4) (a) clearly states that Housing Act 2004 Part 1 provisions should be used regarding any hazards and the licence conditions should not be used to remove or reduce hazards, however s67 (4) (b) states that licence conditions can be used to require installation or maintenance of facilities. Close analysis of the terms and conditions of mandatory licences set by the case study authorities, shows that this has been interpreted widely, particularly regarding the mandatory requirement with regard to licence conditions in schedule 4 to ensure that smoke alarms are installed in the house and to keep them in proper working order.

The following example condition clearly goes beyond what is expected to be contained within licence conditions:

*The licence holder is required within a period of 16 weeks to remove or reduce all health and safety risks identified by the inspecting officer and brought to the attention of the licence holder. This relates to category 1 and 2 hazards as defined by part 1 of the Housing Act 2004 and that have been brought to the attention of the licence holder by means of statutory notice (subject to appeal) served under the provisions of Sections 10 and 11 of the Housing Act 2004. (CS12)*

**General discretionary items**

There is wide variation regarding the discretionary conditions added by councils to all licences. Some have kept to a strict interpretation within s67 (2) (a) to (d) and others have added additional conditions that appear onerous, unreasonable or unnecessary. There are a number of dangers with adding conditions that are unnecessary, onerous or unreasonable. The most obvious is that of losing the confidence of landlords and the worst is that a revocation of a licence from a landlord for non compliance will fail following appeal to the Residential Property Tribunal (RPT). Poor conditions can also dilute the message that licensing is important and can hinder the relationship between landlords and the LA.

Conditions which are considered unnecessary are those that are already covered by alternative legislation i.e. the Landlord and Tenant Act 1985 concerning tenancies or the requirement to provide a rent book if the rent is paid weekly.

A number of councils have added conditions designed to help their own internal procedures such as requiring the removal of signs advertising
accommodation to let and requiring landlords to provide documents that relate to building regulations and planning consent:

The Licence Holder must obtain the appropriate building regulations approval and or planning consent when carrying out works to the licensed premises. Evidence of such must be produced to the council within 30 days of a written request to do so. (CS8)

Onerous conditions require the landlord to do something additionally time consuming to achieve little benefit. One case study in the north west stipulated the requirement to provide each occupier with a printed copy of the Management of Houses in Multi Occupation (England) Regulations 2006 [Statutory Instrument No. 372] (CS10).

The preoccupation and concern with standards relating to fire have caused a number of councils to add conditions which may be beyond the scope of that intended by s67 2 (e) example of these follow:

The Licence holder is required within 12 months to arrange for [the] fire brigade to visit the property for a home fire safety check and to provide proof of the undertaking of this check upon demand by [the] Council (CS12)

To carry out a risk assessment within 3 months of issue of the Licence to determine any additional fire safety measures to be provided. In particular this is to ensure that walls and ceilings are free of defects and meeting the minimum standard of fire resisting construction as detailed in the Fire Standard for HMO Licensing (CS9)

The door and frames to the dining room/kitchen to be replaced with half-hour fire resisting door set conforming to BS 476: Part 22 & 31 within six months of the issue of the licence. The door to be fitted with an overhead self-closer complying with BS EN 1154:1997 and to be effectively self-closing to give a tight seal against rebates of doorstops. Gaps between door edges and frames must not exceed 3mm. The fire door to be fitted with an intumescent strip and a smoke seal in the top and side edges of the door or frame (not the door stop) (CS11)

In the last case, the authority requests this action without an HHSRS visit.

Some of case studies included terms and conditions that landlords may find difficult to understand and/or comply with. One authority sought the provision of personal data and referred to the Data Protection Act without including any subsequent notes about the type of information that might be sought or the circumstances surrounding such a request. A landlord would be expected to comprehend the following:

The licence holder must respond as required to any written requests made by the authority, Police, Fire and Rescue Service or other members of [the] Crime and Disorder Partnership (this includes requests for information including requests for personal information made under
section 29 of the Data Protection Act 1998) and attendance at meeting relating to the management of their property). (CS10)

Another authority put the onus on the landlord to monitor the behaviour of tenants without explaining what this would involve. The conditions state that the licensee must:

… monitor and regulate the behaviour of the tenants and their visitors and work in conjunction with the local authority’s Community Safety and Environmental Health Pollution Teams in order to take any reasonable and practicable steps to prevent or reduce anti-social behaviour by the persons occupying or visiting the house. (CS7)

At times it was the wording of a condition that was deemed vague. One authority states: “The licence holder must demand references from persons who wish to occupy the house” (CS10). A better example of the same request is “The Licence Holder must take reasonable steps to obtain references as to the character and behaviour of a prospective tenant/occupier from previous landlords and/or persons of standing in the community” (CS8).

Within the licence conditions examined a number of good practice conditions were noted. A summary of these are listed here:

• display a copy of the licence and conditions
• display a copy of the CORGI\(^{19}\) gas certificate
• display or provide a copy of refuse disposal instructions to tenants
• the licence holder shall supply the occupiers of the house a written statement of the terms on which they occupy the house
• the provision and maintenance of carbon monoxide detection

One authority lists their conditions alongside the legislation which clearly shows the reason for each condition. This can be helpful to landlords who then realise that the conditions are directly related to the legislation.

A landlord with five mandatory HMO properties in one of the case study authorities successfully appealed to the RPT against a number of conditions. The three main issues were mandatory membership of an accreditation and tenant vetting scheme, allow the fire service to carry out an educational visit with tenants and the annual service of fire extinguishers. The officer in charge of the conditions noted that the RPT thought that these conditions were “too onerous“ (CS12) and while some elements of the original conditions remain they have been “watered down“.

\(^{19}\) From 1st April 2009 mandatory register is operated by Gas Safe Register if you are based in England, Scotland or Wales. However, if you are based in Northern Ireland and Channel Islands, this is operated by CORGI. http://www.trustcorgi.com/HomeOwners/gassafetyadvice/Pages/Home.aspx
A London authority used their terms and conditions to ensure that landlords were encouraged to improve their overall standards. In this case, landlords were required to join a deposit scheme, attend a training course provided by the London landlord accreditation scheme, and therefore become members of the scheme. This authority is providing restricted licensing terms. A licence may last two years; this may be increased to four years if a landlord is an existing member of the accreditation scheme. The authority is therefore linking landlords’ good practice with rewards. An officer addressed this issue: “the aim is that with time, we will obviously improve the standards of HMOs and make sure that all landlords are of a high standard” (Implementation officer, CS4). This is a good example of sensible additional conditions.

### 6.4.6 Standards

Each local authority provides landlords with specific guidelines on the standards that they must adhere to for fire, amenity and management while operating an HMO. Landlords are generally concerned by the level of inconsistency across authorities in England. Another issue that has been raised is to do with the fit between HMO standards, especially in relation to fire safety and the Housing Health and Safety Rating System. Landlords prior to the Housing Act were comfortable with the prescribed standards set by local authorities for registered HMOs or accreditation standards set up for student landlords. The risk based assessment of properties associated with HHSRS has led to difficulties for landlords as they can no longer follow a general model to improve all their properties. Landlords were concerned that officers within the same authority offered contradictory assessments of the same and or similar properties. This made it difficult for landlords to trust the judgement of environmental health officers and made them increasingly reluctant to carry out any works.

One of the key issues with standards was that they varied. Whether standards should be prescribed or flexible was also raised by landlords. The lack of guidance on fire standards at the beginning of the licensing process meant that LAs were setting varied standards. The implementation of mandatory licensing has focused on the physical condition of the property and therefore very few authorities published management standards for HMO properties.

### Fire standards

In one particular authority a stalemate between the landlords and the LA was created because no consensus could be reached in relation to HMO fire standards. In this authority, an accreditation standard had been set prior to licensing which was higher than the proposed new standards for HMO licensing; this was deemed unsuitable by the fire authority. This authority proceeded to re-evaluate their fire standards so that it was in line with HHSRS guidance. However, they then decided to wait for authoritative guidance on fire safety measures issued by LACORS in
2008\textsuperscript{20}. At the time of the fieldwork new fire standards had not been issued and this has had a detrimental effect on the number of licences issued and the relationship between the LA and landlords. One landlord with an accredited property felt that the council had changed the goal posts:

> The council came and looked at the property which was accredited and then told me that under the new legislation, whatever that might be, it didn’t stand up to the tests of that. We had the fire authorities come along and we are then stating that we need fire doors to every door, emergency lighting to every landing, we need a separate escape route to get out of the downstairs which was never the goalpost when it was originally set up. (HMO landlord, CS9)

In this case, LA officers have very much focused on the detail of their standards rather than progressing licensing. One London borough had decided not to focus on fire safety as part of their licensing conditions. As licensing was separate from HHSRS this allowed them to do this successfully:

> There was no requirement to put the fire alarm systems in there. Our view was that anything to do with Part One will be dealt with after the licensing has been issued once we do the Part One inspection. I know there are other local authorities that part of their condition is that we must install a full complete fire detection system. All we’ve said is that if you haven’t got a smoke detection system, put in some smoke detectors, but note when we come to do our Part One inspection, you might be asked to put in a full system. (Implementation officer, CS1)

The benefit of this is that it ensures that landlords install some cheap and basic fire detection where this is currently absent. It also allows the LA to provide specific fire safety advice to landlords when they carry out a full HHSRS inspection. A LA officer in the north west pointed to the fact that landlords were confused by the introduction of the rating scheme and the fact that requirements had changed since their property was last inspected.

While improved communication between the LA and landlords may help to reduce landlords’ confusion about the requirements associated with operating an HMO, there is also an issue about the different standards being set across England. The publication of LACORS’ Fire Guidance may improve the level of consistency in the fire standards, however for many landlords and indeed LAs it has been issued far too late. The residential landlords association are aware of members who have installed fire safety measures guided by the LA that exceed those suggested by LACORS. Improved fire safety was a key objective of HMO licensing although some parties feel that it is better to enforce this through HHSRS. How LAs ensure good fire safety measures in HMOs will have a direct impact on tenants. Those tenants that attended focus groups were, on the whole

\textsuperscript{20} LACORS (2008) Consultation on draft national guidance on fire safety standards in certain existing residential accommodation
satisfied with the level of fire safety in their accommodation; a number described regular tests and inspections of fire detection equipment. However a tenant living in a licensed property in London voiced his dissatisfaction:

_I believe that there are detectors in place and I’m pretty certain that they don’t work, or the system doesn’t work. Well the one in my room in particular appears to be missing, you know it’s either, you can see the cord is coming along from the wall but it seems to be part of it missing I think and certainly the controls by the main entrance to the building don’t seem to be working._ (HMO tenant, CS4).

This suggests that licensing alone cannot ensure that landlords comply with standards and LAs must put some level of compliance checks in place to ensure that landlords carry out improvements as required.

A tenant in the South East was aware that the LA had inspected the property; in this case, fire safety was thought to be a key concern. The tenant noted that, door closers removed by the tenants to reduce the inconvenience of fire doors, had to be replaced before the inspection took place. The landlord was aware that tenants removed the closers:

_He popped round before the fire inspection and he did say to me, you know, we have to put them on now because we’re going to have a fire inspection but you can take them off afterwards, everyone takes them off well he put them, all back on for the inspection and so when the inspector went, within two minutes they were all back off again._ (HMO tenant, CS11).

Improving the management of property by landlords cannot only be solved by encouraging landlords or enforcement against them. Tenants must participate in ensuring that HMOs remain safe.

One authority was seeking to utilise the fire authority to carry out HHSRS inspections. This was described as a development in coordinated housing enforcement and a resource efficiency measure:

_I want to do one of two things, I want them to either take over, I want to delegate to them powers to do the whole shooting match relating to housing inspection and enforcement, so I want them to identify the deficiencies, to rate the property and then to use their training knowledge and skills to come up with whatever needs to be done and I want them to see that through._ (Strategic officer, CS7)

At the time of the fieldwork the fire authority were only prepared to concentrate on the fire safety aspects of house inspections. For this particular LA resources were a problem and providing fire officers with HHSRS training could potentially enable this authority to increase the number of HHSRS inspections that took place rather than duplicate the work carried out by environmental health and the fire service.
Amenity standards

The baseline study reported that landlords and LA officers were critical of amenity standards relating to wash hand basins. During interviews with landlords and the LA in the current study, the issue was not as prevalent as it had been although officers were keen to point to the changes made by central government around this standard. The standards pertaining to wash hand basins were changed on 1 October 2007. The new regulations state that there must be: “an adequate number of bathrooms, toilets and wash hand basins suitable for personal washing for the number of persons sharing those facilities and where reasonably practical, there must be a wash hand basin with appropriate splashback in each unit other than a unit in which a sink has been provided as mentioned in paragraph 4(1)”.

Some authorities had not enforced the previous standard and welcomed the change, while others continued to request “wash hand basin in each room” (Implementation officer, CS13). This officer pointed to the fact that wash hand basins had not been a big issue in his area although he acknowledged that it had been problematic elsewhere.

One landlord described the confusion surrounding wash hand basins and the cost associated with installing them in a local authority not involved in the case studies. This landlord had sat back and waited before carrying out any work and noted that other landlords had spent a great deal of money unnecessarily:

One landlord in x who had over 150 properties and being proactive and “I want to do everything by the book”, he put hand basins in 150 properties, most of them averaging between 8 and 10 bedrooms, at a cost of over 400 grand, only for them to turn round and say you don’t need to do that anymore, a year later. We didn’t do it, this lot went ahead, did it, 400 grand down and then they turned round and said they don’t need it anymore and I think everyone’s got an inkling in the back of the head that they’re a bit scared of spending money because they might not actually need to. (HMO landlord, CS6)

Landlords in one London borough were perturbed by the lack of flexibility in the HMO standards. Two landlords attending the focus group had taken this London borough to the RPT because of what they viewed was a lack of flexibility. Both landlords won their appeal (see section 6.5.4). In this case, the London borough has published detailed amenity standards for HMOs, and landlords, often owning old and complex buildings found that certain standards did not take into account their specific property. A landlord had to stop letting out attic space because it was more than one floor from bathroom facilities. The landlord would therefore lose income and did not understand that this standard was in his or his tenants’ interest:

It’s a three and a half storey Victorian terraced house. The attic now can’t be let, even though it’s a big 14½ square metre floor area but

---

that can’t even be let because every room must be within one floor distance of a bathroom and toilet but until recently people went down to the first floor and upstairs again. It wasn’t a big problem if you’re an owner occupier, but if you’re a private tenant apparently it’s a big problem. Which is amazing, the double standards I mean it just doesn’t make any sense to people. (Landlord, CS1)

Another landlord with eight tenants was allowed to let to only five tenants because of insufficient amenities, she described the facilities “a huge kitchen with every facility, washing machine everything. Two showers, a huge bath, four wash hand basins, and three toilets” (Landlord, CS1). One kitchen regardless of its size or ability to cater for its tenants was deemed insufficient. While some landlords have complained about the stringent nature of the amenity standards others have taken the opportunity to reconsider the facilities provided in the property and offer more provisions which benefit tenants.

A landlord letting to students in the south east was concerned that the blanket approach to HMOs meant that LAs were ignoring the way that certain tenant types used accommodation. This landlord was keen to highlight that six students may make different demands on the amenities in a house compared with six professionals. This particular landlord was required to install an additional bathroom to continue letting to six people, it was an expense that he could not afford and believed was not warranted:

I’ve had seven in a house, one sink and one cooker in the kitchen. They’re quite happy with that because they live a student life you know they don’t expect the same standards maybe as professionals would. You know the house is not, it’s not in bad condition, it’s not unsafe. It’s just a question of facilities you know. And I think they should be a special case. (Landlord, CS11)

The landlords described above are generally compliant and seem to consider their tenants’ interest in the facilities that they provide. However, the nature of the standards that they must now adhere to is associated with significant changes to the property and increased cost. Most landlords expect to make some improvements to their properties as a result of licensing but the implementation of the standards notably the lack of clarity around some has meant that some landlords have called for more prescriptive standards while other landlords have sought more flexibility. Those tenants that had some knowledge of licensing conditions and HMO standards worried that licensing was focusing on the physical condition of the property and not the way the property was managed. One tenant remarked:

So the legislation has all come in for that and as far as I can see that’s kind of where the licence is coming from. It’s not really getting to the state where they’re saying, well our landlord is crap because he doesn’t like look after the repair of it and things like that. I think it’s basically
the people are more worried about a tragedy happening like 12 people being burnt to death. (Tenant, CS6)

Often when tenants complained about their property they focused on their interaction with their landlord or letting agent rather than the number of amenities in the property. One London borough made a point of discussing the importance of property management in their licensing scheme. They were keen to ensure that properties were well managed and asked landlords to provide details of their tenancy agreements, inventories, the rent and their complaints procedure for tenants. This London borough was prepared to work with landlords to improve the management of HMOs.

Other authorities focused on ensuring that regular gas and electrical safety checks were made by the landlord, but did not seem to have comprehensive means to assess landlords management skills. They were likely to act only if they received complaints about licensed properties. In many respects licensable HMO properties warrant the need for good management however unlike properties in selective licensing designation there is much less focus on the management of these properties.

### 6.4.7 Inspections

Discussion with LA officers involved in the case studies, landlords and tenants highlighted the different levels of inspections that were being carried out by authorities across the country. Some authorities were offering pre-licensing inspections, some were carrying out compliance inspections, and others were carrying out full HHSRS inspection before or after issuing a licence. LACORS noted that 20 per cent of LAs were expecting to complete full HHSRS inspections as part of the application process although the majority (72%) would inspect within five years of an application being submitted.\(^22\)

From a landlords' perspective an inspection indicated that the local authority was taking an active interest in the HMOs in the area. In some case studies the absence of an inspection regime caused concern. Landlords in one London borough were concerned about the range of inspections that they would be subject to and the purpose of the visits. Overall, LAs have focused on licensing or inspections, for those with a few mandatory HMOs they have combined these tasks. One authority has had to change tack because of the risks associated with licensing before inspections although as LACORS note the majority of LAs will inspect after issuing a licence. The separation of HHSRS from the licensing process may need to be reconsidered as those LAs that carry out these tasks together are clear about the benefits.

Case study 7 focused on HHSRS. The LA had licensed very few HMOs and insisted on carrying out full HHSRS inspections before they license. This was feasible simply because there were not that many mandatory

---

\(^{22}\) LACORS 2007 Houses in Multiple Occupation (HMO) Licensing Survey Report
licensable HMOs in the area. Officers were concerned that other LAs were licensing properties that had category 1 hazards and were adamant that this was poor practice:

I’ve got colleagues who are working elsewhere, who are telling me that they’ve got x number of properties licensed, but I know for a fact that some of the properties they have licensed are not free from category 1 hazards and they’ve not, through their licensing process, actually going to do anything about those. (Strategic officer, CS7)

The LA carried out inspections with fire officers. The officer noted that a number of properties had been shut down by the fire service and prohibition orders issued by the council as a direct result of an inspection. The council’s overall approach to housing standards follows the risk assessment approach. Officers use HHSRS to monitor properties. If they are free from hazards that will mean that they are less of a priority for licensing. By concentrating on HHSRS the officers were able to react to complaints about various types of properties in the area.

Case study 1 had carried out compliance inspections, this is where they visit licensed HMOs to ensure that the information provided on the application form correspond with the property. The LA were just starting to carry out Part One inspections, although they mentioned that their inspection regime was slightly hampered by the number of applications that they have received following a recent mail out to landlords with potential mandatory licensable HMOs. This LA considered licensing to be “purely a desktop exercise, full stop, no requirements to visit to issue the licence, purely based on the evidence, provided by the landlord” (Implementation officer, CS1).

In this authority, landlords were surprised by the programme of inspections. One compliant landlord had licensed her property and had felt that because of this the LA thought the property was satisfactory. However as a result of an inspection that took place many months after the licence was issued, the landlord had been informed that the property was uninhabitable and a notice was served. The LA provided the landlord with various options to improve the property, but the landlord was surprised by the findings of the inspection.

Another landlord had received his licence in January and had recently been informed that the property would be inspected in October. He had been given two years to carry out works that included building a new bathroom and toilet, which he had not started:

They give you two years to do the work, hang on I’ve got a lot of work to do. So I haven’t even begun to build a new bathroom and toilet yet which I have to do, so I’m not sure why they’re coming to look at it. (Landlord CS1)

Another landlord had an officer inspect the property, but rather than check the health and safety aspects of the HMO he carried out compliance
checks, ensuring that the property was the same as that represented on the application form. There are complex properties in this area and therefore the authority may be keen to verify the plans received with the application form. However, this action can harm the relationship between reputable landlords and the LA. This particular landlord recalled the inspection:

_He came to check the measurements that I had originally given in all of the original enquiry when we went to register it, as an HMO. He spent two hours measuring the rooms, he looked at absolutely nothing else and at the end of that he said, yeah your measurements were absolutely correct. He measured toilets, bathrooms and then he measured the height from the floor to the window sill._ (Landlord (CS1))

Compliance inspections may be necessary in those authorities where there are complex properties, or where the LA has noticed inaccuracies with forms. However, landlords are very uncertain about what is happening and this authority would benefit from improving the level of communication between itself and licensed landlords.

Case study 8 also carried out compliance inspections. They had started this because they found that some plans provided with application forms did not resemble the actual property when they inspected. This authority found that in some cases landlords had missed out entire floors; mainly basements that were occupied. In some cases plans were drawn where every room was identical in size. Some portfolio landlords were seemingly cutting and pasting plans together and officers thought that “some landlords have supplied us with what they think we would want in order to give them a licence” (Implementation officer, CS8)

This authority has a large number of mandatory licensable HMOs to contend with therefore they were: “initially instructed ‘Just get the licenses out’ but then, you know, a year or so ago one of the politicians had changed track slightly … along the lines of why are you granting licenses without having done inspections”. Alongside the policy change within the LA was the knowledge that they had found category 1 hazards in licensed properties. The sort of hazards that they came across were:

_... most prevalent in properties with basements, is irregular stairs so they’re scoring category 1 because of the construction and because there’s no handrails so they’re relatively easy to reduce the category 1 hazards._ (Implementation officer, CS8)

This LA now inspects properties before they are licensed. However, 900 HMOs were licensed without an inspection and work is being carried out to carry out compliance inspections followed by HHSRS inspections for these properties over the next two years.

Two authorities in the north east were keen to inspect HMOs regularly. One did not have many HMOs and the environmental health officer (EHO) had carried out annual inspections of all HMOs prior to the 2004 Act.
Building control and fire service attend inspections but in the future the fire brigade were likely to attend only the licensable ones. The authority carries out HHSRS inspections before a licence is issued and at the time of the field work they were keen to initiate six monthly visits during the course of the licence period. An LA in the east of England inspects all properties before they issue a licence, they aim to inspect and license each property within five weeks of receiving the application form. The inspection ensures that they comply with their duty to carry out an HHSRS inspection, ensure that the property complies with the HMO standards and also allows them to carry out their own in house risk assessment so that they have a clear idea about when the property would be due for further inspections.

Case study 6 provided pre-licensing inspections to landlords. Landlords had mixed feelings about this service. One landlord had received bad advice during an inspection from an LA officer during the early stages of licensing, when the LA had misread the legislation and were considering extending licensing to all HMOs that met the criteria for their registration scheme. As a result properties were licensed that did not meet the mandatory criteria and standards applied to properties unnecessarily. It is with this background that a landlord recalls her experience of pre-licensing inspections:

_We took advice from one of the Council officers he went on to tell us that we needed to put 10 smoke alarms in this property and we literally wrecked this house by having the smoke alarms and all the conduit and everything done on the walls, so it was a really nice Victorian terraced with all original features, cost us over £2,000 to do it, we then went on to license all our properties … [but] the council couldn’t make us license all these houses so we had quite a bad experience._ (Landlord, CS6)

Another landlord in the area was grateful for the advice that he received from the council:

_I purchased one property and they came out and inspected it because I didn’t want to just do everything because it was quite a large property and they came and told us exactly what needs to be done and everything was done, then they came out and inspected and they said everything was fine and that was that._ (CS6)

Case study 11 have a back log of high priority properties that are due for inspection. They are also providing a reactive service by inspecting properties that have been identified as problematic by complaints. This LA stress that they have focused on licensing rather than inspections:

_We’ve still got an awful lot of work to do with rating systems. It’s still fairly unfamiliar to us. I think a lot of local authorities have chosen one or the other, they’ve gone for licensing or a rating system, based on obviously what their profile is. Our profile is very heavily towards licensing and so we need to do more work on the rating system_
Landlords were aware of different inspection regimes in different areas but did not seem too concerned by these differences. Landlords with properties in a case study in Yorkshire and the Humber complained that because of problems with the LA devising standards, very few inspections had been carried out in the area.

6.5 Enforcement

One of the key objectives of mandatory HMO licensing was to tackle unscrupulous landlords; it is therefore necessary to ensure that unlicensed landlords are dealt with by LAs. At the very least, this will help to legitimise the licensing process and at best capture the unscrupulous landlords that operate HMOs with little attention to the law and limited duty of care to tenants. LAs have been slow to take enforcement action against unlicensed landlords for various reasons. Some authorities do not have the resources to carry out proactive work and therefore have not identified many unlicensed landlords, while others have dedicated their efforts to licensing properties and are slowly starting enforcement work as the licensing process decreases. Nineteen authorities responding to the survey reported that an increase in resources would improve the general implementation of mandatory licensing.

Generally landlords were keen to see more enforcement work taking place and some suggested that the lack of enforcement would mean that not only the unscrupulous landlords but also some of the better landlords would avoid licensing as they would not have to fear sanction. The following section discusses the work being carried out by LAs to tackle unlicensed landlords, the number of prosecutions that have taken place and the use of management orders by LAs and the place of the Residential Property Tribunal (RPT) in HMO licensing.

6.5.1 Tackling unlicensed landlords

The survey of LAs suggests that the majority (83%) thought that there were fewer than 100 mandatory licensable HMOs in their areas that were not licensed (see Table 7). Using the information provided by survey respondents we estimate that there are around 23,000 mandatory licensable HMOs without a licence in England. Interviews with case study authorities revealed that the number of potential mandatory licensable HMOs varied considerably. Some were certain that they had licensed all the HMOs, while some were clear that there were a few hundred that had not been identified. One LA officer remarked: “there are odd ones that keep coming out of the woodwork that need to be licensed and they get priority, once we find them” (Implementation officer, CS3).
The survey found that 141 (60%) LAs were planning to improve the level of information they held on licensable HMOs. Many more authorities were actively involved in tracking down unlicensed HMOs. Of the 224 LAs responding to the question ‘What are you doing to track down unlicensed HMOs?’, 32 (14%) were taking no action, citing lack of resources, or an insufficient number of HMOs to warrant action, while some councils were intending to carry out work in the future. The majority 192 (86%) of LA had a strategy in place to tackle unlicensed HMOs.

A number of LAs (76) were pursuing one of the activities described in Table 8 to locate unlicensed owners of HMOs, and 116 LAs were using a combination of these activities. Many LAs reported working with other departments to gather data and information about potential licensable HMOs in the area. A London borough commented that “partnership working with other agencies and departments has increased referrals of unlicensed HMOs”. Partnership work generally meant working with internal departments such as council tax and housing benefit services. Some other authorities worked with the police and fire authority, one LA mentioned working with the gangmaster licensing authority. One London borough mapped existing data such as housing benefit and council tax records with stock profile data to locate unlicensed HMOs.

### Table 7: Potential mandatory licensable HMOs

<table>
<thead>
<tr>
<th>Number of HMOs</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer than 100</td>
<td>202</td>
<td>83</td>
</tr>
<tr>
<td>101–200</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td>201–300</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>301–400</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>401–500</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>501–1,000</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>243</td>
<td>100</td>
</tr>
</tbody>
</table>

### Table 8: Methods being used to identify unlicensed HMOs

<table>
<thead>
<tr>
<th>Method</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area survey</td>
<td>70</td>
</tr>
<tr>
<td>Partnership working</td>
<td>62</td>
</tr>
<tr>
<td>Publicity</td>
<td>56</td>
</tr>
<tr>
<td>Review existing data</td>
<td>51</td>
</tr>
<tr>
<td>React to complaints</td>
<td>35</td>
</tr>
<tr>
<td>Visits and inspections</td>
<td>29</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
</tr>
<tr>
<td>Use local knowledge</td>
<td>19</td>
</tr>
<tr>
<td>Contact with known landlords</td>
<td>16</td>
</tr>
<tr>
<td>Follow LACORS guidance</td>
<td>5</td>
</tr>
</tbody>
</table>
Case study authorities had largely been involved in collecting data on the HMOs in their area before licensing came into force. For many there has been a process of updating this information based on application forms received, information from landlords and inspections. For some there has been a process of scaling down original estimates. An authority with a large team tackling unlicensed landlords had around fifty properties on their database but admitted that “there’s obviously a lot more. We’ve not even started going out because we’re going to open up a can of worms” (Implementation officer, CS8). One London borough had based their estimates on a borough wide survey, which had estimated that there were 700 licensable HMOs, the LA had used a loose definition of licensable HMOs to determine this figure and through the licensing process had realised that the figure was much closer to 300, but data was still very uncertain, they had around 80 potential licensable HMOs to deal with. Landlords in this area were adamant that there were many more than 300 licensable HMOs, and the LA were carrying out some work to identify and tackle those landlords who were attempting to avoid licensing, although they were not expecting to find many errant landlords.

One LA had surveyed landlords a couple of years before licensing to create a database of HMOs; the evidence provided by landlords has helped the authority to target areas with property that is three or more storeys. The LA has also compared the information gathered from landlords with recent council tax data and there is a suggestion that there are around 400 properties that are licensable but where landlords have not completed an application form.

In one authority, with a large student population, a pre-licensing team had been involved in establishing a database of over 6,000 HMOs. The licensing team were using this database to identify properties that were unlicensed. Data gathering is one element of this process and it often involves street surveys and then interfacing with landlords. Street surveys included “an officer trawling the streets” (Implementation officer, CS7) while others carried out letter drops and door knocking campaigns in targeted areas.

Very few local authorities were carrying out large scale proactive work. Those that were, had found that some of the legislation brought about by the Housing Act 2004 was prohibiting their job:

*It’s enough of the job getting in the premises to inspect it, and then to move forward with the licensing team, get them making their application, paying the money, which they’re obviously reluctant to do, and getting them up to standard.* (Implementation officer, CS8)

A number of officers were concerned that the notice period for inspections was an advantage to landlords and made the process of targeting unlicensed landlords harder. However, officers in this authority were working hard to identify landlords and lead them through the application process. In this case they were interviewing students living in properties to ascertain if it was licensable, checking the number of
households and the number of storeys. They also take photographs. Interviews with a number of LAs unearthed a problem with land registry records. A number of officers pointed to the problem of unscrupulous landlords registering the property in a relative’s name or registering themselves as living at the property. In these cases the LAs have “got a job to track them down” (Implementation officer, CS8).

Although one authority had employed a number of staff to tackle unlicensed landlords many other authorities complained that they did not have the resources to carry out proactive work. They mainly provided their service reacting to complaints from neighbours tenants and referrals from other department. One officer remarked “we don’t actively go out and look. I think we’d be overwhelmed if we did” (Implementation officer, CS3).

When landlords that have been avoiding licensing are found they are faced with sanctions and threats of prosecution in order to entice them to comply. Two authorities were increasing the fees for landlords that they identify as owning licensable property. While a number of authorities were using the threat of prosecution, either at the stage when a letter is sent explaining that an application is due or when a landlord is formally interviewed using the Police and Criminal Evidence (PACE) approach. One authority had found that landlords reacted well to letters that explained about prosecutions and the sanctions associated with the rent repayment order: “It’s incredible, the rent repayment order is an absolute goldmine for getting landlords to sort of go, oh, my word, so, yeah, that’s working very well” (Implementation officer, CS1). Other authorities had found that once landlords had gone through the PACE interview they completed their application form.

The reactive and proactive work being carried out to find unscrupulous landlords has worked in many cases but an officer in a London borough described the problems with absentee landlords operating from abroad:

>We’ve got quite a few problems with offshore companies owning properties, where tenants or housing benefits are paying money into an account and it goes offshore, problems with licensing those properties, problems with prosecuting anybody for any offences have any meaning and although I won’t say it’s a lot of properties, it’s enough to cause us resource problems. (Implementation officer, CS1).

LAs will use their resources to tackle unlicensed landlords but in complex cases, licensing may not be the solution to removing unscrupulous landlords.

6.5.2 Prosecutions

Both the survey responses and interviews with case studies suggest that LAs have been slow to prosecute landlords with unlicensed properties. The LA survey found that 32 authorities (13%) had attended court because
of HMO licensing. These authorities are based in all GORs. The number of applications received by these authorities varies. One authority, had received less than ten applications while other authorities had received more than 500 (see Table AD 54). Prosecuting landlords in court suggests that these authorities are proactively enforcing the legislation. Table AD 54 also shows that of the 32 authorities that have taken cases to magistrates court, more than half (18) have either a transitional HMO licensing scheme in place or are considering applying for additional licensing, and eight of the 32 are considering applying for selective licensing. This suggests that these authorities may have existing issues with poor management of certain sectors of their private rented stock. Of the 32 authorities prosecuting landlords, 25 councils had dealt with issues relating to unlicensed landlords with one LA reporting six court cases against landlords, although Table AD 55 shows that it was more common that a LA would have taken one case to court. Nine of the 21 London boroughs surveyed had prosecuted landlords for unlicensed properties. Six respondents had experienced difficulties relating to enforcement action through the magistrates court because they resulted in low fines or the process was time consuming.

Many of the case study authorities with large numbers of mandatory licensable HMOs had spent much of the time since licensing came into force, managing the process, getting to grips with the legislation, establishing which properties need to be licensed and carrying out inspections. For many of them the majority of properties that have applied for a licence have been processed or will be soon. Once this has been done, LAs may well be able to consider more prosecutions. One authority in the south east had taken two years to prosecute a landlord, they were aware of him before licensing but did not have an enforcement protocol in place and therefore prolonged the situation:

_We’ve had a reasonably ‘softly softly’ approach with landlords, because certainly the ones, the unlicensed landlords and they’ve started to show, he showed initially a little bit of willingness and a lot round the edges, but never really made his final push to actually submit the application and I think we found that with quite a lot of the landlords._ (Implementation officer, CS11)

Many of the case studies discussed landlords that could be prosecuted; for some these were landlords that had continued to delay completing their application form or landlords that had been identified by LA officers. Only one LA discussed the fact that they had a decisive approach to prosecution. This LA admitted that they used to avoid prosecution but this has now changed and they have “authorisation to go to court on every single one they find from now on” (Implementation officer, CS6). Prosecution should be used to ensure that unscrupulous landlords are dealt with. However, having an enforcement strategy that allows for some flexibility may help to ensure that landlords do not feel that they are being unfairly targeted by LAs.
6.5.3 Management orders

The Housing Act 2004 provides LAs with the power to take over the control of problematic properties using management orders. There are four types of orders; they are empty dwelling management orders (EDMOs), interim management orders (IMOs), final management orders (FMOs) and special interim management orders (SIMOs). LAs that were surveyed were asked if they had pursued any IMOs, six authorities had started the process, but only two LAs had issued any IMOs and only one had had to make a final management order (see Table AD 48 and Table AD 59).

One of the London boroughs involved in the case studies had issued an IMO and at the time of the fieldwork was in the process of setting up an FMO. LA officers while discussing the benefits and downfalls of the management order remarked: “I have to say that the potential in terms of HMO licensing is interim management orders. If we have a property that we can’t get a handle on and it is an HMO, it’s licensable, then that’s the obvious route, but that is so resource intensive.” (Implementation officer, CS1)

The landlord who was issued with an interim management order was known to the authorities. His response to licensing was to evict the tenants. The property was in poor condition and there were health and safety issues for the existing tenants; the landlord was also reluctant to find an alternative manager. It was with this background that the LA decided to pursue an interim management order. The landlord appealed against it at the RPT but lost the case. At the time of the fieldwork the authority was discussing taking forward an FMO on the property.

Another of the case studies was keen to use the enforcement powers offered by management orders and had set up an interim management order then a final management order, for a property that had later been sold. Management orders were seen as useful tools in curtailing the poor management of HMOs. Officers in this case had used the threat of management orders to persuade a gangmaster with around a dozen licensable properties to complete the application forms for mandatory licensing. The LA and the Gangmasters Licensing Authority (GLA) coordinated their enforcement action on this landlord resulting in the landlord losing his Gangmaster’s licence and the LA insisting that another manager take responsibility for the properties as they deemed the landlord was not fit and proper. In another case of poor management, the police were keen to use special interim management orders to tackle a property with “severe anti-social problems”; and where the landlord was reluctant to intervene. LA officers were in the process of collecting evidence when they were informed that the problematic tenants had moved out of the property. In one authority there have been several instances where management orders have proved a useful tool. However a number of LAs have been reluctant to take steps towards setting up management orders and have, it would seem, shied away from dealing with problematic properties as they do not have a system set up. The LA with an IMO in place remarked:
We believe we’re the only authority that’s done one so far, despite knowing other authorities should have done them by now. In theory they should be going straight down the IMO road, because as soon as they know it should be licensed, they’re not and I don’t think they have carried out prosecution proceedings over, so they must take it over and they’re not. (Implementation officer, CS1)

While the London borough had successfully set up a management order they criticised the level of bureaucracy involved:

I think my overall impression of the whole IMO, FMO, EDMO theme is complexity, major difficulties with the local authority. Obviously it’s not a thing to be taken lightly, we don’t do these things lightly, but it’s a bureaucratic nightmare for a local authority and a lot of risk for the local authority with very little risk for the landlord. There’s an amazing number of points at which the landlord can challenge the process. It’s resource intensive, but you really have to be as sure as you can that you’ve ticked all the boxes. (Implementation officer, CS1)

Although the LA (CS1) was concerned that an element of risk was involved in setting up these orders, they went forward and arranged for a private company to take responsibility for any management orders they set up. They opted for a private company after putting the contract out to tender because they had wanted an alternative to their in-house housing department. They felt that this department had not operated control orders very well in the past. The authority had initially looked to include other neighbouring London boroughs in their contract from the start but this had not worked out; however, it is hoped that other authorities will sign up with the same external contractor in the future.

A lot of work is involved in processing management orders. Although the main responsibility is with the contractor the local authority acts as conduit to ensure that all tasks are completed:

We’re trying to get them to do all the work that a normal landlord would do. The problem that no-one appreciates is the amount of work the local authority has to do as well to set all this up, the letters we had to send, the paperwork we had to get in preparation, you know, it’s a full time job for each one. (Implementation officer, CS1)

Before an IMO is pursued a consultation takes place with an officer involved in licensing and standards, legal officers and the housing services. All parties agree before steps are taken to involve the external contractor. It is important that the right decision is made because officers describe the risk factor involved in management orders, namely the fact that the landlord can challenge the process at several stages. Management orders are also financially risky. This authority had a £100,000 capital facility to fund any emergency works that were not covered by the rent accrued from the property. An officer reported that setting up this fund was difficult: “we have to have a float and that’s something authorities need
to negotiate within their own authority and that’s often quite difficult for them to do” (Implementation officer, CS1).

Officers in case study 6 also mentioned the financial risk. There is also the risk that resources are wasted if an IMO is set up for a comparatively short period of time, as they might be in operation before the property is sold or the landlord wins an appeal against it. Case study 6 has experienced one landlord that sold after being issued with an IMO. This is likely to deter LAs that are already reluctant to move towards management orders.

LA officers in case study 6 aligned management orders with their private sector leasing scheme; they extended the contract of the existing company. They felt that this was the best way forward. “The frameworks were all there so just the tweaks and bolt-ons as necessary to serve the need at the time” (Implementation officer, CS6).

Some of the barriers towards setting up management orders seem to be difficulty finding external partners, although one authority had set up a framework contract with five registered social landlords (RSLs), the majority thought that it was too resource intensive. A number of case studies had sought partners but had found that while some were initially interested they were not fully committed. One authority would look to their arms-length management organisation (ALMO) and their landlord association for assistance should a case arise where they need to set up a management order, and thought that it was not sensible to put a system in place if there was no immediate need for it “to do all that work it might be three years before you actually need somebody” (Implementation officer, CS13). Two local authorities responding to the survey suggested that making management orders discretionary would benefit them.

Others were concerned by the costs associated with management orders, the time taken to set them up and their lack of detailed understanding of them, despite attending training courses:

I think there’s still not enough known about management orders really to kind of get in there and set them up very easily. I suspect it will take another year to set up, at least, I mean again talking to other local authorities who have some experience of it, it doesn’t matter, they were able to share, for example, X’s sort of contracts and talk to them about it and it still took them a year and a half to do and they’re big authorities with Pathfinder status and so on, they’ve got additional monies. We’re obviously looking to try and crib as much as we can off them, but I still think it’s going to be a very long process. (Implementation officer, CS11)

6.5.4 Residential Property Tribunal

The survey of LAs asked respondents about their experience of Residential Property Tribunals (RPTs). Around 11 per cent (25) LAs have had some contact with the RPT as a result of HMO licensing, with one LA having dealt with five cases. The Residential Property Tribunal Service (RPTS) Case
Archive also identifies 25 LAs that have attended RPTs as a result of HMO licensing since 2006. Of those authorities responding to the survey, three reported cases that were related to rent repayment orders, while 18 authorities attended RPTs as a result of a landlord appealing a LA decision. Nine respondents had experienced some difficulty with the RPT and they were generally viewed unfavourably by LA officers. Although very few cases related to HMO licensing have gone to the RPT, a few landlords who attended focus groups were pleased at the outcome of their appeals. The RLA noted that the majority of landlords would not choose to make an appeal.

A number of landlords attending a focus group in one London borough had decided to appeal against the LA’s inflexible standards with regards to licensable HMOs; each landlord had won their appeal. In one case, a landlord had been informed that “the shower rooms in three of the self contained studios were deemed to be too small” by three centimetres. The matter was only resolved at RPT because the LA showed “absolutely zero flexibility” (HMO landlord, CS1). In another case a landlord who had recently upgraded three bathrooms appealed when informed that she had to remove the bath or shower from one of the rooms so that she could provide a separate toilet facility:

I wanted registration for nine people and they said, no they would only give me registration for five unless I take out one of the baths or the showers. So that I had a separate toilet or alternatively I put in a separate toilet. But you know just a minute there’s three toilets so … they said yes but if someone is having a bath and someone wants to go to the toilet. But there are another two you know I have another two toilets. I had just paid to have all of these bathrooms re-done now they want them ripped out … so I did I said, well I am appealing. And I said, because I’m fed up with you dictating to me everything. (HMO landlord, CS1)

In these cases appealing at the RPT was a cost effective solution for landlords, in fact one LA officer praised the RPT for providing a cheap and effective service to landlords. One officer who had answered an appeal from a landlord relating to a number of terms and conditions of HMO licensing found the reality of the RPT in stark contrast to that which had been described on a training course. The expectation was that the tribunal would be relatively informal, instead however the officer felt that the RPT was intimidating and that: “there were questions, I think, that wouldn’t have been allowed in a magistrates court and I found it extremely formal” (CS12). This officer echoed issues raised by officers responding to the survey. While some landlords are benefiting from RPT decisions it was clear from discussions with this LA officer that there were problems with the way the tribunal was set up. Members of the tribunal lacked knowledge of the HHSRS and other aspects pertaining to the health and safety of property:
Surely you should have someone who’s au fait with how the HHSRS system works, because this is just my opinion, but I didn’t get that opinion from the RPT. They did visits, for instance, of the five properties, they were asking me what that was. That was an alarm panel, that is the hard wired system with the battery back-up. They’re asking me, but yet they’re making decisions about the safety aspect of that. (CS12)

### 6.5.5 Working with local authority departments and other agencies

The case study authorities worked with various internal departments and external agencies to implement mandatory licensing. LAs mentioned working with the following external agencies:

- fire service
- citizens advice bureaux (CAB)
- police
- housing market renewal (HMR) funded private rented project
- race equality council/race relations office
- local universities

A number of officers pointed to their co-ordinated approach with the fire services when inspecting licensable HMO properties. Some of the case studies had organised community action days with the fire services and other agents; this has helped to raise the profile of licensing. Most authorities had established a good working relationship with their local CAB and had informed them about HMO licensing. There were similar relationships with other agencies set up to provide support and advice for private tenants. In one area the Race Equality Council provided advice to migrant workers in the area, directing them to the LA if their problems stemmed from poor housing condition. In another area, the police have carried out police national computer (PNC) checks on cars owned by unscrupulous landlords or managers of HMOs, where their details have been difficult to trace using traditional methods. In an area with a large student population the police consult with the LA, through their landlord forums and promoted security in HMOs as student properties can be susceptible to burglary. A number of case studies with students occupying licensable HMOs had worked with the local universities to provide clear advice on licensing, and a number of officers mentioned that information about HMO licensing was filtering down to students and their parents who often reported unlicensed HMOs.

Officers involved in implementing mandatory licensing also worked with colleagues in various internal departments in order to successfully licence HMOs in their area. These departments include:

- building control
- community safety
• community cohesion
• council tax
• housing benefit
• housing needs/advice
• legal services
• neighbourhood services
• planning
• waste management

Council tax and housing benefit were services that often provided data to the licensing implementation team; this helped them to identify potential licensable HMOs and collate a database of the HMOs in their area. In one authority an officer had to inform the council tax department of the actions of unscrupulous landlords who were avoiding council tax by claiming that it was the responsibility of a single tenant, although tenants lived in an HMO and believed that their rent was inclusive of bills. A few tenants had been prosecuted for non payment because of this. However the environmental health officer in charge of licensing was working with the council tax office to ensure that landlords were made responsible for this bill: “they’re now saying if you say it’s an HMO, we agree, we will send the landlord the bill for the council tax” (CS7). Landlords in authorities in London and the south east complained that the HMOs that they were improving, to comply with licensing, had been reassessed by the council tax department and this had led to sharp increases. Landlords considered that improvements to the property would benefit tenants. However, increases in rent because of increased council tax may not be cost effective for the landlord or the tenant. LAs may need to provide clear information to landlords about the additional costs associated with self containing HMO accommodation.

Building control and planning departments also have a part to play when landlords self-contain HMO properties. In some authorities either service may inform the licensing team if they come across poor HMO conversions. However in many instances this does not occur, and planning and building control enforcement work remains quite separate to the work carried out by environmental health officers. In one London borough, officers were aware that a service such as building control focused on providing their own service and that it was “quite difficult getting a multi agency approach to these issues” (Implementation officer, CS1). Other officers worked effectively with these departments.

Planners and strategic housing staff in an authority with a large number of migrant workers and a growing number of HMOs raised the issue about the Use Class Order and the need for a coordinated approach to HMOs from both environmental health and the planning services. Two authorities responding to the survey also suggested updating the planning definition. A recent report commissioned by Communities and Local Government
explores HMOs from a planner’s position\textsuperscript{24}. A planner explained “the way that it is set up at the moment is that the use of a house for up to six people living together who are not related, they live together as a household. It doesn’t even enter the box of where planning is involved” (CS6).

There is a good working relationship between planners and EHOs at this authority, but there was a general concern that strategic action with regard to the number and type of HMOs in an area could not be addressed with the present system. The authority were fielding complaints from residents who were seeing an increase in areas that were virtually private rented only. Staff described these areas as “ghettos”. To respond to residents and build a mutually beneficial community they were keen to see changes to planning legislation:

\textit{We try to create mixed and balanced communities and it is very difficult to build a communities when you have this high level of turnover, of the people you have no idea who they are. And that’s why you are getting the feel and perceptions, you know the fear in a community. It may not actually materialise but you know that fear this, there isn’t that cohesion that you are looking for.} (CS6)

LAs with large migrant worker populations have generally taken a coordinated approach to ensuring that housing and social conditions are acceptable for this group. In one authority, the influx of migrant workers created serious tension between the host community and the new workers. Difficulties with housing conditions and racial tension in the area led the LA to set up a community cohesion department. They used ‘myth busting’ leaflets as one of their tools to improving the situation and the LA had noticed marked improvements in the area:

\textit{I think there’s a lot of work gone in the last two or three years and you’ll find that where officers working on cases are more aware now of what’s out there and who’s available to talk and to get to and really, you know, the multi agency approach, as we all know, we fire fight on our own, but with a multi agency you can really get to the route of the problem and find out exactly how we can do it and it’s not really enforcement, it’s also education side and it’s also looking at really resolving whatever issues, whatever it takes, sort of thing and it may be that it just takes someone to go and talk and discuss this sort of thing and the problem gets solved there.} (Community cohesion officer, CS7)

6.5.6 How does HMO licensing fit with corporate and other strategies and what priority is it given?

When LAs assessed the importance of HMO licensing in their overall housing strategy, 16 per cent stated that it was not at all important and 14 per cent thought it was very important (See Figure 3). Although

\textsuperscript{24} Communities and Local Government 2008 Evidence Gathering – Housing in Multiple Occupation and possible planning responses Final Report
different authorities will have varying housing priorities, the survey
found that 67 per cent of councils had updated their housing strategy to
incorporate HMO and selective licensing (Table AD 18).

One of the London boroughs involved in the case studies was using the
private rented sector to meet their homelessness targets. Due to high
demand for accommodation in this borough, the LA has had various
private sector schemes in place. These include ‘leasing schemes’, a private
finance initiative (PFI) scheme and other projects that involve the LA
taking “on private rented property, which will eventually be purchased
or converted into social housing”. They are also involved in procuring
empty properties for people in housing need. They encourage landlords
to rent property to tenants that may find it difficult to find a tenancy
using conventional means. The LA were in the process of setting up a
central procurement route for landlords providing services so that “the
fit between the scheme and the landlord is one the best one that we can
achieve” (Strategic officer, CS4). The LA has therefore developed strong
relationships with a variety of landlords and understands the benefit of
maintaining good relations with this sector.

Case study 4’s housing and planning strategy suggests that they wish
to maintain, but not necessarily increase the number of HMOs in the
borough. “We don’t really want to see more HMOs, but we don’t
want to see the HMOs, which we have, converted for single usage”
(Strategic officer, CS4). The borough is aware that the number of HMOs
has decreased over many years. This LA continues to offer HMO grants
although many authorities have stopped providing this service. In this
borough, grants are provided for help with improvement to fire safety.
The LA was aware that the take up of grants was limited. Licensing may
encourage more landlords to seek funds to improve their properties.
A number of LAs had empty homes strategies; one London borough is actively procuring empty properties for use in social rented sector, and others are supporting owners to let their properties. A case study in the east of England is involved with around 700 empty properties, 200 of which are rented to people on the housing list as part of a private sector leasing scheme. The remaining properties are rented out privately.

One London borough (CS1) was using the private rented sector as part of its homelessness prevention strategy. This authority had a total of 350 private sector tenancies in place and was aware that there were generally good standards in this sector. Where there were difficulties with these tenancies the LA worked with landlords to make improvements. Young people in housing need were being offered flat shares of three to four people instead of traditional bedsit HMO accommodation. The LA found this approach worked well and was a good introduction to renting for this tenant group:

*We very much like, for younger people, a flat share approach, you know. HMOs are quite isolating and although you’re sharing facilities, there’s quite some difficulties around how people live in HMOs, I think. You know, the flat shares that we’ve set up where you’ve got three or four young people sort of living together, they’re challenging, but they’re a much better way of introducing people into renting and getting them set up and we particularly like that as a model, rather than putting somebody straight into a bedsit or into an HMO.* (Strategic officer, CS1)

Although the LA preferred an alternative to bedsit accommodation for young people they were clear that they sought to retain their stock of HMOs across the borough. Their unitary development plan, a document that provides a framework for planning decisions, clearly states their policy for protecting HMOs. In this borough, there is a significant amount of HMO stock and the percentage of private rented stock is increasing. Strategies that encourage landlords to improve standards within the property and their standards of management such as the London Landlord Accreditation Scheme are promoted in the borough.

**The interface between licensing and HHSRS**

The Housing Act 2004\(^\text{25}\) states that a Health and Safety Rating System (HHSRS) inspection is required on a licensed property within 5 years of the application date. Apart from this, these enforcement regimes are completely separate. The case studies have taken on licensing and HHSRS in different ways, some are concentrating on HHSRS while others are focusing on licensing. One authority described their approach: “the rating system is more important” than licensing. The Chartered institute of Environmental Health (CIEH) found that LAs ranked ‘the priority given to HMO licensing’ fifth as an important factor influencing Part 1 regulation\(^\text{26}\).

---

\(^{25}\) Section 55 (subsections 5 and 6)

\(^{26}\) Chartered institute of Environmental Health 2008 The CIEH Survey of Local Authority Regulatory Activity under the Housing Act 2004: Results of a questionnaire survey
The interface between licensing and HHSRS is not clear to landlords: “it has to be licensed under the HHSRS whichever rules” (CS11), and LAs are equally dismayed by the separation of the enforcement tools:

*HHSRS is separate from licensing, and we need to separate out those two functions. And that in itself is a contradiction to, you know, to have a system which is based on a landlord being fit and proper and managing their property properly … with scope for them to actually have properties that are in substandard condition and not be able to use licensing to tackle that so there is, you know, there are some issues that, you know, where it could be streamlined, and it could be either one thing or the other, it could be about the property or it could be about the landlord, and deal with both robustly.* (Strategic officer, CS8)

### 6.5.7 Landlord support

One of the key strategies towards improving the private rented sector comes in the form of landlord support. The majority (92%) of LAs responding to the survey were providing support to landlords including accreditation schemes, landlord forums, vetting services and post tenancy visits. The form of support depended on the LA, the issues faced in the private rented sector in the area and resources.

Since the baseline study, all case study authorities continued to provide a range of support services for landlords to encourage engagement and to support good practice. The support services are a vital part of a wider package, which includes licensing, to raise standards in the private rented sector. Whereas licensing is the ‘stick’, landlord support is the ‘carrot’. Accreditation schemes are often a key feature of landlord support services. Over 50 per cent of LAs surveyed had a landlord accreditation scheme in place. Most of the case study authorities had a scheme in place, while the rest were considering setting one up. Although for two authorities, who operated mandatory licensing schemes only, landlord support through accreditation was hampered by a lack of resources. An accreditation scheme is a voluntary scheme set up to improve the management and condition of properties in the private rented sector. Accredited landlords agree to follow a set of standards and may receive a number of benefits from being a member of a scheme. The benefits of accreditation that particularly link into licensing include:

- training by external and internal agencies
- workshops on legal and financial matters relating to landlordism
- guides and toolkits
- free advertising including access to advertising through choice based lettings schemes
- access to a dedicated housing benefit advice line
- discounts on licensing fees
• being part of group repair or environmental improvement regeneration schemes
• referencing services on potential tenants
• post tenancy visits/inspections
• grants to undertake improvements required for licensing and accreditation:
  – warm front grants
  – means tested works grants
  – HMO grants
  – empty property grants
  – block improvement grants

Most LAs also operate landlords’ forums and are linked to local landlord associations in order to encourage engagement, promote good practice as well as listen to landlords concerns. In one case study landlords were benefiting from an initiative between the landlord association, the council and the fire service.

The case studies suggest that the success of accreditation and other measures varied, depending on the level of landlord engagement attained. This also depends on the history of accreditation in the area; some authorities have provided this type of support for many years.

Problems of engaging with absentee landlords, who generally have less support available to them to deal with serious issues such as ASB, were cited as a concern in all of the case studies. Often the hard to engage landlords are those with serious problems managing their properties. There is a general lack of professionalism, understanding and awareness by many accidental and ‘buy to let’ landlords. A number of case studies also reiterated their problems in engaging with Asian landlords where the majority of lettings are undertaken by informal and sometimes complex rental arrangements. Some of these properties may have poor property and management standards, but landlords remain reluctant to participate in landlord forums and accreditation schemes.

For those authorities dealing with serious issues of exploitation and overcrowding in migrant worker accommodation, often purchased by speculative landlords seeking quick financial gains through high rents, the problems of landlords who wish to remain ‘hidden’ from the local authority are particularly significant and give weight to their case for considering selective or additional licensing measures. Consequently, many LAs advised that landlord forums were not always attended by the types of landlord they needed to engage with in order to impact on standards. Some LAs also reported that there were difficulties in continued dialogue with good landlords who felt that they could gain little additional knowledge through on-going engagement and training offered.
6.5.8 **Landlord training**

The need to raise standards in the private rented sector motivated a number of the case study authorities to provide supportive landlord training. Most case studies were providing training via external agencies such as the fire brigade, trading standards and the CAB, and through in-house teams.

The type of training provided varied considerably in each authority. Some courses focused on managing and ending tenancies, tax advice and how to run a business, while others have looked at specific issues such as tenancy agreements and anti-social behaviour. One case study had some success in engaging and training a core group of landlords including some student landlords who undertook training in small groups, and who were now proactively contacting the LA for news of further training sessions. There are some difficulties associated with LAs providing training; officers were concerned that some landlords would only attend courses that were run by independent experts, while some were put off by free training courses. Some landlords in a selective licensing area were reluctant to pay additional fees for training.

A few local authorities either encourage landlords to participate in some form of training or require them to do so as part of the licensing process. Two London boroughs encouraged landlords to undertake training provided through the London Landlord Accreditation Scheme when they applied for a licence.

The Residential Landlord Association (RLA) is involved in the delivery of a training course for an LA in Yorkshire and the Humber. The terms and conditions of the mandatory HMO licence require that landlords undertake training. To date a high proportion of the 900 licensable landlords have participated. The RLA considered the requirement to participate in training a positive way of supporting landlords: “rather than this big stick to prosecute people this is to encourage the uplift in management standards” (RLA committee member).

The association advised that many landlords who were initially sceptical and disinterested about this enforced training reported at the end of the training, that they had found it informative. This was the case even for the most experienced and generally well informed landlords.

The training itself consists of two modules, one on health and safety law and the other on tenancy management law. The course also advises landlords on ways that their responsibilities and the requirements can be delivered in the most cost effective way. Landlords take away an information pack and there is a three year refresher course. Similar training has taken place in a LA with a smaller number of licensable HMO landlords; the RLA trainer expressed that it was clear from interacting with landlords from different areas that knowledge and awareness varied dramatically between landlords.
The RLA were keen to see a national landlord training scheme in place. They felt that this would ensure that landlords could access consistent training on HMO related topics without having to travel considerable distances.

6.6 Good practice in licensing

While local authorities have a statutory duty to license HMOs that meet the mandatory threshold, the way that they carry out this work can have a significant impact on the effectiveness of the legislation and landlords’ compliance. The following examples of good practice have been drawn from interviews with case study authorities and highlight how local authorities are working towards providing a robust service for landlords.

Support to landlords/letting agents

- landlords are issued with a licence number so that they do not have to repeat the information that they provide to the local authority when they complete more than one licence application
- most local authorities have provided comprehensive guidance to landlords and tenants on their websites
- officers in a number of case studies provided advice to landlords on their individual property. This supports landlords who have bought HMOs and are preparing to refurbish and those who may be carrying out works in response to licensing. There can be difficulties with providing individual advice as landlords may expect this service on a regular basis and local authorities may not have sufficient resources to carry out this work
- a local authority with large number of licensable properties had offered support to letting agents. They have provided a number of solutions to letting agents and have maintained good level of communication with some of the larger agencies
- some of the LAs offered grants to landlords to help them to carry out works to their properties, sometimes these were for specific works, such as installing fire safety measures. This is a good way of offering landlords an incentive to keep operating the HMO and may reduce the number of HMOs that are converted into flats

Inspections

- mapping three storey HMO properties has allowed one local authority to target their resources so that they prioritise areas that are likely to have problematic HMOs
- an authority is keen to implement six monthly visits to mandatory licensable properties over the course of the licence
- as a direct result of inaccuracies in plans provided to support applications for mandatory licensing and the number of category 1...
hazards found in licensed HMO properties, an inspection could be
carried out before a licence is issued as in one authority in the north west

Coordination

- good relationships with internal and external agencies can help the
  licensing process. Building control, the fire brigade and EHOs carry out
  joint inspections of mandatory licensable HMOs

Enforcement

- local authorities are raising awareness about HMO licensing by door
  knocking, distributing letters and leaflets, and talking to residents in
  areas with large number of HMOs
- when officers serve a notice on a landlord they include a ‘statement of
  reasons’ so that the landlord is immediately aware of the reason for the
  notice
- officers were utilising LACORS guidance on tackling unlicensed
  landlords
- one authority was using data collected from council tax records cross
  referenced with survey data from landlords to identify potentially
  licensable HMOs. The occupants of these houses were being contacted
directly to ascertain if the property was a licensable HMO
- a London borough writes to potential mandatory licensable HMO
  landlords explaining the sanctions brought about by the Rent
  Repayment Order (RRO). Information about the RRO has been linked to
  a recent increase in applications in the borough
- a London borough has contracted a company to manage properties
  that are subject to IMOs, FMOs and EDMOs. The authority has a panel
  that meet regularly to discuss potential cases and then pass them onto
  to the management company when the decision has been made
- an authority in the north west starts with an informal approach to
  enforcement and then leads to more formal route over the course of
  time, ensuring that landlords are given clear communications about
  their responsibilities and actions that may result from a lack of response

Fit and proper

- one local authority was aware that unscrupulous landlords can hide
  behind their company. They were considering prosecuting individuals
  and trying to exclude them from becoming a director of a company
- London authorities are able to check a landlords rating on a landlord
  register. The database is populated by local authorities mainly in the
  London area and provides information on whether the landlord is
  considered good bad or average based on the experience of the local
  authority
Licensing

- Local authorities have been offering conditional licences to landlords so that they can collate planning and building regulation documentation.

6.7 Supporting LAs

LA officers participating in the survey report that they sought support in licensing matters from various agencies (see Table 9). The majority (92%) referred to LACORS for various licensing matters.

| Table 9: Where would you seek support and guidance on HMO and Selective Licensing? |
|------------------------------------------|-----|-----|
| N  |  %  |
| LACORS | 224 | 92  |
| HMO network | 164 | 67  |
| Chartered Institute of Environmental Health | 156 | 64  |
| Communities and Local Government | 156 | 64  |
| Other | 65  | 27  |
| Chartered Institute of Housing | 40  | 16  |

Ninety-seven LAs provided information on the type of additional support and guidance that would be useful in implementing HMO and selective licensing. A number were satisfied that LACORS were providing sufficient information and wanted this to continue. In the main, LAs suggested guidance and national standards (national amenity and fire standards) as key issues that would provide additional support. The following guidance was suggested:

- guidance on management orders – procurement services/tendering toolkit for interim management orders
- case studies on LAs implementation of licensing
- clarification of legal definitions
7 Impact of mandatory HMO licensing

7.1 Changes to the HMO market

One of the key policy objectives of HMO licensing was that it did not lead to a reduced supply of rented accommodation. However, changes to the HMO market since licensing suggest that in many areas landlords are avoiding licensing by:

- reducing occupancy numbers
- reducing the number of storeys in their property
- converting HMOs (bedsits) into studios and
- selling HMOs

All these elements together have led to a reduction in supply of this type of accommodation for those tenants that are looking for affordable accommodation.

During the baseline study, LAs, landlords and tenants noted a number of potential negative impacts of licensing. Some LAs expected some of the poor landlords to abandon their properties leaving the council to manage them. Fears about licensing generally reducing supply were raised by all parties; tenants were also concerned about the loss of affordable bedsit accommodation. Mapping changes to the HMO market since the introduction of mandatory licensing in April 2006 requires an understanding of the ‘known’ and the ‘hidden’ market. From the baseline and current study it is clear that the HMO market provides accommodation to a small proportion of the population in some areas, while in others it is vast, and an easily identifiable sub-sector of the private rented market.

Mandatory HMO licensing is aimed at improving properties that meet a particular criterion: three or more storeys, five or more people in two or more households. In each LA, the number of properties that fall into this category will vary. The majority, 160 (68%) of LAs surveyed were unaware of changes to the HMO market since licensing was introduced, while 75 (32%) thought that there had been changes in this market. Table 10 shows the type of changes that have taken place in some LAs. LAs listed illegal evictions, increase in the number of two storey HMOs and improvements to the fire safety of these properties as some of the other changes to the market resulting from licensing.
### Table 10: Changes in the HMO market since the introduction of licensing

<table>
<thead>
<tr>
<th>Change</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in occupancy levels</td>
<td>60</td>
<td>80</td>
</tr>
<tr>
<td>Conversions to self-contained flats</td>
<td>47</td>
<td>63</td>
</tr>
<tr>
<td>Increase in property sales</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>Single family lets</td>
<td>22</td>
<td>29</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>16</td>
</tr>
</tbody>
</table>

Base: 75 LAs that had noticed one or more changes in the HMO market since Licensing

#### 7.1.1 Reduction in occupancy levels

There were 60 authorities that cited ‘reduction in occupancy levels’ as a noticeable change in the HMO market since licensing. Reduction in occupancy levels, generally suggest that landlords have intentionally reduced the number of tenants in a licensable property so that the occupancy falls below the mandatory criteria of five people. It would seem that authorities across England have noticed this change, with 16 authorities in the south east and 11 in the north west pointing to this phenomenon.

The majority of LAs and landlords in the case study areas were aware of landlords who were reducing the occupancy of these properties. For both parties it was difficult to quantify the amount of this in any of the areas. Some authorities referred to the number of temporary exemption notices they had issued but mainly admitted that this only accounted for those properties of which they were aware.

The LAs involved in the case studies often describe landlords as being “frightened” and “scared” of licensing. This is not surprising given the profile of some of the landlords who would be affected by licensing – individuals with one or two properties, little awareness of health and safety standards and regulations, buy to let landlords with little capital to invest in the property. These landlords are reluctant to spend money on these properties and are therefore reducing occupancy as a quick way of limiting costs.

An LA officer explained that landlords were making a “business decision” to reduce occupancy numbers, he was certain that in many cases this made little economic sense, however some landlords had decided that they would prefer to lose rental income rather than get involved in licensing. Reduction in occupancy is affecting LAs with large number of mandatory licensable HMOs as well as those with no more than a handful. One of the case studies, with two licensable properties knew that landlords had made a business decision to reduce: “It wasn’t cost effective for them to bring them up to standard, all the other things that they’d have to do. So there’d been a couple of cases, two or three cases like that, where people had taken that option” (Implementation officer, CS5).
While it may be the case that naïve landlords are avoiding licensing in this way, it may also be the case that unscrupulous landlords are exploiting this flaw. An officer remarked:

\[
\text{It’s so easy to get out of mandatory licensing, if you’ve got a bad one, that’s probably reduced the numbers, simple as that. A lot have done that. But I suppose the worse ones, they’re not going to spend the money on it, they’ll just reduce the number and be exempt from it. (Implementation officer, CS10).}
\]

One London borough was aware that illegal evictions may be taking place as landlords sought to avoid licensing by reducing occupancy:

\[
\text{We’re also aware, a lot of landlords have cleared their tenants out, probably illegally, but we’re so stretched. We’re well resourced, relatively well resourced, compared with other authorities, but even then, despite having a really focused enforcement process, we just can’t keep up with landlords and a lot of them have got out of the market without us being able to stop them or deal with them. (Implementation officer, CS1)}
\]

Therefore the reduction in occupancy is having a direct impact on tenants that have restricted supply and are put in a vulnerable position when they are evicted without support from the local authority. A national landlord association was aware that landlords were reducing occupancy and this was confirmed by a landlord that had sold eight licensable properties in London he said:

\[
\text{From what I know, I can tell you I sold my properties last year. Most of them had eight or ten bedsits. The people bought them from me, are keeping all the tenants and they’re just letting four rooms in the house. So rather than they, rather than bother about it they’re just letting four. (Landlord, CS1).}
\]

Landlords are also reducing occupancy by limiting the number of usable storeys. An LA officer in the South East noted:

\[
\text{I mean over the last couple of years we’ve certainly had quite a lot of enquiries about that sort of thing and certainly reducing the property to two storeys by taking out a floor or taking out a number of rooms, that seems quite popular. There’s been an awful lot of landlords who’ve just done it and we know it’s happened after the fact, we haven’t recorded that as a specific issue. (Implementation officer, CS11).}
\]

A number of LAs reported that landlords were generally avoiding three storey properties. An officer noted that the criteria for mandatory licensing meant that landlords could opt out of licensing by reducing occupancy numbers or avoiding three storeys: “licensing achieves nothing in the context of the very fact that a high percent of landlords have caught the five person thing and the three storey thing and either avoid five person or three storeys” (Implementation officer, CS7).
7.1.2 Conversion of HMOs

Table 10 indicates that 47 LAs completing the survey suspected landlords of converting HMOs into self-contained flats. Of the 47 LAs, 14 were in the South East and nine in London. Three of the case studies were from these regions and they all highlight this issue, although this is not restricted to the South of England by any means.

The conversion of HMOs to self contained flats has been taking place long before licensing; one LA commented that the changes to the HMO market were part of a general trend towards modernising the private rented sector:

I think there’s just been a general decline in HMOs as a type of accommodation that people want to live in, over the twenty years that I’ve been in x, you know, it’s just been going down. I don’t think licensing has changed that general trend, so I don’t think it’s had any impact, but there is still a general decline in HMOs, but I just think that’s just a natural reduction. (Strategic officer, CS1)

While, a general decline in certain types of HMOs, bedsits for example, may have been apparent in some areas for some time, it would seem that converting property to avoid licensing is a direct impact of the legislation. LA officers in the three case studies in London and the South East with large numbers of HMO and mandatory licensable HMOs were aware of landlords converting bedsit accommodation into studio flats:

We’re mainly talking about, if people are going to convert bed-sits, they mainly convert them into studios. Yes, so if you had nine bed-sits in the property, you might end up with eight studios or nine studios in some cases and you can see the sums don’t really add up, they’re just ridiculously cramped surroundings it’s very difficult for us to deal with them. (Implementation officer, CS1).

The safety of these types of properties is particularly problematic as officers have found that landlords, in an attempt to maximise the space available are designing the space with “high flying beds above kitchens, mezzanine type beds” (CS1). While this type of conversion does not always reduce occupancy levels it does tend to lead to a reduction in affordable housing as rents are often increased, these conversions are marketed as studio flats, and tenants in London were very aware that the rent for some of these small studios was often higher but less value for money:

When I was looking at flats two years, it was common to have a flat share, nowadays when I’m looking at places you get these small studios so my personal opinion is, instead of landlords saying I’m going to apply with HMO licensing because I’ve got a 3 storey property, what I’d rather go and do is turn it into little studios with their own kitchen and just share the bathroom which is not applying to this licensing so what they’re doing is squeezing more people in and making more money.
In terms of just a room, and you share kitchen and bathroom – it’s much more difficult and especially price wise. It used to be much more common and much more cheaper. (HMO tenant, CS4)

These studios are an attempt by landlords to circumvent the criteria within mandatory licensing for sharing facilities; as a result LAs are dealing with these often dangerous conversions. Landlords clearly expressed a desire to avoid the hassle of licensing by converting property: “we’ll probably chop them up into three separate flats and sell them. As soon as they start putting pressure on us to do any ridiculous work we’ll probably just do it” (HMO landlord, CS1).

One London borough is acutely aware of landlords’ propensity to self-contain. They decided to focus on mandatory licensing initially rather than pursue additional licensing at the same time: “we didn’t have a wholesale cull, because I think that was the feeling, as soon as you introduce licensing, that’s it, I’m just going to get rid of them, sell them off or convert them into self contained flats and so on and rent them out on that basis” (Strategic officer, CS4). However, landlords in this area continue to convert, often into small flats. Environmental health officers were keen to ensure that these properties were safe and not overcrowded and licensing officers in this area would discuss the options available to landlords that applied for a temporary exemption notice so that they had time to convert their property. Officers in these cases explained that improvements associated with licensing were often cheaper than conversion.

In an area with a large student population landlords were aware that previous HMOs were being converted back to family dwellings, as a result of a drop in student numbers as landlords now compete with purpose built student accommodation.

7.1.3 HMO sales

Some landlords have felt the burden of implementing various local and central government policies, from controlled registration to tenancy deposit schemes. For some, licensing has been ‘the straw that broke the camel’s back’ and therefore these landlords are getting out of the market and selling their property.

Thirty LAs participating in the survey (see Table 10), had noticed an increase in property sales in the HMO sector since licensing. LAs, landlords and tenants from the case studies confirmed that this was an issue that they were aware of, and that much of it was directly related to licensing. A landlord attending a focus group in London declared that he had sold eight licensable properties in October 2007:

I’ve got none, I got rid of them all. I had enough, they hounded and hounded me and treated me like a criminal. (Landlord, CS1)
This particular landlord did not want to engage with the local authority and felt that selling his licensable property and converting other non-licensable HMOs would be an expedient way of disengaging. He was not alone, landlords and LAs across England were aware of this, a landlord in Yorkshire and Humberside assumed that it was the poorer landlords that were leaving the market: “some old guard unprofessional landlords have dropped out of the market and cashed properties in” (HMO landlord, CS9).

A London tenant mentioned that his property had been sold. An individual landlord, who was described as a “bit lax” about maintenance of the building was replaced by a corporate landlord. This particular tenant was a regulated tenant. The new landlord is evicting tenants and renovating the rooms, the tenant noted: “imagine there’ll be about 100 per cent rent rises on those rooms” (HMO tenant, CS4).

While it would seem that some of the poorer landlords are leaving the market there is a concern that good landlords in some areas are considering a way out. Some of the landlords participating in a London focus group were contemplating selling their property after many years as landlords; these were licensed properties, and many landlords were accredited and had cooperated with the council through licensing and the previous registration scheme:

*I really would like to sell it soon but I mean it will depend on the market state and I mean I am prepared I've run it for 16 years and as I said I've really largely enjoyed it. There’s has been great capital increase in value in that period of time so I’m not, I don’t want to sound as though I’m complaining on every score. By any means but it’s just very disappointing that having had such an excellent time really, as far as tenants are concerned and no difficulty at all. I feel that there’s pressure from … all of the time and unpredictability. I just don’t know what they’re going to come up with next.* (HMO landlord, CS1)

One landlord reported that she: “was able to warn my brother and sisters” about licensing, as a result they “emptied their properties”. Due to the current stasis in the housing market these landlords were prepared to avoid licensing by evicting tenants and leaving their property empty:

*Those people who have you know seen the experience that I've gone through they have all of them sold up or just left them, you know left them empty for the time being. And they said, no you know fortunately sort of no one has got a mortgage, so they just sort of said well they would call it a day.* (HMO landlord, CS1)

Although some landlords are selling up others are investing in these properties. Two landlords attending a focus group in the South West had recently purchased mandatory licensable HMOs. This indicates that these properties remain a positive investment for some landlords.
7.1.4 Profitability for landlords

Discussions with LAs and landlords in the case study authorities indicate that licensing has had a direct impact on whether landlords find licensable properties that they own affordable or not. Landlords were concerned by:

- lenders reluctance to loan money against HMOs, and
- the fall in value of property labelled as an HMO

A number of landlords were concerned that lenders were reluctant to provide funds against licensed property; one LA (CS10) reported that a landlord had requested written confirmation that his HMO would not be licensed. This information was required by the bank before funds were provided. Another landlord noted that:

*Lenders aren’t interested in lending money on an HMO, whether you’re registered, certified or got cream on top. If it’s an HMO they don’t want to know and we find that very irksome after spending a lot of money on them. If you want to borrow some money to redevelop them or refurb it, or make it better, they’re not interested and we find the councils are to blame for this because they say the reason we won’t lend you any money on the properties is because they are not a consistent standard throughout the country.* (HMO landlord, CS6)

An HMO landlord in London explained that licensed HMOs lost 30 per cent of their value. He was certain that HMOs were a bad investment as a result of licensing. Given the issues raised by these landlords in different local authority areas in England, there is a suggestion that lenders have developed a negative attitude to these types of buildings. This was not an anticipated impact of licensing and may influence some landlords to convert their properties and withdraw from the market.

The fact that licensing would involve some cost to landlords was expected and accepted by the majority. The fees were generally not thought to be punitive, although the variability in fees in different LAs was raised by a number of landlords. The additional cost associated with licensing has caused some landlords serious problems trying to stay afloat financially. During the fieldwork there were a number of reports of landlords using all their available funds to carry out works to properties, so that they could be licensed.

The Residential Landlord Association pointed out that although licensing was based on improving the problematic bottom end of the sector, it consequently had a negative impact on other HMOs that were operating well. This landlord association was particularly concerned about the cost of complying with the regulation. The RLA discussed a case of a large portfolio landlord that estimated licensing would cost him £400,000; the landlord has attempted to carry out work to his properties in order to comply with licensing but has since run out of funds. The RLA described their member’s predicament as “*between a rock and hard place*” as he may be liable to prosecution because he could not afford to improve his
properties. In this case it was not clear if the landlord had been issued with a notice by the LA or is carrying out work in anticipation of requests from the council. Both LAs and landlords are aware that some landlords are carrying out works to their properties before they have received a notice from the LA, in some cases these works have been later found to be unnecessary.

When landlords described the cost of the work that they had carried, or were about to carry out to their properties, this ranged from a few thousand pounds to hundreds of thousands of pounds. Sometimes the large costs were because a landlord had a large portfolio. In other cases, properties were in need of a lot of work, probably due to a lack of investment over many years.

Some LAs were aware that some landlords were unprepared for the costs that they may have to encounter through licensing. There was little sympathy for naïve landlords with insufficient business plans in place:

\[ \text{I don’t think a lot of the landlords that get in, particularly the buy to letters, actually understood the level of investment that’s required in the property. They didn’t understand the legislation and they didn’t research it and then we’ve turned up at the door and told them that they’ll need this, this and this and they need to make sure they’ve got these arrangements in place. They’re then starting to say, ‘oh, I can’t afford it. The rent’s only covering my mortgage, I don’t have any additional money to pay to do any of the works’ and that’s certainly a naïve approach to a business. (Implementation officer, CS11)} \]

There were also some landlords that have had properties repossessed, not as a direct result of licensing but due to the current financial climate. In one area, an LA officer discussed a company that had recently gone into administration. They had nine licensable properties. In another area, a tenant had lived in a licensable property that had been repossessed. Repossessions in the buy to let market seem to be on the increase. Licensing for landlords in this situation is unlikely to be a priority. However, tenants may suffer in the short term from living in properties that may be below standard and where they may be evicted from as a result of repossession.

### 7.2 Changes in HMOs since the introduction of licensing

In order to pinpoint specific changes to HMOs since licensing, LAs participating in the survey were asked to consider nine elements related to these properties (see Table 11). When LAs considered specific effects of licensing, over 50 per cent had noticed improvements to the physical condition of properties, the quality of management and the quality of accommodation. Just under 50 per cent noted an improvement to the
relationship between LAs and landlords. The majority reported no change to the behaviour of tenants, tenancy agreements, supply and choice of properties or issues of affordability to rent. Although it is interesting to note that more local authorities were aware that the supply and choice of properties and affordability to rent had worsened since the introduction compared with those authorities that had witnessed improvements.

Table 11: Changes in HMOs since the introduction of licensing

<table>
<thead>
<tr>
<th>Effect of mandatory licensing</th>
<th>% of responses</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Much improved</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Much worse</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Physical condition of properties</td>
<td>&lt;1</td>
<td>11</td>
</tr>
<tr>
<td>Quality of management</td>
<td>&lt;1</td>
<td>9</td>
</tr>
<tr>
<td>Behaviour of tenants</td>
<td>&lt;1</td>
<td>6</td>
</tr>
<tr>
<td>Quality of accommodation</td>
<td>&lt;1</td>
<td>6</td>
</tr>
<tr>
<td>Tenancy agreements</td>
<td>&lt;1</td>
<td>3</td>
</tr>
<tr>
<td>Supply and choice of properties</td>
<td>&lt;1</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Affordability to rent</td>
<td>&lt;1</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Tenants’ relations with landlords</td>
<td>&lt;1</td>
<td>&lt;1</td>
</tr>
<tr>
<td>LA’s relations with landlords</td>
<td>&lt;1</td>
<td>7</td>
</tr>
</tbody>
</table>

7.3 The effect of mandatory licensing on the physical condition of HMOs

The current study accepts that in many areas there are licensable properties where the physical condition of the property may not have changed. This is likely to be the case for those properties that have not been licensed as yet, estimated to be 23,000 (see Table 5). However, Table 11 indicates that the majority of LAs thought that some improvement had taken place since licensing. LA officers noted that the majority of their applications for licensing had come from ‘good’ landlords therefore they felt that the overall conditions had not necessarily improved for all tenants in these types of properties.

The way local authorities were implementing licensing would determine the extent of any improvement. For some authorities licensing was a paper exercise, and they had not carried out compliance checks on landlords to ensure properties met the required standard. Others are using the terms and conditions of the licence to bring about change. One London borough issued licences for a limited duration, many expired after two or three years. The purpose of this was that it gave the authority and the landlord a specific time scale to implement improvements to the condition and management of the property. In this case one of the first licences issued was due to expire. The condition of this licence was that the tenancy agreement was improved; when the licence expires officers will carry out
compliance checks before issuing another licence. This authority was at the early stages of this process and could not comment on whether their terms and conditions had had an impact. However, using the licence in this way provides the LA with a way of monitoring the impact of licensing and offers landlords a clear message about what they must achieve within a set time to meet the requirements for operating a mandatory licensable HMO.

Generally, case study authorities thought that it was too early to establish whether licensing had had an impact on the physical condition of licensable HMOs. One officer remarked:

*I think the importance of it is not so much that it's going to help improve the property, in the short term, it will over the long term.*

(Implementation officer, CS1).

Landlords were aware that mandatory licensing focused on a small proportion of properties but had witnessed improvements to properties as a direct result of licensing. Many landlords were also aware that there were properties that were poorly managed and in a poor condition that had not been affected by licensing.

### 7.3.1 Fire safety

On the whole, improvement to fire safety in HMO accommodation is directly related to licensing. In most cases it is a measure that landlords have taken because they have been required to do so by the local authority. For some properties that were generally in a good condition, improved fire safety may have been the only improvement required through licensing.

An LA (CS10) noted that the condition of some properties had improved as a direct result of licensing, but a number of properties did not need much work. In one of the case studies (CS13), there were few mandatory HMOs, and they were generally high end ones, with plasma TVs in the rooms etc. These properties were of a good standard because they catered for a particular market, some had to improve their fire safety measures but apart from this, licensing would have little impact on the overall condition of these types of properties.

A landlord thought that the condition of HMOs would not improve dramatically through licensing because professional landlords had already ensured that their properties were of a good standard:

*I don’t believe that it’s raised standards, the landlords that tend to care, and have genuine HMOs, probably doesn’t need a fire door protection and emergency lighting and have it in, and they’ve got it in, I don’t think that’s added that into properties. The amount of new properties that are used as HMOs have got the vast majority of it in automatically, you know with heat seals and such like, and they’re a lot safer.* (HMO landlord, CS6).
This also points to the different HMO markets in CS6. There are a lot of new build properties that fall under the mandatory threshold, which are regarded as safe by landlords because they comply with building regulations.

An authority with a large number of mandatory licensable HMOs in the student sector were encouraged by the fact that these properties now had fire detection measures in place, whereas before licensing they were generally absent. Some of these properties had also installed fire doors. There also seemed to be a trend where landlords were improving the condition of their properties without being asked by the council. This is because of the raised profile of HMOs and their associated standards as a result of licensing “they no longer have to wait for us to serve a notice on a landlord, quite often landlords will go on ahead and will get them to where we would want them to be, sort of jumping the gun, so that when we go and do the inspection, particularly with the type of culture there’s an awful lot being done” (Implementation officer, CS8).

Another authority with a registration scheme in operation before licensing listed the types of works that landlords needed to do to improve their properties so that they were in line with licensing standards: “It pretty well concentrated down to the electrical work, the fire safety work, they were the real major issues. The odd kitchen and bathroom extra that was needed, but mainly it was fire safety and electrical safety, that were big problems” (Implementation officer, CS3). This authority was certain that licensing had benefited problematic high risk properties as they had targeted the worst properties first and ensured that they were improved.

Some tenants attending focus groups were living in properties that were undergoing works as a result of licensing. An HMO tenant in London was aware that his landlord was improving the fire safety by changing fire doors, he was also installing a new central heating system, in this case the tenant was assured that the works would benefit him and other tenants: “he’s not going to be selling it off or, you know, jacking up the rents extortionately because of this work” (HMO tenant, CS1). This tenant lived in reasonable property “it wasn’t flashy but it wasn’t really bad” and yet through licensing there have been some necessary improvements. This points to the fact that often in this market tenants may have low expectations about the property, and may be aware of issues such as maintenance and cleaning but do not have a comprehensive knowledge of fire safety, amenity and space standards.

In another area with a large student population, tenants were aware of the fires safety measure in place: “we’ve got fire doors everywhere, fire extinguisher and a fire blanket in the kitchen” (HMO tenant, CS11). Another tenant explained the new fire safety measures in place:

He had to put in a whole new load of stuff where it’s like a battery powered on the fire safety alarm. But it’s also off the mains as well so if the battery runs out it carries on beeping and you can’t turn it off. You know you either put another battery in to stop it beeping or you would
have to directly disconnect it from the mains so. But I mean that’s all for your safety so as annoying as it could be on occasions it’s better than you know, burning to death so. (HMO tenant, CS6)

Some tenants lived in properties that did not have the additional protection of fire doors. One tenant said “I don’t know if it’s one of those things that maybe should be there”. This highlights the fact that although LAs have engaged with tenants about licensing, on some level, in this particular area, the LA has raised awareness of licensing through the university; it would be useful to provide tenants with a clear understanding of the property status. An example may be providing the landlord with a statement, or a pack for tenants that states that the property is licensed and safe, or that the landlord has been served with a notice to carry out work within a specific time frame. Information of this kind will allow tenants to make informed choices about the accommodation that they rent; knowing that a property is licensed may not provide sufficient information.

The poor implementation of mandatory licensing in one area has meant that landlords have not started or had stopped carrying out works to their properties. In this authority there is a deep distrust of the LA and landlords are reluctant to “carry out expensive work when the rules could be changed” (HMO landlord, CS9). It is likely that tenant in this area have not benefited from improved fire safety measures as, at the time of the fieldwork, agreed HMO standards were not in place.

7.3.2 Provision of amenities and heating

Improvement to the amenities and the heating in HMOs varied, for some tenants their properties had been greatly improved with new kitchens, windows, bathrooms and central heating system but others had noticed little change to their accommodation even when improvements were clearly necessary.

The type of tenants that participated in a focus group in case study 3 have had issues around drug and alcohol dependency, some also have criminal backgrounds and most rely on the welfare system for support. Finding decent accommodation in this area was a problem for most tenants that participated. They were conscious of the “no DSS” trend among landlords and generally could not afford certain types of accommodation. As a result they were resigned to find accommodation at the bottom end of the sector where conditions remained generally poor. While one tenant was aware of fire doors being recently installed, she thought that this was because of a recent police raid that had caused damage to the original doors. A number of tenants had purchased small electrical heaters because the heating in the house was defunct. On the whole, the physical conditions of these properties, at the bottom end of the sector and housing some of the most vulnerable people had not changed since the baseline study. It is however important to note that in this area a number of charities have been set up and in partnership with Supporting People, provide good quality accommodation that have been licensed and which
Tenants in London and the South East were aware of the high demand for affordable accommodation. An LA officer raised the point that licensing would have little impact because of the high demand for HMOs in the area. The officer was concerned that poor standard properties would still be available to rent “because there’s so much demand and people will take anything” (Implementation officer, CS11). Tenants were generally looking for value for money but many agreed that cost rather than condition was most important.

Some tenants are benefiting from the work that has been carried out to HMOs as a result of licensing. A student living in a mandatory licensed HMO which had recently been refurbished was satisfied with the accommodation. The house had been extended and a new kitchen had been installed in the extended area: “before the extension was built the kitchen was miniscule, sort of three metre squared for six people in the house” (HMO tenant, CS11). The bathrooms in this property were also new. This property was described as “very good, really well maintained” (HMO tenant, CS11). Another student tenant mentioned their concern about the windows in a property while viewing a property. When they moved in, the landlord had installed double glazing.

In one of the case studies (CS11), officers described the difficult situation they were in, when confronted with an HMO in poor condition. As part of licensing they were carrying out an HHSRS inspection on a sixteen bedsit HMO. The property had a category 1 hazard for excess cold and needed a central heating system put in place. The officers were aware that the landlord would prefer to sell the property or convert it into flats rather than pay for the cost of central heating in this type of building. In this case the LA provided a grant for the landlord. This case highlights the fact that the legislation, by examining the condition of the property can force landlords to make difficult decisions, which may result in the reduction in the supply of particular types of accommodation. If LAs want to ensure that this type of accommodation remains affordable, they will have to
provide support to landlords in the form of grants to improve these properties.

The previous section (7.1) highlighted the trend in some areas in London and the South East for landlords to convert bedsit properties into small studio flats, providing kitchen and sometimes bathroom facilities in-situ. This may be the result of landlords feeling that they can get a higher rent for these types of dwellings as tenants do not have to share facilities. It may also be the way that landlords have interpreted HMO standards, that the more facilities available to tenants the better. In one case study a landlord had carried out works to ensure that his property was in line with HMO standards:

*A landlord who’s licensed has done some work to improve the properties, put the kitchenettes in the rooms and he’s almost made them partly self-contained, but not fully self-contained. The valuation officer for council tax purposes has gone in, self-contained, you should be paying council tax on each of these units with accommodation and so the landlord is very annoyed with us, you know, because it’s us that have made the requirement for him to have a ratio of facilities. Admittedly it was his choice to do it that way, but how was he to know that council tax would revalue it based on self-containment when it’s not, in our legislation self contained.* (Implementation officer, CS11)

In some cases the amenity standards in the property led to difficulties for tenants. One tenant was concerned that her landlord had installed a window in the kitchen that met the minimum requirement but that did not provide sufficient ventilation as such:

*If you’re in the kitchen and you cook something and it’s hot, you can’t open the door because the fire alarm will go on, so you have to close the door, but then the heat doesn’t go out the window because the window’s too small, so basically you’re standing in your own heat and its like in every room so we started to have a fan to circulate the air and then the council was here, I think two or three weeks ago and they said it’s the minimum requirement and you’ve got that so, he won’t exchange the windows.* (HMO tenant, CS4)

Another tenant lived in a property with twelve others, they shared two toilets. While the general issue of sharing amenities was discussed by many tenants, it was rare for tenants to complain that there were insufficient facilities.

### 7.3.3 Space and crowding

Space and crowding was often associated with migrant worker housing (see section 8). However, tenants attending the focus groups did raise issues with poor space standards and overcrowding in properties that they knew about rather than their own accommodation. A tenant described the poor space standards for a friend renting an attic room:
I’ve got a friend whose in a very similar situation and he’s even taller than me so he’s probably about six foot one, six foot two and his head touched the ceiling in the loft and the house isn’t in great condition. It’s not as bad as sort of two mattresses. It’s not a great condition house as it is though but that’s the tallest bit and it’s sort of what 40 cm and the ceilings slope down. So he’s literally got his bed in the middle and a desk where he has to sit down. He can’t walk up to his desk. He has to start crouching down when he gets to his desk. (HMO tenant, CS11)

A London tenant in a well managed and licensed HMO referred to a property that was severely overcrowded:

I’ve got a friend who’s in with 18 people or something on this 3 storey flat, just up on the road with one kitchen and one bathroom, they sleep like 4 of them in one room and he says, he likes it because the people will live there, and live there for like 5 years so it’s like a kind of community but itself, the landlord collects weekly rent, he doesn’t give receipts, he doesn’t have a tenancy agreements, if there’s any complaints he doesn’t solve them. (HMO tenant, CS4)

Properties like these may be rare, but they convey a detrimental message, that poor conditions at the bottom end of the sector are acceptable.

7.3.4 Dampness, pest and disrepair

Tenants were concerned that landlords and managing agents were slow to react to obvious problems in the condition of the property. In one London borough a tenant listed numerous problems: “there’s no central heating, its just radiators and also water pressures a problem, we’ve got a few leaks and rising damp in the basement … I have a cockroach problem … there’s a huge crack up the stairwell … there’s a lot of mould and dry rot” (HMO tenant, CS1)

Student tenants living in a licensed property in CS11 described the damp in their house “it does run down the whole of one side of the house and it’s like three storeys, so it’s quite bad”. Apart from the damp the student was certain that the property was better than others “it’s better than a lot that we saw. We had real problems finding a house and some were really really horrific and compared to them it seemed like it was quite good, it wasn’t a complete hole like some”. In this particular case tenants were uncertain if LA officers had carried out an inspection. However, the landlord has not improved the property even though a licence has been granted. From a tenants’ perspective, licensing may provide few changes to their accommodation. This is in stark contrast to other tenants in the same area that had benefited from various works.

In another case study area many of the HMO tenants attending the focus group lived in three storey new build houses, some had en-suite bathrooms, while others shared facilities. Tenants in these types of HMOs had few complaints about the physical condition of the property.
However, a vulnerable tenant living in a licensed property described the problems he was faced with:

When you walk through the door there’s all holes in the wall. It’s just when you walk through the kitchen, all the doors, all the kitchen doors are just hanging off. The shower downstairs, when you empty the bath out from upstairs it leaks through the ceiling and there’s a big hole in the ceiling. There’s mould underneath the kitchen sink, there mould underneath the bathroom sink. It’s just, it’s not a nice place we’ve even got rat infestation in the back garden. (HMO tenant, CS6).

This particular tenant had lived in a hostel while he was on a drug rehabilitation programme, he was moved from that facility to the HMO described above. The tenant has remained in the property as he has not been offered alternative accommodation. The property is licensed and yet it provides less than basic accommodation to the occupants.

Another tenant in this area described the conditions in a shared house that she lived in recently:

I was in another one just along the way and I actually moved out because there was black mould in the ceiling and that was a fairly new house. It started I would say around March time underneath the bath and we reported it and nothing got done. And then by, towards the end of the year when he hadn’t done anything it was actually getting quite bad and it made quite a few of us ill. Because there was spores in the air and it made a few people sick bad cough and it was in the process of getting fixed and then it wasn’t fixed. So I just moved out because they were going to have to fix it if he wanted to keep renting it. But then workmen, people coming in and out so I just decided to move out. (HMO tenant, CS6)

Although, this property deteriorated into quite a poor condition, it was repaired eventually. However, the tenant decided to leave the property and find alternative accommodation, unlike the vulnerable tenant, this tenant had a choice.

7.4 The effect of mandatory licensing on the management of licensable HMOs

One of the positive aspects of licensing is that LAs make an assessment of the management of the HMO through the ‘fit and proper’ criteria and can get involved in the operation of an HMO by looking “at the tenancy agreements, the kind of inventory they use, the rent received, the complaints procedure they have for the tenants. All that is assessed, along with the certificates for fire precautions, emergency lighting, so it’s a combination of things, but more concentrating on the person, who manages the property” (Implementation officer, CS4). However one of the issues with licensing is that the onus is on the physical condition of
the property and few local authorities have turned their attention to management.

Yet, over 50 per cent of LAs thought that mandatory licensing has had some impact on the management of HMOs (see Table 11). Officers at one authority accepted that licensing really focused on the physical condition of the property but suggested that it would have an impact on the management in the long term. They expected to discern improvements to management standards by monitoring the complaints that they received from tenants in this sector.

While some landlords discussed the work they have done to improve their management standards tenants had generally not experienced any improvement in the management of the property. Tenants complained that landlords and managing agents were hard to contact and act when needed in the case of disrepair and that they continued to enter the property without giving notice. The majority of local authorities rely on complaints from tenants to identify poor landlords however, generally tenants will not complain because they do not want to jeopardise their tenancy, or do not know who to complain to. Unscrupulous landlords are taking advantage of this and even with licensing in place little improvements to the management standards in HMO properties has taken place.

### 7.4.1 Management standards

In one London borough improvements to management standards and the condition of the property are determined by the terms and conditions provided with the licence. As they start to re-license properties it should be clear if management standards have improved. The training offered as part of the accreditation scheme should also help to improve management standards. In another London borough, LA officers were certain that landlords’ management of the property, was directed by what they were required to do, or thought that they were required to do rather than a compulsion to improve. Officers remarked “what we haven’t asked for they haven’t done“ (Implementation officer, CS1).

General management of the property was regarded as the key role of a landlord, this included ensuring that gas and electrical safety checks were carried out to ensuring that tenants knew about refuse collection and many things in between. An officer stated:

> And one thing we keep saying to landlords is they are the point of contact for their tenants, regardless of who the tenants are, whether they are people who have moved to the country, whether they are students, whether they’re people who are well established in X, when someone’s moving into your house, you have got an opportunity to explain to them these are all the services, it doesn’t take very long and in the long run it will save you an awful lot of time. (Implementation officer, CS8).
Some LAs were wary of the management of HMOs provided by letting agents. An authority in the South East had encouraged poor HMO landlords to transfer the management to letting agents but had soon realised that some letting agents provided a poor service.

Landlords discussed their management duties in light of licensing, some considered this to mean ensuring that the property was safe and that any maintenance issues were dealt with. One landlord was reluctant to change the way he managed his properties. He did not agree with carrying out regular visits to the properties, he thought that this would impinge on his tenants right to privacy and would not be very beneficial. A landlord in the South West discussed the importance of frequently visiting her properties:

\[\text{To keep a good orderly house you do need to be there, I mean I visit both properties, more or less on a daily basis, to check everything is okay, there are so many things that can go wrong, and if the tenants know that you're on top of it, and they haven't just got an agency there, you know, they know that I'm round the property and keep an eye on everything, if I go in and a flat's untidy, I'm not short of saying to the tenant, "look, clean it up". (HMO landlord, CS3)}\]

Case study 6 was in the process of setting up an accreditation scheme at the time of the fieldwork; it is likely that accreditation alongside licensing may help other landlords to improve their management of HMOs across the board. A landlord in Yorkshire and Humberside had taken on staff to deal with the management of his portfolio of HMOs, but for the majority of landlords participating in the study things remained the same; many were accredited landlords and they felt that their management skills were already very good.

Although few LAs have set up management orders, when this tool is in place it can have a direct impact on the condition and management of a property. The case study with an interim management order (IMO) in place noted that it had set up the management order to protect tenants from eviction and because of their concerns about the landlord and the property. As a result of the IMO a poor landlord was replaced by professional management and the condition of the property was improved as emergency works were necessary to make the property safe for its occupants. As this authority moves towards a final management order they will ensure that the property remains in a decent condition for its existing and new tenants.

### 7.4.2 Management arrangements

Some landlords had changed their management arrangement because of licensing and in some cases this had a direct impact on tenants. However tenants reported serious problems contacting landlords and managing agents and were generally concerned by the way properties were managed.
Some landlords attending the focus groups lived in their mandatory licensable HMOs. Landlords were clear that onsite management was needed to manage the daily operation of these types of buildings. In one case, a landlord who had recently purchased another mandatory licensable HMO had appointed a manager who had been confirmed by the council to be fit and proper. The landlord would live in one of the properties while the manager occupied the other.

Landlords in case study 6 had also made changes to their management arrangements as a direct result of licensing. A landlord had “created a new licence for the communal areas, for all tenants there and we’ve split the damage deposit, the deposit is half of the room and half for the licensed part of the property that they used and they’ve responsibilities over how the licensed part of property can be used” (HMO landlord, CS6). Another had introduced a set of house rules that tenants sign when they move in. These landlords have been proactive in ensuring that tenants are aware of their responsibilities.

Other tenants were satisfied with the way their landlords operated the HMO. A student living in a licensed property in the South East explained that his landlord had taken some time to go through the tenancy agreement with the tenants clause by clause. The tenant also thought that it was likely that a licence was displayed in the property as part of an information poster: “there is but I’ve never read it. It’s where we have this big poster with all the fire precaution regulations. There’s about six A4 sheets altogether made into one big poster and there is one on there actually” (HMO tenant, CS11).

A tenant in the East of England described the role of her housing manager.

She just comes around once a week just generally just to check up on things. She always asks you, you know can I go in your room? Is it okay if I just go and check stuff? Just really keeps on top of things and if there’s anything anyone wants to say then you can email or ring her. She is available all of the time if you’re not happy about anything, we deal with everything through her. (HMO tenant, CS6)

The tenant did not have any direct contact with the landlord but a housing manager visited the property on a weekly basis. The property was a new build which was let to a number of professionals. The housing manager is responsible for interviewing potential tenants when a room becomes available and has the trust of all the tenants. In this particular case the housing manager was thought to provide a similar service for a number of houses owned by the landlord.

Such services are generally not available to tenants in licensable HMOs, and many tenants highlighted the poor management practices of letting agents and landlords. A group of vulnerable tenants described handymen and caretakers involved in the management of the property. These managers seemed to monitor the house rather than provide a particular
service to the tenants. Tenants complained that measures used by the landlord to safeguard tenants, such as installing a secure letter box, did not help if the landlord was not available on a daily basis to distribute the mail.

Tenants often discussed problems with getting repairs done, communicating with their landlord or letting agent and the lack of maintenance. A tenant was frustrated that her landlord did not take his management responsibilities seriously:

*The amount of things that break down in my place and the time that they’re broken down for, I’m talking like heating in the middle of winter that stops for three weeks and no hot water in the middle of winter you know, a week at least, so I couldn’t even shower, and toilet, my recent one, that wouldn’t flush properly, and that took a month before he, his first answer when I asked him was like can’t you get someone else to fix it. It just doesn’t seem right that they can be doing that and getting away with it and I just don’t know where I can stand or how you stand as a tenant to get things to happen really.* (HMO tenant, CS1)

Another tenant was concerned that the letting agent provided a poor service, neglecting to clean the room:

*But my room, when I moved in, was really dirty. I called to complain and they didn’t do anything about it.* (HMO tenant, CS1)

A number of tenants had “completely given up” on their letting agents, some no longer expected a service and would contact the landlord directly in order to discuss repairs.

Issues that were important to tenants were levels of comfort and privacy within the accommodation. The way landlords managed their properties sometimes had a negative impact on tenants. Landlords and letting agents often let themselves into properties without informing tenants, some explained that they were allowed access to the common areas without providing 24 hour notice. Tenants were generally uncertain about what was legal but complained that this worried them. A number of tenants in a London focus group commented:

*Are they allowed to, the management people, just come in without telling you, because they do it a lot.* (HMO tenant, CS1)

*They’ll just turn up at your door and just knock and expect to come in and because ours was going to be sold so we’d have people coming to look round and just at any point they’d just knock on the door ‘Oh, somebody’s going to have a look’, ‘Are they?’, you know, so I’ve had big issues with that actually.* (HMO tenant, CS1)

Tenants in another case study cited the same issues: “he comes in unannounced. Not so much now, but when I first moved in there he did
want to look in all of the rooms” (HMO tenant, CS6). While a tenant in a property shared by a number of professionals was surprised that the landlord did not provide any notice when entering the property: “he came in once when one of the girls was coming out of the shower or something and no one else was in and he just entered”. The tenants re-examined their tenancy agreement to find that it stated that the landlord, could enter the communal areas without notice. In these cases it is clear that licensing has had little impact on landlords’ behaviour towards their tenants. Tenants tend to judge their landlords and letting agents on the management of the property and unannounced visits can have a negative impact on the quality of life for tenants. LAs could provide support and advice for landlords on the successful management of their property by encouraging them to become accredited and comply with a code of conduct for managing these properties.

During the baseline study a number of stakeholders suggested that unscrupulous landlords would evict tenants to avoid licensing. A small number of authorities were aware of evictions resulting from mandatory licensing. A housing needs officer in an authority that had licensed two-thirds of its licensable properties was not aware of any tenants reporting illegal evictions. The officer remarked:

Housing advice are not swamped with people being illegally evicted, you know, and again it’s about actually getting out to those groups of people who are living in that accommodation. Without actually doing that and knowing what their issues are, you just have no idea, because illegal evictions, may be going on with HMOs, but people are not coming to us with them. (Housing needs officer, CS11)

This officer raises an important point about how LAs monitor the impact of licensing. Without systems in place firstly to communicate with tenants and secondly to report complaints, it is difficult for officers to know with any certainty if illegal evictions have taken place in licensed or licensable HMOs.

Another authority was aware that illegal or legal eviction was threatened as a direct result of LA involvement in private rented properties:

One of the common outcomes of us following up a complaint from all tenants is that they’re threatened with eviction, that’s becoming more prevalent, tenants with genuine grievances and we’re dealing with those grievances but they’re getting evicted. (Implementation officer, CS3)

The authority provides support to tenants in this predicament but enforcement officers were not involved in monitoring the tenant’s situation. Almost all the tenants involved in the focus group in this area had experience of or had been threatened with eviction “they would come around and chuck you out, if not them the police” (HMO tenant, CS3). Some members of this group had chaotic lives, but they all agreed that
landlords had a duty to provide decent and well managed accommodation regardless of the type of tenant living in the property.

Licensing needs to tackle the worst properties first; tenants are the key to highlighting problematic properties. Licensing can only improve the management of these types of property if enforcement action is taken against such landlords, otherwise the message that is conveyed to tenants is that poorly managed properties are acceptable.

7.5 The effect of mandatory licensing on affordability

The survey asked LAs if mandatory licensing had an impact on affordability to rent; the majority of respondents reported that this had remained the same (see Table 11). This counters the expectation of a number of stakeholders that rents would increase as landlords passed on the cost of the licence fee to their tenants. For the majority of tenants, participating in focus groups, the rents were reasonable; none had experienced large rent increases. London rents varied, but many were around £500 per month, this was a little lower in other areas and in a student area, rents were closer to £300 a month. The variability in rents may have more to do with the type of property rather than the locality, some tenants described properties that used coin meters to operate the electricity, while others were new build properties shared by professionals.

Although the surveyed authorities were certain that little had changed in terms of rents, some landlords reported that they had or intended to pass on costs incurred through licensing to their tenants: “rents have had to rise steeply to re-coup cost related to licensing and the large amount of management time now diverted to this issue” (HMO landlord, CS9). While others, some in the student and housing benefit market did not consider this feasible.

A landlord was clear that mandatory licensable HMOs could no longer be described as the affordable housing option because of the cost associated with operating this type of property rents had risen. This landlord thought that those that continued to offer affordable rents were likely to be operating under the radar of the local authority:

*HMO licence is so expensive that you go by what you can charge for it, so you can only accommodate a certain sector and you’re completely out of bounds for that guy who wants a cheaper property and that’s why I think this HMO licensing is never really going to work because you’re going to drive these other guys underground and I mean it’s a question of supply and demand, you know, you almost have those people that can only afford a cheaper type of housing.* (HMO landlord CS6).
7.6 The effect of mandatory licensing on the LAs relations with landlords

Licensing has had quite an impact on relations between the LA and landlords. The amount of communication between local authorities and landlords has increased greatly because of licensing; unfortunately not all of this has been positive. The teething problems that most local authorities encountered as a result of delays to the issuing of Statutory Instruments related to mandatory licensing and the lack of national standards, fees and application forms has led to some disquiet among landlords. In one case study, serious delays in setting standards had hampered the implementation of licensing, to the extent that only 30 licences had been issued despite over 1000 applications being received. Survey results suggest that the majority of LAs (47%) were aware of improvements in their relationship with landlords, while 11 per cent thought things had got worse, the rest considered the relationship to have stayed about the same (see Table 11).

A London borough was keen to explain that licensing should be considered as the starting point for future improvements in communication between the LA and landlords as it helped landlords to understand the enforcement powers held by the council as well as their support services:

> But we’ve actually got a handle on these landlords, we know they exist, they know we know they exist and so there is a sort of, they believe something is going to happen and they’ve got to take it seriously. And perhaps even have a different relationship with us as well about us not seen as just enforcement, you know that we’re working with them to ensure that they’re running perhaps an efficient and decent sort of like accommodation. (Implementation officer, CS1)

An authority in the North West thought that an important feature of licensing was that “in terms of HMOs, its about putting the onus on the landlords to make sure that the property complies with HMO standards instead of constantly reacting because reactive enforcement is very resource intensive” (Implementation officer, CS8). This aspect alone will lead to increasing landlords’ willingness to engage with the authorities as they seek advice about their properties. Through licensing this authority reported that they provided a number of comprehensive services to landlords including accreditation, reference verification, landlord advisory service, free property inspections, tenant packs and HHSRS training. Although, as licensing had proved to be a resource intensive exercise, especially for those authorities with a sizeable number of licensable HMOs, some authorities have had to scale back the services that they provide to landlords. For one authority this has meant running a limited accreditation service.

Licensing has enabled LAs to build a better profile of the landlords in their area, as an authority in the South East explained: “I mean through
licensing we did find out about a couple of landlords who’ve got huge portfolios who we never came into contact with before, perhaps because they are good enough and they’ve never had complaints” (Implementation officer, CS11). It would seem that the better landlords are revealing themselves to the local authority, which is helping to readdress local authority perceptions that all landlords are bad. Proactive work is also helping to uncover landlords that need to improve their practices.

In an authority with around 50 HMOs and only two licensable ones their awareness of landlords in the area had increased because of licensing. They carried out a comprehensive survey of HMOs and followed this up with inspections where necessary. Although they only have a couple of mandatory HMOs they were able to ensure improvements to other types of HMOs that they came across as part of their work during the pre-licensing stages and engage with a greater number of landlords:

Yes, they’re ones that we wouldn’t have had any involvement with, because they were literally off the beaten track, you know, that was a situation where I think we visited about four or five different properties on a golf course that were literally over the common to get to and had large numbers of kitchen staff in there and we went in there and the kitchens were bashed to pieces, there was sort of rubbish stored outside, they didn’t have any proper rubbish collection, some of them, although again they were only two storey, but there were broken doors and the fire precautions weren’t very good and things like that. (Implementation officer, CS5)

The RLA agreed with LAs that one of the benefits of licensing was that landlords were engaging with LAs:

I think the positive impact is it’s got people to kind of expose themselves to things like training and information, they’ve identified themselves because they’ve had to do, to local authorities, so I think on the positive side it’s give local authorities a better view of what’s going on in their back yard, whereas before, they’d no idea. They’re now seeing landlords who they wouldn’t normally have seen, because they’ve never come to their attention because they’re doing a good job. (RLA)

However, landlords have complained about the inconsistencies between councils and the bureaucracy involved in HMO licensing. An LA officer was concerned that the legislation had failed in one of its objectives, perceived to be: “to promote consistency” (Implementation officer, CS11). Instead, the inconsistencies in the way LAs have approached licensing has led to confusion within LAs and for landlords who may have properties in different local authorities across England. Some of the most common issues raised by landlords were the differences in the inspections regimes of LAs. A landlord explained the process in two authorities:

I’ve got houses, two local authorities, they’ve both acted completely differently. The other one is London Borough of X. In Y they already
knew about me because I was an accredited landlord so they contacted me and said that I would have to apply for these licence for these properties you know and they eventually sent me the forms late and somebody had to visit the two properties, twice in fact. But the ones that I didn’t have to license because they’re two storey they didn’t visit. Okay but in the London Borough it was purely a paperwork exercise, no visit at all. (HMO landlord, CS11)

Application forms and fees also differed from one authority to the next, but it has been a lack of clear direction on standards, notable fire safety that has meant that in some cases, landlords have put in costly fire safety measures that were unnecessary. While tenants will benefit from these measures, landlords are resentful that they have had to spend money because of a lack of clarity in the required standards for licensing. The RLA note that some of their members “… have really over invested in the sense that okay, it’s a belt and braces approach, it’s not a bad thing to have more safety than you actually need, but from a strictly business point of view it’s wasted money, wasted capital” (RLA committee member).

Another of the case study authorities misunderstood the legislation and informed HMO landlords that they would need to license properties that did not fall into the mandatory licensing criteria. The LA believed that they could extend their registration scheme through the transitional arrangement. One landlord participating in a focus group in this area had licensed 20 properties as a result of this misinformation. It took the LA over six months to repay the licence fees for these properties. Landlords in case study 6 were not convinced that all the LA officers had a comprehensive understanding of HMO standards. They complained that different officers were suggesting different options to improve their properties. This is in part due to the relationship between HHSRS and licensing; both landlords and the LAs seem to be finding it difficult to deal with this risk based approach. Landlords would clearly prefer prescribed standards.

Most LA officers involved in the case studies highlighted the delays implementing mandatory licensing. One London borough reported that they had not started issuing licences until November 2006 and had spent some time revisiting the legislation while trying to determine the terms and condition of their licence. Landlords in the area were fully aware of these delays, complaining that they had to wait up to nine months for a response to applications.

However, this delay is somewhat minor compared to that experienced by landlords in an authority in Yorkshire and Humberside. This case study has struggled to implement mandatory licensing which has led to a fractious relationship between the LA and HMO landlords. An officer notes: “because of a lot of history and the problems we had with licensing, we’ve got a pretty poor relationship with a lot of our landlords” (Implementation officer, CS9). The LA had at the time of the fieldwork issued 30 licences but had accepted application forms and payment for
over 1000 applications. The LA were unable to reach a consensus between themselves, the fire services and landlords in the area on the most appropriate fire standards, in the end they were waiting for LACORS guidance. A draft guide was published in January 2008, however, the authority at the time of the field work were still devising their standards.

Landlords in this area were dismayed by the lack of progress, many had paid licence fees and remained in the dark about when they would receive a licence. One landlord remarked: “After two years and parting with £35k at that time, I still haven’t received any licences” (HMO landlord, CS9). While the wrangling about standards has conveyed a poor message of indecision and poor management within the authority the previously positive relations between a large student landlord cohort and the LA has rapidly deteriorated. A landlord in the area noted:

We have been involved in consultation with the X city council for some years and we are getting on very nicely, working very well, with improved conditions for tenants, made everything run much better, safer more smoothly. Okay, then the 2004 Housing Act came along, we have already seen cases of landlords suffering abuse and intimidation from certain people within the council of unacceptable level, it would not be accepted in any atmosphere. We are rapidly, the situation is rapidly generating to the point that a state of open warfare will exist between landlords and local authorities in this country and landlords are quite prepared, I give you members who are incandescent with rage at the unfairness and injustice of all this. (HMO landlord, CS9)

In this case, the process of implementing licensing has caused serious difficulties between the LA and landlords. It would be unfair to suggest that licensing itself has had this impact as the authority has not really started the process. There are clearly lessons to learn from the situation for example, ensuring that there is clear communication between both parties and that conditional licences are issued, and that fees are not banked until the licence is granted or the property is inspected and a schedule of works prepared.

Relations between the LA and landlords were also affected by the enforcement policy in place in each case study area. Landlords were generally concerned that there had not been many prosecutions against unlicensed landlords. However, even if there had been a prosecution, they were not generally aware of it. During one focus group, a landlord explained that he had to take on additional tenants as a result of enforcement action by the LA. Other landlords in this group were unaware that the local authority was carrying out enforcement action against unlicensed landlords and the perceived lack of action led to a general dissatisfaction with licensing.

Those participating in focus groups were complying with licensing but were increasingly disappointed by the treatment they received from LAs.

LACORS (2008) Consultation on draft national guidance on fire safety standards in certain existing residential accommodation
One landlord remarked “we feel got at and there are landlords out there who aren’t being got at and should be” (HMO landlord, CS9). Another said: “they’re actually more interested in the people who do it properly and picking on them” (HMO Landlord, CS6). For most landlords there seemed to be a large number of factors involved in perpetuating these feelings. Uncertainty about standards and what they had to achieve to fully comply with licensing, the lack of flexibility from the LA and the general fact that they were spending money to improve their properties when there were large numbers of poor landlords that were remaining inactive, were some of these.

On the one hand, this has led landlords to raise concerns that the legislation is not working because it is not targeting the worst landlords. While on the other hand, some compliant landlords are more prepared to avoid licensing for as long as they can, knowing that LAs do not have a plan of action in place to tackle unlicensed landlords. One landlord said:

Well I promised myself that when and if I get another property, I’ll do it to the same good standard, same standard as I do, because I’m proud of what I do and I’m a professional but I certainly would not go to the City Council, I’d risk just running quietly and having some nice tenants in it, I wouldn’t bother with the registration certification, inspections or anything else, because so many that do get away with it doing it badly, I think there’s a pretty good chance I’d get away with it. (HMO Landlord, CS6)

Some licensed landlords were aware of others that had successfully avoided licensing, LA officers also pointed to large portfolio landlords that were submitting an application form for a proportion of their properties, in an attempt to avoid licensing. A landlord described three types of landlords, suggesting that licensing was only targeting the first group:

You’ve sort of got three sections of landlords, you’ve got the section that’s sitting here, which are the people are going to do what they’re told to do anyway and we’re always going to pay, and our properties always going to be at that standard, so the council to be honest know that they’ve got us in the bank, they’ve got our money in the bank, no matter what they charge. They’ve got the people at the bottom end which are the people we’re talking about, which are the ones that never ever going to give them anything and always going to get away with it, and then they’ve got the middle ground of people who are going to see if they can get away with it, they are good landlords most of them but they are going to see if they can get away with it. (HMO Landlord, CS6)

LAs that support landlords through the licensing process are likely to see the greatest improvements to their HMO stock. A simple licensing procedure and clear communication between the both parties can improve relations.
7.7 Liveability

When assessing liveability factors in and around mandatory licensable HMOs, the focus has been on issues raised by tenants. Many of these looked at the internal dynamics of house shares, for example the behaviour of problematic tenants and the general management of households. Issues to do with the quality of the accommodation and its impact on tenants were also raised as were issues about the quality of life for tenants in HMOs.

One factor that was seldom discussed was issues about the surrounding environment of the HMO. Mandatory licensable HMOs may be clustered in particular areas within a local authority; this is often the case in towns and cities with a high proportion of students. In other areas mandatory licensable HMOs may be spread across the area. Poor HMOs are often relatively easy to identify. They have the outward appearance of poor maintenance, such as an overgrown garden, or windows with different styles of curtains or sheeting used as window covering. In areas with a high proportion of students tell tale signs may become apparent by not just looking at the housing but also the surrounding area. There may be more takeaway outlets, off licences and other services attracting this student market. Students in case study 11 were aware that they lived in an area of high crime and anti-social behaviour, windows had been broken in neighbouring properties and cars broken into but they generally felt safe in the area. The locality seemed to be the most important factor for tenants attending focus groups in London.

The majority (92%) of LAs participating in the survey agreed that the behaviour of tenants in licensed HMOs had remained the same. It was rare for case study LAs to discuss this issue in the context of licensing, although two authorities with large student populations pointed to the anti-social behaviour often associated with this group, most of which was contained within the student areas.

Tenants raised the issue of sharing space with problematic tenants. Some were clear that landlords should intervene if a tenant’s actions had a direct impact on others in the property, while others thought that if it was a minor issue the tenants should be able to manage the situation themselves.

A landlord (CS11) who provided accommodation to various types of tenants including the vulnerable, described a situation where the police raided one of his properties targeting a “drug dealer”. Other tenants in the property were caught up in this action, this landlord did not generally vet his tenants, he was open to providing accommodation to all types of people. However, such an open policy can have a direct impact on other tenants who share amenities. A tenant, who had experienced a police raid noted:
And you know the annoying thing is, if someone in the house is involved with the trouble, it’s us getting knocked up at half past six in the morning by armed police and searching everybody with about 2 dogs in, they come in with videos and guns and everything searching the room. In my place when I was clean. Why should I get up at half past six? And even though they know which room he is in but they get everybody up in the house, search every room. (HMO tenant, CS3)

Individual tenants can cause problems in some HMOs. One tenant said:

I’ve been there for 10 years so there’s been an awful lot of people come through, people who were drunks, who would come and smash up the house or this, that and the other. (HMO tenant, CS6)

The landlords in properties that house chaotic people may need to carry out regular checks on these properties. Section 7.4 reported that some landlords had changed their management policy to ensure that licensed HMOs were effectively managed, including ensuring that a manager lived in the property.
8 Non-mandatory licensable HMOs

8.1 Overview

Mandatory licensable HMOs represent less than a quarter of HMOs in the private rented stock in England; various sources put the figure between 11 per cent and 24 per cent (see Table AD 8). However, this varies very considerably by local authority. While mandatory licensing seeks to tackle the high risk HMOs, other HMOs may also be licensed using transitional licensing provisions set out in the Housing Act 2004. These were available to LAs with HMO registration schemes in place when licensing came into force in April 2006. The transitional scheme ended in April 2009 and these LAs may apply to central Government for additional licensing if they wish to continue to license other non-mandatory HMOs.

Since April 2006, LAs have been able to apply to central Government for additional licensing for smaller HMOs. However, at the time of the survey no local authority had applied for additional licensing, although eighteen of the survey respondents were operating transitional licensing schemes. 12 of these LAs were in London and the South East (regions with greatest number of HMOs). Table 12 provides details of these schemes from sixteen respondents. Of these, eleven were planning to apply for additional licensing schemes when the transitional scheme ends in April 2009, four would not apply and one did not answer the question. The total number of licences issued by these authorities was 930, and the maximum number by one LA was 195. One had yet to issue any licences.

LAs participating in the survey were asked about the number of HMOs that were not subject to either mandatory or additional licensing. Figure 4 shows that around a third (35%) of LAs reported having fewer than 100 HMOs that were not subject to licensing; just under a third (31%) had more than 500 HMOs in this category; 24 LAs had more than 2000 unlicensed HMOs. Of those with a transitional scheme in place there were still 12 of the 18 authorities that had more than 500 unlicensed HMOs, seven of these had more than 2000 unlicensed.

HMOs are not inherently problematic. However, poor management and overcrowding can exacerbate the health and safety issues within this type of accommodation. Overcrowding can also lead to problems for neighbours, such as noise nuisance, and the build up of refuse for example. The case studies provide some insight into the poor physical condition of some non-mandatory HMOs. In some areas, LAs concentrate more of their efforts on non-mandatory HMOs because of the sheer numbers of them compared with the mandatory HMOs.
<table>
<thead>
<tr>
<th>Authority type</th>
<th>Number of additional licences issued</th>
<th>Planning to apply for additional licensing powers when the transitional scheme ends</th>
<th>Most likely tenant type in transitional scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>London Borough</td>
<td>195</td>
<td>Yes</td>
<td>Employed (other)</td>
</tr>
<tr>
<td>Unitary Authority</td>
<td>166</td>
<td>Yes</td>
<td>Full time students</td>
</tr>
<tr>
<td>London Borough</td>
<td>125</td>
<td>Yes</td>
<td>Young professionals</td>
</tr>
<tr>
<td>London Borough</td>
<td>85</td>
<td>Yes</td>
<td>Young professionals</td>
</tr>
<tr>
<td>District Council</td>
<td>65</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Unitary Authority</td>
<td>57</td>
<td>Yes</td>
<td>Unemployed</td>
</tr>
<tr>
<td>London Borough</td>
<td>51</td>
<td>No</td>
<td>Migrant workers</td>
</tr>
<tr>
<td>Unitary Authority</td>
<td>49</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>London Borough</td>
<td>30</td>
<td>Yes</td>
<td>Employed (other)</td>
</tr>
<tr>
<td>Unitary Authority</td>
<td>24</td>
<td>Yes</td>
<td>Migrant workers</td>
</tr>
<tr>
<td>London Borough</td>
<td>22</td>
<td>No</td>
<td>Young professionals</td>
</tr>
<tr>
<td>District Council</td>
<td>21</td>
<td>Yes</td>
<td>Unemployed</td>
</tr>
<tr>
<td>Unitary Authority</td>
<td>16</td>
<td>Yes</td>
<td>Refugees/asylum seekers</td>
</tr>
<tr>
<td>District Council</td>
<td>15</td>
<td>No</td>
<td>Unemployed</td>
</tr>
<tr>
<td>London Borough</td>
<td>9</td>
<td>Yes</td>
<td>Employed (other)</td>
</tr>
<tr>
<td>London Borough</td>
<td>0</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 4: HMOs not subject to licensing**

8.2 Difficulty with the mandatory threshold

Forty-four authorities responding to the survey called for a possible extension of mandatory licensing to other types of HMOs. In some cases this would include two storey properties depending on the potential
number that could occupy the property, while for others three storey high risk buildings were the main target. From discussion with the case studies, it is likely that the reasons for wanting to extend the mandatory threshold will differ for each authority. For some it may mean that they can include other problematic HMOs with less people or fewer storeys without applying for discretionary licensing, while for others it may minimise the number of landlords avoiding licensing by reducing occupancy levels. An officer in an authority with over a thousand licensable HMOs suggested a specific change to the mandatory definition:

If I was given the opportunity to change one single word in the 2004 Act, I would change the word ‘and’ to ‘or’, in the definition of a mandatory licensable HMO. If the definition was three storeys or five people it would take an awful lot of the grey area away from us, because we have a large number of three storey HMOs in … but, you know, when we go and inspect these properties, or when we make enquiries, we are told there are only four people in there. That sometimes is the case, but we feel that sometimes that is not the case, landlords are fully aware of what the legislation says so if they turn round and say well there’s only four people in there, effectively that brings it outside the licence. (Implementation officer, CS8)

This suggested change would bring a number of HMOs that have reduced their occupancy numbers to avoid licensing back into scheme. However, it would also mean that a lot more HMOs would need licensing. Estimates from the EHCS 2006 suggest that the current mandatory scheme involves 34,000 HMOs. If the definition was changed to ‘five or more people or three or more storeys’ the number of licensable properties would rise to over 100,000. Estimates gathered from the survey of LAs suggest that as many as 23,000 mandatory licensable HMOs are not licensed. While local authorities are struggling to find sufficient resources to tackle unlicensed landlords changes to the definition of mandatory licensable HMOs would further increase the number of unlicensed properties and would not offer a targeted approach to tackling either unscrupulous landlords or those that have opted out of mandatory licensing.

8.3 Problem properties

A number of case study authorities pointed to problems with HMOs described in the Housing Act in section 257. These HMOs are houses or other buildings that have been converted into self-contained flats but do not comply with the 1991 Building Regulations standards, and where less than two-thirds of the self-contained flats are owner occupied. LAs have discretionary powers to include section 257 properties in additional licensing schemes. At the time of the fieldwork, a number of LAs were considering additional licensing so that they could continue to manage this type of property.
The reason they are a concern for LA officers is because the standards of conversions are particularly poor and issues with fire safety in these properties. An officer considered these buildings to be a great concern in locations across England: “I think in a lot of towns they are probably some of the riskiest properties” (CS7). An officer remarked:

We’ve got properties that are not done in accordance with the 1991 building regulations and have no structural separation between one unit and the next and may not have any automatic fire alarm detection systems in at all. (CS9)

These properties may also lack fire doors. As they fall outside mandatory licensing the hazards may be left unchecked unless a tenant complains or the authority adopts additional licensing. This is a similar situation for many of the older properties that are rented as HMOs with poor heating and problems with damp in many cases. LA officers were keen to point out that poor management often went hand in hand with the problem properties that they encountered in their work. The number of occupants and the number of storeys often had little impact on this.

8.4 Migrant worker housing

The baseline study reported that in some areas migrant workers were living in inappropriate and makeshift accommodation including poor housing, outbuildings, trailers or empty shops, some were also sleeping in the park. Where they had rented accommodation often it was overcrowded and of a very poor condition and tied to their employment, meaning that landlords were exploiting workers by removing a large proportion of their weekly wage to pay for their rent. A number of LA officers also reported hot bedding during the baseline study; this is where tenants share beds depending on their work shifts. Residents in areas which were popular with migrant workers complained about the anti-social behaviour, associated with single men congregating in large groups and the increased fear of crime in the area.

Nearly all case studies discussed the association between migrant workers and poor housing conditions. For some authorities they were aware of rare cases where migrants were living in overcrowded accommodation often linked to the restaurant trade while others had experienced an influx of A8 migrant workers within a three to four year period that had had a significant impact on their housing stock.

Returning to case study 7, which has a large migrant worker community, LA officers and the CAB noted that there had been a reduction in the level of transience in the area and an overall improvement in the condition of properties although there were still serious problems of exploitation, overcrowding and poor standards. In another authority (CS6), there was a high turnover of HMO tenants in one area, living in properties that were of a low standard and poorly managed. The LA was in the process of
gathering evidence to apply for selective licensing in this area to manage these HMOs.

Case study 7 had initially considered selective licensing to manage the problem properties and landlords involved in housing migrant workers. However due to a lack of resources it was unlikely that they would pursue this goal. Instead, the authority was reacting to complaints about properties and using HHSRS as a vehicle to improve standards.

It was clear from interviews with the LA that change had taken place in this area. Officers speculated that this was due to the reduction in migrant workers in the area caused by the economic downturn and therefore the increase in supply of rented properties. In the past it was common for a property to be occupied by different groups for short periods of time and in quick succession:

*Poles, Latvians, Lithuanians, a gang master owns it. A friend of the gang master owns it. I’ve got work for these boys in this area for five weeks, want a house, they just slot them in there, then pandemonium breaks out, then the work dries up, they go. Then you maybe get a family in, the families don’t like it, they move on. Then you might get another family or you might get another van full of boys.* (CS7)

It was also thought that migrant workers that were settling in the area were less likely to live in HMOs and therefore overcrowding was not so prevalent. One of the interesting factors in this area was that migrant workers were increasingly living in good quality accommodation. A new development had been built on the outskirts of the main town in the authority and landlords had bought property to benefit from the high demand for housing. It is likely that these properties are in a good condition however if the demand for rented property drops this could have an impact on a development reliant on one tenure such as the one described here:

*We’ve got a place in town that’s got some, well, they were marketed as high quality riverside living, three storey, three or four bed town houses, beautiful properties. They quite frankly lend themselves to being houses of multiple occupation, because of the building reg standards and the fire safety and the hard wired systems that they’ve got in. And we’ve now got an area of town which, it’s in a ward, but it’s also a community on its own, which is virtually exclusively economic migrants and the whole housing estate are just houses in multiple occupation.* (Strategic officer, CS7)

Generally, rents have reduced reflecting greater availability, a marked contrast to a few years ago when speculative property was purchased to capitalise on the influx of economic migration left little availability to meet local housing need. The CAB advises that there is generally less ‘hot bedding’ reported to it. The HMO market, however, continues to be dominated by migrant workers and remains complex. Both the LA and the CAB discussed the level of exploitation experienced by migrant workers.
in the area. They were concerned about the way these HMOs were being managed, not just that they were overcrowded, but that unscrupulous quasi managers were exploiting vulnerable tenants. There had been a number of cases where landlords, agents, or managers opted out of paying council tax by providing a random name of an existing or previous tenant to the council tax office. The liability for the council tax then rests on that individual, regardless of whether the tenant thought all bills were included in their rent. Officers were also concerned about some of the more vulnerable tenants in the area:

Because it is cyclic and there is work and there isn’t work, but they’re still incurring the same rental debt, whether they’re working or not. So there is a tendency towards a little bit of exploitation or moving into slightly more people trafficking and prostitution and there is a bigger element of that in the town than probably I appreciate, but you get a little sniff of it every now and then. (CS7).

Complaints about anti-social behaviour had reduced, owing in part to the reduction in transience in the population and the ‘myth busting’ leaflets that were issued by this particular LA in an attempt to promote community cohesion. The local authority has generally used a multi agency approach to improving the anti-social behaviour associated with HMOs. The council is also building up local networks and has developed local neighbourhood panels, which are being increasingly attended by residents from the A8 countries. While the LA strives toward improving community cohesions, officers were aware that some local residents had a fixed position on migrant workers and would prefer that they did not live in the area.

A particular area in case study 6 is experiencing the negative impact of large numbers of migrant workers living in HMO accommodation. In this area, various stakeholders report that this tenant type move to this location when they first arrive in the area and stay for a short period of time before moving on to another part of the authority or out of the area. Consequently, the area experiences a great deal of transience. The LA expects to manage this with the aid of selective licensing. Yet the extent of the transience and the poor quality of management may mean that the transformation will take some time. A key worker managing a community cohesion hub in the proposed selective licensing designation discussed a meeting with migrant workers living in the area, where they had described their housing conditions:

We did manage to get a group of Polish people together, an off the record chat, but we said we need to know. We’re not expecting you to make statements, we’re not expecting you to give evidence, but we need to know, what are the properties that your people, you know and interestingly enough. When we got the list, and the list coincided with the problem properties that we’d already been dealing with and clearly went back to the same landlords. You know, there was no heating, there was really problems with the piping and people with no
rent books, they’d got no agreements, it was all cash, they were being moved from house to house at a day’s notice and this was a little bit of a sort of transit area around here. (CS6)

From discussions with various stakeholders it would seem that a small number of landlords own the majority of the properties in this area. They have no interest in improving condition for their tenants and do not engage with the local authority.

The LA is aware of serious problems with these properties and is expecting to use a collection of methods including additional licensing, selective licensing and landlord accreditation to control poor management. An officer remarked on the poor management of these properties:

*The landlords were not taking any sort of responsibility for the tenants. They were not giving them any guidance, or they were, as we’ve talked about earlier on in more general terms, just give me the money they were turning a blind eye to overcrowding or they were positively condoning overcrowding by sort of charging way above reasonable rent. We’ve got a case where they have actually turned round to the potential tenant and said well, if you put ten people in here you’ll be able to afford it. So they are condoning overcrowding. Not doing anything about disrepair and blaming it on the tenant when disrepair occurs, the landlords been actively engaged in fly-tipping themselves or condoning fly-tipping.* (Implementation officer, CS6)

Owner occupiers that live in this area were particularly disparaging about the condition and poor management of these properties and discussed the physical changes to properties in the area as well as the change in tenure caused by landlords buying property to rent to this group:

*We get a lot of illegal development, people building massive garden sheds in their houses, which aren’t made of wood, they’re made of concrete, they’ve got double glazed windows on there, they get people living in there. They live there for about six months, six months time somebody else will live there. My whole street has had ten houses change hands in the last two weeks.* (Resident, CS6)

For this group, poor management was typified by properties with refuse in the curtilage of the property and tenants with a lack of knowledge about the systems in place for rubbish disposal. Community cohesion workers had put significant resource into informing tenants about their responsibilities and yet because of the constant turnover this has had little impact on the area.

Intervention in this area is important for a number of reasons. Firstly, a significant number of properties are either poorly managed or in a poor condition. Also, tenants in this area are being exploited by landlords who are demanding high rent for overcrowded property. Thirdly, improving properties and reducing transience may help to reduce tension building up between local residents and migrant workers. Finally, some form of
intervention may help to placate landlords that are fully engaged with the LA and are being undermined by these unscrupulous landlords.

However, implementing selective licensing in this area with its high turnover of tenants will be extremely hard. Landlords are likely to be hard to identify and engage with and may be reluctant to improve their properties if the investment was bought for short term profit. An LA officer in an authority applying for selective licensing discussed the complexity of migrant worker housing, describing it as a sub-sector of the traditional HMO market. This authority is working with various agencies to map areas with high concentrations of economic migrants so that they might have a good understanding of the private rented stock in their area. It is likely that this authority will apply for additional licensing to specifically manage migrant worker housing.

Raising standards for migrant workers is particularly problematic because tenants remain hidden from the council, in the sense that they are normally not claiming benefits (due to non-entitlement). They may also wish to remain hidden, due to concerns regarding loss of employment. Most of the information the council receives about standards are provided by other sources such as external agencies and local residents.

8.5 Future plans for additional licensing

Twenty-four (11%) LAs participating in the survey were considering applying for additional licensing powers for HMOs that fall outside the mandatory definition, 21 of these gave reasons. These included LAs having a large number of HMOs not subject to mandatory licensing, or a general concern about the management standards in these types of properties. Two authorities were interested in additional powers because of the number of migrant workers in non-licensable HMOs. Other councils were carrying out surveys to find out whether additional licensing is warranted. Only nine LAs participating in the survey were expecting to apply for additional licensing within a year of the survey.

Forty-six LAs, not intending to apply for additional licensing thought that these powers would be beneficial for similar reasons to those that were considering applying for them. Although these councils are not intending to apply for additional powers in the immediate future, they describe some problems with non-mandatory licensable HMOs that may need to be addressed.

Four of the twelve case studies were considering applying for additional licensing. While some were preparing to apply within a few months of the fieldwork by gathering evidence for their application, others were weighing up the strategic advantages and disadvantages of such a scheme.
One of the London boroughs (CS4) recognised that their priority was to implement mandatory licensing as these HMOs “presented the highest risk to residents”. Staff were fully aware that the majority of HMOs did not fall into the mandatory threshold however a lack of resources were the greatest barrier to further licensing:

_We don’t, at the moment, have resources to tackle that as well as additional licensing. So what we said was that we would complete the mandatory licensing and if we have resources, then we’ll look at the possibility of additional licensing, because really the major number of HMOs fall outside the mandatory licensing._ (Strategic officer, CS4)

Many other authorities were in a similar position, reluctant to look at extending licensing while they were still struggling to manage the mandatory scheme.

Another London borough was gathering information on their non-mandatory licensable HMOs to make a case for additional licensing. Their current transitional scheme focused on 250 section 257 properties. However, LA officers were aware that the majority of their complaints relate to unlicensed HMOs. Officers would have preferred that mandatory licensing had taken a “more blanket approach” (CS1) and therefore included more HMOs; although the officer accepted that the authority would have found it difficult to license an increased number of HMOs during the initial stages of licensing. Instead, the authority is considering additional licensing, and was in the process of surveying tenants, carrying out general surveys of the HMOs in the area and taking photographs of these buildings at the time of the fieldwork. Another case study had approached the fire service for details of problematic properties that they were encountering as a means of assessing whether there was a need for further HMO licensing in the area.

Each local authority’s approach to licensing differed. An authority in the North West, with both mandatory and selective licensing in place, was keen to implement additional licensing as a method of managing the private rented sector in each ward:

_We have looked on a ward basis so what we can say to residents is: “every property in this area needs a licence, the type of licence it needs might be different but it will need a licence”. So that’s what they look for, it’s about they need a licence, and then you can get across to them the detail of licences._ (CS8)

This strategy would aid neighbourhood management and allow this authority to increase the level of engagement it has with a wide and diverse group of landlords and tenants. Landlords in an authority in the East of England were concerned that an additional licensing scheme that sought to include a far greater range of HMOs than the current transitional scheme would be problematic. They suspected that landlords were likely to disinvest in the area and buy properties in neighbouring
authorities where these schemes were not in operation in response to such a proposal.

Those authorities with large numbers of HMOs, notably where the greatest proportion of them do not meet the mandatory licensing criteria, tend to be the ones that are considering additional powers. There is a concern, however, that some authorities in this position do not have the resources to implement these powers regardless of how beneficial they may be to improving the stock.
9 Selective licensing

9.1 Overview

Part 3 of the Housing Act 2004 introduced selective licensing of other residential accommodation. The Statutory Instruments relating to the implementation of selective licensing came into force on 6 April 2006. This type of licensing allows LAs to apply to central Government if they wish to designate an area that is, or is likely to become, an area of low housing demand and/or that the area is experiencing a significant and persistent problem caused by anti-social behaviour. Most types of privately rented property within the designation can be selectively licensed; the main exemptions being:

- properties already covered by mandatory or additional HMO licensing
- holiday lets
- tenancies under a long lease
- business tenancies

Schemes are normally in force for a maximum period of five years and LAs are required to keep them under review during that period.

11 local authorities in England currently operate 15 selective licensing designations. Three of the local authorities that were involved in this study had designations and one other was waiting to hear the outcome of their application at the time of this research. Two authorities involved in the research were still deciding whether to apply for a designation and two others had considered selective licensing during the first stage of the research, but had not applied since then and are unlikely to do so in the near future.

9.2 The purpose of selective licensing, application process and criteria

9.2.1 Purpose

Selective licensing is seen as an important tool to help local authorities tackle the worst problems in the private rented sector, where poorly managed and maintained properties and anti-social tenants are having a detrimental effect on local communities. However, Communities and Local Government has always recognised that selective licensing will not cure all of the problems local communities face and that it must be used alongside other strategies to arrest those problems. This means that local authorities
and other agencies need to work with local landlords to help them deal with problematic tenants and to meet minimum standards.

9.2.2 Application Process

To gain approval, local authorities must demonstrate that their schemes fit in with their overall strategic approach to tackling problems in the local private rented sector, including existing policies on: homelessness, empty properties, regeneration and anti-social behaviour. Local authorities must also conduct a full and comprehensive consultation with local landlords, managing agents, tenants, residents and businesses on their proposals prior to submitting them.

In addition to those authorities with an existing designation, 28 LAs that responded to the survey indicated that they were considering applying for selective licensing. Of these, five expect to apply within six months and a further six to apply within a year. Most of these 28 councils provided reasons for this, the most commonly cited being issues around low demand and anti-social behaviour (ASB). However, poor management by private sector landlords also featured; one LA noted that landlords had failed to engage with the council over an accreditation scheme. Other authorities were considering selective licensing to manage properties not included in mandatory HMO licensing.

Authorities that had gone through the application process and succeeded noted that it was a huge job getting evidence together and with no guarantee at end of the process. One suspected that this was why so few had actually applied:

_I would imagine the Government has been quite surprised at how few authorities have gone forward with selective licensing and I suspect that that has been because authorities say that there are some hoops to jump through prior to gaining designation and there’s also that risk that you could [put] all of that work into it and you might not get the designation._ (SL manager, CS13)

Landlords were also critical of the time and expense involved in simply applying and setting up the scheme and the fee structure, pointing out that it had been an extremely expensive exercise before it had even started.

It is notable that two out of the three case studies that had obtained designations at the time of the research were Market Renewal Pathfinder authorities who had these additional resources and linked schemes in place before licensing. Staffing is an important issue because staff have to be in place to implement the scheme once it is approved, but it is both difficult and risky to take on extra staff before the designation is confirmed:
But you can’t take on board the staff, if you don’t know whether you’re going to get the designation or not and then once you’ve got the designation, within seven days, you’ve got to do x, y and z. (SL manager, CS13)

Although the process is resource intensive and uncertain, having to apply for approval does confer some benefits. Officers in at least one authority had been able to use this as a way of managing demands from elected members and residents who were demanding extending the selective licensing to cover their area:

You don’t like to have to sort of sit up and beg to central Government to be allowed to do something like this, but on the other hand it can be quite useful to say, well, the reason why we’re not doing your ward is because we’re not allowed to do it in your ward, it’s not a permission to do it anywhere, you’ve got to make a bid and it’s got to be accepted. (Strategic officer, CS12)

The consultation side came in for some criticism from landlords in two areas with designations. In CS13, the landlords that we spoke to felt that they had not really been consulted about whether selective licensing was appropriate but rather simply informed that it was happening. Despite this, the landlord association committee had negotiated discounts on licensing fees for accredited landlords and were very supportive of selective licensing and officers acknowledged that it would have been very difficult to get the designation without their support. In CS8, residents and landlords had been consulted using questionnaires. Strategic housing officers had been disappointed at the low response rates (7% for both groups). Residents had been overwhelmingly in favour but landlords had been divided with 55 per cent agreeing on the areas chosen and 85 per cent agreeing that some intervention was needed in areas that suffered from low demand and/or ASB. The RLA were very critical of what they saw as a biased consultation:

They’ve targeted, they’ve done a campaign, avoiding anybody who might possibly have an objection or a viewpoint that might not coincide with theirs, so cleverly asked questions, trying to get them to focus groups from here or there, excluding anybody who might have a worthwhile opinion about it, just so they can force their own political agenda through, being in charge of all the property, because it’s always been their aim. (RLA committee members)

Landlords in the authority whose application was awaiting decision (CS10) were also very unhappy about the way the consultation had been conducted feeling that this had simply been the council explaining what it was going to do rather than genuinely seeking views. They had, however, managed to obtain a discount on fees for accredited landlords.
9.2.3 Criteria

The guidance on applying for selective and additional licensing, published in November 2006, specifies that a designation may be made if the area satisfies one or both of the following conditions:

- the area is one experiencing low housing demand (or is likely to become such an area) and the LA is satisfied that making a designation will, when combined with other measures taken by the LA, or by the LA in conjunction with others, would contribute to an improvement in the social or economic conditions in the area
- the area is experiencing a significant and persistent problem caused by anti-social behaviour and that some or all private sector landlords in the area are not taking appropriate action to combat the problem that it would be appropriate for them to take; and the making of a designation, when combined with other measures taken by the LA, or by the LA in conjunction with others, will lead to a reduction in, or elimination of, the problem

The guidance also specifies the key factors to be taken into account when assessing these. These are summarised in Table 13 for more detail see the Communities and Local Government website.

<table>
<thead>
<tr>
<th>Low Demand</th>
<th>ASB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of residential premises</td>
<td>Crime</td>
</tr>
<tr>
<td>Turnover of occupiers (owners and tenants)</td>
<td>Nuisance neighbours</td>
</tr>
<tr>
<td>Number of vacant properties and how long vacant</td>
<td>Environmental crime</td>
</tr>
</tbody>
</table>

These criteria and the way they have been defined and measured have come in for some criticism. Looking first at low demand, some pointed out that high demand was actually just as bad. It is notable that some of the worst physical conditions and management were found within HMOs in an area with very high demand (CS3). A landlord in one area pointed to the problem of high demand in the private rented sector:

*I would say that high demand causes problems just as much. If there are hardly any properties available well then you grab what you can get irrespective of its condition and you certainly don’t complain to the landlord … so I’m not sure that it is just low demand that is a problem.*

(Landlord, CS8)

Views very similar to this were expressed by implementation officers in one of the London authorities in the baseline study.

Landlords in this area were also unhappy that the council had used the number of empty properties as an indicator of low demand pointing out...
that all properties had to be empty at some time to carry out improvement works. As one explained:

I’ve got a void at the moment, I’m completely turning the house upside down, now that will be a longer void than perhaps other people might have because I’m not big enough to employ my own workmen, so I have a well respected and good quality workman but I have to queue up to get him, so I have a void, I don’t want the void, I’d rather get it done quicker rather than slower but I’d rather have it done right as well, and people that are small owners of property haven’t the luxury of just saying right we’ll get the decorator in tomorrow or and so there will be a problem with voids with people at my end of the market, it doesn’t mean that I’m a scumbag landlord and it doesn’t mean that using voids or small discrepancies, small differentials between one area and another is a valid way of identifying low demand in my mind.

(Landlord, CS8)

However, one of the authorities, that had obtained its designation on the grounds of low demand (CS13), felt that pathfinder areas should have been ‘passported’ through the application for selective licensing.

Anti-social behaviour is even more difficult to define and measure and this is possibly why only one of the eight designations at the time of our research had been awarded on this criteria rather than low demand. However, one of the key reasons for low demand in most of the other areas is actually ASB – people do not want to live in areas with high levels of ASB unless they have no choice.

Strong arguments were advanced for more flexibility and for considering, standards of management, property standards or failure of landlords to engage, as reasonable grounds. Although selective licensing is aimed more at improving management rather than physical conditions, the two are closely linked:

If the property is in such poor condition, then that landlord is not demonstrating their ability to manage the property. I think as far as the landlords are concerned, I think they see that that is logical, I think in their own light, they think that well, I won’t get a licence unless the property’s of a good standard, so there haven’t been any problems with that and I think it’s a fair interpretation, as well, of the legislation.

(SL manager, CS13)

9.3 Profile of current and possible future areas with selective licensing schemes

Case study 13

In this case study there is currently one designation which covers around 360 private rented properties – this represents roughly half of all the
homes in the defined area. The proportion of households claiming income support and jobseeker’s allowance in this area is roughly double the average for the local authority and there is a much lower proportion of retired people than the average. The LA was keen to be involved in pilot schemes around licensing proposed by the then Office of the Deputy Prime Minister (ODPM). These did not get off the ground but they had used this as an opportunity to gather more information about the area and think carefully about how to approach it. The application was made based on low demand because the evidence base was strongest and easiest to demonstrate, as it is seen as a place of last resort. Other key problems in the area include the poor condition of properties, absentee landlords and criminal activity.

There has already been some clearance and regeneration in the area as part of market renewal. At a strategic level, selective licensing was seen as a key tool to enforce standards in the area to ensure that regeneration has maximum impact and to encourage investment into the area by demonstrating that the LA was controlling anti-social behaviour. They saw three key elements to selective licensing: improving the properties; improving the landlords’ management of the properties; and improving how tenants manage their properties as well and getting them to engage and respect their home and their neighbours.

The authority has a very good close working relationship with the local landlord association and has had a voluntary accreditation scheme in place for some time but not all landlords were engaged:

I think they’ve done a really good job of promoting the accreditation in X, for those that aren’t interested and for people who don’t want to know, it’s much more difficult, but what do you do with those people, if you’ve not got licensing, what do you do with them? (Strategic officer, CS13)

The council are considering other areas for designation but staff at all levels are keen to see how this (and schemes in other authorities) are working before applying for further designations. The main additional area under consideration is actually an old mining village where regeneration is planned and which has similar problems to the designated area around ASB and property conditions. They are having to carefully manage expectations of residents and councillors in other areas who view selective licensing as a “cure for all ills” and would like to see it extended to all areas.

Tenants also felt that there were other areas that required licensing. Landlords that we spoke to were less enthusiastic pointing out that the problems of ASB are mainly in areas with social rented rather than private rented housing and that ASB in private rented homes is exacerbated because it takes too long to evict bad tenants. They were also unhappy that the good landlords were having to pay as well as the bad:
But we’re all being penalised. My property’s one of the new ones on X Road yet I’m being penalised really for … they’re saying that the other properties are like rack and ruin and vandalised and they’ve got terrible tenants in. Yet I’m still having to pay my licence and I just feel we’re being victimised basically. (Landlord, CS13)

Case study 8
Like in the previous case study, parts of the authority were located in market renewal pathfinder areas with substantial investment in regeneration. The overall strategy that politicians wished to pursue was to roll out selective or additional HMO licensing to all wards within that area. They had selected three whole wards for selective licensing as phase 1 on the basis of low demand and concentrations of benefit receipt. At the time, the areas had large numbers of long term vacant properties and also significant problems with ASB. Residents were happy that their area had been selected as one of the first because of the serious ASB (even though the case had been made on low demand):

We had organised crime we had in fact it was just abysmal, people couldn’t go for their pension without having to get mugged on the way home; so fortunately for us they started there. (Resident, CS8)

Selective licensing was seen as a key tool to support the regeneration of these vulnerable areas and to ensure that improvements were sustained so that these areas would become places where people would actively choose to live. They also saw licensing as a means of compelling landlords in these areas to engage with the authority:

licensing is not for us about trying to limit the private rented sector or trying to reduce it, its about making sure that it’s effectively managed and the difficulty that we have with all of the voluntary schemes is that its not the landlords that we need to get a grip of and change their behaviour who tend to sign up to those. (Strategic officer, CS8)

Officers recognised that low demand, the original reason for the designation, was less of a problem now and more households were now in work; largely because of a large and recent influx of migrant workers into the area.

The landlords that we spoke to acknowledged that there were problems in these areas but that there was no longer any low demand and that ASB was linked to isolated cases rather than being a widespread problem. They did acknowledge that there may be a need in some cases:

There’s a property in the next street to my office in X and … there’s no windows in the property, there’s a family in there with curtains for doors, the front door doesn’t close, there’s drugs, there’s kids running in and out, there’s all sorts of nonsense going on … and there’s obviously a landlord … renting that property out to these people, which if the licensing … I see the licensing as doing a proper job, if people
were made to … to comply with the rules and regulations through licensing you would do away with some of that, I’m not saying it would … it’s a miraculous thing that’s going to cure all ills. (Landlord, CS8)

Although they had some doubts about the real need for licensing, their main concerns were with the way it was being implemented. The areas were seen as far too large and they wanted to see action against landlords like the one above rather than simply issuing licenses to good landlords like themselves who came forward voluntarily. They were very concerned that licensing would force the worst landlords that they most needed to tackle underground. Some, however, were not convinced of the need for licensing at all feeling that the local authority had had sufficient power to deal with these sorts of problems without licensing and that the market would sort out the bad properties and landlords as no-one would want to rent them.

They were concerned at the cost of setting up the scheme in the first place and also pointed out that licensing was not addressing the wider issues around worklessness that were at the root of much of the ASB rather than the properties and the way that they were managed:

Now I have nothing against tenants on benefits, I have excellent ones, but if you have a large number of properties that are not mixed occupancy, well then you get problems. If you have a large number of properties where people are living right on the breadline, because the benefits are not generous, you’re going to get problems, and it isn’t to do ultimately with the quality of the properties it is to do with whether people have jobs or not … and I think that the whole of this issue has not been looked at properly, and its no good looking at one little element of the situation and … examining that under a microscope and ignoring all the rest of it. (Landlord, CS8)

The LA is currently consulting residents and landlords about options for a further eight wards that might include selective or additional HMO licensing of all or part of these areas. Problems in some of these areas were rather different than the current designated area, especially the wards where the main client group in the private rented sector were students. Here the issues were mainly environmental nuisance. Landlords in these areas were also less willing to engage because demand had always been high and, echoing comments from officers working in student housing elsewhere in the UK, students were far less interested in property standards than other groups:

They don’t tend to exercise choice on the same basis that perhaps professionals would do, so they’re not interested in what the property’s like, whether it’s safe, whether they can get out when there’s a fire, whether, you know, the wiring’s hanging out of the wall, they’re more interested in has it got wireless broadband, how close is it to the bus stop, is it near to Sainsbury’s. (Strategic Officer, CS8)
Low demand is not an issue in these areas, so any selective licensing application will (on current criteria) need to be made on the basis of ASB which officers felt would be far more difficult and time-consuming.

**Case study 12**

Unlike the other two authorities (and all other schemes in operation at the time) this area was designated on the grounds of ASB. The selective licensing covers an entire ward, but they have chosen to target the worst properties, streets and landlords first. This includes properties that are intended for clearance.

There have been serious problems with ASB and crime in the area for a long time, including serious crime like drug trafficking and, as later emerged, sex trafficking of minors. The area has been seen as a problem area for the past 30 years with poor property conditions, a high proportion of empty properties and a highly transient population. Like the area in CS13, it was seen as an area of last resort for those who had no other choice. Educational attainment was lower and health problems higher than elsewhere in the borough. Many of the problems were caused because tenants evicted from registered social landlord (RSL) accommodation were then displaced into the private rented sector where many landlords had no prior knowledge about them and lacked the skills to deal with those very problematic tenants; many of whom had complex needs.

Regeneration funding for the area had actually made the problems worse rather than better as more and more properties were bought up by speculative purchasers from elsewhere in the country, some of whom were unconcerned about their tenants as long as they got their money and a small minority who deliberately took on disruptive tenants to try and force property values down further.

Take up of the voluntary accreditation scheme in the area was poor after 2–3 years in operation and, like the other two areas, selective licensing was seen as a way of compelling landlords to engage and take responsibility for, and support to, control ASB and crime in the area. It was also seen as part of the wider crime reduction strategy in the area as a number of landlords were known or thought to be associated with serious crime. Low demand was also a factor and this was seen as a contributory factor to the problems of ASB and crime and also a complicating factor for tackling ASB:

> I think because it’s an area of low demand and what we are saying is you must reference your tenants and landlords have come back and said, right, this is where I’ve got properties, if I reference the tenants who are going to apply for those properties, they’re going to come up with a category red. They’re going to have some serious or a very, very poor housing history. So, you were saying not to allocate that property, that leaves me with an empty property and that’s the dilemma that many landlords and we do appreciate that, that they’re in a business,
but equally it’s just exacerbating the problem. (Implementation officer, CS12)

The landlord accreditation and linked Good Tenant Scheme were seen as instrumental in bringing about reductions in ASB. There was widespread support for the selective licensing scheme and everything seemed to come into place at the right time:

We had everybody on board, We were already part way there with the voluntary scheme. We know there was a light at the end of the tunnel in terms of the big regeneration scheme. We knew we had years of pouring resources into the area and getting away with it, so the time was right and everybody was behind it. (Strategic officer, CS12)

Landlords that we spoke to recognised the need for the scheme, particularly to set good standards for property. One who already had to comply with the standards set by The UK Border Agency (UKBA) was clear that this had had a significant impact:

Would our properties be in the state that they are … the decent state that they’re in if they didn’t have asylum seekers in them? Probably not … because they might well be, as they are in certain other places, boarded up because there’s nowhere to go with them … we do have properties in areas that are outside the [selective licensing area] which are boarded up … because there is no … there is no earthly point of spending £25,000 on them when nobody will want to move in there and they’ll get … they’ll get duffed up within a … within three months. (Landlord, CS12)

Landlords expressed some frustration that licensing was creating an extra burden on landlords whose properties and practices were already of a high standard. However, they also welcomed the fact that it was setting more of a level playing field although they would like to see more publicity around licensing actions and prosecutions to force other landlords to toe the line:

I would love to know what progress has being made … how many applications have they received … how many are missing, who from, what action is being taken against them. (Landlord, CS12)

Case study 10 – (application being considered at time of research and subsequently approved)

This area had, at one time, been designated for clearance and hence no grants were available unlike other areas where regeneration had taken place. The uncertainty over its future meant that the area had suffered from lack of investment and there were high levels of ASB, poor condition properties and empty properties. Some residents had become despondent:

I’ve lived on that street now, 40 years, and I’ve never had a penny grant, my house, and all round me, are all being done up, central
heating, double glazing, new kitchens, and for 40 year we paid into that house, and now I just feel that, I couldn’t care less because everything’s falling down round me. (Resident, CS10)

The uncertainty about what might or might not be done with regeneration meant that some tenants in the area were unsure about who they should turn to or contact about problems with their home:

It was over twelve months ago I lost my back wall … we were under the impression that we were all getting new walls and stuff … So I kept mithering the Council rather [than] the landlord. (Tenant, CS10)

Residents, landlords and tenants were very unhappy about the lack of communication about plans for the area; although it should be recognised that the council themselves were unable to provide any answers until central government had taken decisions on funding. Strategic staff recognised that clearance would have been the first choice if they had been designated as a market renewal pathfinder. Around 45 per cent of the dwellings in the area were privately rented. They deliberately chose a small area (around 150 properties) to ensure that the effort would be effective. Some elected members had wanted a much more ambitious scheme arguing that the whole authority should be selectively licensed but officers and others had successfully argued against this insisting that it was a tool that was intended to be used in very specific circumstances:

It is only going to be useful in certain specific cases where the relationships that you develop when you do things in partnership are either broken down or just aren’t able to get off the ground, because of a set of circumstances that you’re faced with. (Strategic officer, CS10)

Attempts to get the landlords to improve properties and practices through voluntary accreditation simply had not worked with only a small proportion in the area signed up to the scheme. As in other areas, selective licensing was seen as the only thing that would compel them to engage and accept responsibility in the longer term. They also hoped that getting selective licensing in one area would send out a signal to landlords in other areas that, if things did not improve, their area may be next:

Just using it in one area I think has the potential to reduce the likelihood of using it again, because it’s the message that it sends out, that we are willing to use it, but we’re willing to use it and back it up to the full. So, I would hope that in other areas, when we start talking to the landlords and ask them improve their management standards around anti-social behaviour, we would be able to say, well, we’re looking for an improvement, because we may have to consider other alternatives and kind of knowing that we’re going to select a licensing scheme, I would guess would spur a lot of landlords on. (Strategic officer, CS10)
It was also seen as a way of excluding bad landlords who fell outside of HMO licensing without the need to go through the lengthy and expensive process of legal prosecution (sometimes more than once with the same individual).

Landlords with property in the area were less supportive suggesting that they should try regeneration on its own and only bring in licensing if there were still problems. There had also been considerable dispute over the precise boundaries of the area; landlords would have liked to see it drawn much tighter to the very worst couple of streets. They also disputed that there was low demand in the area because, although there were a handful of long term vacant properties, they had experienced no difficulty in finding tenants. They, and residents, were clear that a lot of the problems with ASB were being caused by people who lived outside the area (mainly tenants from social housing).

**Case study 6 – considering applying**

Selective licensing had first been discussed about two years ago as a way of dealing with problems around ASB and overcrowding arising from a sudden, large influx of migrant workers into a small area:

> A lot of landlords were buying up these properties and putting large amounts of single, at that time there were a lot of single males coming to the city, into those properties. The landlords weren’t giving them information about which bins to use, they were just chucking the mattresses in the back gardens of the people that had been there before, they weren’t advising them about noise and about neighbourliness and about living, they were just put in the properties and very much it was a case of give us £700, I don’t care how many of you live here, I just want £700 a month or whatever. (New Link Representative, CS6)

Elected members, residents and officers are all keen on applying selective licensing to provide a way of controlling and regulating privately rented housing in the area:

> Identification of all the landlords, proper paperwork in place, proper tenancy agreements, rent books, the properties inspected for, sort of that they are decent, that they are not overcrowded and that the issues that we have that the existing population there are complaining about are then minimised. I don’t think for a minute they will be going away from but they are minimised and that we have a much better picture of what is actually going on in those areas and that we can control it better. (Strategic officer, CS6)

Residents also want to see it being used to control non-conforming uses of these properties:

> Landlords have got to be made responsible and that includes everything, because you’ve got businesses starting up in houses now,
selling cars, repairing cars, painting businesses, selling white goods and things like that. (Resident, CS6)

Strategic staff realise that their application will need to be made on the grounds of ASB because there is no low demand (the reverse is the case), but are concerned that the problems may not be severe enough. They have been in contact with the only authority, as yet, to have been awarded a designation based on ASB for advice although the nature of the problems and history of the two areas is very different. The transience of occupancy is a key challenge to any intervention in that area – tenancies often last just a matter of weeks before people move on to other areas inside or outside the authority.

Case study 9 – considering applying

The area under consideration is fairly compact, consisting of around 10 streets where around half of all properties are private rented. There are indications that private renting is increasing as more long term owner occupiers decide to move because of the problems and houses being bought up by landlords. There are some similarities to CS6 above because the area in question has seen a large influx of migrant workers with associated problems of overcrowding and anti-social behaviour combined with lack of tenancy agreements, rents paid in cash etc. However, the migrants here are often families and are not so transient and there are also problems with serious disrepair to many properties that pose major health and safety hazards due to dangerous electrical and gas installations and poor fire safety. Implementation officers described some very poor standards of repair that they had come across including:

One particular toilet, the actual soil pipe was a tumble dryer vent, just stuck onto one end, you know, it comes out of the toilet and into the soil stack, as it came through the wall. (Implementation officer, CS9)

Like many areas with or being considered for selective licensing, the area had been earmarked for demolition at one stage and a stop put on regeneration activity, but this was withdrawn after local protest. The authority’s private rented project has been active in the area promoting landlord accreditation and providing support and training but, as is the case elsewhere, this has not gone far enough:

I think we’ve got beyond encouragement and education, I think we really need to start getting into enforcement, because you’ve got people that are living in appalling conditions that will not change until we can do something positive about it. (Implementation officer, CS9)

There are also major concerns about community tensions with some members of a local action group becoming increasing hostile to the migrant workers. Any application will have to be made on the basis of anti-social behaviour exacerbated by overcrowding because there is no low demand in the area. However, strategic officers were not sure
whether the problems would be deemed severe enough by Communities and Local Government:

*I think selective licensing is probably a tool that’s quite useful in areas of complete and utter dysfunction, that’s the message I get. The problem we have in X is there’s nowhere it’s really a kind of disaster area as such. There are areas, putting it fairly bluntly that are a bit rum, but not the kind of mass anti-social behaviour of hard to let patterns that are required as a measure for selective licensing and I could be proved wrong.* (Strategic officer, CS9)

**Other discussions around possible selective licensing**

Selective licensing was discussed with three other authorities that will probably not be applying in the near future. Implementation and Strategy staff in CS7 had been quite keen at the start because of major issues related to migrant worker housing that were at least as severe as those described in CS6 and CS9 above. The problem is that they do not have the resources to research and compile an application, let alone the staff to implement it if it were granted. Also, the problems are not confined to a specific area but spread across the town and there is no low demand. The situation may, paradoxically, be improved by the current financial crisis because locals, who were looking to buy and live in the suburbs are now looking at these cheaper properties in the town as their first step onto the housing ladder so a number may revert back to owner occupation. Portfolio landlords who had invested in these town centre properties before now seem to be looking more to newer developments of larger houses to buy up for renting out.

One of the London authorities (CS1) had been in discussion with the police who had wanted them to use selective licensing on houses used as brothels. However, as this only affects a handful of properties, it was agreed that special interim management orders (SIMOs) presented a much more appropriate solution. Another authority in the South (CS11) had come under pressure from elected members to bring in selective licensing to deal with anti-social behaviour in some areas. However, officers here feel that SIMOs are probably a better way forward and are compiling evidence to assess the case in more detail.

**Barriers to applying for selective licensing**

From the above, it is evident that that are three main barriers to applying for selective licensing:

- **The criteria** – the two existing criteria of low demand and ASB are seen as too restrictive and difficult to demonstrate.
- **The application process** – this requires large amounts of resources to research and submit an application.
- **Political will and understanding** – decision on whether to apply for selective licensing is a political one that will depend critically on the
views and knowledge of elected members and the perceived priority of private sector housing within the council’s remit. Too often it is seen as a ‘Cinderella’ service and inadequate consideration given to its huge impact on people’s lives.

9.4 How does selective licensing sit alongside market renewal, regeneration and overall neighbourhood management?

9.4.1 Overview

In the three authorities with a designation at the time of fieldwork, selective licensing was seen as part of a much broader strategy for the area in terms of regeneration, controlling anti-social behaviour and neighbourhood management. It also links into other initiatives around accreditation, homelessness and affordable warmth.

9.4.2 Market renewal

Housing market renewal is a programme to rebuild housing markets and communities in parts of the North and the Midlands where demand for housing is relatively weak and which have seen a significant decline in population, dereliction, poor services and poor social conditions as a result. Its objective is to renew failing or weak housing markets and reconnect them to regional markets. £1.2bn was invested between 2002 and 2008, and the Government has committed a further £1.038bn to the programme over the period 2008–2011 for programmes in the nine pathfinder areas.

Two out of the three case study authorities with a selective licensing designation (CS8 and CS13) are in Market Renewal Pathfinder (MRP) areas. MRP funding kick started the intervention in private sector housing and was also helping to fund selective licensing. In these and other MRP funded areas, many of the private rented support projects, particularly landlord information and support, were being at least partly funded through MRP. In turn, selective licensing was seen as providing support to the overall aims of market transformation and stability. Although there were differences in the nature and extent of low demand in the areas, traditionally these areas contained housing that nobody would buy and so investors from outside have bought them cheaply and often rented them out at the lowest possible cost, with the minimum work done, to maximise their returns. This had led to a concentration of properties in poor condition and poorly managed private rented properties in parts of these MRP areas.

In CS13 the selective licensing area was located on one of the key routes into the city. In this case selective licensing helped support the MRP aim of creating a much better impression of the city as people travel in. They
were also using MRP funding to give landlords a grant of up to £500 to help improve their properties up to the accreditation standard.

### 9.4.3 Regeneration

In all of the designated areas, selective licensing was being implemented alongside major regeneration schemes. The same approach was being proposed in the authority that had submitted an application (CS10) and one (CS9) that was still collecting information to assess the case for selective licensing. In most areas this combined package of regeneration and licensing included demolition and rebuilding to a greater or lesser extent. It is important to remember that most of these designated and potential areas had experienced significant problems over a long period and various approaches had been considered to deal with them in the past which had fallen through due to lack of funding, public support or both.

Lack of direct communication and uncertainty were mentioned by residents and landlords in all three existing areas. As one remarked:

> There’s no information though, unless you look on the website or, in the council news in the free paper, read the Chronicle, that’s the only way you get to know of, like trawling through the internet. (Resident, CS13)

The decline had not just affected houses in these areas, but other types of building and businesses. Residents in the area awaiting a decision on the selective licensing application described a derelict block of garages in the area where local youths had made a hole in the roof to gain access. They described the drug paraphernalia, rubbish and rats that had accumulated and expressed their fears for younger children playing near there. In the same area, a local shop owner’s problems and worries for the future were also voiced through an interpreter:

> Mr Ws been doing this property for six and a half years, he’s put a lot of effort in it ... and he put a lot of money ... and like he has been burgled twice in the area, the bins been on fire so many times and he has to pay ... for another bin ... he’s so desperate to know if its going to be knocked down or renew[ed]. Especially the business has gone down really bad, you know, he’s getting too much competition. (Resident, CS10)

The approach of linking selective licensing with regeneration was seen as conveying a number of advantages. Firstly, it would compel landlords to improve their properties and also their standards of management. In CS10 residents and landlords were unhappy that they had missed out on previous regeneration schemes and grants, which were done on a block basis. However, in CS13 where regeneration had been carried out to individual dwellings, residents complained about the external condition and appearance of houses that had not had grants:
One or two of the absentee landlords I think haven’t taken advantage of this and their houses now stick out like a sore thumb, compared to the nice pristine ones. (Resident, CS13)

While regeneration was welcomed, residents were also clear that regeneration alone would not improve their areas:

From the day that X announced the facelift I stated that no matter how many millions of pounds the Government, or the Council, would spend in the area, unless if the landlord licensing would come into effect running simultaneous with the facelift scheme, there would be no point in doing anything. (Resident, CS8)

Tenants in at least one area (CS8) were also disillusioned about the impact of regeneration schemes where they had seen landlords getting large grants for exterior work but spending no additional money themselves and then putting the rent up by £10–20 per week afterwards.

Local authority officers also saw it bringing licensing, in combination with regeneration, as a more balanced way of providing incentives and sanctions to improve homes in these areas. However, in one of the areas with a designation, the authority was still struggling to get landlords who had signed up to the facelift scheme to send back their licence applications; and these included some landlords who had recently completed works to comply with the accreditation scheme requirements.

A second advantage of combining regeneration and licensing was that it would help improve the inside and thermal comfort of the properties. In all three areas, residents, tenants and landlords were critical of previous regeneration schemes that had focussed solely on the external fabric and appearance without tackling poor conditions (e.g. disrepair, dampness, unsafe wiring, lack of amenities and heating) inside the homes.

Thirdly, it was hoped that it would also help to sort out some of the anti-social behaviour problems that had persisted, or simply been displaced to other areas or locations in previous regeneration schemes. As one landlord commented:

I mean regeneration’s a great thing and I’m sure … and there are success stories but for every … for every … success story there are a number of failures. There are certain areas, in particular X and parts of Y where they’ve been regenerated three or four times in the last twelve years … only to sink back into what they used to be and then off we go again. (Landlord, CS12)

Implementation staff in this area were also very clear about the need to learn lessons from previous regeneration schemes. For example, to have measures in place to deal with any resultant anti-social behaviour and to be conscious that what had worked in one area may not work in another. They cited one area where voluntary accreditation had been very successful alongside regeneration because most of the landlords
were living in the same community. Voluntary accreditation would simply not have worked in the selective licensing area because so many of the landlords lived outside the area and even the region.

In CS13, the regeneration had improved the overall appearance of the street frontage, but neighbourhood wardens reported that there were still problems at the rear of properties with fly-tipping and youths congregating.

Fourthly, licensing was seen by local authority officers as a way of engaging more with both landlords and tenants in these regeneration areas. This could be achieved by: encouraging or compelling landlords to join an accreditation scheme, actively supporting the setting up of resident associations and having regular meetings to listen to their concerns.

Finally, regeneration was seen as helping to avoid blighting of or further fluctuations in house prices relative to other areas. Generally, all those with a designation were keen to prevent landlords from outside the area buying up these ‘cheap’ properties, unless they were serious about maintaining and managing them to a high standard. As one implementation manager commented:

> There’s companies set up all over the country to identify the next regeneration area for their investors to just pour money in to buy houses and we found really that those distant landlords didn’t have ownership of the community and really didn’t need to engage. They weren’t even actually interested whether the properties actually had tenants and those that did, they weren’t vetting the tenants, they weren’t interested in their impact on the community. I even, in my experience, I’ve even come across owners or entrepreneurs who actively put in difficult people because it gives them an opportunity to buy other premises up in the area, when people are desperate to sell.
> (Implementation manager, CS12)

All three authorities, with an existing designation, were also clear that introducing licensing alongside regeneration and grants for landlords would make licensing rather more palatable for the landlords:

> I think if I was a landlord with a two bedroom in X that I brought for even £20,000 that was now worth £60,000 I actually wouldn’t mind paying £400 for a license on the back of £9,000 worth of making the property look nicer you know, it’s not a bad trade off really.
> (Implementation officer, CS8)

In most of the areas, the regeneration involved at least some clearance and this was probably the most contentious and difficult part to plan and manage. Even within groups of landlords, residents and tenants in the same area, there were disagreements about whether the balance between refurbishment and demolition was about right. Those wanting more emphasis on refurbishment pointed out the poor quality and small rooms in new housing; one group of residents even claiming that demolition
appeared to have been carried out on sound properties simply to get rid of difficult tenants. Those wanting more demolition felt that the old houses were not worth repairing as they could not economically be brought up to modern standards.

9.4.4 Tackling long-term vacant dwellings

A key part of the strategy in all three authorities with current designations and the one awaiting a decision on its application, was aimed at tackling long term vacant dwellings. In the two North West authorities (CS8 and CS10) the main concerns for residents and landlords were around a relatively small number of very poor condition homes that had been vacant for 10 years or more. Local Authority officers recognized that these were only the most visible tip of the iceberg. The smaller authority estimated that they had around 2,500 private sector homes that had been vacant for at least 6 months and about 900 of these had been vacant for two years or more. For the two authorities in the North East (CS12 and CS13), the problem was much more systematic and widespread with one estimating that 8-9 per cent of properties in their area were vacant. Long term empty private properties tended to fall into two very distinct groups: poor condition older housing at one end, and brand new apartments at the other. In two areas, implementation staff commented on large numbers of new apartment blocks that were empty. These were not located in the existing designated areas but may feature in a possible future area. It would require a rather different approach, and focus, for selective or additional licensing.

Dwellings in the three authorities with an existing designation had been vacant for long periods for a variety of reasons; the most common being purchase for investment rather to rent out (‘buy to leave’). Dwellings that are vacant for long periods cause problems for both residents and landlords. Residents’ complaints tended to centre around problems with rubbish and vermin, with some expressing concern for the impact on neighbouring owners. In at least two areas, rubbish was being routinely dumped in the back gardens of these long term vacant properties. As one resident remarked:

*House is empty, been empty for years, there’s rats running in … all the gutters all filled up with water, and it’s all down the back wall, it’s so damp it’s unbelievable, causing a lot of trouble to the lad next door. But the owner’s done nothing about it, after being told time and time again by different ones of us … They’ve filled up the back yard with rubbish, they come and empty it, fair enough, they empty it, they clean it up nice, but within a week later it’s bad again.* (Resident, CS10)

*The back yard was disgusting, but the environmental manager got a team one … twice he’s done it, and cleared out the back, because if a property’s empty they’ll just all turf stuff in and that’s it, nobody’s responsible for clearing it.* (Resident, CS8)
Landlords were equally concerned about the negative impact on the area and some also cited cases where these empty properties had been vandalised:

*I’ve had damage coming through the walls, they’ve had floods, kids have broken in and smashed pipes up in the empty house. And obviously water has gushed out for weeks before it has been turned off and gone under the properties.* (Landlord, CS10)

Some landlords had tried to contact landlords of vacant adjacent properties to alert them about problems so they could get the problem repaired but were sometimes completely ignored. Landlords in all areas were at pains to stress that it is not in their interests to keep properties empty because they get no income from them. Others did not want to leave their properties empty because it made them more vulnerable to theft and vandalism:

*If the property’s empty, they pinch anything. They take the doors, anything that’s not nailed down.* (Landlords, CS13)

Landlords and residents were also keen for the local authority to tackle the owners of these properties in a robust way and had been frustrated by the lack of action in the past. However, it is important to remember that not all of the problematic empty dwellings were owned by private landlords. Landlords were concerned that the council was far less willing to tackle empty homes owned by social landlords.

In CS8 there were criticisms from residents complaining that dealing with empty properties had not been linked up with regeneration activity in the area. They cited a case of two long term empty properties that had received regeneration works and then been boarded up and left empty afterwards.

Anti-social behaviour and problem tenants were the cause of vacancies in some areas. Residents in CS13 remarked that properties in their area were vacant because landlords were awaiting the eviction of a problem tenant before they could let and they thought they were prepared to invest in renovating their own properties.

Although there is general consensus amongst all stakeholders about the need for action to tackle long term vacant homes in current and planned selective licensing areas, a number of key barriers were identified to doing this. Two authorities highlighted the importance of empty property discounts for council tax. As one pointed out:

*The way council tax works means that there isn’t a great deal of an incentive for someone to bring the property back into use. The way, you know, I think they can give discounts for however long and the way central Government then subsidises that discount, so that causes some problems, because the only way to actually entice someone to
bring property back into use, or one of the major ways, is financial.
(Strategic officer, CS10)

Although there are a number of actions open to local authorities (enforced sale, compulsory purchase and EDMO) they are all complex and slow processes to undertake. For Compulsory Purchase Orders (CPOs) this had been made worse by changes to Capital Gains Tax (CGT) where, if the owner sells by agreement and does not invest the money in another property, they are liable for Capital Gains Tax. This has meant that the whole process has been lengthened as most landlords are unwilling to sell by agreement, even in areas where house values are well below the national average. As one strategy officer pointed out:

With the house price rises, some of these landlords will be liable for quite a big capital gains clawback, so you know, even though the house prices in this area aren’t massive and they average about 55, but you’re still talking enough that they’ll stick their heels in, plus they’re not, even if they get 55 back, they’re not going to able to go to another area in X and put that money in and get the same return, because the average for these type of properties is 75. (Strategy officer, CS10)

Other landlords are not always keen to buy, refurbish and let some of these problematic empty properties. They are empty for a reason and can be seen as a poor investment due to either their condition or type. Small older self-contained flats were noted as being particularly problematic in CS13. On the face of it, the sensible approach would be to buy them and convert them into a single house but landlords would prefer to keep the property as two or three flats rather than one house because of the higher rental return and the cost of the conversion is also quite high.

One of the main issues in devising a strategy for empty dwellings (and all other strategies relating to selective licensing) is that properties are generally owned by a large number of private individuals rather than one or two large companies. This creates extra work for authorities in tracking and contacting the responsible person.

Alongside enforcement, many authorities are looking to private sector leasing as providing an attractive option for owners of empty dwellings to bring these back into use. Private sector leasing is also seen as ‘killing two birds with one stone’ as it can, and does already in some authorities, provide significant housing for statutory homeless households. However, the setting up of these agreements needs considerable care to make it simple, but fair, and the local authority also has to have the staff in place to manage properties that it leases. They also need to consider the community dynamics of the area and the appropriateness for housing particular client groups. In areas that already have existing problems, the options for leasing may therefore be more restricted than in other areas. However, selective licensing managers in one area identified some resistance to the concept of private sector leasing, particularly amongst
prospective tenants, because private rents are so much higher than rents for a similar size housing association or council property.

CS13 has considered using their locally set up housing company to purchase empty properties and let them as private rented, social housing. However, this creates problems around the types of tenancies that could and should be offered and, again, the need for additional staff to manage these.

Overall strategies for dealing with these long term vacant properties vary by authority, but all are adopting holistic and locally based approaches. In one, each ward area has an empty properties strategy, where there is a clear procedure and sequence of correspondence and action to try and bring the properties back into use. However, residents here would like to see more clearly defined rules that the council could take the property on if it had been vacant for more than a specified amount of time.

In another authority, part of the selective licensing area has been designated for clearance, and so a holistic neighbourhood management strategy is being pursued. However, residents in the area are concerned that the phased approach adopted means that some areas will not be tackled for several years:

*They have a house in what we call Area 3, that’s 2023 when it might get looked at and it’s boarded up now. Now I think it’s scandalous for somebody that owns the house next door to it. They’re going to have to live with that for the next … till 2023.* (Resident, CS12)

The other authority, with a designation at the time of interview, was concerned that licensing might mean a reduction in supply. Landlords may decide to get round licensing by simply not letting the property, especially if they owned property in other areas. For this reason, it was tied in closely with their regeneration package for the area.

Wider strategies were also being developed by a group of neighbouring authorities who were just starting a new sub-group for strategy managers which would be an empty property forum.

9.4.5 Neighbourhood management and community cohesion

Licensing, alongside market renewal and regeneration was seen as key to achieving improved community cohesion and reducing concentrations of deprivation. Officers in CS8 pointed out that licensing was part of a much wider neighbourhood management strategy. It aims to improve quality of place so that households who are in work, or become employed may decide to stay in these areas rather than move out to one of the ‘nicer’ suburbs once they have more money:

*Tackling poor management particularly is key to developing those neighbourhoods of choice and creating areas where people choose, and want to live and stay. Again, reaching full potential in education and employment and the collective self-esteem, the private rented*
sector still plays a role in terms of creating those stable communities and rewarding … those aspirations in terms of offering decent, good housing. (Strategy officer, CS8)

The other two authorities with a designation also saw selective licensing as part of overall neighbourhood management:

One of the points that I would say to a landlord and I do say is that your business, if you’re in private business, is to make money, to make your business successful. Our business is communities. I’m not going to make any money out of this. You know, the neighbourhoods is my bread and butter, so I want it to work as well, you know and if there’s a street that’s full of private rented houses, I want those to be good private rented houses, managed well with tenants in who have some respect. (Implementation officer, CS13)

In all three areas, licensing was a key tool to ensure that private rented tenants were fully engaged in and part of the community:

You almost tend to think of residents as owner occupiers and residents associations but I think all the stakeholders want the private rented sector to be longer term, to engage not just with the local community but with all the local services, schools … and be an effective part of the neighbourhood, so that resident does mean resident not just an owner occupier. (Strategic officer, CS8)

CS13 had tried to set up a Neighbourhood Watch Scheme within its selective licensing area but this had to be shelved due to lack of interest. Residents here attributed the failure of this initiative to the high level of transience in the area. CS8 had taken a rather different approach and had actively promoted the development of the residents’ association in one of its selective licensing areas and engaged with it in a regular and meaningful way. Tenants expressed their satisfaction with this:

I’ve been in the area seven years… and a lot of issues for the last six years just never … nothing every happened, but since the combination of the Council being involved with our residents’ association, and the formation of the residents association, then things are getting done fast … The communication is evident and the speed of things being done is certainly … it’s a complete change. (Tenant, CS8)

The authority that had applied for licensing and the two that were still considering applying for a designation also expressed the need for this overall neighbourhood approach and all were already taking steps to work with other partners and had set up projects to achieve this outside licensing e.g. urban care centres, task forces, private rented projects. Community cohesion is a particularly important challenge for CS6 where the area considered for licensing contains a high proportion of private rented homes that are occupied on a very short term basis by migrant workers before they either move back home or find better accommodation elsewhere in the authority. It raises some important
questions of whether very rapid turnover should be one of the criteria for granting a selective licensing scheme as it brings different challenges in terms of delivering the needed improvements:

*This has become an area of high churn, so people move in when they first arrive, they get loads of people in the house, they don’t have to pay so much rent, because the landlords are letting them do that. Once they’ve got settled, got jobs, they’ll move out which means that this, because there’s constant transients, it doesn’t matter what information we give the new arrivals, no matter how many times we go and visit the house and go and sit with them and they’re always brilliant and want to know it, they move on and another group come in, we only hear about it when a resident rings up and says, told you about these Czechs, told you about these Polish drinkers.* (New Link Representative, CS6)

### 9.5 How is selective licensing working alongside strategies to tackle anti-social behaviour and provide support to vulnerable tenants?

The three authorities with existing designations were all linking selective licensing into wider anti-social behaviour strategies to different extents. The overall strategies for dealing with ASB were essentially the same as in other areas within these authorities, but licensing provides the leverage to force landlords to engage in the process. There have been a number of difficulties in getting landlords to engage on this issue in the past largely because some landlords do not see that it has anything to do with them, and if they do deal with it, they tend to simply issue a section 21 notice to the troublesome tenant.

Strategy staff in the authority that was awaiting a decision on their application summed the problems up particularly well:

*They struggle with the idea that anti-social behaviour is something landlords should have a responsibility to deal with. Very many struggle with that, so we have to be very careful around some people using language, tackle anti-social behaviour and we say, no, your role is to prevent and reduce anti-social behaviour and we can assist you in doing that. So there’s a lot of challenges from landlords about, you know, we can’t do this, it’s the police’s responsibility, it’s the council’s responsibility and actually it’s everyone’s.* (Strategy officer, CS10)

There are two main ways that licensing can support initiatives to reduce anti-social behaviour: tenant referencing and tenancy agreements.
Referencing

In CS12 where the main reason for designation was anti-social behaviour, these links were particularly strong and they had developed their accreditation scheme before the introduction of licensing. The scheme offers the landlords support, a separate tenancy referencing service which operates a ‘traffic light’ system (red = has been involved in serious crime etc) and also tenant passports:

> It sits really well with selective licensing, because we have to make sure that the tenants have to be referenced and the landlords have to take greater responsibility for checking those references, so the Good Tenant Scheme fits in with that, the [accreditation scheme] fits in with it and it kind of has, the team have developed into a much more skilled multi disciplinary team within their own right as well. (Implementation officer, CS12)

The tenant ‘passports’ also give tenants the opportunity to build up a good record (especially where this might have been poor before) to give them a wider choice of accommodation. Tenants with a poor record, or poor references, are more restricted in their choices. Systems like this may persuade them to accept support packages aimed at tackling ASB and it might improve their chances of obtaining good quality accommodation locally.

The other two authorities with a designation also offer a tenant referencing or vetting service for landlords. In CS8, the council and all of the major housing associations also send information through to the landlord information service on evictions from social housing. Landlords in other areas may welcome such initiatives:

> We can be a bit soft sometimes, if we’re talking to somebody we consider as a credible organisation or somebody with integrity, somebody from, sometimes it’s people from social services, you know, this tenant, they’re all right, really and we’ll support him. They get into your property, do £10,000 worth of damage and you don’t get any rent, and they move out without telling you, housing benefit say, oh, we’ve overpaid you, we want some housing benefit back and neighbours complaining and another department of the local authority saying, oh, it’s bad management, that. You know, so the simplest way is no proper reference comes from the local authority, then no accommodation. (Landlord, CS10)

Some tenants that we spoke to also spontaneously suggested that referencing and or checking of tenants should be carried out.

Tenancy agreements

Where a tenant is causing anti-social behaviour and nuisance for neighbours, the approach in all three areas is one of working with the landlord and tenant to try and resolve the problem. This includes providing
substantial support from other services (social services, children’s services, etc) to try and sustain that tenancy. This is summed up by a housing options officer:

_We try very hard. We try to look at, especially if there are small children, we try to think of ourselves as a corporate parent and all you do is pass the problem from one to another and if they get evicted then they have to go into care. And yes, they might owe £1,000 in rent, but care per child will cost £1,000 a week or whatever, you will try to look at it like that. So we’ve done quite a bit of work with social services a well to try and prevent evictions through anti-social behaviour._ (Housing options officer, CS13)

Selective licensing is one way of helping to bring about real change in tenants’ behaviour by using the threat of eviction (supported by the local authority) when all other avenues have been exhausted. This is reinforced by the tenancy referencing services mentioned above – tenants with a bad record will find it more difficult to get accommodation. In CS12 the key to success is in the landlord and local authority standing together and explaining to the tenant that they will lose their home unless they change their behaviour.

The same authority has also been able to use the £4,000 compensation allowance for families displaced from their private rented home as a lever to reduce ASB and to ensure that parents take full responsibility for the behaviour of their children:

_Now, it’s absolutely incredible that parents with very very badly behaved children have no control over those children, but the moment that it affected, it’s literally the moment it affected their £4,000, it was amazing the power that they could exert over their children._ (Implementation officer, CS12)

Two of the authorities with an existing designation also provide residential care type accommodation as a last resort for tenants who cause serious and persistent ASB but are prepared to engage in support which is similar to the ‘Dundee Families Project’\(^2\). One resident in the other authority (CS13) suggested that they should have a similar scheme in place there. In addition, CS8 was also going to be part of a pilot scheme to assess the impact of reducing housing benefit or local housing allowance in cases of serious ASB. Such a scheme would probably be popular with at least one group of residents who suggested it themselves:

_I think that it’s time the government stepped in and said, well if these people are causing problems and if we’re giving them money to cause the problems with, we should be looking into it._ (Resident, CS12)

Some cases are particularly problematic. In CS10 a letting agent described a current case where the tenant is an alcoholic who had no gas or

electricity as they had been cut off because he did not pay his bills. The landlord had been told that he could not get help unless the tenant requested it and the local authority are saying that he should be evicted:

_He would be evicted and then we’ll have to then spend an awful lot more money putting him in some sort of accommodation where he’ll be safe. He’s safe where he is, the neighbours look after him, you know, if anything was wrong, a neighbour will ring me and tell me._

(Landlord, CS10)

Landlords and residents also expressed concerns that too much was being done to ‘help’ these tenants causing ASB and that there had to be a point where they were evicted:

_The Council then pick them up, put them in temporary accommodation or whatever they do … then give them benefits to live off, to claim, and are still helping them with bonds … where does it actually end for them whereby you’re saying to them actually no, sorry, because you’re not helping yourselves … and actually you’re a bit of a rascal._

(Landlord, CS8)

Where problems with the tenant cannot be solved, then one authority in particular (CS12) is very supportive of landlords up to and including eviction. The eviction process can be uncertain, time consuming and expensive because eviction on the grounds of anti-social behaviour (Section 8) has to be approved by a court and may fall through if the tenant is able to persuade the court that there were mitigating circumstances and he/she will behave in future.

### 9.5.1 ASB and crime

In all three authorities with a designation, selective licensing is working closely with crime and disorder reduction partnerships. In CS12, they collaborate to map hot spots related to drug dealing, prostitution, fly-tipping etc. and have a strategic group meeting every two weeks followed by problem solving groups involving front-line operational staff. Their work has helped to uncover serious crime.

CS8 have a similar approach with partners meeting fortnightly as part of the crime and disorder partnerships, which private sector housing staff feed into alongside ward co-ordination groups. They also see the alley-gating carried out in the selective licensing areas as contributing to overall burglary reduction targets, although this does create other problems in terms of bins and rubbish collection because tenants are still not always given keys so they can put their bins out on collection day. The residents here are confident that complaints that they make to the council or the police are taken forward to these meetings, but they expressed some concern about how long it takes to sort things out and the lack of co-ordinated action to tackle tenants causing ASB.
In the third authority (CS13) there is a multi agency tasking and co-ordination group that meets fortnightly to address issues of low level anti-social behaviour. Where problems are more serious or systemic, they have run special campaigns:

_They tend to do it in two phases, run over two weeks and the first week will be sort of like information and then the second week if necessary would be an enforcement week, which might be acting on information received. But I mean from fairly minor things like dirty back yards up to potential drug dealers, you know, and they have had tremendous success and recovered fire arms and goodness knows what, over the years. So it is quite a high face operation, really._

(Tenancy relations officer, CS13).

One authority considering applying for selective licensing (CS6) has also tried to run a similar campaign in the areas suggested for selective licensing. This has involved walking the streets with a task force to try and identify properties with associated problems related to rubbish, parking, ASB and overcrowding and to target these for action. Local Authority officers felt that it had been a success, at least in part because local residents had been pleased to see people actually out on the streets who were doing something. However, representatives from New Link (a new arrivals service for immigrants coming into the City) were less impressed feeling that the approach had been too short term and not joined up enough. The main problem was that such approaches would always be hampered by the very high turnover in this area.

It is important to stress that not all anti-social behaviour in the designated and potential selective licensing areas was caused by private tenants and/or their landlords; although it was them who tended to get the blame. In all of the current designations, and in the area awaiting decision on its application (CS10), all parties were aware that some of the ASB was actually caused by people living outside the area, mainly social housing tenants. Here, closer working with social landlords especially the promotion of the Respect Standard for Housing Management[^30], and more intensive policing are probably also needed.

Private tenants can also be victims of ASB from landlords, other tenants or residents. This is particularly the case with migrant workers and points to the important role for housing advice and voluntary agencies to support tenants.

Generally, residents and landlords in all current and likely future selective licensing areas would like to see more emphasis on tackling ASB as typified by the two comments below:

_Anti-social behaviour, now if the government and our Council just concentrated on that for a year or so … we wouldn’t be living in a place now what we are because it could be solved. And then go to_

the next problem. And I think this is going on all over the country. They’re taking … they’re promising too many things and not giving us anything. (Resident, CS12)

None of us are in it to make a loss, you know, to spend money. Just paying the extra money for the council… not, unless that money was paid to the police authority to increase policing, I could see some benefit to that, you know, we’re going to charge you all £10 a week to put up CCTV in the area, you know. That is something I would see and say, yeah, I can see that would make a difference, but just to give us all a licence and to cut out the odd person who will then put in somebody else. (Landlord, CS10)

9.6 How is selective licensing working alongside other strategies and overall co-ordination of funding streams?

9.6.1 Accreditation

All authorities with a designation had a landlord accreditation scheme that aimed to improve standards of management in properties. In one authority, membership of the accreditation was a condition of awarding a licence (although one landlord had successfully challenged this at the RPT). The other two authorities did not specify that landlords in selective licensing areas had to join the scheme but discounts were awarded to members. Accreditation schemes were, however, seen as vital in providing landlords with the information, support and incentives to manage their properties and tenancies effectively. The authority with the pending application (CS10) was clear that accreditation alone would have little impact unless backed up by enforcement. Its experience of voluntary schemes was that landlords would sign up for these simply because they thought they might get something out of it, or to get the local authority off their back. The authority also thought that some larger landlords would only declare those properties that they thought would meet the accreditation standard.

The main benefits offered by the schemes in the three existing designations and the authority whose application was pending are shown in Table 14.

All three authorities with a designation included a tenant referencing or vetting service for landlords although this was done differently in each. One authority’s ‘Good Tenant’ scheme had dramatically increased membership of their accreditation scheme across the authority; encouraging some of their most ‘difficult’ landlords to engage. Landlord training courses were also being run and organised, although some landlords expressed reluctance to pay £25 for the course. Others were
critical of the training offered by local authority officers and felt that they would learn more from other landlords.

<table>
<thead>
<tr>
<th>Authority</th>
<th>Main benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS10</td>
<td>Landlord toolkit</td>
</tr>
<tr>
<td></td>
<td>Guides and workshops</td>
</tr>
<tr>
<td></td>
<td>Housing benefit liaison officer</td>
</tr>
<tr>
<td></td>
<td>Tenancy support (problem tenants/ASB)</td>
</tr>
<tr>
<td></td>
<td>Bond scheme (local Tenants Deposit Scheme)</td>
</tr>
<tr>
<td></td>
<td>Advertising outlet</td>
</tr>
<tr>
<td>CS13</td>
<td>Accreditation scheme</td>
</tr>
<tr>
<td></td>
<td>Referencing service</td>
</tr>
<tr>
<td></td>
<td>Tenancy support and mediation</td>
</tr>
<tr>
<td></td>
<td>Advertising outlet</td>
</tr>
<tr>
<td>CS8</td>
<td>Fastrack to accreditation scheme</td>
</tr>
<tr>
<td></td>
<td>Landlord advisor</td>
</tr>
<tr>
<td></td>
<td>Free property inspections</td>
</tr>
<tr>
<td></td>
<td>Information packs to pass on to tenants</td>
</tr>
<tr>
<td></td>
<td>Bond scheme (local Tenants Deposit Scheme)</td>
</tr>
<tr>
<td></td>
<td>Help with local housing allowance</td>
</tr>
<tr>
<td></td>
<td>Free security alarms, smoke detectors and Portable Appliance Testing</td>
</tr>
<tr>
<td>CS12</td>
<td>Reference service</td>
</tr>
<tr>
<td></td>
<td>Training</td>
</tr>
<tr>
<td></td>
<td>Tenancy signing up service</td>
</tr>
<tr>
<td></td>
<td>Tenancy agreement</td>
</tr>
<tr>
<td></td>
<td>Tenancy support</td>
</tr>
<tr>
<td></td>
<td>Property register</td>
</tr>
<tr>
<td></td>
<td>Involvement in the development of Community Agreements</td>
</tr>
<tr>
<td></td>
<td>Access to list of tenants seeking accommodation</td>
</tr>
</tbody>
</table>

### 9.6.2 Affordable warmth/health

In all three designated areas, selective licensing was contributing to strategies around affordable warmth and wider health issues delivered through warm front and warm zones initiatives. This was achieved by publicising and promoting grants available for insulation and heating through these schemes rather than insisting on improvements as a condition of licensing. One local authority that had looked into this (CS8) had been advised that they could not insist on these improvements; nor could they have access to information about where grants had been given.
The authority whose application was being considered were referring properties directly to Warm Front through the accreditation scheme and have a dedicated Affordable Warmth Co-ordinator. This involved engaging with health visitors and the health professionals to ensure that those most in need of heating or insulation improvements and advice were able to access it. They were also advising landlords about the new energy performance certificates, stressing the market advantage of getting a good rating, and enabling access to grants and other help to improve the energy rating.

9.6.3 Homelessness

The three areas employed different methods to house homeless households, including directly housing or by leasing properties from private landlords. In CS13 there was general opposition to this, mainly because of the gap between market rents and housing benefit or local housing allowance. They were investigating other options including purchase by a housing association or use of social housing providers as managing agents to provide all of the maintenance and management functions. The latter of these may prove expensive, but landlords would be saved large amounts of work. Routine servicing and maintenance could be packaged into larger, and therefore cheaper, contracts. All authorities noted that there was interest in leasing schemes among landlords. However, some landlords are more cynical, having taken on tenants referred by homelessness before:

*We’ve been contacted here, trying to persuade us to take tenants that have been evicted from social housing. How good’s that, you know, they evict them from social housing and as they’re evicted the tenant has a label on the back saying bad tenant and as soon as they’re installed into one of our properties, then that label is then transferred to the landlord, bad landlord. And we are charged with not managing our properties properly, as I said earlier, we will not any longer take any referrals.* (Landlord, CS10)

Given that most of the areas covered by selective licensing already contain a higher than average percentage of deprived households, or those dependent on benefits, it is important not to over use privately rented homes for homeless households:

*If it’s an area that has its own problems anyway, you may be more restricted then, because we would tend to use them for vulnerable people, of some nature or another, or you wouldn’t want to perhaps draw attention to the fact that you were using that property for what would be classed as social rented housing. You know, so there’s lots of dynamics there about the community as well as the property that you have to consider.* (Strategy officer, CS10)

The authority with the application pending decision also noted a number of issues, and conflicting regulations, around length of leases and rent levels compared with housing benefit. Resolving this would encourage
further use of this type of arrangement to deal with the shortage of affordable housing.

Residents were generally rather scathing about such arrangements as they brought more ‘difficult’ people into the area. A number felt that the purchase of these homes by the council, ALMO or housing association would be a better option as they thought that homes would be managed better by social rather than private landlords.

9.6.4 Co-ordination of funding streams

Negotiating for funding and co-ordinating the different funding streams that contribute is also a major drain on resources, which creates issues around staff recruitment and retention on short term contracts:

*I think at the moment we’ve got something like twelve different funding streams. We’ve got fifteen staff and of those fifteen staff, twelve are on temporary contracts and all the temporary contracts end at different dates, simply because they’re all linked to different funding streams. So just keeping tabs on that, sort of an arrangement is actually quite difficult to do.* (Strategic officer, CS10)

9.7 How are the selective licensing schemes operating?

9.7.1 Overall approach to selective licensing

**Case study 13** – this is a relatively small scheme and licensing is being implemented alongside major regeneration projects funded through market renewal. There is also an accreditation scheme in operation – membership requires landlords to bring properties up to a specified standard and entitles them to discounts on licensing fees, landlord association fees and a contribution of up to £500 towards work required to meet the accreditation standard. It is not a condition of licensing that landlords must be accredited. All licence applications are scrutinised and a letter sent out to tenants asking about their landlord – licenses are only granted when the authority is satisfied that the management standards are being met. A physical inspection of the property is not required as part of granting a licence (it is planned to inspect all at some time) although all accredited properties are inspected before accreditation is granted.

**Case study 8** – This is a very large scheme covering three wards. Like the above authority there are links with regeneration funded through market renewal and landlord accreditation. Also, as above, licensing does not require the property to be accredited and inspections are carried out before accreditation is awarded but not before licenses are awarded. Unlike the above authority the approach is to issue a licence (unless there are known problems with the property and/or landlord) and inspect later. Applications have been sought from all privately rented properties in the
wards and they are beginning the process of identifying and tackling those who should be licensed but have not come forward. The approach is to issue as many licenses as they can and then start using them as a lever to improve management standards.

**Case study 12** – This is a large scheme covering one ward, but licensing is being phased so that the most problematic streets are asked to apply first rather than all landlords in the area asked to apply at the start. The landlord support and accreditation scheme is focused on dealing with ASB and was well established before licensing. The authority had insisted that membership of this organisation was a requirement for issuing a licence, although this has since been successfully challenged by a landlord through the RPT. All properties are inspected before a license is issued and this includes a full HHSRS inspection.

### 9.7.2 Publicity around licensing and raising awareness

All three authorities used newsletters to residents to inform them about the scheme. In CS13 the tenancy relations officer had attended outside events. In the other two, the licensing team attend regular residents’ group meetings. All had produced leaflets for tenants, landlords and residents; CS12 had gone to particular lengths to make these readable and professional looking. Their information booklets have minimal wording and make use of cartoon story boards to get the key messages across. Local Authority staff feel that the feedback on these had been very positive suggesting the information is easy to read and understand. CS13 had produced special booklets for each property, with a photo, which were sent to landlords to give to their tenants. However, landlords that we spoke to were not clear about what they should do with the booklets, and they felt that a lot of tenants would simply not read them because they did not know what it was about. They were also critical of the expense of ‘glossy’ booklets, especially where these contained glaring errors (e.g. photos of the wrong property) and therefore had to be redone. Tenants in CS8 called for more publicity about licensing with clear messages written in plain English. As far as written material is concerned, local authorities are in a ‘no win’ position; if they spend money making the material readable and professional, they are then criticised for ‘wasting’ money. Local Authority officers in the area awaiting a decision, on its application, noted the onerous and expensive requirements for publicity:

> I think the Government have made the publicity requirements so prescriptive that they’re forcing local authorities to spend a lot of money which they are not going to be able to recover from landlords. So from that, if we get the scheme, I’ve got seven days to publish a notice of designation in two separate publications which are locally available, but it says I’ve got to follow that by publishing these publications five more times with no less than two weeks between each one, but no more than three weeks. (Implementation staff, CS10)

Officers in two authorities mentioned press coverage with one remarking that it was difficult to get local papers interested in doing a story because
the press want human interest stories and not basic information about schemes that are coming into force. All were conscious of trying to raise the profile of licensing, particularly with tenants, and felt that they ought to be doing more. However, as one pointed out, this means diverting resources from enforcement activity. It is interesting that none mentioned using other media – TV or radio.

Whilst some of the residents that we spoke to were very knowledgeable about licensing, some knew very little and had, in some cases, come to the focus group to find out more about what it was about. Residents in CS13 would have liked more personal contact with the licensing team and more information about what the penalties for failing to apply for a licence or breaching the conditions were. In CS12 with the ‘Good Tenant’ scheme, some residents remembered reading the information about this and thought that it was a good idea. They also liked the fact that officers came to the regular community council meetings but there were still some criticisms that reports were not written in plain English and some misconceptions e.g. that licensing is voluntary. In the other authority (CS8), residents were pleased that licensing staff attended the regular residents’ group meetings.

Communications with tenants was seen as much more difficult because they tend to be more transient and are less likely to be aware of the background. Their knowledge about licensing was, generally, less than that of residents in the same area with some not being aware that they were living in an area subject to selective licensing. Landlords in CS8 were critical of the publicity for tenants which they felt focussed too much on rights and ‘how to get your landlord’ and not enough on responsibilities. This authority has already sent leaflets to every property in the area but had still come across people, through the door to door visits, who have never heard of licensing. They are also trying to get more information sent out with general housing benefit letters so that they will at least reach some tenants in these areas.

Authorities were happier that publicity to landlords and managing agents had been more effective and that most were aware of the scheme (even though some still maintained that they had never heard of it to explain why they had not applied for a licence). Information was promulgated through local landlord forums or other meetings, information on the website, letters and leaflets to landlords. Some landlords were still confused about the link between accreditation and licensing and not aware of additional surveys, advice and smoke detectors provided free of charge by the Fire Brigade. In CS8, implementation officers noted that some landlords were confused (or claim to have been confused) about whether licensing was based on postcodes or ward boundaries.

Authorities were very aware of the need to produce information about the impact of licensing so that key stakeholders could see that it was having some impact. It is particularly important to demonstrate that firm action has been taken on landlords who were avoiding licensing or breaching
conditions of the licence. Landlords who do comply need to be able to recognise that the scheme has merits. The scheme may also pacify some members of residents’ groups who, in the words of one Implementation officer in CS8: “would have us publicly flog landlords”. This authority is looking to a major publicity and PR campaign to promulgate the effect of licensing after 12 months. In CS12 they are focusing on getting stories about anti-social behaviour orders (ASBOs) issued in the press.

9.7.3 Applications and inspections

All authorities had received and processed some applications; case study 8 had issued over 1,000 licences, case study 12 around 60, and case study 13 around 90, at the time of the fieldwork.

There were complaints from some landlords in CS13 about the amount and type of information requested on the application form. They felt that the questions on their financial arrangements, such as, the amount of rent charged, how much they put aside to deal with repairs and, for agents, how much they were authorised to spend without going back to the landlord, were unnecessary and intrusive. Landlords in all authorities complained about the sheer amount of paper work that they had to fill in (especially ones owning or managing a large number of properties). This is compounded by additional requirements for energy performance certificates (EPCs) etc. One landlord also noted that this paperwork will be a constant drain because of the need to produce gas and electricity certificates every 12 months. Landlords in CS13 were unhappy that they had to fill out yet more forms to get their contribution to the regeneration works refunded after they had gone through applying for the licence and the accreditation.

Local Authority officers were also unhappy about the amount of paperwork involved in processing licensing, and the amount of effort involved in getting poorly completed applications re-submitted and in chasing applications that had not been returned. They felt that this was hampering their ability to carry out enforcement.

Different authorities had different arrangements for inspections (for licensing or for accreditation as outlined above) and this was confusing for landlords, tenants and residents alike. Delays between applications and inspections also sometimes meant that the necessary gas and electrical safety certificates went out of date whilst they were waiting for the application to be processed. Some landlords complained that certificates had been lost and that they had had to pay for replacements. In one authority, landlords also said that the electrical testing contractor recommended by the council was expensive and did not have the accreditation required to do the work. One landlord suggested that it would be useful if they could use the council’s own electricians to do the testing to speed up the process and to ensure the inspection was up to scratch. In CS13 officers said that there was a two month time lag on average and in CS12 one landlord still had not had properties inspected eight months after submitting the applications. Landlords were particularly
aggrieved where their cheque for the licensing fee was cashed before their license was granted or the property was inspected. Landlords in CS8 were alarmed that they had licenses granted for properties that had not been inspected; one had 200 such properties. Some tenants and residents felt that licenses should not be issued until the property had been inspected. In the authority awaiting a decision about selective licensing, officers were clear that delays in inspections lead to landlords complaining about unfairness or lead them to try and evade licensing because they think that they will not be found.

Local authorities have to manage the linkages between application, inspection, accreditation and awarding a licence very carefully. If, like CS12, they target the worst first and focus on enforcement they are then criticised for delaying issuing licenses to properties that have few problems and for not producing statistics to show how many have been licensed etc. If, like CS8, they license first and inspect later this creates outcry amongst residents and landlords complaining that the authority is just picking on those landlords who comply and playing a numbers game.

Regarding the inspections themselves, one group of landlords complained about the high handed and inflexible approach of officers, noting that none of them really understood the issues that landlords faced of getting tradesmen to carry out work at short notice. They also cited instances where they had carried out works specified by one officer only to be told by another that they had to do something else as well. They also complained about the subjectivity of HHSRS:

> Okay, fine, stepping into the kitchen. Jonathan has got a size eight or nine foot. Paul has got a size 12 foot. He wasn’t happy because his foot didn’t fit on the step. I then had to take the wooden step and re-do the wooden step and get a new piece of carpet because obviously the old existing was tucked around the bottom of the step and we had to make it wider because it was a Health and Safety. (Landlord, CS13)

### 9.7.4 Terms and Conditions

Full details of those specified in the three authorities with current designations can be found in Appendix F. The original guidance on selective licensing published in 2004 specified that licence conditions must include all of the following:

1. present a gas certificate annually to the LA (if gas is supplied to the house)
2. keep electrical appliances and furniture (supplied under the tenancy) in a safe condition
3. keep smoke alarms in proper working order
4. supply the occupier with a written statement of the terms of occupation
5. demand references from persons wishing to occupy the house
Licence conditions in the three areas include all of the above but there were some variations in the detail. For example, CS8 insisted that landlords supplied the originals of gas safety certificates rather than copies which landlords complained about. Under item 4 (provide a written tenancy agreement), CS8 specified that this must include a number of items such as the amount of rent, responsibility for council tax and utilities, and clauses relating to ASB. In CS8 and CS12 the terms and conditions specify that references should not simply consist of credit checks and suggest using the council referencing service.

Licence conditions in all three areas contained clauses about tackling ASB. In CS8 and CS13 they also contained clauses about having satisfactory arrangements for maintenance, those in CS8 being much more detailed and prescriptive. Licence conditions in CS8 and CS12 also contained a requirement to notify the LA of any proposed sale or transfer of ownership, those in CS8 also requiring notification of any matters that might affect the ‘fit and proper’ status of the licence holder. Terms in CS12 included providing and maintaining Carbon Monoxide detectors, which were supplied free of charge to members of the accreditation scheme. Terms and conditions in CS8 included a large number of other clauses relating to security measures (e.g. changing locks between occupancies), disposal of refuse (ensuring tenants aware of arrangement and supplied with alley gate keys where needed) and landlords providing contact details to owners of neighbouring properties. Landlords in CS8 were unhappy about the number and prescriptiveness of licensing conditions specified, which run to 35 clauses.

### 9.7.5 Standards

Accreditation schemes also had standards, both for management and physical standards. In CS13 there were additional standards to comply with for the regeneration grant which landlords felt were excessive. These related to decoration, floor coverings and colour of bathroom suites. Landlords could not see the point in replacing these if they were serviceable and tenants were happy, or where tenants would trash them again:

> I’ve got two of them that are just living like complete and utter pigs. The carpet’s worn, the dog has ripped the carpet … I don’t mind taking it up, but I don’t like the Council dictating that that should have a floor covering when I know my tenant. If I put another one it’ll be the same again. (Landlord, CS13)

In the same authority landlords wanted a clear list of what the standards were. They also wanted them to be interpreted with some flexibility and for the LA to reconsider what was really important. Officers in this authority also felt that standards should be realistic because some properties were difficult to bring up to modern standards. They felt that standards should also encompass property type to try and encourage the conversion of small flats into single family houses. One group of tenants
felt that standards should also cover maximum occupancy for particular size houses.

9.7.6 Fees and funding

Both the scale of basic fees and the level of discounts offered to members of accreditation scheme varied (see Table 15).

<table>
<thead>
<tr>
<th>Cases</th>
<th>Basic fee</th>
<th>Discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS13</td>
<td>£300</td>
<td>£75 for first property, £40 for subsequent for members of landlord association (costs £37 to join)</td>
</tr>
<tr>
<td>CS8</td>
<td>£425</td>
<td>10% reduction for members of accreditation scheme</td>
</tr>
<tr>
<td>CS12</td>
<td>£450</td>
<td>£325 for members of accreditation scheme</td>
</tr>
<tr>
<td>CS10 (awaiting decision)</td>
<td>£550</td>
<td>Free to members of accreditation scheme</td>
</tr>
</tbody>
</table>

All authorities offered a discount on licensing fees to accredited landlords. Landlords in the authority awaiting a decision (CS10) were happy that they had negotiated a 100 per cent reduction but noted that this had been hard fought. They also expressed some concerns about how the scheme would be funded if even more landlords got accredited – would those not in the scheme be faced with crippling fees and where would the money to fund the scheme come from? Landlords in the authority offering only 10 per cent discount for accreditation felt that this was not enough.

Case study 8 was also introducing additional fees to reflect the costs of tracking down those who had not applied. They had sent out letters to all those that had not applied who they thought should have done so (450 at the time of the interview) warning them that they would have to pay up to an extra £200 fee if they did not submit an application within 14 days. This was to both show good faith to landlords who had already applied and also to try and cover at least some of the extra cost involved in chasing. It was also seen as more effective, in terms of both costs and achieving compliance, than starting prosecution proceedings. At least one other authority (CS13) was actively considering such a tiered fee structure to represent real costs. Such an approach would do much to counter criticisms of landlords in all areas that the burden should not fall equally on the good and the bad landlords:

*I think there should be a sort of tiered arrangement … where you’ve got the scumbag landlords at one end, who are really driven out financially, and you’ve got the decent ones that are accredited that don’t bear any of the costs of this because they’ve actually fulfilled all the criteria. And the people in the middle, I feel that a lot of them, if they actually had some sort of carrot, or education, or were required to … turn up to lectures or something, that actually explained to them what they want you to do.* (Landlord, CS8)
Landlords in all authorities complained about the size of the fees, although some landlords in CS13 reckoned it was worth it for the vetting service and assistance with dealing with ASB that they had received. Strategy officers in another authority (CS8) pointed out that landlords were actually getting a lot of services for free through the accreditation. These included a landlord advisor who would talk them through how to apply for a Section 21 notice, complete the paperwork and serve the notice:

_In the past we would be just saying to them go and get a solicitor, they go and try and find a solicitor, number 1, they couldn’t find many solicitors who would be willing to take on the work and number 2 it has a massive, massive cost implication. You compare some of the private companies [like] “Landlord Action” who’ve been on the telly and they promote themselves at all the landlord shows, they all charge 85 quid for serving notice._ (Strategic officer, CS8)

One of the problems highlighted by landlords is that the selective licensing fee is only one of the extra costs that they have to bear in relation to licensing. The other costs include:

- their or their staff’s time filling in forms and producing certificates every year
- costs of obtaining gas and electrical safety certificates
- additional regulatory burdens – energy performance certificates, home information packs

These activities are a major cost for larger landlords and managing agents. They, and many smaller landlords, also noted that they often had to replace the consumer unit in order to get the electrical certificate which typically costs around £500-£600 per property on top of the £85-£150 they are charged for the inspection and the certificate.

All authorities with designations were clear that the licence fee was nowhere near enough to cover the costs of advertising, setting up and running the selective licensing scheme. The authority awaiting a decision noted that just the staff costs of one person on landlord support for a year would mean a fee of £1,000 per property before doing anything else. The view was expressed by one authority that if selective licensing was truly self-financing then there was a danger that it would simply become a paper exercise:

_But I do wonder how people would operate if actually everything that they do with selective licensing is based on the fees coming in, because all you end up doing really is licensing somewhere to get the fee and I think then you do start to forget why you’re actually doing selective licensing, what is it you’re trying to achieve. It’s giving us the time to actually go and do the work, rather than to have everybody sitting in the office, applications in, applications in, applications in. You know, just raking in the money._ (Implementation manager, CS12)
Local authorities need to perform a careful balancing act of getting money in to cover the costs and at the same time justifying those fees by carrying out vigorous enforcement for non-compliance. It is worth contrasting the approaches in two authorities. In CS12, where the worst streets are targeted first, the emphasis is on enforcement rather than collecting fees. In CS8, the first phase has been very much concerned with getting license applications in and processed and they are only just embarking on the task of tracking unlicensed landlords and introducing additional punitive fees for late application. Most landlords would prefer to see the former approach applied:

*We have very, very unhappy landlords, they’re not happy to pay out this... What do we get in return? I would like to be able to go back to my landlords and say well, x, y, z is going to be done over the next eighteen months, because right now all we’re seeing is a hell of a lot of documentation that we have to put through our system, lots and lots of admin time on the staff, and in fact more staff being brought in to cope with it, lots of money going out the door and that’s where it seems to have stopped.* (Landlord, CS8)

Residents here too were unhappy that accredited properties were inspected but licensed ones were not:

*As soon as somebody applies for a licence it’s alright, they don’t chase him no more ... because he’s licensed. How do they know who he is, what he is doing with the property and what state the property is in?* (Resident, CS8)

However, landlords in CS12 are uncertain when they are going to need to apply for a licence for different properties in the area – once notified that they need to apply, they have to complete the application in 2-3 weeks. Having clear deadlines is important and officers in CS13 acknowledge that they should have done this.

There are some useful lessons from the above for those authorities considering embarking on schemes, in particular to consider:

- the size of discounts available to accredited landlords or members of recognised local associations
- clear deadlines for applications to be received and clear penalties for late submission and failure to apply
- issuing reminders to those who had been sent application packs
- providing face to face support with completing applications

The two case study authorities with Housing Market Renewal (HMR) funding acknowledged that this had been instrumental in supporting licensing, but they were concerned about how long this was going to be available. CS13 had managed to mainstream a number of posts and CS8 was considering ‘exit strategies’ for some of its services, including whether the landlord information service could be made partly self-financing by
asking for a contribution. Both of these were also large authorities, and one acknowledged that this had given them the ability to throw a lot of resources into short-term projects like getting licensing started. The other case study with a current designation (CS12) was smaller and the selective licensing activities had been funded from mainstream council funds plus Neighbourhood Renewal Fund (NRF). Rather than plough the fees back into the authority to ‘pay back’ the mainstream funding, these are used to fund an officer to focus on empty properties, provide landlord training, produce publicity and supply carbon monoxide detectors, as these are required under the terms of the scheme. The use of fees to provide direct benefits to the landlord and enforce on empty properties means that the local authority is not criticised for using the fees to simply bring in more staff to process paperwork as is the complaint of landlords in CS8.

Officers in the authority whose application was pending (CS10) felt that they had to be more cautious and savvy with their approach as they did not have any Market Renewal Pathfinder (MRP) funds coming in. They are also clear that the selective licensing designation will mean ASB officers focus will be on this area which will mean a withdrawal of services from other areas. They are planning to bring in a person on a fixed term contract for the first year to process applications and ensure all properties are inspected in the first year. They, and the other authorities with or considering selective licensing, noted the difficulty of attracting good people to work on short term contracts like this.

One of the other authorities that was considering an application (CS9) noted the large amount of funding (£9.2m) that a council had obtained from the Primary Care Trust (PCT). They had been able to use the funds to increase resources on housing enforcement, having successfully argued the links between bad housing and health. The authority was also hoping to be able to obtain some money from its PCT using similar arguments and evidence.

### 9.7.7 Enforcement

All groups were agreed on the need for visible action against unlicensed landlords or those breaching the terms of their licence. Tenants and residents were particularly keen to see private tenants causing anti-social behaviour evicted and property conditions improved.

**Tracking unlicensed landlords**

In theory, it should be easier to track unlicensed landlords for selective licensing than HMO licensing because the area is clearly defined instead of covering the whole authority and there are no complications about number of occupants and how they are related. Housing benefit records were being used to help identify privately rented property, although this will only cover some properties in these areas. Land Registry and Council Tax records were being used but were not foolproof. Properties are more likely to change hands informally amongst some landlords – these are most often from the Asian community and this group are also less likely
than others to have any existing contact with local authorities. In some areas, landlords have been reluctant to provide information about other landlords they know of who are evading licensing or even who they have sold property to. This is, in part, due to deep rooted suspicion about the local authority’s real motives.

Landlords in all areas were critical of the lack of resources devoted to this activity and were sceptical that the local authority would ever be able to catch up with all of them.

*It’s actually again just focusing on a very small segment of overall landlords and really then losing focus, losing complete focus on the bits that they should be setting out to actually target, which are the ones that are not doing it, because they’re not so visible … and they’re never going to be visible.* (Landlord, CS8)

Authorities, however, have to tread carefully here because persuading landlords is usually much more effective and cheaper in the long run that threatening them with court proceedings immediately:

*We don’t want to be seen as an authority that is pursuing a landlord that becomes … co-operative. It’s been clear that the landlords that have been prosecuted by other authorities have maintained that lack of co-operation right through to the point of the court … the prosecution, and at the hearing of the prosecution.* (Strategic Officer, CS8)

Tracking unlicensed landlords had begun in earnest in CS12 in those streets targeted for priority action but was only just getting started in CS8 with the sending out of 450 ‘finders’ letters. Case study 8 was also setting up PACE interviews for cases where there are aware of serious issues from complaints from tenants or residents or through wardens, environmental services or the police. CS13 have set up meetings with their legal department to discuss how to proceed with PACE interviews for those landlords where an informal approach has not worked. Local Authority officers reported landlords making excuses about not knowing that they needed a licence because they thought it was already covered by the accreditation membership or they were outside the area. Officers in CS8 were also aware that some of the larger landlords and agents were only declaring some of their properties within the designated areas. One landlord had simply sent in a cheque for the license without filling in a form. A key problem in CS13 was that landlords had not been given a specific time limit to return the form so it was simply put away in a drawer and forgotten.

**Granting/withholding licences**

CS12 was only granting the licence after a full property inspection. It had also expelled landlords from its accreditation scheme for failure to comply with its terms. Another authority (CS13) was withholding licences until it was satisfied that the management practices were up to scratch. Situations where licences have been refused include failure to protect
tenancy agreements, inadequate arrangements for agents to carry out repairs where the agent was the licence holder, and failure to take up a block improvement grant. Licensing staff commented:

*We could have issued all those licences on day one and said, right, we’ve nearly done the whole lot, but it has taken a while, but we think the benefits of holding some of those up because then it’s saying to them, you might not get your licence unless you improve it, that’s what it’s about.* (Implementation officer, CS13)

Officers here cited a case where they had been able to persuade a landlord to take up a grant and carry out major works by refusing to grant a licence because the failure to take up this assistance showed that the landlord did not comply with the management standards required for selective licensing.

**Not complying with licence conditions**

The guidance specifies that licences may only be revoked in the following circumstances:

- if there has been a significant breach of licensing conditions or
- if the LA no longer considers the licence holder or manager to be a fit and proper person or
- if the LA would not have granted a new licence for the house at the time it expires because of reasons relating to the structure of the house which renders it unsuitable for licensing on similar terms

No licences had yet been revoked in the case study authorities. Landlords were aware of breaches of licence conditions in licensed properties and wanted to see tougher action:

*We need to know that those landlords are going to be brought into line and they will have their licence revoked like that if their tenant is going to be unruly, causing problems, smashing the windows, causing problems with doors, things that are going to make the place look untidy and be anti-social to their neighbours.* (Landlord, CS13).

In CS8 both residents and landlords mentioned poor conditions and poor management practices in licensed properties that needed to be dealt with – these properties had not been inspected. Staff in CS12 stressed that although no action had been taken against landlords, they had taken action against the tenants with the support of the landlord:

*We go along and have an interview with the tenant with the landlord, who is showing that he is standing side by side with us and that he will use sanctions in his tenancy, if that behaviour doesn’t change.* (Implementation officer, CS12)
**Section 21s and evictions**

The guidance specifies that where a property in a licensing area is required to be licensed but no licence has been granted, the landlord cannot use the procedure in Section 21 of the 1988 Housing Act to recover possession at the end of an Assured Shorthold Tenancy. This part of the regulations was brought in to try and prevent retaliatory evictions where tenants are issued with notice to quit for demanding repairs or contacting the local authority about the poor condition of the property. However, both local authority staff and landlords noted that it is actually removing a useful way of quickly evicting tenants who are causing ASB:

> Not being able to use a Section 21 if a property’s not licensed is, on the face of it, very good, and you know, we say that to tenants, your landlord can’t … use this process, but then we’ve got some really bad cases where we’re chasing a landlord for licensing, there’s really bad anti-social behaviour going on at the property. (Implementation officer, CS8)

**Fit and proper**

The same rules apply as for mandatory licensing (see Section 6.4.4). All three case study authorities with current designations are asking landlords to sign a declaration. However, not all landlords felt that they would check up on this:

> I just put down exactly what they want to hear because simply I don’t think there’s a criteria in any shape or form other than just put down what they want to hear. And I don’t think anyone follows that through. (Landlord, CS13)

CS12 is, however, following it up with police checks, CS13 had tried this but the arrangements broke down and they are carrying out in-house checks about complaints etc. and considering going through Disclosure Scotland. This authority are also writing to tenants to ask them about their landlord but one tenant who received this commented that they could not answer as they did not actually know who the landlord was.

Local Authority officials and landlords that we spoke to felt that landlords and agents who might not be deemed fit and proper will simply put the licence in the name of a spouse or other relative. Where landlords lived outside the area (or country) different approaches were being used. Those outside the area were encouraged to use agents; however agents were not always keen to be the licence holder because of the paperwork and responsibility involved. One authority (CS13) recognised that this was an issue and was happy to have the licence holder elsewhere in England, but insisted on having a more local licensee where the landlord lived outside the country.

The point about ‘fit and proper’ not being properly defined was also mentioned by the implementation manager in another authority who felt
that it could be easily challenged. Where landlords were part of a criminal underworld, as some were, they are not likely to have other associates to be the licensee who would pass the fit and proper test either. In many ways, the fit and proper test does not sit comfortably alongside the concept of licensing the property. Two authorities (CS8 and CS13) are currently grappling with what to do where a property with a licence is sold or put in the hands of another agent – do they have to reapply for the licence and pay another fee?

**Management orders**

None of the three authorities had issued any of these so far and officers expressed a number of reservations, and anxiety, about pursuing these. There were three main concerns:

- the time, resources and expense in pursuing one to its conclusion
- finding another landlord (social or private) to manage it
- having to hand it back to the same poorly performing landlord at the end of the period so they were going back to square one

Embarking on Interim (and later final) management orders leaves authorities exposed to all kinds of debts that they may not be able to recover e.g. if the owner sells the property or the order is refused. Pursuing this course of action involves spending a disproportionate amount of resources on a handful of properties that might be better spent on improving standards for a much larger number of people. Some implementation staff and residents expressed the view that the authority ought to have the power to seize ownership of the property earlier:

> We’re living in a climate whereby [this local authority] along with all the other local authorities in the country have to find savings of millions of pounds year on year and it’s just not, it’s not worth the resources to sort out two or three properties, it takes an exponential amount of resources and as a local authority you’re obviously having to make a choice as to the greater good. What services are you going to offer that benefit the most and really we’re just looking after three properties and it’s extremely costly and gives us a duty to bring everything about that property up to scratch and spend our own money doing it. Okay, we can recover the rent until such time as the landlord sells the property and we’ve lost it all and there’s no real, I think really that we ought to be able to take the asset. (Implementation officer, CS12)

CS8 has already set up a framework contract with five RSLs to manage homes subject to IMOs. The other two were also likely to go down this route but arrangements had not been finalised. One, however, remarked:

> I can’t see any benefit whatsoever to anybody having to do management. It’s a lot of hard work and very onerous responsibilities for no real reward. (Implementation officer CS12)
One of the authorities considering selective licensing (CS9) felt that they were more likely to approach reputable private landlords to take on these properties rather than an RSL or their ALMO that took over the council stock. Linked again to the issue of taking over more than just the management was the feeling that taking over the property for five years and then giving it back to the landlord would mean going back to square one as the landlord would be even less willing to engage with the council than before.

**Temporary exemption notice (TEN)**

Only CS12 mentioned these in relation to selective licensing. The current rules say that they can only grant these for three months with a further three if needed making a maximum of six months. They argued that these should be for 18 months to cover cases where properties were due to be demolished or where they changed ownership.

**Enforcement activity by other agencies – police and environmental services**

Residents, tenants and landlords in all areas wanted to see a higher level of enforcement by police on ASB and crime. However, a number noted that there had been an increased presence of Police Community Support Officers (PCSOs) in some areas that had helped, particularly in dealing with youth nuisance. Landlords and residents would also like to see more activity from environmental services; landlords in CS13 noted that fly-tipping in the area had actually increased since the council had started charging for removing certain types of waste.

9.8 Working with other departments and agencies to implement selective licensing

In all three authorities with a designation, licensing and enforcement staff were working closely with other departments in the authority and other agencies. Within the authority, they had developed particularly close links with neighbourhood wardens, environmental services, anti-social behaviour officers, social services (adult and children), homelessness and housing benefit. Neighbourhood wardens are a key source of intelligence to both the council and police on ASB and identifying privately rented homes that should have been licensed. Environmental services also contribute to this intelligence and both play a key role in enforcement by alerting the licensing team possible breaches of licence conditions. As one environmental services manager noted:

*There’s also key ones that sort of keep reappearing, you know, they’re like … reoccurring offenders really because wherever there’s … refuse, if you want to call it politely, and rubbish or whatever on those streets and in the back yard, it tends to be a crime area, you know, where I am, so there’s … housing are looking at it, private sector housing, so*
... and in the end its like a little team that are sort of looking at that one property, and it is very important to find out, you know, who that landlord is and obviously to see what he’s ... responsibilities that he’s actually undertaking. It’s sort of like ... it becomes a bit of a goldmine really because that one little terraced house that somebody’s declaring is a thatched cottage, who’s looking after it from somewhere else, suddenly becomes this sort of pit of ... all these things that are going wrong aren’t they? (Implementation officer, CS8)

Their role in ‘cleaning up’ the environment by removing rubbish and other dumped items should not be underestimated. Although it does not impinge directly on licensing, it materially affects the physical environment of the area so that it will be treated with more pride and respect.

Housing benefit records are useful to track people as they are usually more up to date than other information on unlicensed properties. In CS8 licensing staff have access to all HB data including scanned copies of claim forms and tenancy agreements. They had been hoping that they would be able to suspend housing benefit claims on properties that should have been licensed but were not. This cannot be done because the claim is from the tenant and it would be penalising them. They are planning to send out information on selective licensing for tenants with the general housing benefit letters although this is proving complex as the HB database is organised by claim and not by area.

Anti-social behaviour officers concerned with private sector housing also worked closely with both licensing teams and the police to deal directly with tenants, landlords and residents who were the perpetrators or victims of ASB in two areas. In CS13 this role was mainly filled by the Tenancy Relations Officer who had a broader remit to mediate between tenants and landlords and devise solutions. Residents in CS12 were particularly impressed with and grateful for the effectiveness and commitment of the ASB officer working in their area. The main role of ASB officers was to make perpetrators aware of the consequences of continuing ASB and to devise practical plans for improving their behaviour, including bringing in support from social services and other agencies where needed. They also provided support and advice to landlords about dealing with problem tenants and, where tenants refused to moderate their behaviour, support with evictions and other action taken by the police.

Selective licensing operations in all three authorities have alerted police to more serious crime. In CS12, the intensive work involved in selective licensing has uncovered issues around sex trafficking of minors which, after working closely with the police was linked to 32 properties in the town. This has also involved working with the children’s charity Barnardo’s and a nearby authority where the children were being moved between. They are also working closely with the police and gaining evidence to assist in the conviction of a suspected drug dealer who owns around 40 houses:
So what we would like to do is most definitely gather information to say this man needs to show where and how he bought those properties and if he did in fact purchase them using drugs money, then isn’t it right that that should be confiscated and that should be taken away and maybe sold to somebody who is going to be responsible. (Implementation officer, CS12)

Social services and children’s services were also involved where tenants required additional support, although in CS13 the initial work on this was done by the Tenancy Relations Officer. Often these individuals are particularly vulnerable and some will have already been evicted from social housing. In all areas, the aim is to try and sustain the tenancy where practical – eviction should be a last resort because it will simply result in the problem being displaced. The following is an example from one authority – the other two were adopting a broadly similar approach:

*It’s an intense intervention for a family where there may be quite a few, there might be alcohol, drug, misuse, they might have debt problems. You’ve got the children playing truant from school and a whole range of other issues … the first step is normally you’d receive complaints about the family and then it’s going in, doing a tenancy breach, speaking to the tenants and then doing the referrals and it’s gaining the trust of those tenants as well … We’ve done referrals to social services, to GPs, to mental health services, you name it, we’ve referred at some point or other to them.* (Implementation officer, CS12)

Homelessness services also worked alongside selective licensing staff in two main ways: trying to prevent people becoming homeless through eviction and also using properties in these areas to house homeless households.

One authority also mentioned working well with the planning department in relation to their empty property strategy but they would like to work more closely where major alterations like loft conversions or extensions were being carried out to properties in the selective licensing area. The authority had recently appointed a planning enforcement officer and they were hoping that this would enable more joint visits and closer working with both planning and building control.

Implementing selective licensing also involves close working with the police, both officers and PCSO’s. All authorities with a designation have fortnightly working level meetings involving licensing officers and most of the other local authority departments above.

**Fire service**

In all three areas, officers were working closely with the fire service who were carrying out free inspections and providing free smoke detectors. One authority that had a particular problem with arson worked closely with the fire brigade to try and prevent this:
We’ll do some enforcement action with them and then the fire brigade will work hand in hand with me and we’ll provide some supportive interventions, so they’ll be referred through to the Life Project, which is run by the fire brigade or they’ll be put on the fire setting invention class with the fire brigade. (Implementation officer, CS12)

Landlord associations

All are working closely with staff in the accreditation side who are generally in a separate section or team. CS13 also has a particularly close working relationship with the local landlord association whose management committee have supported selective licensing. If there is a landlord they are having problems with, then they will ask the management committee of the association to deal with them as they are breaching the code of conduct and this can include expulsion from the association. The landlords association have also funded installation of carbon monoxide detectors in properties owned by their members to supplement the fire assessment and free smoke detectors from the fire brigade.

In the authority with the pending application (CS10) relations between the local authority and landlord association are rather less cordial, partly due to the discussions and consultation around selective licensing.

When you look in the Oxford English Dictionary and it has a totally different definition of partnership to that that the local authority seems to want to use. I mean I think their definition is, if you want to be our partner, just do as we tell you … there hasn’t been, I would suggest, any real effective consultation and I might be a little bit jaundiced and I might be being a little bit unfair, I don’t know, but certainly it’s left me feeling as if it wasn’t consultation, it was an exercise to a. show the consultation was taking place and b. to arrive at a predetermined answer. (Landlord, CS10)

In another that is considering applying for selective licensing (CS9), the problems around just the mandatory licensing have created a large rift between the authority and student landlords – all parties had been much happier with the existing student landlord accreditation scheme.

Individual landlords and agents also felt in some cases that they were doing the council’s job in terms of enforcement. Although some expressed reluctance to inform the authority about landlords operating without a licence or breaching licensed terms, others had no such qualms. However, they did not feel that they should be doing the LA officers’ job:

It shouldn’t be down to us, we’ve enough admin to do with looking after our landlords and our own properties without having to do a job that X Council should be doing themselves. You know, they should be being monitored, properties like this … all landlords should be monitored. (Landlord, CS8)
Residents associations

In all areas, residents have been involved in licensing by reporting problems and feeding back their ideas to the local authority. CS8 has actually invested in setting up a residents association in one of the licensing areas. In this and other areas, the residents’ association meet regularly with the council. In CS12 the licensing officers give a regular update at all of the six weekly community council meetings. Some active members of these associations do, however, feel that they are doing part of the council’s job for them and would like to see more funds spent on staff, particularly those involved in combating ASB.

I would not like to think that we’re the main ones to knock because I’m getting more concerned now about my wife when I go out because she’s getting people coming’ to the house at 10, 11 o’clock at night knocking on the door wanting me or somebody to do something about it and that’s not right. We’ve got a Council. We’ve got a government who should be doing this. (Resident, CS12)

A number also expressed concerns about retaliation from perpetrators and a number reported actual victimisation.

Residents associations in CS8 were also working closely with environmental services to help identify households dumping rubbish and also provide intelligence on multiple occupation. They described the pilot scheme in their area:

If bags are put out, within the pilot scheme, we go and open the bags to identify the culprits, and its been quite successful … [it is] because a large number of fines have been issued and not just that but there’s been a very good thing, which is name and shame the people, and there’s been publicity about this so that other people will be aware of the problem. But, on doing that, on several occasions … we’ve found as many as eleven names to the same property. (Residents, CS8)

Housing Associations

CS8 has been working closely with its larger housing associations to obtain information on evictions for their referencing service for private landlords. Housing associations may also play a role in taking over the management of homes subject to IMOs and other enforcement (see earlier).

Universities

CS12 has also worked closely with the university because it leases a number of properties in the licensing area from private landlords. Officers themselves considered that the criteria that the university applied were equivalent to the council’s accreditation scheme. The landlords that they leased from would probably apply last for licensing rather than in the earlier stages. As the Implementation manager commented:
We didn’t want to punish the university, because they found themselves in a ward that hits all the high crime, high prostitution, high drugs and everything else and it was to, obviously as I say, to support them and make sure that we didn’t have a negative impact on them and their clients. (Implementation officer, CS12)

**Home Office – asylum seekers**

Strategic staff in the authority awaiting a decision on its application (CS10) recognised that this may be an issue for them. They have already been involved with management companies appointed by the Home Office. These arrangements had meant properties were not set up for the whole of the contract (as had been hoped) but were changing at the rate of around 15 per week. Staff still had to inspect these, but they did not sit well alongside the targeted area approach used in the rest of the authority. There were also concerns that some of the worst landlords were disappearing into this sector.

**Mortgage lenders**

None of the implementation schemes in the three areas mentioned current links with mortgage lenders although one (CS13) noted that the fact that the property was in a selective licensing area would only be revealed by a more detailed search rather than the basic search carried out by most purchasers and lenders. They felt that consideration should be given to including selective licensing designation in the Home Information Pack Information and also establishing if there were key lenders in their selective licensing area that they might target for future information. This was also mentioned in the baseline study by staff in CS8.

**Other local authorities**

All of those with designations mentioned discussions with other authorities that had been considering schemes – sharing ideas or giving general advice. One noted that there had been a lot of discussion in the early days and that they would welcome the opportunity for more now that the schemes are up and running:

We were both disappointed that Communities and Local Government haven’t brought the authorities together when they introduced licensing, because we want to get together, you know, as ... says, we want to learn from the other ones and see what’s worked for them and what hasn’t. We just want to be able to share those experiences and we have suggested it to Communities and Local Government as well, that it would be a good idea, but they don’t seem to have acted on that, yet. (Implementation officer, CS13)

**General – putting it all together and co-ordinating**

Working with such a large number of other partners can create disputes around sharing information and data protection. Outside agencies also felt
that some departments were not as co-operative as they should be. The
authority with the largest designated area (CS8) acknowledged that it was
sometimes difficult because there were so many people involved. Tenants
and residents were sometimes confused about who they should contact
(police, wardens or council) about ASB. They were often frustrated by the
difficulty of getting through to anybody who might help:

If you phone the council up you can’t speak to anybody and you just
get fobbed off all the time. (Resident, CS13)

Yeah but its being on the phone for twenty minutes isn’t before you
get to speak to someone. (Resident, CS13)

The general consensus was that they needed a single point of contact for
reporting all problems, although residents in CS8 seemed to be happy
that whether they reported problems to the council or the police things
seemed to get done because of the information sharing.

Basically if we phone the police, or the housing, or whatever we
phone, that is then taken forward, it goes to these meetings and …
the house number, the name of the resident … because if you get all
these agencies together then they all know exactly who’s in that house.
(Resident, CS8)

Residents in CS12 were happy that they now had two named people they
could contact:

So if we have got a problem … before we didn’t know where to go.
We just put up with it … what it was, you rang the police and like
we’ve all said, the police come and they’re nice, they’ll sort it out but
then that’s it. I don’t say that they didn’t monitor it, you know, who
knows? But at least now we know we can go to X, we can go to Y and
steps will be taken … that is something that we did need a long time
ago. (Resident, CS12)

CS13 had previously had a single point of contact for reporting (a special
101 number) which residents felt had worked well but it had been
withdrawn due to lack of funds. They would like to see it reinstated.

Residents in all areas also expressed some frustration about the number of
agencies, lack of co-ordination, time and resources taken up with dealing
with tenants causing ASB:

I’ll refer to one specific case where Social Services have been involved,
ASBO people have been involved, the police have been involved, the …
Council have been involved, and this has been going on for six months
and no solution has been found to the problem as yet, because instead
of getting together and try and sort of … but they seem to fight each
other … lets get together and solve the problem once and for all, you
know, and find out what exactly the problem is, instead you have the
police there day in day out, you’ve got the … the ASBO people coming
in, you’ve got Social Services coming in … all these things have got to be paid for. (Resident, CS8)

There’s too many agencies involved, and they don’t talk to each other, one doesn’t know about the other, and, and it was quite plain when they had all those people around the table, they were going, “I don’t know anything about this” and we were the only ones who knew exactly what was going on. (Resident, CS13)

In one of the authorities considering selective licensing (CS6), New Link Representatives felt that there needed to be a major change in the way that different departments worked and co-operated because they were now, due to the large influx of economic migrants, dealing with a very different situation and different sorts of problems than in the past. They pointed out that the changed situation required a need to work outside the normal ‘9 to 5’ office hours. There were moves towards more co-operation between departments and with other agencies although this was not always working well:

There’s lots of people going out, lots of different times and it got to the point where we managed to get all the different departments round a table and what they did was ten of them went down one day to one property and this poor family were completely overwhelmed, so it’s just not been thought well through. (New Link Representative, CS6)

In the other authority considering selective licensing of an area that also contains a high proportion of migrants (CS9), they have an existing Migrant Workers Liaison Group involving Private Sector Housing, Environmental Health, Community Police, social workers, health visitors, educational welfare officers, Health and Safety Executive (HSE) and Revenue and Customs that meets quarterly to air and solve problems.
10 The impact of selective licensing

10.1 Overview

It is important to remember that all schemes are in the early stages having started between June and September 2007 i.e. for a year or less. It is therefore far too early to say whether selective licensing has been a success or not. This was acknowledged by most of the people that we spoke to, apart from some landlords. It may also be the case that certain indicators used to assess the impact may look worse in these early stages. For example, the number of complaints may rise simply because tenants and residents know where to go and are more confident that action will be taken rather than because the number and/or severity of incidents of ASB is increasing. Similarly, there may be a temporary increase in the number of vacant properties because these are being purchased for clearance rather than reflecting falling demand in the area.

10.2 How should the impact of selective licensing be assessed?

It is also clear from previous sections that selective licensing is being implemented alongside a range of other initiatives and as part of wider strategies for the area so that separating out the impact of licensing alone is problematic. The three authorities are all evaluating the impact of licensing themselves and they, and many stakeholder groups, are aware of the difficulties it presents. There are major problems using statistics to evaluate this as these do not always reflect the real impact on people, particularly in relation to ASB. Residents in one area (CS13) noted how just one eviction had brought about dramatic improvements in part of the area:

*It was one house, one property, one family that had a huge impact on both streets and it has been a really big difference since they've been moved on. It feels like it's a drop in the ocean, and it, it changed the character of a whole area, when you've just got one rotten apple like.*
(Resident, CS13)

CS8 is just starting a major evaluation exercise. In addition to comparing baseline statistics on house prices, turnover and voids, they will be sending out questionnaires to tenants and residents to obtain their views on whether, and how, things have changed and what more needs to be done. Rather than sending a questionnaire to all landlords, they
plan to carry out focus groups with landlords to get their views on the overall enforcement strategy and approach. They planned to start the process in September/October with a full report in January 2009. They will also be sharing the results with a neighbouring authority that has a selective licensing scheme. Residents here would like to see the authority publicising statistics related to number of inspections, prosecutions and orders. This way they could see that licensing was ‘actually biting into the problem’. Evaluation work is therefore an important part of providing feedback and inspiring confidence – it is not just a dry piece of research.

In CS12 where the main reason for licensing was ASB, staff are monitoring their statistics on ASB every two months. They acknowledge that the feedback from regular meetings with the community council is actually more important than statistics on: ASB, the number of landlords joining the accreditation, etc. They have also sent out questionnaires to residents, but the response has been poor.

10.3 Housing markets, supply and demand

The housing market is difficult to assess at the best of times, but reductions in house prices generally during 2008 have made this much more complex. In all areas, local authority staff and landlords acknowledged that it was more difficult to obtain mortgage finance. This may also be because the area was designated for regeneration or clearance and because properties often needed large amounts of repair work. It is unlikely that selective licensing per se would affect the ability to obtain finance. Officers in CS8 were doubtful that most mortgage lenders knew what selective licensing was. However, officers in CS13 and the RLA representatives that we spoke to thought that if mortgage finance became even more difficult to obtain, as has happened, then selective licensing designation would probably have an impact on whether landlords are able to access mortgage finance.

In CS13, all of the groups that we spoke to recognised that some landlords wanted to sell some of their properties in these areas, but had not always been able to do so because of the current market. Problems in selling had not arisen due to the selective licensing scheme but to the national recession and restrictions on credit. The authority was trying to help those landlords who wanted to sell by issuing them with Temporary Exemption Notices, although in the current market the current maximum of six months (three months initial followed by a further three month extension) may not be long enough. Landlords themselves complained of being ‘squeezed’ by more and more regulations and requirements, licensing just being one of these. They had spent money bringing their properties up to the accreditation standard but had not seen their rents increase proportionately as a result. Local Authority staff and landlords had hoped, and still hope, that improved property standards and reduced ASB in the area will attract more professionals into the area (who can pay higher rents) but this does not seem to be happening yet. Landlords
commented that the only increase in rents had come about because of the introduction of local housing allowance.

Landlords in CS8 also reported that some landlords were looking to sell because of licensing, again because it was seen as ‘the final straw’ after Tenancy Deposit Schemes, Home Information Packs and Energy Performance Certificates. Local Authority officers here also noted that they had seen some landlords selling up and properties reverting to owner occupation in one, but not all, of the areas. This is not an unwanted side effect but actually fits in with the council’s wider strategy of increasing levels of owner occupation in these areas. Residents here would like to have seen more landlords selling up or being forced out and their properties being taken over by the council or housing associations.

In contrast, officers in CS12 had seen house prices rise and also increased interest from serious investors looking to buy property in the area. Admittedly this is because it was a very low price area and prices in the selective licensing area are lower than other parts of the borough. There had certainly been no ‘market collapse’ as a result of licensing and linked initiatives that landlords in all areas in the baseline study had been concerned about, instead some stability seemed to be returning to the local housing market. It is somewhat ironic that the biggest improvements in market conditions are actually in the authority whose designation and main attention was on dealing with ASB rather than low demand. This points to the key role played by ASB in determining desirability of areas and therefore market conditions.

10.4 Property condition

In all areas, there was a lack of consensus between groups, and in some cases, within groups as to whether property conditions in the designated areas had improved since selective licensing had come into effect. All three schemes were being implemented alongside regeneration and accreditation which must take most of the credit the major improvements, particularly external repair. In CS13 where the regeneration had focused on the outside of the properties (mainly the frontage), accreditation was improving the interior. Licensing however, had been a useful lever and officers here cited examples of where licensing had forced landlords to improve the condition of the property. In two cases, the landlord had been reluctant to improve the property and wanted an agent to be the licensee but the agency refused unless the landlord agreed to carry out works to the property. In the end the landlord agreed and the property was improved and licensed. In another case, the landlord was forced to deal with collapsed garden walls and an overgrown garden so he could get the accreditation and the discount on the licence. Landlords in this area that we spoke to had also been acquiring poor condition properties from those who had decided to sell up and were in the process of bringing them up to the accreditation scheme standards. Residents in this area were aware of a lot of activity but commented that some of the houses still looked
shabby from the outside. This was also acknowledged by officers who recognise it will take time to improve the whole area. Some resentment was also expressed by this group of residents to landlords that had been given large sums of money to improve their properties which were now nicer than their own:

*And everything else what these people are getting is they’re getting £15,000 to do a makeover of in most of the houses what you see don’t cost £15,000. But they get £15,000 to do them up Some of those houses when they’ve finished are better than some of the houses what we lived in.* (Resident, CS13)

Most of the tenants that we spoke to had seen increased activity on the part of their landlord. Sometimes this was major works like refitting the kitchen and having cavity wall insulation fitted, in other cases it was getting basic repairs done:

*I’ve had somebody around to check electricity appliances and things like that. And I’m thinking, hang on this wasn’t in when I first moved in. Okay I had the heating bit sorted and I had the gas registered and what have you but all of a sudden there’s little jobs that just seem to be getting done that weren’t done.* (Tenant, CS13)

In CS12, tenants commented that their landlords were much better at responding to requests for repairs than the landlords of friends that lived in other parts of the authority not subject to licensing. A number also mentioned visits from the fire brigade and free smoke alarms and advice.

However, a number of tenants in all three areas were still living in poor condition homes with leaking plumbing and with heating systems that kept breaking down. Officers in CS12 felt that poor conditions were partly a result of low expectations amongst tenants, echoing comments made by implementation staff in other areas in the baseline phase of the research:

*I think the other problem, certainly from the disrepair issue is that the expectations of the tenants aren’t particularly high either. A lot of ours are the single parents with young children, very young, early twenties, so I don’t really think that there’s a high expectation of what the property should be anyway and I think that has a knock-on effect with the management standards of the actual landlords as well.* (Implementation officer, CS12)

Residents in CS12 commented that some houses appear to have been improved but there are still a number of poor condition homes and one felt that more of them should have been demolished. One landlord in this area had already had to bring his properties up to the standard specified by the Home Office as they were used for asylum seekers but noted that the licensing had made him carry out electrical safety checks. However, some tenants were refusing access for these checks and this was creating problems. One cited a case of an elderly resident who had lived in the same home for 25 years:
An appointment was made for the electrical contractors to start work, they wouldn’t … they couldn’t start work because he hadn’t moved any of the cupboards of the stuff, and we can’t do that now from a health and safety point of view and if we had moved them they would have all collapsed inwards and then we’d have got sued for little ornaments … the annoyance, the arguments, the problems that we’ve had with that … almost make everything else pale into insignificance. (Landlord, CS12)

10.5 Standards of management

These were the aspects where licensing appears to have had the most impact, although tenants and residents in all areas were more mixed in their views about this. In CS13 licensing officers emphasised that licensing had made landlords consider their management practices more carefully:

I think it’s put the landlords on their toes. You know, I think it’s made them think and some of those thought that they could just fill the form in and sign and give their money, that’s not what it’s about at all. (Implementation officer, CS13)

Staff in CS8 felt that licensing had brought about ‘enforced engagement’ to achieve better regulation of management in the sector. Officers in CS12 saw that many landlords were unable to manage their properties effectively and that licensing was a tool to restore order and to tackle the more problematic landlords, particularly those associated with criminal activity. From the local authority point of view, the main changes had been that landlords were now obtaining references or vetting checks for their tenants and working with the local authority to deal with tenants causing ASB.

We had a situation where an agent had a tenant in who was real trouble and basically the landlord was getting his money, the agent was getting his money, so they weren’t worried at all. But when the question of licensing came along, we said, well, where you’re concerned, basically not doing anything with this tenant and they’re looking to be a licence holder, it doesn’t demonstrate ability to manage to me and in actual fact they chose to give him notice to quit, which sounds hard, but in that particular case, that was the right move. (Implementation officer, CS13)

In CS12, the tenancy referencing scheme had prevented 80-90 people with previous history of ASB being housed in the selective licensing area:

And so that’s a very powerful lever to say to a person of anti-social tendency that we’re on your case and we can even stop you getting a house where you want to be. So, that makes for a behaviour change then and it makes the landlord grateful, because they think if I had let
that person in, I would have had the property trashed. (Strategic officer, CS12)

However, because of the low demand in the area, implementation staff here recognised that landlords in these areas were faced with a dilemma between having an empty property with no income and taking a risk on someone who had previous ASB. It also raises the question of where these tenants are finding housing and whether they are congregating to create problems elsewhere.

Residents in CS8 stressed the importance of referencing and vetting:

It’s okay talking about the property getting into disrepair and all that but if you pick the wrong people in the first place it gives the neighbour of that person absolute hell … and I mean hell, to the point where they sell up … and this is where we get the ghetto from. (Resident, CS8)

Landlords too were generally positive about this aspect which also made their lives easier. However, it was pointed out that vetting does not always guarantee good tenants or that a tenant would behave impeccably throughout their tenancy:

I’ve had a tenant that’s been in there … for nine years with no problems and in the tenth he turned into an alcoholic … and it brought an awful lot of problems to his three children as well as his wife … you can’t necessarily say that just because the landlord does all the checks that this is a static situation. (Landlord, CS8)

Landlords in one area also cited cases where other landlords had supplied a good reference for a bad tenants simply so they could get rid of them out of their property and they would like to have seen a ‘black list’ of tenants as well.

Tenancy agreements were another area where local authority officers saw the potential for major improvements due to licensing in protecting tenants’ rights:

The number of tenancy agreements that we actually get from landlords applying for accreditation that would never in a million years comply with unfair terms stuff. We had one and it was a real battle to get him to change it, where there’s a huge clause on the front about if the property ever becomes CPO’d then the tenant will pay the landlord their home loss disturbance payment and its like “no, you get paid for your property under a CPO and the person who lives get home loss disturbance payment, it’s home loss, not ownership loss”, well you can’t, without licensing you can’t address any of those issues. (Implementation officer, CS8)

However, one tenant in this authority cited a case where the landlord had tried to change the terms of the tenancy agreement without their agreement which points to need to monitor these agreements as well
as set up fair ones in first place. One of the residents in this area, who also worked at a housing advice centre, also noted that they had seen an increasing number of tenants on housing benefit being given two months notice so that the landlord could get in new tenants and charge the full rate of Local Housing Allowance (around £15-20 per week more than paid by housing benefit for the same property). Tenants in another authority were more positive about having proper written tenancy agreements and referencing:

_We know where we stand and obviously the landlord knows the tenants._ (Tenant, CS12)

Residents in one area in particular (CS8) would like to see more properties managed by the council or RSLs to deal with the worst management. However, they acknowledged that not all housing associations have shown good management in the past. They also commented that they would like to see people barred from ever becoming landlords if they breached the licence conditions.

Residents in CS12 felt that there should be more control of rents in these areas, particularly that landlords should not be able to charge more than the rate paid by housing benefit/local housing allowance.

### 10.6 Management arrangements and the use of agents

Absentee landlords in all areas came in for particular criticism from tenants, residents, officers and locally based landlords as only being interested in the money and being totally out of touch and unconcerned with what was happening in their properties.

Officers in CS8 noted a shift towards using local agents in one of the selective licensing areas, and they were hoping that they would see the same happen elsewhere. They had been actively encouraging absentee landlords to use reputable local agents to both improve the management and also to make their job of dealing with landlords easier:

_We don’t want to get rid of landlords, we don’t want to stop them renting out their properties, we do want to rationalise the sector because the area that we looked at earlier on, X, [has] 168 private rented properties, 134 owners, how on earth do you resource trying to address the management with that number of people in a very, very small area._ (Implementation officer, CS8)

Agents in this area confirmed that they had been taking on properties both from absentee landlords and other local landlords or agents who felt that licensing was too much for them to cope with. They, however, pointed out that having to pay fees to an agent, on top of fees for licensing and other matters, was making it far less attractive to become or stay as a landlord, especially in the current economic climate. Some also cited cases where they had refused to take on poor condition properties:
We had a landlord approach us to find a tenant, find a tenant and manage the property and I went round and had a look at it and rang him up and said ‘I wouldn’t put a dog in that property, a dead dog at that’ … we won’t deal with these landlords that will not … bring the house up to a certain standard, have it so it’s a nice, clean comfortable environment and tick all the boxes like we have to do. (Landlord, CS8)

Agents in CS13 mentioned the conflict that they feel about forcing landlords’ hands to improve because of the responsibility they feel to the tenants that they have housed in the properties:

I’ll be quite happy to back them [the local authority] up and I would just say, “Look, I’m going to hand them back to you. You’re in London, you manage them yourself, mate.” But because I’m managing the people inside, I don’t want to see them in a predicament and they won’t move because they love the street. They’ve got family in the street and you find that a lot of the good people are from those areas. There’s some people have been there for years actually. Yeah, and they want to stay. (Landlord, CS13)

However, not all agents are reputable. Officers in CS13 described one agent who had tried to buy out several tenants on regulated tenancies and put them on assured shorthold ones. When approached by another landlord who wanted to use this firm as the licence holder, officers refused to grant a license unless the landlord put it in the hands of a reputable agent. Officers here also stressed the importance of having a reasonable contract between the landlord and the agent, whereby the agent has the authority and the funds to deal with emergency and day to day repairs rather than give officers the excuse that they have to contact the landlord before they can act.

Tenants in all areas were just as critical of agents as they were of landlords, particularly when it came to dealing with repairs. Although a number were happy with the service, and some had seen improvements following licensing, there was some way to go still as summarised by one tenant:

Every day most time one, two times everyday I’m calling him and he fix time and he didn’t come. And he say he will send some person to look for this problem and he didn’t. But for the money he comes exactly on time. (Tenant, CS13)

Tenants in CS8 mostly dealt with agents but they also wanted to be able to get in touch with the landlord as well as the agent. Concerns were expressed that landlords may not be aware of problems that they report to the agent and they may give false reports of work being carried out. One case was also cited where agents had carried out botched repairs on a major water leak that caused expensive damage to a number of properties. Tenants and residents in this area felt strongly that they needed to know who the landlords of neighbouring properties were (note that the terms and conditions in this LA specify that occupiers of
neighbouring property must have details of the licence holder who may not necessarily be the landlord). One tenant recounted a case where their neighbour (a tenant of another landlord) was keeping a dangerous dog that had attacked her and her young children. The agent was unwilling to take any action and refused to give her details of the landlord to contact them direct. The situation was only resolved when the tenant tackled the landlord in the street on one of his very rare visits to the property.

Also in this area, a number of properties had changed ownership but not agents, and some agents were saying they had to have clearance from the new landlord before they could carry out the necessary repairs. This lack of clarity about who is responsible and lack of safeguards allows agents to use having to contact the landlord as an excuse for delaying or not carrying out necessary repairs and improvements.

Residents in CS13 felt that the name and contact details of the landlord should be a matter of public record that anybody could access.

10.7 Anti-social behaviour

Although only one of the existing schemes had applied for licensing on the grounds of ASB (CS12), all areas had problems of ASB ranging from youth nuisance at one end to criminal activity at the other. Any problems of low demand may not have first occurred due to ASB, but ASB in these areas was exacerbating issues of low demand and unpopularity. Previous sections of this report have already noted that local authority staff in all areas were clear that they had to manage expectations of residents and elected members as to what selective licensing could deliver in terms of reducing ASB. They also needed to be very careful how this was explained to landlords. This is an area where definitions vary and statistics on numbers of incidents, whilst useful, have to be collected and interpreted with particular care. One authority noted that in the past 12 months they had carried out 548 investigations, served 11 final warning notices to tenants and had just one eviction. But as the implementation staff commented:

*An eviction to me is a failure. It's the same with doing an ASBO it's a failure, because it means that you can't get any further, they're just that bad. So to do, to serve that many eviction notices and they've all stopped and have this one, then it's not too bad a ratio, to be honest. I mean I'd rather not have any, but there's always going to be one family who causes problems.* (Implementation officer, CS12)

This attitude is shared by staff in other local authorities who are aware that evictions simply move the problem, sometimes just a couple of streets away, rather than actually solving it. However, sometimes forcing people to move to another area can actually improve the situation in itself. Officers in CS12 noted that only 1 or 2 people who had moved out of the
selective licensing area had gone on to create problems in the new area. As one explained:

*If you take someone who’s causing a real serious problem in one location, more often than not it’s on their reputation that they’re a big fish in a little pond. If you move them to another one or they’re moved or they’ve got to seek a tenancy somewhere else, they’re not as arrogant. They don’t have that kudos, if you like, you know, to intimidate others through their behaviour, because they can’t take that reputation, because they’re going to a completely new area.*

(Implementation officer, CS12)

Tenants, residents and many of the landlords that we spoke to would, however, like to have seen more evictions of tenants causing ASB.

Looking first at serious ASB, including crime, committed by private tenants, CS12 had developed a particularly well thought out approach which combined the four key aspects of sanctions, support, information and continuity, in a balanced way, that a number of social landlords could learn from. The main sanction (that was used in all three authorities to different extents and ways) was tenant referencing – if the tenant had a bad reference then they would find it very difficult to obtain other accommodation. CS12 also obtain weekly data on all new housing benefit/local housing allowance claims and cross checked to see if they have been evicted from their previous property. Where this is the case, the ASB officer visits the new tenant to inform them that they were aware of this and were going to speak to the landlord (in case it hadn’t been picked up through the referencing) and they can discuss and put in place a support package before the person gets settled in. As mentioned previously, they have also used the threat of refusing compensation payments to those whose homes are subject to compulsory purchase orders if tenants persisted in causing ASB. The support package is initiated as soon as possible and includes, as in CS8, the option of hostel type accommodation for serious cases who want to change. The authority kept track of all problem tenants; this and persistence were important elements of their success. They cited one particularly problematic example:

*She was evicted from X Street, yes and she’s now, she’s been released from prison, the likelihood of their getting a tenancy is going to be zilch, but we’ve sort of, we know she’s been released and so we know where her daughters live and [an officer] can manage that. We could manage it along with our partners, with the police and the street wardens, and it’s just constantly, I’m here, I’m not going to go away, a dog with a bone, aren’t you. It’s just to make sure that, and really they get the message eventually that, ‘oh god, let’s play ball’.*

(Implementation officer, CS12)

Residents here acknowledged that much had been done to sort out individual cases. Some felt that things were starting to settle down, whereas other had seen little impact:
The problem we had in our street, if they hadn’t intervened when they did, I would be in [the local mental hospital]. They are doing a marvellous, marvellous job but it doesn’t go far enough. (Resident, CS12)

Residents were also now happy that they knew exactly who to contact if they had a problem, but that just having two officers dedicated to ASB and landlord support was not enough. Tenants in this area were more positive because evicting drug dealers from the area had meant that the area was now much quieter and saw licensing as a ‘step forward’.

The point about tracking bad tenants and dealing with them persistently is key to making sure improvements are sustained in the long term. Some residents in another authority noted that they had seen a reduction in ASB (which they attributed to the police rather than licensing) but were worried that the situation might deteriorate again:

Now it’s been getting quite good in fact we’ve all said, the last few months it was fine, but there’s … we’ve had another new intake of people because basically what these people do is they just move from one street to another, or from one area you know, from like out of our area … They take the problems with them, you know. (Resident, CS8)

Implementation staff here were also aware that just a couple of difficult families can cause major problems for residents that might lead them to try and move out. Residents and tenants generally felt that improvements in ASB were more down to the police and wardens than licensing. Residents in one area were unhappy that the number of wardens in their area had recently reduced so they could be deployed to another area.

CS8 also noted an emerging problem, that they would need to address, related to privately rented houses being used as businesses. This was affecting a number of areas, not just those with current selective licensing designations:

A lot of the nuisance and anti-social behaviour is focused around one or two properties but involving people from quite a lot of other houses, and some of that is, you know, quite straightforward anti-social behaviours. Some of it is around running scrap metal business so there’s complaints coming in from all over [the local authority] about people going through bins and back gardens for metal and then they’re hammering and processing it in the back yards of terraced houses which are just not designed for that. (Implementation officer, CS8)

10.8 Environmental nuisance

Issues here focused on two areas: the impact of clearance being implemented alongside licensing and the refuse bins. Managing the actual clearance process was proving slow and difficult because of the
CPO process (See section 9.4.4). Landlords with properties adjacent to the clearance areas complained about the speed of works and poor environment created:

_The annoying thing is they say, “Right, it’s to tidy up the area”. Mine’s on X Street, new houses, they’re the only ones left standing. I’ve got four foot of weeds at the top of the street. At the side of the street a fence and a mound of muck that’s been dumped literally outside me tenant’s windows. And the council can’t do a thing because it’s the builders. Now the builders have gone off-site because there’s nothing selling. So I’m paying £225 to improve the area? For me it’s worse ‘cos before this I had trees, I had grass at the front._ (Landlord, CS13)

Tenants living in these areas were unsure when their landlords were going to sell their property to the council prior to demolition which was creating anxiety and uncertainty, especially as many had been resident for long periods.

Residents in CS12 also complained about the displacement of difficult tenants from properties that had been CPO’d into their areas:

_But they’re alcoholics and drug addicts and they’re … I think they’re causing problems further down but they’ve come from the clearance area where they’ve actually boarded all the houses up._ (Resident, CS12)

However, licensing was also being applied to streets within the areas that had been earmarked for clearance to ensure that the council could still take action under licensing if there was ASB if these properties became re-occupied. This was not always perceived as a sensible approach by residents and had also been challenged by some landlords. The authority had tried to be flexible and reasonable, whilst at the same time sticking to its guns, because there were different phases for the demolition, some of them falling beyond the five-year life of the selective licensing scheme.

Issues with rubbish bins and alley-gating were a major bone of contention in CS8. Residents noted that alley-gating had improved the appearance and local authority officers said that it had reduced burglaries. However, all acknowledged that it created problems with bins left on the streets when tenants were not given, or lost, the keys to the gate, or were simply not informed what to do with their refuse and bins. For this reason, items relating to refuse and alley-gates were included in the licensing terms and conditions.

Both landlords and residents in CS13 also complained about waste from refurbishment being left and an increase in fly-tipping since the council had started to charge for removing this rubbish.
10.9 Neighbourhood and community cohesion

Although licensing was not set up specifically to improve these aspects, because it is being implemented as part of a much wider package, it is contributing to neighbourhood improvements. Most of the residents and many of the tenants that we spoke to had all lived in the area for a long time. The baseline report highlighted that transience, was a problem in many areas being considered for selective licensing because these areas were often seen as a last resort by private tenants. Owner occupiers felt trapped as they could not move out to higher priced areas and, in many cases, did not want to be ‘forced out’. Tenants in one area commented:

*There isn’t a community. There’s no communities now.* (Tenant, CS13)

Licensing is seen by the local authorities with designations as part of a package of measures to make the area a better place to live so that people will choose to move there and to stay. Residents certainly also hope that this will happen, their feelings typified by this comment from a resident in one area:

*You see ultimately what we’re after in this area are people, whether they’re rented, whether they buy, whether they house share or … whatever they happen to be, we want people who are going to stay in the area because they like it. As long as this six months or three months business carries on then it’s never going to improve the area at all. If everybody can just come in brush their fronts, put some pot plants out, make sure the bins are emptied, don’t have all night parties, that would be … it would be heaven for all of us wouldn’t it.* (Resident, CS8)

There are no strong indications from the case studies that this is happening yet. It must be acknowledged that any improvements in community pride and cohesion will probably take much longer to be evident because the other aspects (reduction in ASB, improved management and property conditions etc) have to be in place first.

In CS8, where the local authority had supported the establishment of a residents’ association, environmental services saw this as the first step in trying to turn round the appearance of the area:

*Then you can form a residents’ association and then we can start doing our incentive work where I say I’ll tell you what, if you get off your backsides and you come out in the street and you help us sweep it a bit, or you report things to us a lot better and come up with a bit of information, we’ll give you a couple of hanging baskets, but you can, you can suddenly turn a street around.* (Implementation officer, CS8)

Residents in CS8 were very concerned that licensing was only in force for five years. They felt that there had been little progress in the 18 months since the scheme had been introduced and there were only three and a half years left for it to run. They were also worried that things would slip back easily after licensing was finished:
They say that after five years things should have settled … I’ve never heard so much rubbish in my life, because at the end of the … these landlords they don’t mind whatsoever, the proof is when we see houses empty for eight, ten, twelve, fifteen years, but they … they’ll wait five years and then back to square one … they can do whatever they want to do. (Resident, CS8)

In another area, residents were also concerned about future funding, especially as they were in the middle of a clearance programme in the selective licensing area:

What happens when we’re half way through knocking these things down and there’s no way to put it right? (Resident, CS12)

In CS10 whose application was pending, they had set up a number of urban care centres – small local offices where landlords and residents could drop in for advice or to report problems. However the one recently opened in the area earmarked for selective licensing was criticised on two counts: it was rarely open and that the perpetrators of crime such as ASB could see who was going in there to report on or complain about them.

In all three authorities with a current designation, there were some racial tensions between more settled long term residents and new immigrants – both asylum seekers and migrant workers from A8 countries. Licensing did not appear to be having any impact on these aspects. Racial tensions are more severe in areas within the two authorities currently considering applying for selective licensing (CS6 and CS9) and strategies to deal with integration and understanding on the part of both migrants and long term residents will need to form an integral part of the package of measures implemented alongside licensing.
11 Conclusions

The impact of HMO and Selective licensing, two years after the legislation came into force, is examined in this report. The findings are based on fieldwork that took place between April and September 2008. It has provided details of the number of private rented properties affected by the legislation and, based on a survey of local authorities and case studies with 12 local authorities, has assessed the impact of the legislation on local authorities, landlords, tenants and other parties in England.

Since the end of the fieldwork period comments on HMO licensing and Selective licensing were received from a number of stakeholders including Members of Parliament and a number of interest groups, many of the issues raised by these parties have been addressed in the report. The Rugg review published in October 2008 also addresses issues concerning the private rented sector as a whole.

When the evaluation took place licensing was in its early stages. Since then much progress has been made. The Register of Licensed Houses in Multiple Occupation (ROLHMO) for March 2009 reports that over 30,000 applications have been received for mandatory HMO licensing and 20,000 licenses have been issued. There are now 15 selective licensing designations in 11 local authorities.

The following conclusions are based only on the survey data provided by 69 per cent of local authorities in England and the 12 local authority case studies.

11.1 HMOs and mandatory licensing

Mandatory licensing came into force on 6 April 2006. However, when the evaluation began in April 2008 local authorities were at different stages in the licensing process. Some authorities had few HMOs to license and had completed the process; others were continuing to deal with application forms, while others were focusing on inspections or enforcement action. The evaluation was carried out during the early stages of licensing and the following conclusions take this into account.

11.1.1 What impact is mandatory licensing having?

Physical condition. The exact number of properties where landlords have carried out improvement to the physical condition of the property as a direct result of licensing is unknown. However, LAs, landlords and tenants reported that various works had been carried out to HMOs as a result of licensing. A good proportion of mandatory licensable HMOs will now have fire safety measures installed, additional bathrooms and toilets, up-to-date gas safety inspections and improved electrical wiring.
as a result of electrical safety inspections. Landlords would be unlikely to undertake such improvements unless absolutely necessary. As the number of licensed properties increases and enforcement action is taken on those landlords that have avoided mandatory licensing, there are likely to be improvements to the physical condition of additional properties.

**Tenants.** The occupants of HMOs do not form a homogenous group. For some, higher education draws them into the private rented sector and this type of accommodation; for others, it is employment or unemployment.

Students living in shared accommodation that fall inside the mandatory licensing threshold were most likely to experience the impact of licensing. Local authorities with large student populations tended to have large numbers of licensable properties and, on the whole, had successfully licensed many of them. Many of these HMOs were accredited, so were already of a fairly good standard generally, but licensing would have ensured the installation of fire detection devices, which many lacked before licensing.

Young professionals and other employed people can usually afford good quality HMO accommodation and are likely to have seen little change as a result of licensing.

HMOs in poor condition remain available for vulnerable tenants (e.g. unemployed, chaotic lifestyle) with limited choice. They are more likely to accept this poor quality accommodation because it is cheap and/or immediately accessible. The Rugg review looks at the Housing Benefit Market and offers suggestions for improving this sub-sector.

Migrant workers tend to live in HMOs that fall outside the mandatory licensing threshold. Too many of them are living in overcrowded conditions with few amenities. Mandatory licensing has not tackled the problem landlords that continue to exploit migrant workers who need affordable basic accommodation. Communities and Local Government should consider providing more information about housing rights and law to the Gangmaster Licensing Authority to assist migrant workers seeking and occupying privately rented housing.

**Standards of management.** Tenants reported little change to the overall management of HMOs. Some landlords and agents remained elusive when repairs were needed and continued to appear unannounced intruding on tenants’ privacy. Generally, landlords need a good level of support to ensure that they comply with various standards for mandatory licensing including the management of the property. LAs should consider how best to support licensed landlords so that they will continue to provide a good standard of accommodation:

- LAs should ensure that landlords are clear about the licensing process especially standards and the inspection regime in place
• LAs should consider the grants available to HMO landlords. Where they are available they should be publicised so that landlords are fully aware of the choices available when they are considering improving their property.

• a national landlords’ training course developed and delivered in collaboration with the main landlord associations is, perhaps, the best way to provide them with the knowledge and skills to operate these HMOs.

**HMO market.** Landlords and LA officers in a number of the case study areas reported that some landlords with licensable HMOs have reacted to licensing by selling property, reducing the number of occupants and converting bedsits into self contained flats. However, it is unclear how many licensable HMOs have been “lost” in this way. Some landlords complained that HMOs were no longer a profitable investment because of the additional cost of carrying out works required to obtain a licence.

**Relationship between LAs and landlords.** This has been very mixed. The lack of communication about licensing and the process of setting standards has created conflict and bad feeling in a number of authorities. There have, however, been some benefits as LA staff are engaging with a wider spectrum of landlords and reassessing their perspective on the type of landlord that operates HMOs.

**Unscrupulous landlords.** There are a number of landlords in the HMO market that may have avoided licensing by failing to apply or may have reduced their occupancy levels. Some are operating in the two storey HMO market that falls outside of mandatory licensing. Unscrupulous landlords are characterised by the poor condition of properties, poor management standards described by tenants, and their lack of engagement with local authorities.

**Information about HMOs.** Local authorities are building a more comprehensive and complete picture of the HMOs in their area. Licensing officers have carried out surveys and developed databases by working with other departments to gather information on the location of these properties. Increased awareness of HMOs will allow local authorities to monitor these properties and ensure that licensable properties are licensed.

### 11.1.2 What is working well?

**Successful implementation of mandatory licensing.** The key objective of HMO licensing was to target poor management and property condition in high risk properties. Local authorities are working well towards achieving this objective. Although some have struggled to find sufficient resources to implement mandatory licensing, as of June 2008 nearly 23,000 applications for mandatory licensing had been received and over 16,000 licences had been issued from the 38,000 mandatory licensable HMOs reported by LAs responding to the survey. In some regions
application forms had been received for over 70 per cent of mandatory licensable HMOs and in one region over 90 per cent of these HMOs were accounted for. For those LAs that have effectively licensed their mandatory HMOs and are aware of other problematic HMOs that do not fall into the mandatory licensing threshold, additional licensing should be sought.

**Management standards.** While the physical condition of HMOs is of paramount importance to LAs, many have identified the need to ensure that management standards are also improved. In some areas, landlord training has been directly linked to licensing. This helps to improve landlords’ understanding of their role and responsibilities. The promotion of accreditation schemes through licensing fee discounts also creates a positive relationship between licensing and improved property management. For those LAs that concentrated on the physical condition of licensable HMOs there needs to be a renewed focus on management. It may be useful for LAs to refer to the model landlord development manual produced by the improvement and development agency and the Accreditation Network UK.

**Tackling unlicensed landlords.** This has involved carrying out street surveys and knocking on doors to promote licensing. LAs are therefore engaging with local people to help identify licensable properties, the landlord and managing agents associated with them. This provides additional intelligence and also helps build community cohesion. Those LAs that have not started enforcement action should follow the guidance published by LACORS on tackling unlicensed landlords. The landlords that have failed to licence to date are the ones that warrant attention. LAs should consider the following:

- devise and publicise an enforcement protocol for tackling unlicensed landlords. This should include:
  - a clear timeframe for applying for a licence for those landlords that remain unlicensed
  - punitive fees
  - and a policy that prosecutes landlords that continue to operate without a licence after a specified date
- Communities and Local Government and LACORS should consider producing a toolkit for prosecution that provides LAs with advice about taking landlords to court, to ensure that unscrupulous landlords are prosecuted

**Terms and conditions.** These provide the landlord with clear instruction about what they need to do to comply. Authorities are using these to ensure that landlords carry out specific works to the property within set time frames including changes to the management arrangements in place.
11.1.3 What is not working well?

Inconsistency between Local authorities. The licensing process in each authority varies. Different application forms, fees, terms and condition and standards have led to widespread confusion for landlords. Landlords with properties in different local authorities were faced with highly variable standards that meant more or less work had to be carried out depending on the perspective of the individual authority. Licensing is mandatory and landlords are entitled to expect a higher degree of consistency.

Bureaucracy. Licensing is largely an administrative process but it is made inefficient by the increased amount of bureaucracy associated with it. Officers are issuing notices when simpler forms of communication may be more expedient. They are also completing the Register of Licensed Houses in Multiple Occupation (ROLHMO), which has proved resource intensive for many. However, there has recently been a reduction in the frequency of updates and the amount of data needed for this register.

Lack of resources. Many authorities are struggling to find sufficient resources to license, inspect, and carry out enforcement work. Some are therefore prioritising their workload by licensing based on the application form only. Others are concentrating their limited resources on HHSRS to the detriment of licensing.

Licensing and the Housing Health and Safety Rating System (HHSRS). Licensing without HHSRS inspections has meant that licensed HMOs are not always free from Category 1 hazards. Yet, carrying out HHSRS inspections as part of the licensing process has led to confusion for landlords who expect to comply with prescribed HMO standards and do not fully understand the risk based approach associated with HHSRS or how it relates to their HMO licence. Guidance for local authorities and landlords on the best way to use licensing and HHSRS would help ensure that both aspects of the Housing Act 2004 are used effectively.

Communication between LAs and HMO landlords. There has been a great deal of communication between LAs and landlords during the course of licensing. However, the type of information provided to landlords, and the way that they have been consulted about certain aspects, has left a lot to be desired.

Lack of tenant engagement. Very few tenants were aware of licensing or knew what it meant in terms of their tenancy. This was because local authorities varied in the level of information that they disseminated to tenants. Landlords generally provided most tenants with some basic information on licensing. LAs need to engage with HMO tenants to ensure that they are aware of their rights and responsibilities as well as those of their landlord. LAs should consider the following methods of engaging tenants:
• provide a simple tenants’ information pack that includes basic information on the licence including the complaints procedure, tenancy advice and contact details for local tenant support services. This should also be provided on the council’s website

• annual tenants’ satisfaction questionnaire, this would give tenants an opportunity to comment about the condition and management of the property and may help local authorities to prioritise their inspections

• HMO tenants and others in the private rented sector would benefit from localised tenants’ forums. This would give tenants an opportunity to receive support and advice from their local authority and offer them an opportunity to provide the authority with feedback on the private rented sector generally. LAs should work with private tenants and other groups such as Housing Advice, CAB and Shelter to set up these forums

Publicity about licensing. The national advertising campaign produced a confused message about licensing for tenants and landlords resulting in an increased work load for local authorities. Landlords and tenants were left with uncertainty about the type of properties that needed to be licensed.

Prosecutions. Local authorities have been slow to carry out enforcement action against unlicensed landlords. Therefore, there have been very few landlords prosecuted for operating unlicensed HMOs. Unscrupulous landlords have continued to operate these properties under the radar in authorities that have concentrated on licensing rather than enforcement. Some concerns were also raised that levels of fines actually awarded are not large enough to act as a deterrent. There needs to be more education of those involved in courts about the serious implications of failure to comply with items like fire precautions, management practices etc.

Management orders. There were two main issues with management orders. Firstly those few authorities that were prepared to use them thought that they benefited the landlord rather than the local authority and secondly, authorities were avoiding setting them up as they were considered resource intensive. LAs that had set up management orders complained about the financial risk that they incurred and the fact that unscrupulous landlords were entitled to challenge the LA once the intervention had taken place. The majority of authorities had not set up management orders because they were uncertain about how to do this. There were authorities that should pursue management orders against unscrupulous landlords operating licensable properties but they were avoiding this level of enforcement as they were unprepared to take on the management of the property. LACORS have produced Good Practice Guidance on the Procurement of Management Orders under the Housing Act 2004 and it would be useful for those LAs that have struggled to set up management orders to consult this guidance for assistance.
11.2 Selective licensing

11.2.1 What impact is selective licensing having?

It is important to remember that only three of the case study local authorities had schemes active at the time of the study. These had been operating for a year or less at the time of the research, so it was still early days for the authorities concerned.

Housing markets and demand. The impact has been mixed and is very difficult to disentangle from other factors. However, the largest rises in house prices and demand have taken place in the area where the designation was granted, and the focus of enforcement has been on tackling ASB. This is because problems with low demand are sometimes initially caused, and certainly always exacerbated, by ASB.

Standards of management. There are some indications from both tenants and landlords that licensing has made landlords ‘raise their game’. The requirements for proper referencing and written tenancy agreements together with landlord support services have been instrumental in this. In some areas, there has been an increasing rationalisation of the sector with more properties being managed by agents. Although this makes the licensing process for authorities easier, because it means that they have fewer individual landlords to deal with, it has not always led to improvements in management standards. Tenants and local authority officers cited numerous instances of unscrupulous practices by agents. In some areas, accredited landlords are informing local authority officers about landlords of poorly managed properties who are avoiding licensing.

Property condition. Tenants and residents noted improvements to the condition of some properties in these areas. All parties acknowledged that there were still poor condition properties and it would take time to have a significant impact on large numbers; in some areas these had been licensed without an inspection.

Anti-social behaviour. This is particularly difficult to assess because dealing with just one case can have a profound effect on the area. A number of very problematic cases involving serious ASB (including serious crime) had been resolved or were currently being dealt with but it is too early to assess whether these impacts will be longstanding because people are continuing to move in and out of the areas. Some residents and tenants had noticed some benefits; although others said there had been little change. Residents, tenants and landlords would like to see more focus and resources devoted to dealing with ASB and a better balance between support and sanctions for the perpetrators.

Neighbourhood cohesion. The process of applying for a designation and the intensive working in the designated areas have together provided authorities with a much greater depth of knowledge about the nature and severity of issues affecting all parties. In one area, supporting the creation of a residents’ association has enabled private tenants to become much
more involved in their community and have their say on key local issues. However, some residents still hold very negative views of all landlords and there is a need for local authorities to facilitate more dialogue with landlords and between landlords and residents because, ultimately, the vast majority of landlords and residents want the same outcome.

**Displacement to neighbouring areas.** A number of concerns were expressed in the baseline study that selective licensing would displace the worst landlords and tenants to other areas. This does not appear to have happened yet; although it may become evident when two of the authorities start their enforcement work in earnest. In the authority with the strongest current emphasis on enforcement, tenants causing ASB are moving to a variety of other areas and not creating the same scale of problems there. This is partly due to the support package and monitoring put in place and partly because they are more isolated from their previous contacts and reputation.

**Ensuring that licensing has a lasting impact.** Local authority officers and residents expressed a number of concerns about licensing schemes only being granted for five years and were anxious what might happen after this time; especially as so many resources had been pumped into the area. There is a need to keep these schemes under constant review to assess when, how and how quickly licensing and the associated intensive support can be withdrawn without risking a return of the problems that led to the designation in the first place.

**Selective licensing and other factors.** Licensing has been introduced alongside a number of other initiatives to deal with regeneration, community cohesion and ASB. Selective licensing appears to have added four main things:

- safeguarding the investment in regeneration by avoiding ‘cheap’ properties being purchased by investors from outside the area looking for quick returns rather than to provide and manage decent quality housing that will have a positive impact on the local community
- helping to control ASB by involving the landlord and the security of the tenancy. Compelling landlords to provide written tenancy agreements together with tenant referencing/vetting has clarified the situation for all parties. If properly drawn up, the terms of the tenancy agreement can be used to deal with persistent ASB by threatening eviction with little prospect of finding decent alternative accommodation locally
- ensuring that those landlords who were unwilling to join voluntary accreditation schemes take steps to improve the physical standards and management of their properties
- giving local authority staff and others contact with good landlords that they might not have engaged with before. This has started to break down entrenched views about private landlords and the current and potential role of private rented housing. There is, however, still some way to go on this
11.2.2 What is working well?

**Tenant referencing and vetting services.** These have been used in all three areas with a current designation and it is clear that they have had a significant impact on ASB for two reasons. Firstly, they have provided landlords with additional support to help ensure that they have good tenants and secondly the message is getting through to tenants who have caused ASB in the past that they need to behave better in the future otherwise this will seriously compromise their housing choices.

**Tenancy agreements.** The requirement to have a written tenancy agreement is a significant step forward in clarifying the rights and responsibilities of tenants and landlords. Authorities do, however need to support both tenants and landlords in enforcing these and dealing with issues that arise when one party wishes to change any of the terms.

**Joint working.** Effective working arrangements with other council departments and other agencies have been instrumental in helping to tackle issues of ASB and environmental nuisance. These arrangements have worked best where there are regular ‘working level’ meetings and where residents, tenants and landlords have one or two named people to contact.

**Community involvement.** Regular meetings with local residents, and in one area helping to set up a residents association, have provided the council with useful information. This has also enabled residents to feel more involved and empowered in tackling problems in their area.

**Targeted approaches.** Prioritising problem streets together with detailed property inspections before awarding a licence appears to have more immediate impact on the worst problems and has more support from all stakeholders than blanket licensing followed up by later inspections. Tenants, landlords and residents expect to see properties being inspected, licences refused where standards are not met and landlords who fail to apply dealt with robustly. The practice of asking tenants to provide feedback on their current landlord provides useful information to help officers evaluate whether a licence should be issued and also opens up a channel of communication with tenants.

11.2.3 What is not working well?

**Resources.** None of the three schemes evaluated in this study are self-financing. There are two reasons for this. Firstly, the process has proved more resource intensive than envisaged. Secondly, selective licensing requires the authority to provide a number of linked services like landlord advice and accreditation to ensure that the overall approach is one that provides the right balance of sanctions and support/incentives for landlords. All were therefore funding some of these activities from other streams that are regularly re-assessed e.g. Housing market Renewal and Neighbourhood Renewal. Lack of resources, and lack of security of funding, are therefore key factors deterring authorities from applying for
selective licensing. Elected members who make the decisions about the distribution of resources within authorities need to take a more strategic view of housing within their area and, in some cases, this requires a radical rethink of their approaches to private renting and the resources required to support it.

**Purpose and criteria.** Evidence from the case studies with existing schemes and from those considering applying for licensing has highlighted the need to review the purpose of selective licensing. In particular, should the tool be used where ‘normal conditions’ have totally broken down or should it be used to intervene in areas before conditions deteriorate to this extent and/or should it be used to protect other government investment in regeneration. The two criteria for selective licensing: ASB and low demand have come in for considerable criticism related to their appropriateness, definition and measurement. There is a need to reconsider whether low demand is the only appropriate criterion other than ASB since other factors, like very high demand, can have equally problematic consequences for tenants and residents. Other suggestions for additional criteria could include:

- poor standards of management
- poor property condition (because this is almost always a symptom of poor management)
- lack of engagement with voluntary accreditation schemes
- high levels of private renting combined with social deprivation/lack of community cohesion

**Consultation process for selective licensing.** This was criticised by a number of landlords in some areas as being meaningless and it had soured relations with the local authority. It has also engendered a good deal of cynicism and suspicion about the ‘real’ motives for licensing. We therefore feel that additional guidance on consultation may be useful. One particular point to consider is whether consultation should aim to bring different groups (landlords, tenants and residents) together rather than keeping them apart and all communicating separately with the local authority. We have been struck by the animosity expressed by some residents towards private landlords in general. Bringing the two groups together, whilst painful at first, may achieve a great deal in promoting understanding and co-operation which is vital to the overall success of selective licensing.

**Links between inspection, licensing and accreditation.** Landlords, tenants and residents were very critical of authorities that were carrying out inspections before accreditation but not before granting a licence. This was because it created confusion and it meant that sub-standard properties could operate without a licence for an unspecified period. Local authorities setting up selective licensing schemes need to ensure that the links between accreditation and licensing and the inspection regimes for both are clear and appropriate.
Application deadlines and fee structure. The failure to provide clear deadlines for completed applications had delayed the licensing process in two authorities. Many landlords would like to have seen a tiered fee structure that provided greater discounts to those who submitted applications early or were accredited and penalty fees for late application. Local authorities setting up selective licensing schemes need to think carefully about the size of discounts for accredited landlords and the use of penalty fees so that they reward the good landlords and penalise the bad.

Bureaucracy. Landlords were concerned about the length, complexity and relevance of application forms and, in one area, the Terms and Conditions specified by the authority. There may be a need to share good practice in the design of application forms and specifying terms and conditions.

Fit and proper person. This is not clearly defined and difficult to check up on; many landlords feel that they can get away with not declaring items on the form for this reason. Also, being about the individual landlord or letting agent, it does not fit nicely alongside licensing which is about the management and condition of a property. In particular, it is unclear what action authorities could and should take if a person in a selective licensing area is deemed not to be fit and proper but rents other properties that fall outside the scope of selective or mandatory licensing.

Managing clearance in selective licensing areas. The time limits for Temporary Exemption Notices are too short to take account of empty property in clearance areas or where landlords are having difficulty selling property in the current economic climate. The current rules around Capital Gains Tax are also delaying clearance activity because landlords who agree to sell voluntarily are liable for Capital Gains Tax on the sale whereas those who resist up to the point of Compulsory Purchase Order are exempt.

Interim management orders. None had been issued in the three authorities with a designation at the time of the research even though significant numbers of properties in these areas were being managed badly or even by people involved in serious crime. All three had been reticent to apply because the process is highly resource intensive with no guarantee of success at the end. Also, unless the authority secures a final management order, the property has to be handed back after a specified time to the same poor landlord. There is a need to monitor the applications for and granting of management orders in selective licensing areas to ensure that authorities are able to use these as intended to address very poor management.

Social landlords. At least some of the ASB in selective licensing areas is caused by tenants in social housing and many of the ‘problem’ private tenants causing ASB in these areas have been evicted from social housing. Some social landlords are not signed up to the RESPECT code and their procedures for managing ASB are not as comprehensive and well thought out as those put in place by the local authority in one of the selective
licensing areas. If these areas are to be turned around then social landlords must deal with ASB effectively and consideration needs to be given as to how to encourage them to do this and to communicate and co-operate fully with those implementing selective licensing.

**Sharing solutions and good practice.** There is limited contact between some authorities with a designation and those considering applying. However, we feel that it would be useful to have a forum for discussion and support so that they can share ideas, successes and failures in order to increase both the efficiency and effectiveness of selective licensing schemes.
12 References

Chartered institute of Environmental Health (2008) The CIEH Survey of Local Authority Regulatory Activity under the Housing Act 2004: Results of a questionnaire survey

Commission for Rural Communities (2007) Migrant Workers in Rural Areas: Briefing Paper

Communities and Local Government (2008) Evidence Gathering – Housing in Multiple Occupation and possible planning responses Final Report


Communities and Local Government (2007) Evaluating the impact of HMO and Selective Licensing: the baseline before licensing in April 2006

Communities and Local Government (2007) Licensing of Houses in Multiple Occupation in England A guide for landlords and managers

Communities and Local Government (2007) Approval steps for additional and selective licensing designations in England


Gangmasters Licensing Authority (2006) Licensing standards: Agriculture, horticulture, Shellfish gathering and processing and packaging for Food, Fish and Shellfish


LACORS (2008) Consultation on draft national guidance on fire safety standards in certain existing residential accommodation


Office of the Deputy Prime Minister (2002) *Housing Bill Part 2: Licensing of houses in multiple occupation (HMOs) – A regulatory impact assessment*


Appendix A – Methodology

Survey of local authorities

The purpose of the questionnaire was to establish the number of HMOs in England and the type of tenants residing in this accommodation, and to assess the general impact of licensing on issues ranging from the physical condition of properties to affordability. The questionnaire also asked about discretionary licensing, support services provided by the LA, and the enforcement process. Individuals from LACORS (the Local Authorities Coordinators of Regulatory Services) and the HMO Network provided feedback on an initial version of the questionnaire, and final approval was gained from Communities and Local Government.

An electronic questionnaire was designed using TELEform and converted to HTML (HyperText Markup Language). TELEform is an integrated form processing system, allowing the design of questionnaires on paper or online, and the processing of data in house. A version of the questionnaire is available in Appendix B. The questionnaire was sent to the Private Sector Housing Manager or equivalent in each LA by email between 24 April and 10 June. Communities and Local Government provided the list of contacts.

Response

At the start of the survey, BRE emailed the respondents with an attached letter from Communities and Local Government explaining the survey and inviting them to take part. The email contained the website address of the questionnaire, and contact details for staff at BRE in case they had any queries. Anyone who had not returned a questionnaire after two weeks received a reminder by email, and a third email was sent after another week to anyone who had still not responded. After three weeks 39 per cent of LAs had responded. To increase the response rate LAs were contacted by telephone and further email reminders were sent. The initial deadline for response to the questionnaire was extended and as a consequence, it was in the field for a total of seven weeks. Seven questionnaires were received after the deadline and they are included in the final report.

Response rate

The questionnaire was sent to 354 LAs in England and respondents from 243 LAs (69%) completed the questionnaire. The response rate is lower than that achieved during the baseline study which was 78 per cent. Anecdotal evidence gathered while contacting LAs suggests that in some authorities with a large number of HMOs, or where the service is provided by several people, finding the appropriate contact was difficult. Some authorities with few HMOs were reluctant to complete the form as they did not feel that HMO licensing was a priority issue.

Table 16 shows the response rate by Government Office Region (GOR) that responded to the questionnaire. Two respondents did not specify GOR or authority type.
Table 16: Response rate by GOR

<table>
<thead>
<tr>
<th>GOR</th>
<th>Returned questionnaire</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>East</td>
<td>35</td>
<td>73</td>
</tr>
<tr>
<td>East Midlands</td>
<td>24</td>
<td>60</td>
</tr>
<tr>
<td>London</td>
<td>21</td>
<td>64</td>
</tr>
<tr>
<td>North East</td>
<td>17</td>
<td>74</td>
</tr>
<tr>
<td>North West</td>
<td>31</td>
<td>72</td>
</tr>
<tr>
<td>South East</td>
<td>50</td>
<td>75</td>
</tr>
<tr>
<td>South West</td>
<td>32</td>
<td>71</td>
</tr>
<tr>
<td>West Midlands</td>
<td>21</td>
<td>62</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>10</td>
<td>48</td>
</tr>
<tr>
<td>Total</td>
<td>241</td>
<td>68</td>
</tr>
</tbody>
</table>

The baseline study reported considerable variation in response by region. In this study there were similar variations but it is notable to compare the response rate between the two surveys. For the baseline study there was a response rate of 95 per cent in the “Yorkshire and the Humber” region, but this dropped to 48 per cent in the present survey. The low response in some regions should be noted when assessing the number of LAs considering implementing discretionary licensing, for example.

Limitations of LA survey data

Representative sample

One of the key objectives of the study was to provide a robust estimate of the number of HMOs in England, and so in order to do this we had to establish that the data we collected was representative of England. To assess whether the data was representative we carried out a test based on the the total stock numbers in each LA. Respondents were asked for the numbers in their LA of:

- owner-occupied housing
- LA/social housing
- housing association/social housing
- private rented housing

The total housing stock was estimated from the sum of these figures.

Of the 243 respondents, 190 (78%) gave a figure for the number of privately rented stock in their LA, and 170 (70%) gave four figures from which the total stock could be estimated. Two did not specify Authority type or GOR.
Chi-square tests were used to compare the number of authorities in England both by Authority type and by GOR with:

- the number in the survey
- the number giving a figure for private stock
- the number giving figures for all stock

In all tests there were no significant differences at the 95 per cent level between the survey populations and the population in the whole of England. The survey data may therefore be regarded as being reasonably representative of the country as a whole.

Estimating the number of HMOs in England

The report provides a number of figures related to HMOs. This includes the number of applications received and licences issued. It also asks respondents to estimate the number of potentially licensable HMOs where landlords that have not applied for a licence and an estimate of the total number of HMOs that are not subject to licensing. Responses to these questions have led to the numbers of HMOs reported in the study.

The number of mandatory licensable HMOs

The survey collected data on the number of licensable HMOs in each LA; there were specific questions about the number of licensed properties but there were two particular questions that addressed the following:

- the number of applications received for licensable HMOs
- the number of HMOs that fall within the mandatory HMO licensing definition but have not applied for a licence (banded)

The first question refers to HMOs that are known to the LA, and the second gathers information on the potential number of mandatory licensable HMOs.

To estimate the number of licensable HMOs reported by the sample of LAs responding to the questionnaire, weights were applied to the data see (Table 17).

The median of licensing applications was used as the weight for those LAs with fewer than 100 potential mandatory licensable HMOs, and 1,000 was applied to those authorities estimating more than a 1000, to reduce the influence of these few (3) LAs.
Table 17: Weights applied to ‘potential’ mandatory licensable HMOs

<table>
<thead>
<tr>
<th>Bands</th>
<th>Weight</th>
<th>Source/Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer than 100</td>
<td>10</td>
<td>Median of licensing applications</td>
</tr>
<tr>
<td>101–200</td>
<td>150</td>
<td>Mid-point of band</td>
</tr>
<tr>
<td>201–300</td>
<td>250</td>
<td>Mid-point of band</td>
</tr>
<tr>
<td>301–400</td>
<td>350</td>
<td>Mid-point of band</td>
</tr>
<tr>
<td>401–500</td>
<td>450</td>
<td>Mid-point of band</td>
</tr>
<tr>
<td>501–1000</td>
<td>750</td>
<td>Mid-point of band</td>
</tr>
<tr>
<td>More than 1000</td>
<td>1000</td>
<td>Applied to reduce influence</td>
</tr>
</tbody>
</table>

A small number of LAs (18) report the number of HMOs by letting, with these estimates a further weight of 5 was applied (this was the mean number of lets per licensable unit), so that the estimate is comparable.

Using the known number of applications received and the estimates of potential licensable HMOs the report provides figures for the number of mandatory licensable HMOs in the authorities responding to the questionnaire. As the data collected can be regarded as reasonably representative of England as a whole, the report also provides the estimated number of mandatory licensable HMOs in England.

**The total number of HMOs**

To calculate the total number of HMOs in each LA similar principles were applied to the data. Respondents were asked to estimate the number of HMOs that were not subject to any form of licensing, weights were applied to these estimates see Table 18.

Table 18: Weights applied to all other HMOs

<table>
<thead>
<tr>
<th>Bands</th>
<th>Weight</th>
<th>Source/Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer than 100</td>
<td>10</td>
<td>Assumption – to reduce influence</td>
</tr>
<tr>
<td>101–200</td>
<td>150</td>
<td>Mid-point of band</td>
</tr>
<tr>
<td>201–300</td>
<td>250</td>
<td>Mid-point of band</td>
</tr>
<tr>
<td>301–400</td>
<td>350</td>
<td>Mid-point of band</td>
</tr>
<tr>
<td>401–500</td>
<td>450</td>
<td>Mid-point of band</td>
</tr>
<tr>
<td>501–1000</td>
<td>750</td>
<td>Mid-point of band</td>
</tr>
<tr>
<td>1001–2000</td>
<td>1500</td>
<td>Mid-point of band</td>
</tr>
<tr>
<td>More than 2000</td>
<td>2000</td>
<td>Applied to reduce influence</td>
</tr>
</tbody>
</table>

The report provides figures for the estimated number of HMOs for the survey sample, using data on the number of mandatory HMOs, HMOs that were part of a transitional scheme and data on other HMOs that do not fall into a licensing scheme. As the sample is reasonably representative of all LA in England, the study also provides an estimate of the number of HMOs in England.
Case studies

The 12 local authorities that were the subject of case studies in the baseline study were asked to take part in phase 2. However one authority was unable to participate. Therefore an alternative authority in the same region was recruited to the study. The LAs involved in the case studies were chosen based on a series of criteria, including: location, number of HMOs, main tenant type in private rented sector, key problems for private sector housing, location and whether they were considering selective licensing (for more detail see baseline report). In the baseline there were six case studies that focused on HMO licensing and a further six that were considering selective licensing.

Table 19 provide summary information on the case studies; the information is drawn from their response to the LA questionnaire for phase 2 and from interviews with LA staff.

31 Communities and Local Government (August 2007) Evaluating the impact of HMO and Selective Licensing: the baseline before licensing in April 2006
<table>
<thead>
<tr>
<th>Case study code</th>
<th>Baseline</th>
<th>GOR</th>
<th>Licensing position</th>
<th>Key issue for Private sector housing</th>
<th>% of stock PRS</th>
<th>Privately rented stock</th>
<th>Changes to private rented stock since 2006</th>
<th>Estimated number of mandatory HMOs</th>
<th>Estimated number of HMOs</th>
<th>Main tenant type mandatory HMOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS1</td>
<td>ML</td>
<td>L</td>
<td>Mandatory licensing</td>
<td>Affordability to rent</td>
<td>25</td>
<td>24,000</td>
<td>Stayed about the same</td>
<td>263</td>
<td>1013</td>
<td>Employed (other)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS3</td>
<td>ML</td>
<td>SW</td>
<td>Mandatory licensing</td>
<td>Affordability to buy</td>
<td>20</td>
<td>12,000</td>
<td>Stayed about the same</td>
<td>90</td>
<td>1590</td>
<td>Unemployed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS4</td>
<td>ML</td>
<td>L</td>
<td>Mandatory licensing</td>
<td>Affordability to buy</td>
<td>17</td>
<td>17,000</td>
<td>Stayed about the same</td>
<td>291</td>
<td>1791</td>
<td>Employed (other)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS5</td>
<td>ML</td>
<td>SE</td>
<td>Mandatory licensing</td>
<td>Affordability to buy</td>
<td>9</td>
<td>4,000</td>
<td>Stayed about the same</td>
<td>12</td>
<td>22</td>
<td>Full time students</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS6</td>
<td>ML</td>
<td>E</td>
<td>Mandatory licensing</td>
<td>Property condition</td>
<td>18</td>
<td>13,500</td>
<td>Considerable increase</td>
<td>85</td>
<td>1642</td>
<td>Young professionals</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS7</td>
<td>SL</td>
<td>EM</td>
<td>Mandatory licensing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS8</td>
<td>SL</td>
<td>NW</td>
<td>Mandatory licensing</td>
<td>Number of empty properties</td>
<td>15</td>
<td>32,000</td>
<td>Considerable increase</td>
<td>1144</td>
<td>3144</td>
<td>Full time students</td>
</tr>
</tbody>
</table>
### Table 19: Details of LA selected as case studies

<table>
<thead>
<tr>
<th>Case study code</th>
<th>Baseline</th>
<th>GOR</th>
<th>Licensing position</th>
<th>Key issue for Private sector housing</th>
<th>% of stock PRS</th>
<th>Privately rented stock</th>
<th>Changes to private rented stock since 2006</th>
<th>Estimated number of mandatory HMOs</th>
<th>Estimated number of HMOs</th>
<th>Main tenant type mandatory HMOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS9</td>
<td>SL</td>
<td>YH</td>
<td>Mandatory licensing</td>
<td>Property condition</td>
<td>10</td>
<td>23,000</td>
<td>Slight increase</td>
<td>1750</td>
<td>3750</td>
<td>Full time students</td>
</tr>
<tr>
<td>CS10</td>
<td>SL</td>
<td>NW</td>
<td>Mandatory licensing</td>
<td>Property condition</td>
<td>10</td>
<td>12,000</td>
<td>Slight increase</td>
<td>37</td>
<td>787</td>
<td>Unemployed</td>
</tr>
<tr>
<td>CS11</td>
<td>SL</td>
<td>SE</td>
<td>Mandatory licensing</td>
<td>Affordability to buy</td>
<td>18</td>
<td>9,000</td>
<td>Slight increase</td>
<td>787</td>
<td>2787</td>
<td>Full time students</td>
</tr>
<tr>
<td>CS12</td>
<td>SL</td>
<td>NE</td>
<td>Mandatory licensing</td>
<td>Affordability to rent</td>
<td>10</td>
<td>6,000</td>
<td>Stayed about the same</td>
<td>72</td>
<td>822</td>
<td>Unemployed</td>
</tr>
<tr>
<td>CS13</td>
<td>NE</td>
<td></td>
<td>Mandatory licensing</td>
<td>Property condition</td>
<td>8</td>
<td>8,000</td>
<td>Slight increase</td>
<td>36</td>
<td>46</td>
<td>Unemployed</td>
</tr>
</tbody>
</table>
To evaluate HMO and selective licensing in the case study authorities we used interviews and focus groups. Our aim was to carry out separate group interviews with LA staff involved in implementing licensing and also strategic staff responsible for private sector housing. Tenants and landlords in each authority were invited to participate in focus groups and a Citizens Advice Bureaux (CAB) officer or representatives from other council departments or agencies would be interviewed if contact with tenant stakeholders was not viable. In the selective licensing case studies there would be an additional focus group with local residents. Local authority officers involved in neighbourhood management (wardens or ASB officers) were interviewed in some areas.

Tenants, landlords and residents were sought for the majority of case studies. These groups were invited to attend focus groups depending on particular selection criteria. The type of tenants that were involved in focus groups depended on the LA licensing position, whether the LA had a selective licensing designation or a mandatory scheme and the availability of contact addresses for potential participants.

Landlords with properties in LAs that were selected as (mandatory) HMO licensing case studies were invited to participate if they had mandatory or additional licensed properties. In selective case study areas, landlords that had properties subject to selective licensing or had properties in areas being proposed for selective licensing were invited to focus groups. Non private rented sector residents, those whose tenure was either social housing or owner occupied living within a selective licensing designation, or in an area of low demand in a case study area undecided about selective licensing were invited to resident focus groups.

Recruiting tenants, landlords and residents to focus groups took a number of forms. Where contact databases were available a letter was sent by post, at times contacts were emailed or telephoned.

Interviews and focus groups were carried out between 15 May and 16 September. The method used to gain information from various groups depended on the area. In some case study areas group interviews took place with LA implementation and strategy staff, while in others, interviews with individuals were deemed most appropriate. In the main, focus groups took place with landlord tenants and residents where necessary. We aimed to recruit 8-10 participants to each focus group anticipating that at least 8 would turn up at a group. The number of participants varied, we ran groups with a minimum of 3 participants and a maximum of 15. For each group involved in the case studies there was a particular set of questions and themes that were covered, these are available in the topic guides in Appendix C.

Further interviews took place with LACORS and the Residential Landlords Association as both parties had asked to make some contribution to the study.

Table 17 provides details of the interviews and case studies carried out in each case study authority. The information in brackets provides information on the type of tenants attending the focus group.
<table>
<thead>
<tr>
<th>Case study code</th>
<th>LA implementation staff</th>
<th>LA strategy staff</th>
<th>Landlords</th>
<th>Tenants (Type)</th>
<th>Additional interviews (CAB/ neighbourhood wardens/ community cohesion officers/ other agencies)</th>
<th>Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS1</td>
<td>Group interview</td>
<td>Group interview</td>
<td>Focus group</td>
<td>Focus group (Tenants renting mandatory licensed HMOs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS3</td>
<td>Group interview</td>
<td>Group interview</td>
<td>Focus group</td>
<td>Focus group (Tenants renting mandatory licensed HMOs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS4</td>
<td>Group interview</td>
<td>Group interview</td>
<td>Focus group</td>
<td>Focus group (Tenants renting mandatory licensed HMOs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS5</td>
<td>Group interview</td>
<td>Focus group</td>
<td>Telephone interview</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS6</td>
<td>Group interview</td>
<td>Group interview</td>
<td>Focus group</td>
<td>Focus group (Tenants renting mandatory licensed HMOs)</td>
<td>Individual interview with community officers</td>
<td>Focus group with owner occupiers in area expected to be designated for SL</td>
</tr>
<tr>
<td>CS7</td>
<td>Group interview</td>
<td>Group interview</td>
<td>Focus group</td>
<td></td>
<td>Individual interview with community cohesion officer</td>
<td></td>
</tr>
<tr>
<td>CS8</td>
<td>Group interview</td>
<td>Group interview</td>
<td>Focus group</td>
<td>Focus group (Mixed group of tenants in licensed and unlicensed properties within selective licensing designation)</td>
<td>Group interview with neighbourhood wardens and ASB officers</td>
<td>Focus group with owner occupiers living in SL designated area</td>
</tr>
<tr>
<td>CS9</td>
<td>Group interview</td>
<td>Group interview</td>
<td>Focus group</td>
<td>Focus group (Tenants renting privately in area expected to be selective licensing designation)</td>
<td></td>
<td>Focus group with owner occupiers in area expected to be designated for SL</td>
</tr>
<tr>
<td>CS10</td>
<td>Group interview</td>
<td>Group interview</td>
<td>Focus group</td>
<td>Focus group (Tenants renting mandatory licensed HMOs)</td>
<td>Individual interview with housing needs officer</td>
<td></td>
</tr>
<tr>
<td>CS11</td>
<td>Group interview</td>
<td>Group interview</td>
<td>Focus group</td>
<td>Focus group (Tenants renting licensed properties within selective licensing designation)</td>
<td></td>
<td>Focus group with owner occupiers living in SL designated area</td>
</tr>
<tr>
<td>CS12</td>
<td>Group interview</td>
<td>Group interview</td>
<td>Focus group</td>
<td>Focus group (Tenants renting licensed properties within selective licensing designation)</td>
<td>Group interview with neighbourhood wardens</td>
<td>Focus group with owner occupiers living in SL designated area</td>
</tr>
<tr>
<td>CS13</td>
<td>Group interview</td>
<td>Group interview</td>
<td>Focus group</td>
<td>Focus group (Tenants renting licensed properties within selective licensing designation)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Qualitative analysis

All interviews and focus groups were taped and transcribed. The transcribed documents were loaded into NVivo. NVivo is a software package that aids the organisation and analysis of qualitative data. A detailed coding frame was agreed by the research team and individual transcripts were coded in line with this.

Reporting qualitative data

The report on phase 2 of HMO and Selective licensing in England draws together the LA survey and the case studies of 12 LAs. The qualitative data is reported as the researchers’ summary of key issues based on themes that emerged from the qualitative analysis process. Verbatim quotes are also presented in the text to illustrate particular themes and issues. The decision to present particular verbatim texts is made because either the text summarises the general opinion of the majority of participants or highlights a particular issue. Short verbatim texts may be placed within the main body of the report; these are defined by the use of quotation marks. The report also includes longer verbatim text separated in stand alone paragraphs. The verbatim texts are attributed to an anonymised speaker; the type of speaker (Strategic officer or Tenant) and the case study area are the only identifiers available in brackets after the text, or stated in the main body of the report.
Appendix B – Local Authority Questionnaire

CLG Research into HMO and Selective Licensing
Phase 2: Questionnaire to Local Authorities

Instructions

Your responses to this questionnaire will be treated in strict confidence. No information will be released except as averaged and anonymous data.

Complete all the questions then press the 'Submit' button, found at the end of the questionnaire.

The questionnaire including responses cannot be 'saved'. If you would like a copy of your submitted form please contact us and we can provide a PDF version for your reference.

If you have any problems with completing or submitting the questionnaire, please phone 01923 664494 or 01923 664129, or email questionnaire@bre.co.uk.

Section A. Local Authority Information

A1. Name of Local Authority

A2. It would be helpful to us if you could provide your name and the position that you hold in your organisation.

Name

Position
A3. What are the stock numbers for each tenure within your Local Authority? If recorded information is not readily available, please estimate, and indicate accordingly. If possible please also add the source of the information.

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Recorded</th>
<th>Estimated</th>
<th>Source of information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-occupied</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local authority / social housing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing association / social housing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Privately rented</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A4. In your opinion, has the number of private rented sector housing in the borough increased or decreased since April 2006?

- [ ] Considerable increase
- [ ] Slight increase
- [ ] Stayed about the same
- [ ] Slight decrease
- [ ] Considerable decrease

A5. What is the issue of most concern for private sector housing in the LA?

- [ ] Number of empty properties
- [ ] Absentee landlords
- [ ] Affordability to buy
- [ ] Affordability to rent
- [ ] Other (please specify)
**Section B. Mandatory HMO Licensing**

The questions in this section relate to properties falling within the [Mandatory HMO Licensing definition](#).

**B1.** How many applications for Mandatory HMO Licensing have you received to date?  
Include only those applications that were for licensable HMOs.

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**B2.** How many Mandatory HMO Licenses have you issued to date?

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**B3.** How many other HMOs do you think there are within your Local Authority that fall within the Mandatory HMO Licensing definition but have **not applied** for a Licence? (Please indicate below if the figure refers to lettings, dwellings or buildings)

- Fewer than 100
- 101-200
- 201-300
- 301-400
- 401-500
- 501-1000
- More than 1000

What does this figure or estimate refer to?

- **Lettings**: If lettings, on average, how many lettings are there per dwelling?)

- **Dwellings**

- **Buildings**: If buildings, on average, how many dwellings are there per building?)
**B4.** What are the main sources of the information that you have provided on HMOs that fall within the Mandatory HMO Licensing definition but have not applied for a Licence? (Please mark all that apply)

<table>
<thead>
<tr>
<th>Source</th>
<th>Year</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>General housing survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector housing survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specific HMO survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local authority audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Predictive data based on Government figures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educated guess</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify in box below)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If no, why not? (Please specify)

**B5.** Do you plan to improve the information currently held by your Local Authority on HMOs that fall within the Mandatory HMO Licensing definition?

- [ ] Yes
  - If yes, how do you plan to achieve this? (Please specify in box)
- [ ] No

**B6.** What are you doing to track down unlicensed HMOs? (Please specify)

**B7.** Have you submitted a Register of Licensed Houses in Multiple Occupation (ROLHMO) return?

- [ ] Yes
- [ ] No
  - If no, why not? (Please specify)
B8. What is the annual licence fee for an HMO containing five bed-sits in your Local Authority (not including any discounts)?

£ [ ] [ ] [ ] (To the nearest £)

B9. Please indicate which three of the following tenant types are most likely to occupy HMO accommodation that falls within the Mandatory HMO Definition in your Local Authority, by ranking the THREE most important groups 1 - 3 (1 = most likely).

- Full time students
- Employed people "Young professionals"
- Employed (other)
- Refugees / asylum seekers
- Unemployed
- Statutory homeless
- Migrant workers
- Other (please specify in box below)

B10. What effect do you think that Mandatory HMO Licensing has had on the following? Please mark the scale (1= Much improved, 2= A bit improved, 3= Not much change, 4= A bit worse, 5= Much worse)

- Physical condition of properties
- Quality of management
- Behaviour of tenants
- Quality of accommodation
- Tenancy agreements
- Supply and choice of properties
- Affordability to rent
- Tenants' relations with landlords
- Local Authority's relations with landlords

[ ] [ ] [ ] Much improved
[ ] [ ] [ ] MUCH WORSE

[ ] [ ] [ ] Much improved
[ ] [ ] [ ] MUCH WORSE

[ ] [ ] [ ] Much improved
[ ] [ ] [ ] MUCH WORSE

[ ] [ ] [ ] Much improved
[ ] [ ] [ ] MUCH WORSE

[ ] [ ] [ ] Much improved
[ ] [ ] [ ] MUCH WORSE

[ ] [ ] [ ] Much improved
[ ] [ ] [ ] MUCH WORSE

[ ] [ ] [ ] Much improved
[ ] [ ] [ ] MUCH WORSE

[ ] [ ] [ ] Much improved
[ ] [ ] [ ] MUCH WORSE
B11. What, if anything could make Mandatory HMO Licensing more effective?

| □ Yes | □ No |

(Please mark all that apply)

□ Increase in property sales
□ Conversions to self-contained flats
□ Reduction in occupancy levels
□ Single family lets
□ Other (please specify)

B12. Have there been noticeable changes to HMOs subject to Mandatory Licensing in your Local Authority?

| □ Yes | □ No |

(Please go to C1a on the next page)

Section C. Houses in Multiple Occupation not subject to Mandatory Licensing

C1. Do you have an Additional HMO licensing designation within your Local Authority?

| □ Yes | □ No |

Is this a transitional licensing scheme?

| □ Yes | □ No |

If yes, do you plan to apply for additional licensing powers when the transitional scheme ends in April 2009?

| □ Yes (if yes, why?) | □ No (if no, why not?) |

When did the scheme start? Month (01-12) _____ Year _____

How many Additional HMO Licences have you issued to date? _____

What types of properties are included in your additional licensing scheme? (Please specify in box)
Please indicate which three of the following tenant types are most likely to occupy these HMOs subject to Additional Licensing in your Local Authority, by ranking the THREE most important groups 1 - 3 (1 = most likely).

<table>
<thead>
<tr>
<th>Tenant Type</th>
<th>Rank 1</th>
<th>Rank 2</th>
<th>Rank 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time students</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed people &quot;Young professionals&quot;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory homeless</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed (other)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Migrant workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refugees / asylum seekers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify in box below)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C1a. Are you considering applying for additional licensing powers for HMOs that fall outside the mandatory definition?

[ ] Yes  [ ] No

Do you think additional HMO licensing could be a useful tool to help address specific housing issues in your area in the future?

[ ] Yes If yes, why?
[ ] No

What led you to consider applying for additional licensing powers? (Please specify)

What do you plan to apply for Additional Licensing Powers?

- Within 6 months
- More than 2 years
- Between 6 months and 1 year
- Other (please specify below)
- More than 1 year

Please indicate which three of the following tenant types are most likely to occupy these HMOs subject to Additional Licensing in your Local Authority, by ranking the THREE most important groups 1 - 3 (1 = most likely).

<table>
<thead>
<tr>
<th>Tenant Type</th>
<th>Rank 1</th>
<th>Rank 2</th>
<th>Rank 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time students</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed people &quot;Young professionals&quot;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory homeless</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed (other)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Migrant workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refugees / asylum seekers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify in box below)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
C2. Do you have a Selective Licensing designation within your Local Authority?

- Yes
- No

When did the scheme start?

- Month (01-12)
- Year

How many Selective Licences have you issued to date?

Are you considering applying for Selective Licensing to address problems with private sector housing in your Local Authority?

- Yes
- No

What led you to consider applying for Selective Licensing? (Please specify)

When do you plan to apply for Selective Licensing?

- Within 6 months
- Between 6 months and 1 year
- More than 1 year
- More than 2 years
- Other (please specify below)

Do you think additional Selective Licensing could be a useful tool to help address specific housing issues in your area in the future?

- Yes
- No

If yes, why?
C3. How many other HMOs do you think there are within your Local Authority that are not subject to Mandatory or Additional HMO Licensing? (Please indicate below if the figure refers to lettings, dwellings or buildings)

- Fewer than 100
- 101-200
- 201-300
- 301-400
- 401-500
- 501-1000
- 1001-2000
- More than 2000

What does this figure or estimate refer to?

- Lettings
- Dwellings
- Buildings

If letting, on average, how many lettings are there per dwelling?

If building, on average, how many dwellings are there per building?

C4. This question concerns HMOs in your area as a whole, including both better and poorer quality properties. Please indicate your level of agreement with each of the following statements. (1=strongly agree & 5= strongly disagree)

The quality of HMO accommodation is a major problem (this includes both physical condition and health and safety issues)

HMO properties are generally well managed

Behaviour of tenants is generally good

HMO accommodation is generally not affordable

There is a good supply of HMO accommodation for all tenant types

There is a high demand for HMO accommodation
Section D. Support service and Enforcement

D1. Does your Local Authority provide any support services for landlords?

☐ Yes  Please mark all that apply
☐ Accreditation schemes
☐ Landlord forums
☐ Free referencing/vetting services
☐ Post tencancy visits
☐ Other (please specify)

How long have you provided this service?

☐ Less than 1 year ☐ 1-2 years ☐ 2-3 years ☐ 3+ years ☐ Don't know

D2. Does your Local Authority provide any support services for tenants living in private rented accommodation?

☐ Yes  If yes, please specify

☐ No

How long have you provided these services?

☐ Less than 1 year ☐ 1-2 years ☐ 2-3 years ☐ 3+ years ☐ Don't know

D3. Have you pursued any Interim Management Orders (IMOs) to improve properties in the private rented sector in your Local Authority?

☐ Yes  How many have you issued?

☐ No

What organisation is responsible for implementing IMOs in your Local Authority?

(Please mark all that apply)

☐ Local Authority
☐ Arms Length Management Organisation (ALMO)
☐ Housing Association
☐ Private Landlord
☐ Other (please specify)

Have you had to make a Final Management Order (FMO) following an IMO?

☐ Yes  ☐ No
D4. Enforcement action related to HMO licensing can involve a number of prosecuting authorities. How many separate cases related to HMO licensing have been dealt with by the following:

**Magistrates’ Court**

- [ ] Yes
- [ ] No

How many cases in total?

How many were against unlicensed landlords?

Have you experienced any difficulties related to enforcement action through the courts?

- [ ] Yes
- [ ] No

If yes, what difficulties?

**Residential Property Tribunal (RPT)**

- [ ] Yes
- [ ] No

How many cases related to Rent Repayment Orders (RRO)?

How many cases were brought by landlords appealing LA decisions?

Have you experienced any difficulties with the process of the RPT?

- [ ] Yes
- [ ] No

If yes, what difficulties?

**Lands Tribunal**

- [ ] Yes
- [ ] No

What did these cases relate to?

(Please specify in box)

Have you experienced any difficulties with the process of the Lands Tribunal?

- [ ] Yes
- [ ] No

If yes, what difficulties?
Appendix C – Topic Guides

Study into HMO and selective licensing in England
Discussion with Local Authority Staff responsible for implementing the legislation

Aim of Discussion

Aim to interview staff directly involved in processing HMO and Selective licenses including person(s) with overall responsibility for implementation

Background and objective

- Develop an understanding of the Environmental Health Officers’ role in implementing the legislation
- Understand the positive and negative aspects of the legislation from the EHO point of view
- Assess whether licensing is helping to improve the private rented sector

Instruction to facilitator

- Ask respondents to be clear whether they are raising issues about mandatory, additional, Selective or Licensing in General – Probe when necessary e.g. “do you mean mandatory licensing?”

Introduction

- Introduce yourself and observer/note taker if necessary
- Explain how long the group discussion will be
- Explain that we are interested in all viewpoints and there are no wrong or right answers – discourage participants from talking over each other
- Explain about the confidentiality and tape recording – that the group transcript will only be seen by the project team, individuals will not be identified
- Housekeeping – ask participants to switch off mobile phones
- Summarise previous study, include findings from the area and general findings
- Ask group to introduce themselves job role etc and how long been in post (need to understand if involved in schemes from the start or not)
### The private rented sector

- Describe the private rented sector in your area – What sorts of people are renting/wanting to rent privately?/Type of properties etc
- Describe the type of private rented properties that you come across in your work? *(Probe: modern apartments/large student houses/lets above shops/terraced houses/bed-sits etc)*
- What type of tenants do you usually have contact with in your work? *(Probe: vulnerable tenants/students/migrant workers/families/young professionals)*
- What type of landlords/letting/managing agents do you usually have contact with in your work? *(Probe: large landlords/buy to let/responsible/experienced/inexperienced)*
- Consider the PRS as a whole, are there issues with Management standards/Quality of accommodation/Tenant behaviour/Affordability to rent for different tenant types/Empty properties/Absentee landlords *(Probe: size of issue/getting worse/better)*
- What sources of funding are you using to try and improve conditions in PRS? *(Probe: Own resources (grants for private landlords)/grants from other sources (e.g. Warm Front))*
- How far do you think the private rented sector meet the Housing needs in the local authority? *(Probe: Provision of accommodation for young professionals/students/migrant workers/vulnerable people)*
- What types of support, advice and training do you provide for landlords?

### Overall profile and input into wider strategy

- How much input have you and your colleagues had into the local authority’s Housing Strategy/Private sector Housing Strategy?
- How about other strategies that are making a contribution to improving private renting? If not mentioned *(Probe: for)*
  - Housing market renewal/low demand pathfinder
  - Regional housing strategy
  - Fuel Poverty
  - Community Safety
  - Crime and disorder reduction partnerships
  - Regeneration/local strategic partnership
  - New deal for communities
  - Decent Homes targets for private sector/grants
- Ask specifically for each relevant one how far private sector housing enforcement is seen as an important/priority issue. If not enough priority how have they tried to increase profile within council staff/within elected members?
**HMOs generally**

- Describe the type of HMOs that you come across in your work? *(Probe: large student houses/lets above shops/terraced houses/bed-sits etc)*

- Consider HMOs as a whole, are there issues with Management standards/Quality of accommodation/Tenant behaviour/Affordability to rent for different tenant types/Empty properties/Absentee landlords *(Probe: size of issue/getting worse/better)*

- How far do HMOs meet the Housing needs in the local authority? *(Probe: Supply and demand/Type/condition of accommodation/Affordability/Conversion to single dwellings for sale or rent)*

**HMO mandatory and additional Licensing**

- Were you involved in the initial implementation of mandatory and additional Licensing? *(Probe: what did you do? Set fees, Prepare application forms, Prepare guidance/publicity documents, Anything else)*

- How many staff are employed to carry out HMO licensing? *(Probe: details of full time equivalent)*

- What are their roles? *(Probe: enforcement/administrative/management)*

- What regular activities are officers involved in? *(Probe:)*
  - processing application forms
  - support services for landlords *(Probe: help with application form/tenancy agreements/accreditation scheme/landlord forums)*
  - inspections *(Probe: any difficulties?)*
  - court appearances *(Probe: type of cases and attitude of magistrate/RPT – positive/negative experience)*
  - collecting information on PRS
  - tracking down unlicensed landlords

- How far are the licensing fees covering your staff costs? *(Probe: Do you plan to review fees? When?)*

- How have you been tracking down unlicensed landlords? *(Probe: any success/failure)*

- Have you issued any interim/final management orders? *(Probe: what arrangements are in place to manage these properties?)*

- Which agencies do you work with to implement mandatory/additional licensing? *(Probe:)*
  - LA departments – housing needs, housing benefit, street cleaning/refuse teams, environmental health, community safety/anti-social behaviour teams, planning and building control, legal services (How does this work? Sharing information – is this a two way process?)
  - External agencies – police, fire authority (How does this work? Sharing information – is this a two way process?)

- Have there been any difficulties implementing mandatory/additional licensing? *(Probe: What?)*
• How far is mandatory and additional HMO licensing of HMOs contributing to improving the following/have you seen noticeable improvements? **Probe:**
  – physical condition of properties
  – quality of management
  – behaviour of tenants
  – tenants’ relations with landlords
  – reduction in complaints to council about landlords
• Has HMO licensing had any impact on the following?
  – Supply of HMOs? What?
  – Rents?
• Are you monitoring the impact of mandatory and additional Licensing? How?
• Is additional licensing focusing on the right areas?
  – Have you considered extending the scheme to other areas?
  – Would other areas benefit from such a scheme?

**Case studies without additional Licensing**
• Are there any plans to apply for additional Licensing? (Why/Why not?)
• What strategies/policies are in place for monitoring HMOs that are not included in mandatory Licensing? **(Probe:** are you monitoring ASB/management standards/the number of IMO and FMOs that are issued/support services for landlords – accreditation/landlord forums)**

**ASK ALL**
• Are there any changes to the HMO licensing regime or statutory instruments that would make the scheme more efficient to run and more effective in driving up standards?

**Selective Licensing generally**
• Discuss position of LA during first phase of the research – draw on findings from baseline study
• What are the key issues in your local authority that can be addressed by selective licensing? **Probe:** Anti-Social Behaviour/Low Housing Demand (increase in number of empty homes/High turnover of occupants (renters and owner occupiers)/Falling house prices/Social issues – problem families and reduction in services (shops, schools) for local communities)

**Selective Licensing case studies with a designation**

**Reason for applying**
• What was the Local authority’s reason for applying for an area to be designated selective licensing?
• Before applying for licensing had they tried other courses of action to deal with the area? **(Probe:** accreditation schemes/IMO/SIMO/EDMO)**
• What level of support did you receive for selective licensing from local stakeholders? (Probe: tenants/local residents (owner occupied/social housing) landlords/local businesses etc)

• Were mortgage lenders in the area/generally consulted about selective licensing?
  – did they respond positively/negatively
  – Since selective licensing in place have landlords discussed any problems with raising finance from mortgage lenders

**Profile of area subject to selective licensing**

• Describe areas designated for selective licensing
• Describe types of properties
• Describe types of tenants
• Number of licensed/unlicensed properties
• Displacement and resourcing
• How are they monitoring the impact of licensing?
• Has selective licensing improved/do they think selective licensing will improve the quality of accommodation/tenancy agreements/supply and choice of properties/tenants’ relations with landlords/level of improvement
• Has there been a noticeable improvement

**The process and resources**

• How have you funded selective licensing? Was it easy/difficult to gain funding?

• Has the licensing process worked (informing stakeholders/issuing licenses/chasing landlords who don’t come forward) – are there processes that need changing/lessons learnt?

• What implications has selective licensing had on resourcing?
  – staffing levels and workload
  – type of work/skills
  – training needs

• Have you developed partnerships with other agencies to improve the designated area? Police/Social Services/Housing market renewal/low demand pathfinder/Community Safety/Crime and disorder reduction partnerships/Regeneration/local strategic partnership/New deal for communities (Probe: At what level/Type and regularity of contact)

• Have you provided additional advice, support or training for landlords or tried to encourage take-up of existing schemes by landlords as part of the selective licensing package? – what, how successful?

• Has selective licensing changed the nature and relationship with existing departments and organisations? (Probe: more/less involved)
• Are you working with neighbouring authorities/or other authorities with similar problems? *(Probe: At what level/Type and regularity of contact)*

**The impact of selective licensing**

• How are you monitoring the impact of licensing?

• How effective has selective licensing been in improving the area? What are the noticeable changes? *(Probe: reduction in number of empty properties/behaviour of residents in these areas/improved liveability- overall impression of area/market values(is there an expectation that this will rise in the future)/less criminality/ASB)*

• Are you aware of any negative issues related to selective licensing? *(Probe: Displacement (landlords moving out of one area to another area with LA or another LA) increases in homelessness/Rent increases)*

• Based on your experience of selective licensing so far, what advice would you give authorities who are considering applying for these provisions?

• Are there any changes to the selective licensing regime or statutory instruments that would make the scheme more efficient to run and more effective in driving up standards?

**Selective Licensing case studies without a designation**

Discuss with case study authorities reasons for not applying for selective licensing – note during the baseline they suggested that they were considering selective licensing, but since the baseline they have not applied.

• Can you identify particular areas in the local authority where selective licensing would be useful? *(Probe: Anti-Social Behaviour/Low Housing Demand (Increase in number of empty homes/High turnover of occupants (renters and owner occupiers)/Falling house prices/Social issues – problem families and reduction in services (shops, schools) for local communities)*

• How is the local authority addressing problems in this area at the moment?
  – Have they implemented any specific strategies to improve Anti-social Behaviour in the private rented sector?
  – Are there any strategies that are currently addressing issue around Low Demand Housing?

• Do you see selective licensing as a viable option to improve private sector housing in particular areas? *(Why/Why not?)*

• Are Local stakeholders in these areas aware of selective licensing as a tool for addressing some issues in their area? *(have you consulted local community)*

• Have they started any consultation with tenants/landlords local businesses?

• Are other agencies/local authority departments keen to implement selective licensing? *(Why/Why not?)*

• How do they see selective licensing improving standards *(Probe: Quality of accommodation/Tenancy agreements/Supply of properties/Management/Tenants’ relations with landlords/Local authority’s relations with landlords)*
Thanks

- Thank participants
- Remind participants about how the information will be used
- Ask if they have any questions about the research
Study into HMO and selective licensing in England
Discussion with Local Authority Staff responsible for Housing Strategy

Aim of discussion

Aim: to interview local authority staff involved in developing private sector housing strategy and those from other relevant Departments and bodies. These others will vary for each authority and will include:

- Person responsible for overall housing strategy (If different from Private Sector Housing Strategy)
- Regeneration staff or representative from Local Strategic Partnership
- Market Renewal staff (where relevant)
- Homelessness/Housing Needs & specialist LA or voluntary sector worker dealing with migrant workers or asylum seekers where these are the key tenant group for that LA.

Background and objective

- Understand the place of HMO and selective licensing within the LA’s Housing Strategy – current strategies and future plans
- How has licensing contributed to other key targets e.g. Regeneration, Decent Homes, liveability, Fuel poverty, Market Renewal.
- Understand how they are currently co-ordinating initiatives and funding

Instruction to facilitator

- Ask respondents to be clear whether they are raising issues about mandatory, additional, Selective or Licensing in General – Probe when necessary e.g. “do you mean mandatory licensing?”
### Introduction
- Introduce yourself and observer/note taker if necessary
- Explain how long the group discussion will be
- Explain that we are interested in all viewpoints and there are no wrong or right answers – discourage participants from talking over each other
- Explain about the confidentiality and tape recording – that the group transcript will only be seen by the project team, individuals will not be identified
- Housekeeping – ask participants to switch off mobile phones
- Summarise previous study, include findings from the area and general findings
- **Ask group to introduce themselves job role etc**

### Background on private rented sector
- How does the private rented sector meet the housing needs in the local authority?
- What sorts of people are renting/wanting to rent privately?
- How well does the current supply of private rented housing meet demand (type of people, size of properties)?
- How well is it meeting needs of employers and education/training establishments in the area?

### Issues in the private rented sector
**Probe** about issues discussed during the baseline research (write in specific issues for each case study)
- Management standards
- Quality of accommodation
- Tenant behaviour
- Supply and choice
- Affordability
Strategies related to private sector housing

- Do you have a separate private sector housing strategy/HMO strategy?
  - What are the key aspects of the strategy?
  - if not, are they planning to produce a separate strategy?
  - How does/will this link into your overall housing strategy?
  - How does/will this link to your regional housing strategy?

**Probe:** Homelessness/Empty properties/Anti-social behaviour/Deposit guarantee schemes etc

- Are there any other strategies that are making a contribution to improving private renting? If not mentioned **Probe:**
  - Housing market renewal/low demand pathfinder
  - Regional housing strategy
  - Fuel Poverty
  - Community Safety
  - Crime and disorder reduction partnerships
  - Regeneration/local strategic partnership
  - New deal for communities
  - Decent Homes targets for private sector/grants

- Ask specifically for each relevant one how far private rented housing seen as an important/priority issue. If not enough priority how have they tried to increase profile?

- What sources of funding are you currently using to try and improve quality and choice in PRS? If not mentioned, **Probe:**
  - Own resources (grants for private landlords)
  - Grants from other sources (e.g. Warm Front)
  - Housing market renewal funds
  - Neighbourhood renewal
  - New Deal for Communities
  - Regional sources
  - Business link
  - Private sector businesses/development
  - Housing corporation/housing associations

- Are you able to co-ordinate these reasonably easily?
- What would make it easier to coordinate?
**HMO mandatory and additional licensing**

- How far do HMOs meet the Housing needs in the local authority? **(Probe: Supply and demand/Type/Condition of accommodation/Affordability)**
- What are you currently trying to do to improve their ability to meet Housing Needs?
- How does this fit in with other strategies (overall private sector, overall housing, regional)?
- How important is mandatory and additional licensing to the private sector housing strategy?
- How far is mandatory and additional HMO licensing of HMOs contributing to improving the following/have you seen noticeable improvements?
  - Supply and demand
  - Type of accommodation
  - Affordability
  - Standard of accommodation
  - Management standards
  - Behaviour of tenants
- Are you monitoring the impact of mandatory and additional Licensing? How?
- Is there any strategic coordination between the housing policy team and other departments – planning/building control etc – how does this work, if not, why?

**Case studies without additional Licensing**

- Are there any plans to apply for additional Licensing? (Why/Why not?)
- What strategies/policies are in place for monitoring HMOs that are not included in mandatory Licensing? **(Probe: are you monitoring ASB/management standards/the number of IMO and FMOs that are issued/support services for landlords – accreditation/landlord forums)**

**Selective Licensing generally**

- Discuss position of LA during first phase of the research – draw on findings from baseline study
- What are the key issues in your local authority that you feel can be addressed by selective licensing? **Probe: Anti-Social Behaviour/Low Housing Demand** (Increase in number of empty homes/High turnover of occupants (renters and owner occupiers)/Falling house prices/Social issues – problem families and reduction in services (shops, schools) for local communities)
Selective Licensing case studies with a designation

Reason for applying

- What was the Local authority’s reason for applying for an area to be designated selective licensing?
- Before applying for licensing had they tried other courses of action to deal with the area? (Probe: accreditation schemes/IMO/SIMO/EDMO)
- What level of support did you receive for selective licensing from local stakeholders? (Probe: tenants/local residents (owner occupied/social housing) landlords/local businesses etc)
- Were mortgage lenders in the area/generally consulted about selective licensing?
  - did they respond positively/negatively
  - Since selective licensing in place have landlords discussed any problems with raising finance from mortgage lenders
  - how does the council respond to landlords that have problems raising finance for selective licensed properties – has the LA contacted mortgage lenders in anyway – what need to be done to encourage mortgage lenders to lend in SL areas

Strategies and coordination

- How does selective licensing fit in with exiting policies on Homelessness/Empty Properties/Regeneration/Anti-social behaviour/Decent Homes targets for private sector policies?
- Have you developed partnerships with other agencies to improve the designated area? Police/Social Services/Housing market renewal/low demand pathfinder/Community Safety/Crime and disorder reduction partnerships/Regeneration/local strategic partnership/New deal for communities (Probe: At what level/Type and regularity of contact)
- Has selective licensing had implications on other bodies/partnerships? (Probe: Market renewal pathfinders/Local Strategic Partnerships/Others?)
- Are you working with neighbouring authorities/or other authorities with similar problems? (Probe: At what level/Type and regularity of contact)

The process & resources

- How have you funded selective licensing? Was it easy/difficult to gain funding?
- Has the licensing process worked (informing stakeholders/issuing licenses) – are there processes that need changing?
- What implications has selective licensing had on resourcing?
  - staffing levels and workload
  - type of work/skills
  - training needs
The impact of selective licensing

- How effective has selective licensing been in improving the area? What are the noticeable changes? (Probe: reduction in number of empty properties/behaviour of residents in these areas/improved liveability- overall impression of area/market values (is there an expectations that this will rise in the future)/less criminality/ASB)

- Are you aware of any negative issues related to selective licensing? (Probe: Displacement (landlords moving out of one area to another area with LA or another LA) increases in homelessness/Rent increases)

Selective Licensing case studies without a designation

Discuss with case study authorities reason for not applying for selective licensing – note during the baseline they suggested that they were considering selective licensing, but since the baseline they have not applied.

- Does the current/or will future private sector housing strategies include selective licensing? (Why – planning to apply – when? Why not – are there specific barriers: resources/funding/other LA priorities/Lack of support from members/local stakeholders)

- Can you identify particular areas in the local authority where selective licensing would be useful? (Probe: Anti-Social Behaviour/Low Housing Demand (increase in number of empty homes/High turnover of occupants (renters and owner occupiers)/Falling house prices/Social issues – problem families and reduction in services (shops, schools) for local communities)

- How is the local authority addressing problems in this area at the moment?
  - Have they implemented any specific strategies to improve Anti-social Behaviour in the private rented sector?
  - Are there any strategies that are currently addressing issue around Low Demand Housing?

- Do you see selective licensing as a viable option to improve private sector housing in particular areas? (Why/Why not?)

- Are Local stakeholders in these areas aware of selective licensing as a tool for addressing some issues in their area? (have you consulted local community)

- Are other agencies/local authority departments keen to implement selective licensing? (Why/Why not?)

Thanks

- Thank participants
- Remind participants about how the information will be used
- Ask if they have any questions about the research
Study into HMO and selective licensing in England
Focus group with Landlords

Aim of focus group

Aim to interview landlords that own properties that are subject to mandatory, additional and selective licensing.

Background and objective

- Understand the impact of HMO and Selective licensing on different types of landlords
- Assess landlords’ awareness/understanding of HMO and selective licensing
- Assess landlords’ attitude to the legislation
- Landlords’ view of the Private Rented Sector

Instruction to facilitator

- Ask respondents to be clear whether they are raising issues about mandatory, additional, Selective or Licensing in General – Probe when necessary e.g. “do you mean mandatory licensing?”

<table>
<thead>
<tr>
<th>Introduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Introduce yourself and observer/note taker if necessary</td>
</tr>
<tr>
<td>- Explain how long the group discussion will be</td>
</tr>
<tr>
<td>- Explain that we are interested in all viewpoints and there are no wrong or right answers – discourage participants from talking over each other</td>
</tr>
<tr>
<td>- Explain about the confidentiality and tape recording – that the group transcript will only be seen by the project team, individuals will not be identified</td>
</tr>
<tr>
<td>- Housekeeping – ask participants to switch off mobile phones</td>
</tr>
<tr>
<td>- Summarise previous study, include findings from the area and general findings</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Warm-up exercise</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Warm up exercise – split group into pairs (or go round the room) – each to introduce their partner, name, why they decided to become a landlord, number of years as landlord</td>
</tr>
<tr>
<td>- Ice breakers</td>
</tr>
<tr>
<td>- What are the benefits of being a landlord in this area?</td>
</tr>
<tr>
<td>- Would you recommend being a landlord to others?</td>
</tr>
</tbody>
</table>
Landlord profile

- What type of area are most of your properties located in? (Probe: student area, inner city, outskirts city, rural areas)
- What type of tenants? (Probe: Students/migrant workers/unemployed, number of tenants, Has the type of tenants changed recently? E.g. students to migrant workers etc)
- What type of properties? (multi-storey shared houses/bed sits, terraced houses/flats)
- How do you advertise your properties?
- Who manages the property?
  - Use of agents
  - Repairs
  - Arrangements for deposits (Tenancy deposits scheme)
  - Tenancy agreements
  - Vetting tenants/references
  - Dealing with problematic tenants
  - Eviction and court process
  - Contact with local authority

Awareness and impact of HMO licensing

- How many of your properties are subject to mandatory and additional licensing?
- How did you find the process of licensing your properties?
  - Application forms – have licenses been processed?
  - Inspections – any inspections done/due
  - Information from/contact with local authority
- Do you think that the property standards set by the local authority are sensible/appropriate? – if not what should they be?
- Do you know who to contact about issues with licensing?
- Did you seek advice from other sources about licensing? (Probe: national/local landlord associations/managing agents/landlord forums/RPT)
- What level of contact did you have with the local authority? (Probe: positive/negative experience)
  - minimal contact – mailed correspondence/telephone/website
  - contact because of inspections/enforcement action etc
- Did you/Are you carrying out any works to any properties as a result of licensing? Probe:
  - Upgrading fire protection – what? fire alarms/doors/fire escape routes
  - Bathroom facilities
  - Kitchen facilities
  - Other amenities
• Have these works been costly?
• Who will bear the costs of these works? (Probe: landlords, tenants’ rent increases)
• Have any of you made changes to your management arrangements for your properties as a result of licensing? (Probe:
  – use of agents
  – increased involvement – regular contact with tenants
  – passing on more information to tenant
• Has the local authority taken any enforcement action against you? (Probe: What happened?)
  – because your property was unlicensed
  – failure to carry out improvement
  – because of poor management rent repayment order by tenants
• Have you had any contact with the residential property tribunal (RPT)? (Probe: What happened?)
  – disagreed with the licensing conditions set by LA
  – rent repayment order by tenants
  – empty dwelling
• Are you aware of landlords whose properties should be licensed but are not coming forward? (Probe: Why do you think this is?)
  – Understanding of whether they need a license/type of license
  – Cost of works
  – Landlord grants – (e.g. Doncaster MBC provides 75% towards upgrading fire precautions)
  – Fees
  – Location of additional licensing designation
  – Enforcement/fines
  – Landlord forums
• Do you think landlords’ attitudes towards their properties/tenants have changed because of licensing?
• Have there been noticeable changes to types of properties available since licensing?
  – less properties available
  – improved housing conditions
  – better management
  – improved contact with council/landlord/agent/other residents
• Has anyone sold/converted any HMO properties as a result of the legislation?
Awareness and Impact of Selective licensing

- How would you describe the areas that are included in the selective licensing designation? **Probe:**
  - Type of tenants
  - Run down – in need of investment
  - Problems with crime and ASB
  - Empty properties
  - Absentee landlords
  - Properties in poor condition
- Are you aware of regeneration activities taking place in these areas? **(Probe:** Did regeneration start before/after selective licensing?)
- Were there schemes in place in these areas to improve the condition of properties/area before selective licensing?
  - general enforcement action
  - police and ASB involvement
- How many of your properties are subject to selective licensing?
- How did you find the process of licensing your properties?
  - Application forms – have licenses been processed?
  - Inspections – any inspections done/due
  - Information from/contact with local authority
- Do you think that the property standards set by the local authority are sensible/appropriate? – if not what should they be?
- Do you know who to contact about issues with licensing?
- Did you seek advice from other sources about licensing? **(Probe:** national/local landlord associations/managing agents/landlord forums/RPT)
- What level of contact did you have with the local authority? **(Probe:** positive/negative experience)
  - minimal contact – mailed correspondence/telephone
  - contact because of inspections/enforcement action etc
- Did you/Are you carrying out any works to any properties as a result of licensing? **Probe:**
  - Upgrading fire protection – what? fire alarms/doors/fire escape routes
  - Bathroom facilities
  - Kitchen facilities
  - Other amenities
- Have these works been costly?
• Who will bear the costs of these works? (Probe: landlord, tenants – rent increases)

• Have any of you made changes to your management arrangements for your properties as a result of licensing? (Probe:
  – use of agents
  – increased involvement – regular contact with tenants
  – passing on more information to tenant

• Has the local authority taken any enforcement action against you? (Probe: What happened?)
  – because your property was unlicensed
  – failure to carry out improvement
  – because of poor management rent repayment order by tenants

• Have you had any contact with the residential property tribunal (RPT)? (Probe: What happened?)
  – disagreed with the licensing conditions set by LA
  – rent repayment order by tenants
  – empty dwelling

• Generally, are landlords adhering to licensing? (Probe: What are the barriers/successes)
  – Cost of works
  – Landlord grants – (e.g. Doncaster MBC provides 75% towards upgrading fire precautions)
  – Fees
  – Location of additional licensing designation
  – Enforcement/fines
  – Landlord forums

• Do you think landlords’ attitudes towards their properties/tenants have changed because of licensing?

• Have lenders’ attitudes changed as a result of the selective licensing (more or less willing to loan money to purchase or improve properties?)

• Have there been noticeable changes to types of properties available since licensing?
  – less properties available
  – improved housing conditions
  – better management
  – improved contact with council/landlord/agent/other residents

• Do you think landlords have sold any properties as a result of the legislation?
Has selective licensing changed landlords’ portfolio? **Probe:**
- landlords have sold properties in SL area and moved to other locations
- landlords reduced portfolio size
- large companies have bought properties from poor performing landlords
- reduction in but-to-let landlords

Have you tried to raise the finance from mortgage lenders for properties in the designated area since selective licensing? **Probe:**
- have you had any problems raising finance from any mortgage lenders? – is it particular lenders – which ones?
- if mortgage lenders were reluctant, did they give a reason

**Support services for landlords**
- Are you aware of any support service for landlords in your area?
  - Landlord forums
  - Accreditation schemes
  - Training/courses
  - Free vetting and referencing service
  - Template tenancy agreements
  - Advice line for housing benefit payments
  - Access to arbitration services to deal with problem tenants
- Do you use any of these services? **(Probe: how useful?)**
- Are there are other services that you would find useful in your area?

**Summing up**
- How effective do you think licensing has been in driving out the bad or disreputable landlords put of the sector?

**Thanks**
- Thank participants
- Remind participants about how the information will be used
- Ask if they have any questions about the research
Study into HMO and selective licensing in England
focus group with tenants renting privately

Aim

Aim to interview tenants living in properties subject to mandatory, additional and selective licensing.

Background and objective

- Understand the experience of living in HMO accommodation for different tenant types
- Assess tenants’ expectations of the private rented sector in terms of quality of accommodation and management standards
- Assess tenants’ awareness of HMO and selective licensing
- Assess whether there has been any improvements to the experience of living in the private rented sector since licensing

Introduction

- Introduce yourself and observer/note taker if necessary
- Explain how long the group discussion will be
- Explain that we are interested in all viewpoints and there are no wrong or right answers – discourage participants from talking over each other
- **Explain that we are interested mainly in what is happening NOW and whether they have seen any improvements over the last 2 years/when selective licensing was introduced.**
- Explain about the confidentiality and tape recording – that the group transcript will only be seen by the project team, individuals will not be identified
- Housekeeping – ask participants to switch off mobile phones
- Summarise previous study, include findings from the area and general findings
Warm-up exercise and tenant profile

- Warm up exercise – split group into pairs (or go round the room) – each to introduce their partner, name, where they live and how long they have lived in the area.
- Ask each individual to describe their current accommodation: **Probe**:
  - type of property
  - How was the property advertised? (**Probe**: letting agent/newspaper/shop window/word of mouth)
  - number of people sharing accommodation
  - length of time at current accommodation
  - what type of accommodation did they live in before
  - why they moved
- Housing aspirations – Where do you see yourself living in 5 years time?

Condition of property

- What is the current condition of your property? (**Probe** – condition of windows, doors, bedroom, kitchen, bathroom(s))
- What do you think of the heating in your accommodation? – What type of heating do you have? (is the cost of heating included in rent/separate)
- Is your current accommodation well maintained?
- Are you aware of the fire safety measures in your current accommodation? (**Probe**: What measures/who checks them?)
- How many people share the property – is there enough space for everyone (if not- what are the difficulties)
- How important is the condition of your property to you? (**Probe**: compare to cost of accommodation/)

The management of the property

- Who manages the property? (**Probe**: landlord/agent)
- Do you have a tenancy agreement? (**Probe**: did you read/understand the agreement?)
  - What did it say about the tenants/landlords/agents responsibilities?
  - Were you happy with the tenancy agreement?
- Did you provide references to the landlord/agent?
- Did you need a deposit for the property?
  - How much was it?
  - Are you aware of a deposit guarantee scheme offered by the council?
  - Did you need a guarantor?
  - Are you confident that your deposit will be returned at the end of your tenancy?
• How much contact do you have with the manager? *(Probe: monthly visits/telephone contact)*
• How do you make payments?
• Who do they contact to get repairs done?
• Have they had repairs done recently? *(Probe: what happened?)*
• Have you had any problems with the behaviour of other tenants or neighbouring properties? *(Probe: What happened? Reported to landlord/police/council?)*
• Have you had any problems with your landlord? *(Probe: what happened/who did you contact/have things improved?)*
  – Has your landlord entered your home without permission?
  – Has your landlord been verbally abusive/threatening/violent?
• Have you been served notice/evicted by the landlord/agent? *(What happened?)*

### Support services

• Who would you contact if you had about any problems related to your housing? *(Probe: Council/Citizens’ advice bureau/Student Union etc)*
• Are you aware of any support services?
• What type of support service would be helpful? *(Probe: telephone advice lines/online information etc)*

### Awareness and impact of HMO licensing

• Are you familiar with the term HMO/What does it mean? *(Probe: types of accommodation/area covered by additional licensing etc)*
• Are you aware of HMO licensing? *(Probe: how did you find out it (landlord/council/newspapers/radio)/what do you know about it?)*
• Does the property you live in have a license?
• Have any officers from the local authority visited you to inspect the accommodation/talk about the landlord? *(Probe: What happened?)*
  – landlord carried out repairs
  – given notice to leave so landlord could carry out repairs
  – Council managing property
• Are you aware of rent repayment orders? *(Probe: what do you know about them?)*
• Do you think landlords’ attitudes towards their properties/tenants have changed because of licensing?
• Do you know who to contact about issues with licensing?
• Have there been noticeable changes to types of properties available since licensing?
  – less properties available
  – improved housing conditions
  – better management
  – improved contact with council/landlord/agent/other residents
  – amount of rent

**Awareness and impact of Selective licensing**

• Are you aware of Selective licensing? (Probe: how did you find out about it (landlord/council/newspapers/radio)/what do you know about it?)

• Does the property you live in have a license?

• Have there been problems with Anti-social Behaviour in your areas? **Probe:**
  – What are the problems?
  – Who is involved? (landlord/private rented tenants/social housing/owner occupied tenants)
  – Who is dealing with these problems? (police/council – do you have contact with them/what sort of contact?)
  – Do you feel safe in your area?

• Have you noticed any changes in the level of Anti-social Behaviour since selective licensing started in your area? **Probe:** What changes?
  – more involvement from police/council
  – problem people have moved away/stopped ASB
  – area is safer/nicer to live in

• Are there a lot of empty/run-down properties in your area? (**Probe:** Has this increased or decreased since licensing?)

• Are people generally moving in or out of the area? (What type of people? New landlords/Renters/owner occupiers)

• Have you noticed any changes to the local area since selective licensing started? **Probe:**
  – the area looks better/worse
  – more/less attention from the council
  – number of shops/services in area – any changes (more/less)
  – council is regenerating neighbouring areas

• Do you think landlords’ attitudes towards their properties/tenants have changed because of licensing?

• Do you have more/less contact with local resident since selective licensing?

• Do you know who to contact about issues with selective licensing?
• Have there been noticeable changes to types of properties available since licensing?
  – less properties available
  – improved housing conditions
  – better management
  – improved contact with council/landlord/agent/other residents

**Summing up**

• Is there any thing else that you think the council should be doing to improve things for private tenants like you? (*Probe:* improving condition/standards of property; improving landlord practices/standards of management?)

**Thanks**

• Thank participants
• Remind participants about how the information will be used
• Ask if they have any questions about the research
Study into HMO and selective licensing in England
focus group with residents – owner occupiers, housing
association tenants

Aim
Aim to interview people living in social housing and owner occupiers that live in
properties within the selective licensing designation.

Background and objective

- Understand the impact on other residents and businesses of living near private
  rented housing
- Impact of living in an area of low demand and related issues of crime and ASB
- Assess general perceptions of the area and whether there have been any
  improvements due to selective licensing

Introduction
- Introduce yourself and observer/note taker if necessary
- Explain how long the group discussion will be
- Explain that we are interested in all viewpoints and there are no wrong or right
  answers – discourage participants from talking over each other
- Explain about the confidentiality and tape recording – that the group transcript
  will only be seen by the project team, individuals will not be identified
- Explain that we are interested mainly in how things are NOW and
  how they have changed/not changed since selective licensing was
  introduced.
- Housekeeping – ask participants to switch off mobile phones
- Summarise previous study, include findings from the area and general findings

Warm-up exercise and tenant profile
- Warm up exercise – split group into pairs (or go round the room) – each to
  introduce their partner, name, where they live and how long they have lived in
  the area.
- Ice breakers
  - What are the benefits of living in this area?
  - Would you recommend this area to your friend and family? (Why/why not?)
Profile of the local area

- How would you describe your area? **Probe:**
  - Cleanliness
  - Green space
  - Shops
  - Schools
  - Sense of community/friendliness
  - Affordability/choice of accommodation (Property prices/first time buyers)
  - Type of people that live in area (families, students, young people, migrant workers, others)
  - Are there many empty properties in the area
  - Are there many overcrowded properties in area


- In your view, who causes the crime/anti-social behaviour in your area?

- Are there particular areas where crime and ASB are worse than others?

- How does crime/anti-social behaviour affect your daily lives? **(Probe: are you happy going out etc during day/night?)**

- What affect has crime/anti-social behaviour had on your area? **(Probe: demand for property/property prices/banks closing)**

- Have you experienced any abuse or victimisation whilst living in this area? **(Probe: what happened?)**

The condition and management of private rented properties

- Are the private rented properties in your area well managed? **(Probe: curtilage, provision of bins, property maintenance)**

- Have you made any complaints against particular properties? **(Probe: disputes with tenants/landlord)**
  - Who did you complain to?
  - What happened?

Awareness and impact of Selective licensing

- What do you know about selective licensing? **Probe:**
  - Designated areas
  - Fee
  - Reason for selective licensing – Low demand housing and ASB Cleanliness

- Were you involved in any consultation by the local authority?
• Have you noticed any changes in the level of Anti-social Behaviour since selective licensing started in your area? **Probe:** What changes?
  – more involvement from police/council
  – problem people have moved away/stopped ASB
  – area is safer/nicer to live in
• Are people generally moving in or out of the area? (What type of people? New landlords/Renters/Owner occupiers)
• Have you noticed any changes to the local area since selective licensing started? **Probe:**
  – the area looks better/more attention from the council
  – number of shops/services in area – any changes (more/less)
  – council is regenerating neighbouring areas
• Do you think landlords’ attitudes towards their properties/tenants have changed because of licensing?
• Do you think tenants’ attitudes towards their accommodation have changed because of licensing?
• Do you have more/less contact with tenants/landlords since selective licensing?
• Do you know who to contact about issues with selective licensing?

### Support services

• Who would you contact if you had about any problems related to a neighbouring property? (**Probe:** tenant/landlord/Council/Citizens’ advice bureau etc)
• Are you aware of any support services available to local residents in your area?
• What type of support service would be helpful? (**Probe:** telephone advice lines/online information etc)

### Summing up

• Overall, what impact has selective licensing had on you?

### Thanks

• Thank participants
• Remind participants about how the information will be used
• Ask if they have any questions about the research
Study into HMO and selective licensing in England
interview with police officers

Aim of discussion
Aim is to interview Police Liaison Officer, Neighbourhood Police Officers, PCSOs and other support e.g. specials, Neighbourhood Wardens, Neighbourhood Watch, that work in areas within the selective licensing designation.

Background and objective
- To gauge the level of ASB, crime and fear of crime (and main types) in and around the properties where selective licensing in place
- To understand the impact (if any) on police resources
- Police view of impact on other members of the community in close proximity to the properties
- To ascertain the level of understanding of selective licensing and police involvement on this issue
- Perceived benefits of licensing
- Relationship with other statutory agencies on licensing

Introduction
- Introduce yourself and observer/note taker if necessary
- Explain how long the interview will be
- Explain about the confidentiality and tape recording – individuals will not be identified
- Housekeeping – ask participants to switch off mobile phones
- Summarise previous study, include findings from the area and general findings
- Ask advisor to introduce themselves job role etc

Police involvement with PRS
- Were the police consulted about the selective licensing designated areas? (Probe: level of involvement, help to identify areas for selective licensing)
- How would you describe the areas that are included in the selective licensing designation? Probe:
  - Type of residents
  - Run down – in need of investment
  - Problems with crime and ASB
  - Empty properties
- Absentee landlords
- Properties in poor condition

- Are you aware of regeneration activities taking place in these areas? (Probe: Did regeneration start before/after selective licensing?)
- Were you aware of any initiatives that the police were involved in to improve the area before selective licensing?
- What level of community cohesion do you find in these areas?
- Who cause the most problems with Anti-social behaviour in the area? (Probe: private renters/other residents)
- Do you think people living in these areas feel safe? (Probe: are they happy to go out during the day/at night – do they express any fear?)
- How are neighbouring areas different from areas designated for selective licensing? (Probe: different type of residents, less private rented, etc)
- Have you noticed any changes to the local area since selective licensing started? (Probe:
  - the area looks better/more attention from the council
  - number of shops/services in area – any changes (more/less)
  - council is regenerating neighbouring areas
- Any concerns regarding possible displacement of problems?
- Do you think landlords’ attitudes towards their properties/tenants have changed because of licensing?
- Do you think tenants’ attitudes towards their accommodation have changed because of licensing?
- Are other residents receiving improved services since licensing?
- Are there any Ward targets for reduction in crime where there’s a concentration of properties subject to selective licensing? (Probe: is the police working with local authorities, are there any initiatives in place)
- What is the current relationship between the police and local authority enforcement officers?
- Do police officers have any direct contact with tenants/residents/landlord in these areas? (Probe: type of involvement – attend meeting, provide information etc)

**Summing up**

- What, if anything, could or should be done to make selective licensing more effective?

**Thanks**

- Thank participants
- Remind participants about how the information will be used
- Ask if they have any questions about the research
Appendix D – Supplementary Tables

Table AD 1: Numbers of Local Authorities in survey and in England by Authority type and GOR

<table>
<thead>
<tr>
<th>Type of authority</th>
<th>Number in survey</th>
<th>Number giving figure for private dwellings</th>
<th>Number giving figures for all stock</th>
<th>Number in England</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Council</td>
<td>161</td>
<td>131</td>
<td>118</td>
<td>238</td>
</tr>
<tr>
<td>London Borough</td>
<td>21</td>
<td>11</td>
<td>10</td>
<td>33</td>
</tr>
<tr>
<td>Metropolitan Council</td>
<td>24</td>
<td>15</td>
<td>14</td>
<td>36</td>
</tr>
<tr>
<td>Unitary Authority</td>
<td>35</td>
<td>26</td>
<td>27</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>241</strong></td>
<td><strong>184</strong></td>
<td><strong>169</strong></td>
<td><strong>354</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GOR</th>
<th>Number</th>
<th>Number giving figure for private dwellings</th>
<th>Number giving figures for all stock</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>35</td>
<td>27</td>
<td>23</td>
<td>48</td>
</tr>
<tr>
<td>East Midlands</td>
<td>24</td>
<td>23</td>
<td>22</td>
<td>40</td>
</tr>
<tr>
<td>London</td>
<td>21</td>
<td>12</td>
<td>10</td>
<td>33</td>
</tr>
<tr>
<td>North East</td>
<td>17</td>
<td>15</td>
<td>12</td>
<td>23</td>
</tr>
<tr>
<td>North West</td>
<td>31</td>
<td>21</td>
<td>19</td>
<td>43</td>
</tr>
<tr>
<td>South East</td>
<td>50</td>
<td>41</td>
<td>37</td>
<td>67</td>
</tr>
<tr>
<td>South West</td>
<td>32</td>
<td>26</td>
<td>23</td>
<td>45</td>
</tr>
<tr>
<td>West Midlands</td>
<td>21</td>
<td>18</td>
<td>16</td>
<td>34</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>10</td>
<td>7</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>241</strong></td>
<td><strong>190</strong></td>
<td><strong>168</strong></td>
<td><strong>354</strong></td>
</tr>
</tbody>
</table>

Table AD 2: Mean housing numbers by tenure

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Recorded or estimated</th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privately rented</td>
<td>Recorded</td>
<td>64</td>
<td>6728</td>
</tr>
<tr>
<td></td>
<td>Estimated</td>
<td>110</td>
<td>7261</td>
</tr>
<tr>
<td>Owner-occupied</td>
<td>Recorded</td>
<td>90</td>
<td>41327</td>
</tr>
<tr>
<td></td>
<td>Estimated</td>
<td>118</td>
<td>43136</td>
</tr>
<tr>
<td>Local authority/social housing</td>
<td>Recorded</td>
<td>136</td>
<td>5208</td>
</tr>
<tr>
<td></td>
<td>Estimated</td>
<td>43</td>
<td>6773</td>
</tr>
<tr>
<td>Housing association/social housing</td>
<td>Recorded</td>
<td>111</td>
<td>5163</td>
</tr>
<tr>
<td></td>
<td>Estimated</td>
<td>69</td>
<td>6387</td>
</tr>
</tbody>
</table>

Respondents were asked whether figures that they provided for each tenure were recorded or estimated. The mean estimated figures were higher than the mean recorded figures, but t-tests showed that the difference in each group was not significant at the 95% level.
### Table AD 3: Mean percentages of private rented stock by GOR

<table>
<thead>
<tr>
<th>Type of LA and GOR</th>
<th>Survey: Private rented stock as percentage of total stock</th>
<th>England: Private rented stock as percentage of total stock (EHCS 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>East Midlands</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>London</td>
<td>22</td>
<td>19</td>
</tr>
<tr>
<td>North East</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>North West</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>South East</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>South West</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>West Midlands</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>

### Table AD 4: Changes to the amount of private rented stock since 2006

<table>
<thead>
<tr>
<th>Changes to the amount of private rented stock</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considerable increase</td>
<td>29</td>
<td>12</td>
</tr>
<tr>
<td>Slight increase</td>
<td>121</td>
<td>51</td>
</tr>
<tr>
<td>Stayed about the same</td>
<td>77</td>
<td>33</td>
</tr>
<tr>
<td>Slight decrease</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Considerable decrease</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>236</td>
<td>100</td>
</tr>
</tbody>
</table>

### Table AD 5: How many other HMOs do you think there are within your Local Authority that fall within the Mandatory HMO Licensing definition but have not applied for a Licence?

<table>
<thead>
<tr>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer than 100</td>
<td>202</td>
</tr>
<tr>
<td>101–200</td>
<td>17</td>
</tr>
<tr>
<td>201–300</td>
<td>8</td>
</tr>
<tr>
<td>301–400</td>
<td>6</td>
</tr>
<tr>
<td>401–500</td>
<td>3</td>
</tr>
<tr>
<td>501–1000</td>
<td>4</td>
</tr>
<tr>
<td>More than 1,000</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>243</td>
</tr>
</tbody>
</table>
Table AD 6: How many other HMOs do you think there are within your Local Authority that are not subject to Mandatory or Additional HMO Licensing?

<table>
<thead>
<tr>
<th>Category</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer than 100</td>
<td>81</td>
<td>34</td>
</tr>
<tr>
<td>101–200</td>
<td>37</td>
<td>16</td>
</tr>
<tr>
<td>201–300</td>
<td>22</td>
<td>9</td>
</tr>
<tr>
<td>301–400</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>401–500</td>
<td>16</td>
<td>7</td>
</tr>
<tr>
<td>501–1000</td>
<td>35</td>
<td>14</td>
</tr>
<tr>
<td>1001–2000</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>More than 2,000</td>
<td>24</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>240</td>
<td>100</td>
</tr>
</tbody>
</table>

Table AD 7: The issue of most concern for private sector housing in the LA

<table>
<thead>
<tr>
<th>Issue</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordability to buy</td>
<td>97</td>
<td>42%</td>
</tr>
<tr>
<td>Affordability to rent</td>
<td>39</td>
<td>17%</td>
</tr>
<tr>
<td>Number of empty properties</td>
<td>29</td>
<td>12%</td>
</tr>
<tr>
<td>Property condition</td>
<td>26</td>
<td>11%</td>
</tr>
<tr>
<td>Combination of issues</td>
<td>14</td>
<td>5%</td>
</tr>
<tr>
<td>Specific tenant group (Migrant worker, students)</td>
<td>13</td>
<td>5%</td>
</tr>
<tr>
<td>Absentee landlords</td>
<td>9</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>3%</td>
</tr>
<tr>
<td>Total</td>
<td>233</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table AD 8: The Number of HMOs in England by data source

| Data Sources                          | Type of HMO | | |
|---------------------------------------|-------------|--|-
|                                       | Mandatory   | All |-
| EHCS 2006\(^{33}\)                   | N  | 34,000  | 238,000  |
|                                       | %  | 14  | 100  |
| Communities and Local Government\(^{34}\) | N  | 42,000  | 379,000  |
|                                       | %  | 11  | 100  |
| BRE 2008                              | N  | 56,000  | 236,000  |
|                                       | %  | 24  | 100  |

\(^{33}\) Analysis of EHCS 2006 data

\(^{34}\) Figures on Mandatory HMOs from Communities and Local Government and All HMOs from HSSA 2007
Table AD 9: The issue of most concern for private sector housing in the LA by GOR

<table>
<thead>
<tr>
<th>The issue of most concern for private sector housing in the LA by GOR</th>
<th>GOR unspecified</th>
<th>E</th>
<th>EM</th>
<th>L</th>
<th>NE</th>
<th>NW</th>
<th>SE</th>
<th>SW</th>
<th>WM</th>
<th>YH</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordability to buy</td>
<td>0</td>
<td>15</td>
<td>8</td>
<td>5</td>
<td>3</td>
<td>15</td>
<td>22</td>
<td>20</td>
<td>6</td>
<td>3</td>
<td>97</td>
</tr>
<tr>
<td>Affordability to rent</td>
<td>0</td>
<td>6</td>
<td>4</td>
<td>7</td>
<td>1</td>
<td>2</td>
<td>10</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>39</td>
</tr>
<tr>
<td>Number of empty properties</td>
<td>0</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>5</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>29</td>
</tr>
<tr>
<td>Property condition</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>9</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>26</td>
</tr>
<tr>
<td>Combination of issues</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Specific tenant group (migrant workers, students)</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>Absentee landlords</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2</strong></td>
<td><strong>32</strong></td>
<td><strong>23</strong></td>
<td><strong>20</strong></td>
<td><strong>17</strong></td>
<td><strong>29</strong></td>
<td><strong>49</strong></td>
<td><strong>30</strong></td>
<td><strong>21</strong></td>
<td><strong>10</strong></td>
<td><strong>233</strong></td>
</tr>
</tbody>
</table>

Table AD 10: The issue of most concern for private sector housing in the LA by number of applications for mandatory HMO licences

<table>
<thead>
<tr>
<th>The issue of most concern for private sector housing in the LA by number of applications for mandatory HMO licences</th>
<th>How many applications for Mandatory HMO Licensing have you received to date?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>None</td>
</tr>
<tr>
<td>Affordability to buy</td>
<td>8</td>
</tr>
<tr>
<td>Affordability to rent</td>
<td>2</td>
</tr>
<tr>
<td>Number of empty properties</td>
<td>3</td>
</tr>
<tr>
<td>Property condition</td>
<td>1</td>
</tr>
<tr>
<td>Specific tenant group (migrant workers, students)</td>
<td>0</td>
</tr>
<tr>
<td>Combination of issues</td>
<td>1</td>
</tr>
<tr>
<td>Absentee landlords</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
</tr>
</tbody>
</table>
### Table AD 11: The issue of most concern for private sector housing in LAs with transitional licensing schemes and a Selective licensing designation

<table>
<thead>
<tr>
<th>Issue of most concern in private sector housing</th>
<th>LAs with a transitional licensing scheme</th>
<th>LAs with a Selective Licensing designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordability to buy</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Affordability to rent</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Number of empty properties</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Property condition</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Specific tenant group (migrant workers, students)</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Combination of issues</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Absentee landlords</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
<td><strong>5</strong></td>
</tr>
</tbody>
</table>

### Table AD 12: The issue of most concern for private sector housing for LAs considering applying for additional licensing

<table>
<thead>
<tr>
<th>Issue of most concern in private sector housing</th>
<th>Are you considering applying for additional licensing powers?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Affordability to buy</td>
<td>9</td>
<td>83</td>
</tr>
<tr>
<td>Affordability to rent</td>
<td>1</td>
<td>34</td>
</tr>
<tr>
<td>Number of empty properties</td>
<td>3</td>
<td>25</td>
</tr>
<tr>
<td>Property condition</td>
<td>5</td>
<td>18</td>
</tr>
<tr>
<td>Specific tenant group (migrant workers, students)</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Combination of issues</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Absentee landlords</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23</strong></td>
<td><strong>192</strong></td>
</tr>
</tbody>
</table>

### Table AD 13: The issue of most concern for private sector housing for LAs considering applying for selective licensing

<table>
<thead>
<tr>
<th>Issue of most concern in private sector housing</th>
<th>Are you considering applying for Selective Licensing?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Affordability to buy</td>
<td>10</td>
<td>85</td>
</tr>
<tr>
<td>Affordability to rent</td>
<td>1</td>
<td>37</td>
</tr>
<tr>
<td>Number of empty properties</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td>Property condition</td>
<td>4</td>
<td>21</td>
</tr>
<tr>
<td>Specific tenant group (migrant workers, students)</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Combination of issues</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Absentee landlords</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
<td><strong>192</strong></td>
</tr>
</tbody>
</table>
### Table AD 14: Percentage of private rented housing stock by GOR

<table>
<thead>
<tr>
<th>GOR</th>
<th>% of total stock</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Minimum</td>
</tr>
<tr>
<td>East</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>East Midlands</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>London</td>
<td>22</td>
<td>13</td>
</tr>
<tr>
<td>North East</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>North West</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>South East</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>South West</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>West Midlands</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>1</td>
</tr>
</tbody>
</table>

### Table AD 15: In your opinion, as the number of private rented sector housing in the borough increased or decreased since April 2006?

<table>
<thead>
<tr>
<th>GOR</th>
<th>Considerable increase</th>
<th>Slight increase</th>
<th>Stayed about the same</th>
<th>Slight decrease</th>
<th>Considerable decrease</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>7</td>
<td>20</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>33</td>
</tr>
<tr>
<td>East Midlands</td>
<td>2</td>
<td>10</td>
<td>11</td>
<td>1</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>London</td>
<td>5</td>
<td>7</td>
<td>6</td>
<td>1</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>North East</td>
<td>2</td>
<td>7</td>
<td>7</td>
<td>1</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>North West</td>
<td>3</td>
<td>18</td>
<td>9</td>
<td>1</td>
<td>0</td>
<td>31</td>
</tr>
<tr>
<td>South East</td>
<td>3</td>
<td>26</td>
<td>18</td>
<td>3</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>South West</td>
<td>4</td>
<td>14</td>
<td>11</td>
<td>1</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>West Midlands</td>
<td>2</td>
<td>15</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
</tbody>
</table>

### Table AD 16: Estimated number of mandatory licensable HMOs by region

<table>
<thead>
<tr>
<th>The number of licensable HMOs by region (Estimated$^{35}$)</th>
<th>Survey respondents (Sample) Total N</th>
<th>All LAs in England (Population) Total N</th>
<th>Communities and Local Government estimate Survey of LAs 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>1,644 35</td>
<td>2,255 48</td>
<td>1,891</td>
</tr>
<tr>
<td>East Midlands</td>
<td>3,605 24</td>
<td>6,008 40</td>
<td>6,230</td>
</tr>
<tr>
<td>London</td>
<td>8,613 21</td>
<td>13,535 33</td>
<td>8,713</td>
</tr>
<tr>
<td>North East</td>
<td>2,212 17</td>
<td>2,993 23</td>
<td>1,789</td>
</tr>
<tr>
<td>North West</td>
<td>3,965 31</td>
<td>5,500 43</td>
<td>3,849</td>
</tr>
<tr>
<td>South East</td>
<td>5,489 50</td>
<td>7,355 67</td>
<td>4,495</td>
</tr>
<tr>
<td>South West</td>
<td>5,755 32</td>
<td>8,093 45</td>
<td>4,349</td>
</tr>
<tr>
<td>West Midlands</td>
<td>1,129 21</td>
<td>1,828 34</td>
<td>1,456</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>5,884 10</td>
<td>12,356 21</td>
<td>9,174</td>
</tr>
<tr>
<td>Total</td>
<td>38,296 241</td>
<td>56,252 354</td>
<td>41,946</td>
</tr>
</tbody>
</table>

$^{35}$ The number of mandatory licensable HMOs in each area was estimated using information provided on the number of applications received and a banded estimate of the number of HMOs yet to apply for a license, see section Appendix A
### Table AD 17: Estimated number of HMOs by region

<table>
<thead>
<tr>
<th>The total number of HMOs by region</th>
<th>Survey respondents (Sample)</th>
<th>All LAs in England (Population)</th>
<th>HSSA 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total N</td>
<td>Total N</td>
<td>Total N</td>
</tr>
<tr>
<td>East</td>
<td>16,221 35</td>
<td>22,246 48</td>
<td>22,520 47</td>
</tr>
<tr>
<td>East Midlands</td>
<td>12,365 24</td>
<td>20,608 40</td>
<td>23,363 40</td>
</tr>
<tr>
<td>London</td>
<td>31,990 21</td>
<td>50,270 33</td>
<td>114,007 32</td>
</tr>
<tr>
<td>North East</td>
<td>9,148 17</td>
<td>12,377 23</td>
<td>12,756 21</td>
</tr>
<tr>
<td>North West</td>
<td>20,450 31</td>
<td>28,366 43</td>
<td>52,492 43</td>
</tr>
<tr>
<td>South East</td>
<td>31,121 50</td>
<td>41,702 67</td>
<td>65,962 67</td>
</tr>
<tr>
<td>South West</td>
<td>20,685 32</td>
<td>29,088 45</td>
<td>40,133 45</td>
</tr>
<tr>
<td>West Midlands</td>
<td>8,748 21</td>
<td>14,163 34</td>
<td>17,944 33</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>11,196 10</td>
<td>23,512 21</td>
<td>29,406 21</td>
</tr>
<tr>
<td>Total</td>
<td>161,924 241</td>
<td>237,847 354</td>
<td>378,583 349</td>
</tr>
</tbody>
</table>

### Table AD 18: Have you updated your Housing Strategy to incorporate HMO and Selective Licensing?

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>159</td>
<td>67</td>
</tr>
<tr>
<td>No</td>
<td>79</td>
<td>33</td>
</tr>
<tr>
<td>Total</td>
<td>238</td>
<td>100</td>
</tr>
</tbody>
</table>

### Table AD 19: How important is HMO licensing in your current private sector housing strategy?

<table>
<thead>
<tr>
<th>Scale</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Not at all important</td>
<td>38</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>47</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>66</td>
<td>28</td>
</tr>
<tr>
<td>4</td>
<td>54</td>
<td>23</td>
</tr>
<tr>
<td>5 Very important</td>
<td>32</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>237</td>
<td>100</td>
</tr>
</tbody>
</table>

### Table AD 20: Descriptive statistics for the number of applications received for Mandatory HMO licences

<table>
<thead>
<tr>
<th>How many applications for Mandatory HMO Licensing have you received to date?</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Sum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
</table>
### Table AD 21: Mandatory HMOs: Number of applications by region

<table>
<thead>
<tr>
<th>GOR</th>
<th>How many applications for Mandatory HMO Licensing have you received to date?</th>
<th>None</th>
<th>1–10</th>
<th>11–50</th>
<th>51–100</th>
<th>101–200</th>
<th>201–300</th>
<th>301–400</th>
<th>401–500</th>
<th>more than 500</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td></td>
<td>6</td>
<td>10</td>
<td>14</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>35</td>
</tr>
<tr>
<td>EM</td>
<td></td>
<td>2</td>
<td>14</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>L</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td>NE</td>
<td></td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>NW</td>
<td></td>
<td>2</td>
<td>14</td>
<td>7</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>SE</td>
<td></td>
<td>0</td>
<td>17</td>
<td>20</td>
<td>7</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>SW</td>
<td></td>
<td>0</td>
<td>12</td>
<td>8</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>WM</td>
<td></td>
<td>5</td>
<td>4</td>
<td>9</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>YH</td>
<td></td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Unspecified</td>
<td></td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>20</td>
<td>79</td>
<td>72</td>
<td>31</td>
<td>14</td>
<td>12</td>
<td>3</td>
<td>1</td>
<td>11</td>
<td>243</td>
</tr>
</tbody>
</table>

### Table AD 22: The number of applications received for Mandatory HMO licences

<table>
<thead>
<tr>
<th>How many applications for Mandatory HMO Licensing have you received to date?</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>20</td>
<td>8.2</td>
</tr>
<tr>
<td>1–10</td>
<td>79</td>
<td>32.5</td>
</tr>
<tr>
<td>11–50</td>
<td>72</td>
<td>29.6</td>
</tr>
<tr>
<td>51–100</td>
<td>31</td>
<td>12.8</td>
</tr>
<tr>
<td>101–200</td>
<td>14</td>
<td>5.8</td>
</tr>
<tr>
<td>201–300</td>
<td>12</td>
<td>4.9</td>
</tr>
<tr>
<td>301–400</td>
<td>3</td>
<td>1.2</td>
</tr>
<tr>
<td>401–500</td>
<td>1</td>
<td>.4</td>
</tr>
<tr>
<td>more than 500</td>
<td>11</td>
<td>4.5</td>
</tr>
<tr>
<td>Total</td>
<td>243</td>
<td>100.0</td>
</tr>
</tbody>
</table>
### Table AD 23: Mandatory HMOs: applications and licences issued

<table>
<thead>
<tr>
<th>GOR</th>
<th>Number of LAs in region</th>
<th>Survey</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Applications received</td>
<td>Licences issued</td>
</tr>
<tr>
<td>East</td>
<td>48</td>
<td>N</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>227</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sum</td>
<td>938</td>
</tr>
<tr>
<td>East Midlands</td>
<td>40</td>
<td>N</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>1062</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sum</td>
<td>1779</td>
</tr>
<tr>
<td>London</td>
<td>33</td>
<td>N</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>142</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>321</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sum</td>
<td>2973</td>
</tr>
<tr>
<td>North East</td>
<td>23</td>
<td>N</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>121</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>1440</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sum</td>
<td>2050</td>
</tr>
<tr>
<td>North West</td>
<td>43</td>
<td>N</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>71</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>894</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sum</td>
<td>2195</td>
</tr>
<tr>
<td>South East</td>
<td>67</td>
<td>N</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>658</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sum</td>
<td>3325</td>
</tr>
<tr>
<td>South West</td>
<td>45</td>
<td>N</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>125</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>1244</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sum</td>
<td>3989</td>
</tr>
<tr>
<td>West Midlands</td>
<td>34</td>
<td>N</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>293</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sum</td>
<td>787</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>21</td>
<td>N</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td>461</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>2855</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sum</td>
<td>4612</td>
</tr>
</tbody>
</table>
Table AD 24: The mean licensing fee for each region compared with available ROLHMO data

<table>
<thead>
<tr>
<th>GOR</th>
<th>Fee for an HMO containing five bed-sits</th>
<th>ROLHMO data</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>Mean 335</td>
<td>356</td>
</tr>
<tr>
<td></td>
<td>Minimum 0</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>Maximum 774</td>
<td>880</td>
</tr>
<tr>
<td></td>
<td>N 34</td>
<td>15</td>
</tr>
<tr>
<td>East Midlands</td>
<td>Mean 330</td>
<td>397</td>
</tr>
<tr>
<td></td>
<td>Minimum 0</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>Maximum 755</td>
<td>720</td>
</tr>
<tr>
<td></td>
<td>N 24</td>
<td>6</td>
</tr>
<tr>
<td>London</td>
<td>Mean 472</td>
<td>536</td>
</tr>
<tr>
<td></td>
<td>Minimum 110</td>
<td>110</td>
</tr>
<tr>
<td></td>
<td>Maximum 967</td>
<td>1140</td>
</tr>
<tr>
<td></td>
<td>N 21</td>
<td>4</td>
</tr>
<tr>
<td>North East</td>
<td>Mean 439</td>
<td>440</td>
</tr>
<tr>
<td></td>
<td>Minimum 0</td>
<td>167</td>
</tr>
<tr>
<td></td>
<td>Maximum 1500</td>
<td>709</td>
</tr>
<tr>
<td></td>
<td>N 15</td>
<td>5</td>
</tr>
<tr>
<td>North West</td>
<td>Mean 367</td>
<td>406</td>
</tr>
<tr>
<td></td>
<td>Minimum 0</td>
<td>142</td>
</tr>
<tr>
<td></td>
<td>Maximum 800</td>
<td>805</td>
</tr>
<tr>
<td></td>
<td>N 31</td>
<td>13</td>
</tr>
<tr>
<td>South East</td>
<td>Mean 522</td>
<td>465</td>
</tr>
<tr>
<td></td>
<td>Minimum 60</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Maximum 1300</td>
<td>858</td>
</tr>
<tr>
<td></td>
<td>N 49</td>
<td>23</td>
</tr>
<tr>
<td>South West</td>
<td>Mean 235</td>
<td>301</td>
</tr>
<tr>
<td></td>
<td>Minimum 0</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td>Maximum 700</td>
<td>519</td>
</tr>
<tr>
<td></td>
<td>N 31</td>
<td>13</td>
</tr>
<tr>
<td>West Midlands</td>
<td>Mean 348</td>
<td>408</td>
</tr>
<tr>
<td></td>
<td>Minimum 0</td>
<td>192</td>
</tr>
<tr>
<td></td>
<td>Maximum 734</td>
<td>550</td>
</tr>
<tr>
<td></td>
<td>N 21</td>
<td>9</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>Mean 434</td>
<td>428</td>
</tr>
<tr>
<td></td>
<td>Minimum 104</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>Maximum 700</td>
<td>577</td>
</tr>
<tr>
<td></td>
<td>N 9</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>Mean 387</td>
<td>406</td>
</tr>
<tr>
<td></td>
<td>Minimum 0</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Maximum 1500</td>
<td>1140</td>
</tr>
<tr>
<td></td>
<td>N 237</td>
<td>94</td>
</tr>
</tbody>
</table>
### Table AD 25: Most likely tenant type in mandatory licensable HMOs

<table>
<thead>
<tr>
<th>Tenant type</th>
<th>E</th>
<th>EM</th>
<th>L</th>
<th>NE</th>
<th>NW</th>
<th>SE</th>
<th>SW</th>
<th>WM</th>
<th>YH</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time students</td>
<td>13</td>
<td>25</td>
<td>5</td>
<td>21</td>
<td>21</td>
<td>24</td>
<td>30</td>
<td>28</td>
<td>33</td>
<td>48</td>
</tr>
<tr>
<td>Unemployed</td>
<td>19</td>
<td>29</td>
<td>0</td>
<td>64</td>
<td>54</td>
<td>18</td>
<td>37</td>
<td>22</td>
<td>33</td>
<td>63</td>
</tr>
<tr>
<td>Young professionals</td>
<td>29</td>
<td>25</td>
<td>32</td>
<td>0</td>
<td>11</td>
<td>18</td>
<td>4</td>
<td>6</td>
<td>11</td>
<td>36</td>
</tr>
<tr>
<td>Statutory homeless</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Employed (other)</td>
<td>16</td>
<td>13</td>
<td>47</td>
<td>7</td>
<td>11</td>
<td>24</td>
<td>22</td>
<td>11</td>
<td>0</td>
<td>41</td>
</tr>
<tr>
<td>Migrant workers</td>
<td>19</td>
<td>8</td>
<td>16</td>
<td>7</td>
<td>0</td>
<td>16</td>
<td>4</td>
<td>28</td>
<td>22</td>
<td>28</td>
</tr>
<tr>
<td>Refugees/asylum seekers</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total %</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>220</td>
</tr>
<tr>
<td><strong>Total N</strong></td>
<td>31</td>
<td>24</td>
<td>19</td>
<td>14</td>
<td>28</td>
<td>50</td>
<td>27</td>
<td>18</td>
<td>9</td>
<td>220</td>
</tr>
</tbody>
</table>

### Table AD 26: Perceived effect of mandatory licensing on PRS since April 2006

<table>
<thead>
<tr>
<th>Physical condition of properties</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>25</td>
<td>99</td>
<td>112</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>11</td>
<td>42</td>
<td>47</td>
<td>&lt;1</td>
<td></td>
</tr>
<tr>
<td>Quality of management</td>
<td>21</td>
<td>99</td>
<td>117</td>
<td></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>9</td>
<td>42</td>
<td>49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Behaviour of tenants</td>
<td>2</td>
<td>14</td>
<td>217</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>1</td>
<td>6</td>
<td>92</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Quality of accommodation</td>
<td>13</td>
<td>110</td>
<td>113</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>5</td>
<td>46</td>
<td>48</td>
<td>&lt;1</td>
<td></td>
</tr>
<tr>
<td>Tenancy agreements</td>
<td>7</td>
<td>56</td>
<td>173</td>
<td></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>3</td>
<td>24</td>
<td>73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply and choice of properties</td>
<td>1</td>
<td>12</td>
<td>181</td>
<td>40</td>
<td>2</td>
</tr>
<tr>
<td>%</td>
<td>&lt;1</td>
<td>5</td>
<td>77</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>Affordability to rent</td>
<td>1</td>
<td>3</td>
<td>202</td>
<td>27</td>
<td>1</td>
</tr>
<tr>
<td>%</td>
<td>&lt;1</td>
<td>1</td>
<td>86</td>
<td>12</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Tenants’ relations with landlords</td>
<td>2</td>
<td>16</td>
<td>208</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>%</td>
<td>1</td>
<td>7</td>
<td>88</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Local Authority’s relations with landlords</td>
<td>17</td>
<td>95</td>
<td>99</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>7</td>
<td>40</td>
<td>42</td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>
### Table AD 27: Sources of information provided on HMOs that fall within mandatory definition but have not applied for a licence

<table>
<thead>
<tr>
<th>Sources</th>
<th>N</th>
<th>%</th>
<th>Date</th>
<th>Sample size</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Earliest</td>
<td>Latest</td>
<td>Median</td>
<td>Minimum</td>
<td>Maximum</td>
</tr>
<tr>
<td>General housing survey</td>
<td>14</td>
<td>6</td>
<td>2001</td>
<td>2007</td>
<td>2005</td>
<td>250</td>
<td>10000</td>
</tr>
<tr>
<td>Private sector housing survey</td>
<td>51</td>
<td>21</td>
<td>2001</td>
<td>2008</td>
<td>2006</td>
<td>5</td>
<td>4000</td>
</tr>
<tr>
<td>Specific HMO survey</td>
<td>41</td>
<td>17</td>
<td>1992</td>
<td>2008</td>
<td>2006</td>
<td>30</td>
<td>45000</td>
</tr>
<tr>
<td>Local Authority audit</td>
<td>18</td>
<td>7</td>
<td>2004</td>
<td>2008</td>
<td>2007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Predictive data based on Government figures</td>
<td>1</td>
<td>&gt;1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educated guess</td>
<td>130</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>60</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table AD 28: Do you plan to improve the information currently held by your Local Authority on your private rented HMO stock?

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>146</td>
<td>61</td>
</tr>
<tr>
<td>No</td>
<td>95</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td>241</td>
<td>100</td>
</tr>
</tbody>
</table>

### Table AD 29: Have you submitted a Register of Licensed Houses in Multiple Occupation (ROLHMO) return?

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>183</td>
<td>75</td>
</tr>
<tr>
<td>No</td>
<td>60</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>243</td>
<td>100</td>
</tr>
</tbody>
</table>

### Table AD 30: Have there been noticeable changes to HMOs subject to Mandatory Licensing in your Local Authority?

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>75</td>
<td>32</td>
</tr>
<tr>
<td>No</td>
<td>160</td>
<td>68</td>
</tr>
<tr>
<td>Total</td>
<td>235</td>
<td>100</td>
</tr>
</tbody>
</table>
Table AD 1: Suggested improvements to mandatory HMO licensing

<table>
<thead>
<tr>
<th>Improvement</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possible extension of mandatory licensing to other types of HMOs</td>
<td>44</td>
</tr>
<tr>
<td>Increase resources for LAs</td>
<td>19</td>
</tr>
<tr>
<td>Reduce bureaucracy</td>
<td>14</td>
</tr>
<tr>
<td>More national publicity</td>
<td>13</td>
</tr>
<tr>
<td>National standards/regulations and more guidance</td>
<td>12</td>
</tr>
<tr>
<td>Provide benefits to landlords e.g. Grants</td>
<td>8</td>
</tr>
<tr>
<td>National application form, fee etc</td>
<td>5</td>
</tr>
<tr>
<td>Review definition of HMO</td>
<td>4</td>
</tr>
<tr>
<td>Link licensing to condition of properties</td>
<td>3</td>
</tr>
<tr>
<td>Link licensing and accreditation</td>
<td>3</td>
</tr>
<tr>
<td>Management orders discretionary</td>
<td>2</td>
</tr>
<tr>
<td>Update planning definition</td>
<td>2</td>
</tr>
<tr>
<td>Increase fines for non compliance with requirements</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>23</td>
</tr>
</tbody>
</table>

Table AD 2: The effect of mandatory HMO licensing by region (I = much improved, 5 = much worse)

<table>
<thead>
<tr>
<th>GOR</th>
<th>Physical condition of properties</th>
<th>Quality of management</th>
<th>Behaviour of tenants</th>
<th>Quality of accommodation</th>
<th>Tenancy agreements</th>
<th>Supply and choice of properties</th>
<th>Affordability to rent</th>
<th>Tenants' relations with landlords</th>
<th>Local Authority's relations with landlords</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>Mean 2.45</td>
<td>2.63</td>
<td>3.03</td>
<td>2.72</td>
<td>2.75</td>
<td>3.06</td>
<td>3.06</td>
<td>3.00</td>
<td>2.72</td>
</tr>
<tr>
<td>N</td>
<td>31</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>East Midlands</td>
<td>Mean 2.29</td>
<td>2.46</td>
<td>2.83</td>
<td>2.46</td>
<td>2.75</td>
<td>3.17</td>
<td>3.13</td>
<td>2.75</td>
<td>2.25</td>
</tr>
<tr>
<td>N</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>London</td>
<td>Mean 2.19</td>
<td>2.19</td>
<td>2.95</td>
<td>2.30</td>
<td>2.63</td>
<td>3.26</td>
<td>3.33</td>
<td>2.84</td>
<td>2.45</td>
</tr>
<tr>
<td>N</td>
<td>21</td>
<td>21</td>
<td>19</td>
<td>20</td>
<td>19</td>
<td>19</td>
<td>18</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>North East</td>
<td>Mean 2.60</td>
<td>2.13</td>
<td>2.87</td>
<td>2.27</td>
<td>2.27</td>
<td>3.07</td>
<td>3.07</td>
<td>3.07</td>
<td>2.53</td>
</tr>
<tr>
<td>N</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>North West</td>
<td>Mean 2.13</td>
<td>2.23</td>
<td>2.84</td>
<td>2.32</td>
<td>2.65</td>
<td>3.00</td>
<td>3.00</td>
<td>2.90</td>
<td>2.42</td>
</tr>
<tr>
<td>N</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>South East</td>
<td>Mean 2.54</td>
<td>2.46</td>
<td>2.96</td>
<td>2.44</td>
<td>2.78</td>
<td>3.22</td>
<td>3.14</td>
<td>3.04</td>
<td>2.54</td>
</tr>
<tr>
<td>N</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>49</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>South West</td>
<td>Mean 2.47</td>
<td>2.41</td>
<td>3.00</td>
<td>2.50</td>
<td>2.84</td>
<td>3.13</td>
<td>3.13</td>
<td>3.06</td>
<td>2.72</td>
</tr>
<tr>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>West Midlands</td>
<td>Mean 2.14</td>
<td>2.48</td>
<td>2.90</td>
<td>2.29</td>
<td>2.67</td>
<td>3.00</td>
<td>3.00</td>
<td>3.05</td>
<td>2.76</td>
</tr>
<tr>
<td>N</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Yorkshire and Humberside</td>
<td>Mean 2.40</td>
<td>2.44</td>
<td>3.00</td>
<td>2.20</td>
<td>2.60</td>
<td>3.20</td>
<td>3.00</td>
<td>2.80</td>
<td>2.60</td>
</tr>
<tr>
<td>N</td>
<td>10</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>Mean 2.38</td>
<td>2.41</td>
<td>2.94</td>
<td>2.43</td>
<td>2.70</td>
<td>3.13</td>
<td>3.10</td>
<td>2.97</td>
<td>2.57</td>
</tr>
<tr>
<td>N</td>
<td>237</td>
<td>237</td>
<td>236</td>
<td>237</td>
<td>236</td>
<td>236</td>
<td>234</td>
<td>236</td>
<td>237</td>
</tr>
</tbody>
</table>
Additional licensing

Table AD 33: Number of LAs with additional licensing

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Missing</td>
<td>224</td>
<td>93</td>
</tr>
<tr>
<td>Total</td>
<td>242</td>
<td>100</td>
</tr>
</tbody>
</table>

Table AD 34: Number of transitional licensing schemes in operation

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>17</td>
<td>94</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

Table AD 35: Number of LAs currently operating transitional licensing that plan to apply for additional licensing powers in April 2009

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>11</td>
<td>73</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>100</td>
</tr>
</tbody>
</table>

Table AD 36: Most likely tenant type in additional licensing scheme

<table>
<thead>
<tr>
<th>Tenant Type</th>
<th>% of responses in each GOR</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time students</td>
<td>E</td>
<td>L</td>
</tr>
<tr>
<td>Unemployed</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Young professionals</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>Employed (other)</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>Migrant workers</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Refugees/asylum seekers</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total %</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td><strong>Total N</strong></td>
<td><strong>1</strong></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

Table AD 37: Number of LAs considering applying for additional licensing

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>No</td>
<td>200</td>
<td>89</td>
</tr>
<tr>
<td>Total</td>
<td>224</td>
<td>100</td>
</tr>
</tbody>
</table>
Table AD 38: Expected time that LAs plan to apply for additional licensing

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 6 months</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Between 6 months and 1 year</td>
<td>8</td>
<td>32</td>
</tr>
<tr>
<td>More than 1 year</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td>More than 2 years</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Other (please specify below)</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

Table AD 39: Number of LAs that consider additional licensing a useful tool

<table>
<thead>
<tr>
<th>Consideration</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>46</td>
<td>23</td>
</tr>
<tr>
<td>No</td>
<td>152</td>
<td>77</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>198</td>
<td>100</td>
</tr>
</tbody>
</table>

Base: 198 LAs that had pursued an IMO to improve properties without additional scheme and those not considering Additional Licensing

Table AD 40: Do you think additional HMO licensing could be a useful tool to help address specific housing issues in your area in the future?

<table>
<thead>
<tr>
<th>GOR</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>N</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>25</td>
<td>32</td>
</tr>
<tr>
<td>East Midlands</td>
<td>N</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>London</td>
<td>N</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>North East</td>
<td>N</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>North West</td>
<td>N</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td>South East</td>
<td>N</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>34</td>
<td>42</td>
</tr>
<tr>
<td>South West</td>
<td>N</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>West Midlands</td>
<td>N</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>N</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Unspecified GOR</td>
<td>N</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>N</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>46</td>
<td>152</td>
<td>198</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>77</td>
<td>100</td>
</tr>
</tbody>
</table>
Selective licensing

Table AD 41: Number of LAs with a Selective licensing designation

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>No</td>
<td>236</td>
<td>98</td>
</tr>
<tr>
<td>Total</td>
<td>241</td>
<td>100</td>
</tr>
</tbody>
</table>

Table AD 42: The number of LAs considering selective licensing

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>28</td>
<td>12</td>
</tr>
<tr>
<td>No</td>
<td>205</td>
<td>88</td>
</tr>
<tr>
<td>Total</td>
<td>233</td>
<td>100</td>
</tr>
</tbody>
</table>

Table AD 43: When LAs will apply for selective licensing

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 6 months</td>
<td>5</td>
<td>18</td>
</tr>
<tr>
<td>Between 6 months and 1 year</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td>More than 1 year</td>
<td>11</td>
<td>39</td>
</tr>
<tr>
<td>Other (please specify below)</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100</td>
</tr>
</tbody>
</table>

Support services

Table AD 44: Does your Local Authority provide any support services for landlords?

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>217</td>
<td>92</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>237</td>
<td>100</td>
</tr>
</tbody>
</table>

Table AD 45: What support services does your Local Authority provide to landlords?

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>% of LAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation schemes</td>
<td>111</td>
<td>51</td>
</tr>
<tr>
<td>Landlord forums</td>
<td>204</td>
<td>94</td>
</tr>
<tr>
<td>Free referencing/vetting services</td>
<td>29</td>
<td>13</td>
</tr>
<tr>
<td>Post tenancy visits</td>
<td>21</td>
<td>10</td>
</tr>
<tr>
<td>Other support service for landlords</td>
<td>79</td>
<td>36</td>
</tr>
</tbody>
</table>

Base: 217 LAs providing one or more support services to landlords
Table AD 46: How long LA has provided services to landlords (%)

<table>
<thead>
<tr>
<th>Service</th>
<th>Less than 1 year</th>
<th>1–2 years</th>
<th>2–3 years</th>
<th>3+ years</th>
<th>Don’t know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation schemes</td>
<td>15</td>
<td>16</td>
<td>19</td>
<td>47</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>Landlord forums</td>
<td>7</td>
<td>14</td>
<td>18</td>
<td>59</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>Free referencing/vetting services</td>
<td>4</td>
<td>25</td>
<td>14</td>
<td>57</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Post tenancy visits</td>
<td>10</td>
<td>30</td>
<td>10</td>
<td>50</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Other support service for landlords</td>
<td>14</td>
<td>22</td>
<td>12</td>
<td>51</td>
<td>1</td>
<td>100</td>
</tr>
</tbody>
</table>

Table AD 47: Does your Local Authority provide any support services for tenants living in private rented accommodation?

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>177</td>
<td>73</td>
</tr>
<tr>
<td>No</td>
<td>65</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>242</td>
<td>100</td>
</tr>
</tbody>
</table>

Enforcement

Table AD 48: Have you pursued any IMOs to improve properties in the private rented sector in your Local Authority?

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>No</td>
<td>235</td>
<td>98</td>
</tr>
<tr>
<td>Total</td>
<td>241</td>
<td>100</td>
</tr>
</tbody>
</table>

Table AD 49: How many IMOs have you issued?

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>50</td>
</tr>
<tr>
<td>Missing</td>
<td>3</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>100</td>
</tr>
</tbody>
</table>

Base: 6 LAs that had pursued an IMO to improve properties
### Table AD 50: Which organisation(s) are responsible for implementing IMOs in your Local Authority?

<table>
<thead>
<tr>
<th>Organisation</th>
<th>N</th>
<th>% of LAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Authority</td>
<td>161</td>
<td>83</td>
</tr>
<tr>
<td>Arms Length Management Organisation (ALMO)</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Housing Association</td>
<td>19</td>
<td>10</td>
</tr>
<tr>
<td>Private Landlord</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>24</td>
<td>12</td>
</tr>
</tbody>
</table>

Base: 194 LAs responded that one or more organisations was responsible for implementing IMOs

### Table AD 51: Have you had to make a Final Management Order (FMO) following an IMO

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>67</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>83</td>
</tr>
</tbody>
</table>

Base: 6 LAs that had pursued an IMO to improve properties

### Table AD 52: Have any separate cases related to HMO licensing been dealt with by Magistrates’ Court?

<table>
<thead>
<tr>
<th>Cases to magistrates court</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>32</td>
<td>13</td>
</tr>
<tr>
<td>No</td>
<td>207</td>
<td>87</td>
</tr>
<tr>
<td>Total</td>
<td>232</td>
<td>100</td>
</tr>
</tbody>
</table>
# Table AD 53: Profile of authorities that have taken cases to Magistrates’ court

<table>
<thead>
<tr>
<th>GOR</th>
<th>Type</th>
<th>Issue of most concern</th>
<th>Applications for Mandatory Licence</th>
<th>Private stock as % of total stock</th>
<th>Current transitional scheme</th>
<th>Selective Licensing designation</th>
<th>Considering applying for additional licensing</th>
<th>Considering applying for Selective Licensing</th>
<th>Number of court cases prosecuting unlicensed landlords</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>DC</td>
<td>Affordability to buy</td>
<td>11–50</td>
<td>11</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>DC</td>
<td></td>
<td>Specific tenant group (migrant workers, students)</td>
<td>11–50</td>
<td>11</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>UA</td>
<td></td>
<td>Property condition</td>
<td>51-100</td>
<td>18</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
<td>Yes</td>
<td>0</td>
</tr>
<tr>
<td>EM</td>
<td>DC</td>
<td>Specific tenant group (migrant workers, students)</td>
<td>201-300</td>
<td>8</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>UA</td>
<td></td>
<td>Specific tenant group (migrant workers, students)</td>
<td>more than 500</td>
<td>15</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>L</td>
<td>LB</td>
<td>Property condition</td>
<td>51-100</td>
<td>34</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>LB</td>
<td></td>
<td>Number of empty properties</td>
<td>51-100</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>LB</td>
<td></td>
<td>Combination of issues</td>
<td>51-100</td>
<td>25</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
<td>Yes</td>
<td>3</td>
</tr>
<tr>
<td>LB</td>
<td></td>
<td>Affordability to rent</td>
<td>51-100</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>LB</td>
<td></td>
<td>Affordability to rent</td>
<td>101-200</td>
<td>19</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
<td>No</td>
<td>4</td>
</tr>
<tr>
<td>LB</td>
<td></td>
<td>Affordability to rent</td>
<td>201-300</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
<td>No</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>LB</td>
<td></td>
<td>Combination of issues</td>
<td>201-300</td>
<td>19</td>
<td>No</td>
<td>N/A</td>
<td>No</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>LB</td>
<td></td>
<td>Affordability to rent</td>
<td>301-400</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>LB</td>
<td></td>
<td>Affordability to rent</td>
<td>301-400</td>
<td>15</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>LB</td>
<td></td>
<td>Affordability to buy</td>
<td>301-400</td>
<td>17</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>NE</td>
<td>MC</td>
<td>Number of empty properties</td>
<td>more than 500</td>
<td>12.40</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

continued
## Table AD 53: Profile of authorities that have taken cases to Magistrates’ court

<table>
<thead>
<tr>
<th>GOR</th>
<th>Type</th>
<th>Issue of most concern</th>
<th>Applications for Mandatory Licence</th>
<th>Private stock as % of total stock</th>
<th>Current transitional scheme</th>
<th>Selective Licensing designation</th>
<th>Considering applying for additional licensing</th>
<th>Considering applying for Selective Licensing</th>
<th>Number of court cases prosecuting unlicensed landlords</th>
</tr>
</thead>
<tbody>
<tr>
<td>NW</td>
<td>MC</td>
<td>Property condition</td>
<td>11-50</td>
<td>10.30</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>UA</td>
<td>Specific tenant group (migrant workers, students)</td>
<td>51-100</td>
<td>22.37</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>MC</td>
<td>Combination of issues</td>
<td>11</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>MC</td>
<td>Number of empty properties more than 500</td>
<td>14.57</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>6</td>
</tr>
<tr>
<td>SE</td>
<td>DC</td>
<td>Affordability to rent</td>
<td>11-50</td>
<td>15</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>DC</td>
<td>Affordability to rent</td>
<td>51-100</td>
<td>9</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>DC</td>
<td>Affordability to rent</td>
<td>51-100</td>
<td>12</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>DC</td>
<td>Combination of issues</td>
<td>401-500</td>
<td>22</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>UA</td>
<td>Affordability to buy</td>
<td>more than 500</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>SW</td>
<td>DC</td>
<td>Combination of issues</td>
<td>1-10</td>
<td>15</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>UA</td>
<td>Affordability to buy</td>
<td>101-200</td>
<td>15</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>WM</td>
<td>DC</td>
<td>Property condition</td>
<td>11-50</td>
<td>9.99</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>DC</td>
<td>Other</td>
<td></td>
<td>201-300</td>
<td>3.85</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>3</td>
</tr>
<tr>
<td>YH</td>
<td>UA</td>
<td>Specific tenant group (migrant workers, students)</td>
<td>11-50</td>
<td>7</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>MC</td>
<td>Absentee landlords</td>
<td>201-300</td>
<td>12</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>MC</td>
<td>Affordability to buy</td>
<td>more than 500</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>1</td>
</tr>
</tbody>
</table>

Base: 32 LAs that had any cases related to HMO licensing that had been dealt with by the Magistrates’ Court
### Table AD 54: How many cases were against unlicensed landlords?

<table>
<thead>
<tr>
<th>Number of cases against unlicensed landlords</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>1</td>
<td>16</td>
<td>50</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29</strong></td>
<td><strong>91</strong></td>
</tr>
<tr>
<td>Missing</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Base:** 32 LAs that had any cases related to HMO licensing that had been dealt with by the Magistrates’ Court

### Table AD 55: Have you experienced any difficulties related to enforcement action through the courts?

<table>
<thead>
<tr>
<th>Difficulties magistrates court</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>6</td>
<td>19</td>
</tr>
<tr>
<td>No</td>
<td>24</td>
<td>75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>94</strong></td>
</tr>
<tr>
<td>Missing</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Base:** 32 LAs that had any cases related to HMO licensing that had been dealt with by the Magistrates’ Court

### Table AD 56: Have any separate cases related to HMO licensing been dealt with by Residential Property Tribunal (RPT)?

<table>
<thead>
<tr>
<th>Cases to RPT</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>25</td>
<td>11</td>
</tr>
<tr>
<td>No</td>
<td>213</td>
<td>89</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>238</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
### Table AD 57: How many separate cases related to HMO licensing have been dealt with by Residential Property Tribunal (RPT)?

<table>
<thead>
<tr>
<th>Number of cases to RPT</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>17</td>
<td>68</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23</td>
<td>92</td>
</tr>
<tr>
<td>Missing</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

Base: 25 LAs that had any cases related to HMO licensing that had been dealt with by the Residential Property Tribunal (RPT)

### Table AD 58: How many were cases related to Rent Repayment Orders (RRO)?

<table>
<thead>
<tr>
<th>Number of cases related to RRO</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>12</td>
<td>48</td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15</td>
<td>60</td>
</tr>
<tr>
<td>Missing</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

Base: 25 LAs that had any cases related to HMO licensing that had been dealt with by the Residential Property Tribunal (RPT)

### Table AD 59: How many cases were brought by landlords appealing LA decisions?

<table>
<thead>
<tr>
<th>Number of landlords appeals to RPT</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>1</td>
<td>13</td>
<td>52</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>21</td>
<td>84</td>
</tr>
<tr>
<td>Missing</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

Base: 25 LAs that had any cases related to HMO licensing that had been dealt with by the Residential Property Tribunal (RPT)
### Table AD 60: Have you experienced any difficulties related to the process of the RPT?

<table>
<thead>
<tr>
<th>Difficulties RPT</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>9</td>
<td>36</td>
</tr>
<tr>
<td>No</td>
<td>16</td>
<td>64</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

Base: 25 LAs that had any cases related to HMO licensing that had been dealt with by the Residential Property Tribunal (RPT)

### Table AD 61: Have any separate cases related to HMO licensing been dealt with by Lands Tribunal?

<table>
<thead>
<tr>
<th>Cases to Lands Tribunal</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
<td>&lt;1</td>
</tr>
<tr>
<td>No</td>
<td>238</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>239</td>
<td>100</td>
</tr>
</tbody>
</table>
Appendix E – Maps

Map 1 Numbers of mandatory licensable HMOs estimated from survey respondents

Map 2  Total numbers of HMOs estimated from survey respondents

Total HMOs
(Authorities that did not respond are shown in white)

- 6-20
- 21-50
- 51-100
- 101-200
- 201-500
- 501-1000
- 1001-2000
- More than 2000

# Appendix F – Terms and conditions of Selective Licensing schemes in the three case study authorities with a current designation

<table>
<thead>
<tr>
<th></th>
<th>CS8</th>
<th>CS12</th>
<th>CS13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas safety certificate</td>
<td>Provide annual (original)</td>
<td>Provide annual (copy)</td>
<td>Provide annual</td>
</tr>
<tr>
<td>Electrical inspection certificate</td>
<td>Carried out by contractors belonging to specified bodies</td>
<td>Supply on demand by council</td>
<td>Provide every 5 years</td>
</tr>
<tr>
<td>Electrical appliances in safe condition</td>
<td>Provide PAT testing certificate on demand</td>
<td>Sign declaration and provide PAT certificate</td>
<td>Provide PAT testing certificate every 12 months</td>
</tr>
<tr>
<td>Furniture provided in a safe condition</td>
<td>Sign declaration</td>
<td>Sign declaration</td>
<td>Sign declaration</td>
</tr>
<tr>
<td>Smoke alarms are installed and maintained in working order</td>
<td>Sign declaration</td>
<td>Sign declaration about this also their condition and positioning</td>
<td>Sign declaration about this also their condition and positioning</td>
</tr>
<tr>
<td>Demand references from all potential tenants</td>
<td>Credit references alone will not suffice and suggests use council referencing service</td>
<td>Credit references alone will not suffice and suggests use council referencing service</td>
<td>No other stipulations</td>
</tr>
<tr>
<td>Provide tenants with a written tenancy agreement</td>
<td>This must include: amount of rent and frequency of payments; details of any deposit and what it covers and arrangements for its return; details of utilities or other charges included in the rent; responsibility for payment of council tax and utilities; notice periods; clauses relating to nuisance or ASB; and location of any stop taps. It should also be free of unfair terms and comply with relevant legislative requirements.</td>
<td>No other stipulations</td>
<td>No other stipulations</td>
</tr>
<tr>
<td>Take reasonable and practical steps to prevent ASB from occupants or their visitors</td>
<td>This will be satisfied by contacting the Private Rented Team.</td>
<td>Co-operate with the Local Authority and abide by reasonable requirements to prevent or reduce ASB and action taken by the Local Authority to achieve this.</td>
<td>Also take reasonable and practical steps if it is found that property is being used for illegal or immoral purposes</td>
</tr>
<tr>
<td>CS8</td>
<td>CS12</td>
<td>CS13</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Property condition and maintenance</strong></td>
<td>None stipulated</td>
<td>Ensure satisfactory maintenance arrangements and property management procedures</td>
<td></td>
</tr>
<tr>
<td>Property must be in a clean safe and habitable state before occupiers move in; ensure occupiers aware how to report faults and anticipated timescales; provide reasonable notice to arrange to carry out repairs; provide suitable alternative accommodation for major works; work to be carried out by competent and reputable persons; and ensure that property and anywhere within the boundary remains in a clean, clear and safe condition with refuse disposed of appropriately in void periods.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other safety and security clauses</strong></td>
<td>Provide and maintain appropriate facilities for Carbon Monoxide detection and ensure any fire precautions facilities and equipment provide are maintained in good order</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>must change the locks prior to new occupants moving in; ensure adequate security measures on all exit doors and windows, provide keys to window locks where fitted, change any burglar alarm code on start of new tenancy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other information to provide to the LA</strong></td>
<td>Notify LA immediately if a transfer of ownership or management is proposed</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Any changes in address or contact details; proposed sale of the property; inform within 14 days of any convictions, contraventions of housing law, county court judgements that may affect their ‘fit and proper’ status; inform within 14 days if cease to be person in control of the property; and inform within 14 days of any changes affecting company status – bankruptcy, changes in directors etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other – information/ facilities for tenants</strong></td>
<td>None</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Display license or provide occupants with a copy; provide details of deposit required and how will be held; provide information on how to use any equipment provided; provide key to alley gate where relevant; ensure aware of obligations at end of tenancy related to property condition and payment of bills; ensure aware of behaviour that might cause nuisance or be seen as ASB; ensure aware of how to report and services available to deal with ASB affecting them; ensure appropriate means of refuse disposal are available; and occupier is made aware of arrangements for collection of refuse and return bins within the boundary after collection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>None</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Must not discriminate against existing or prospective occupiers on grounds of sex, colour, race etc must act lawfully in requesting any advance payments and handling rent; must respond to requests for references from other landlords; must remove any ‘To Let’ hoardings or signs within 14 days of last tenancy required in property signed up; and provide occupants of adjoining properties with contact details in case of emergencies or problems.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>