



Housing Licensing



Business Case Selective & Additional (HMO) Licensing 2023 – 2028



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Foreword

“Sefton’s Vision 2030 was agreed in November 2016, together with the Vision Outcomes Framework and Sefton Council’s Core Purpose.

The Vision will guide long term planning - helping to stimulate growth, prosperity, set new expectation levels and focussing on what is important for Sefton. The Core Purpose provides an outline on how the Council will contribute to achieving those ambitions set out in the Vision 2030. The 2030 Vision aims to see a confident and connected Borough. One aspect of this is to ensure Sefton residents have access to housing choices. Housing Licensing will play an important part in achieving this, by improving conditions within the private rented sector, which has previously had less regulation.

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

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

Bootle contains a mixture of predominantly pre-1919 traditionally built terraced housing with some newer homes. Over the years, regeneration investment, including via the Housing Market Renewal Programme, into part of the area has made some impact. However, there remains a need to address some of the housing and social related issues which continue to adversely affect the wider area, especially those related to privately rented housing. The current Selective Licensing scheme in this area has made significant impact to improve the living conditions for the residents but there is more to achieve.

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

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

We need to bring about long-term sustainable change, which will be greatly helped through improvements to management standards within the private rented sector. We



also recognise the crucial role the private rented housing sector plays in creating a strong and sustainable housing market and in meeting the housing needs of many households. Sefton depends heavily on the privately rented sector and we look forward to using the licensing schemes to engage and work with landlords to realise our vision of creating a strong and resilient community, and the opportunity to live in good quality homes.

Sefton continues to be committed to making the areas safe and attractive places to live in. Through the proposed re-designation of the licensing schemes we are seeking co-operation of landlords in the areas and their tenants in making this happen.”

Cabinet Member Communities and Housing



Introduction

This is the Business Case to support the proposal for the re-designation of the Selective Licensing in Bootle and Additional (HMO) Licensing schemes in Southport and Waterloo/Seaforth. The location maps and address of these schemes are outlined in Appendix 1 and Appendix 3

Sefton's Housing Strategy (2021-26) seeks to;

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

Sefton is a coastal borough. It lies in the northern part of the Liverpool City Region with which it shares close economic, social, cultural and transport links. Sefton adjoins the City of Liverpool to the south, the borough of Knowsley to the south-east, and the largely rural West Lancashire elsewhere. Sefton has a population of approximately 275,900¹.

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

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

Central Southport and parts of Waterloo/Seaforth also suffer similar problems, a situation that is not uncommon in other coastal communities. In the north of the borough, Southport was a highly desirable area with a viable economy based on tourism, but longer-term changes in the tourism industry and the recent economic downturn has had a detrimental impact and decline on this traditional seaside resort.

Over recent years this has had a negative impact on the area. Visitor numbers have declined, leading to an adverse effect on local businesses. Many guest house and small hotel property owners had to sell up or diversify that has led to many buildings being converted into flats or HMOs, particularly bedsits, to maximise rental income. A number of property owners also decided to create small flats in pursuit of the maximum number of rental units. As more hotels and guesthouse businesses closed and owner-occupiers moved out, more private landlords moved in with many landlords owning large portfolios. Changing socio-economic conditions have also created a demand and need for privately rented HMO's, particularly in areas such as Waterloo/Seaforth and Southport, which have a shortage of alternative social rented housing. The economic downturn, welfare reform, seasonal work, international migration has all helped create a larger cohort of people who have come to rely on private rented sector flats and bedsits. In recent years, the accommodation offer has largely been aimed at the lower end of the market, accommodating many vulnerable households.

¹ Source: ONS Population estimates - local authority based by five-year age band



The three proposed licensing areas are now characterised by high levels of unemployment, benefit dependency, crime and ASB, and health inequalities. While individual private landlords cannot be held responsible for these wider changes, a significant number are contributing to the deprivation and poor health outcomes by providing poorly managed and unsafe homes.

This business case evaluates and highlights the successes relating to the implementation of the current private sector licensing schemes in March 2018. However, it also outlines the requirements for the continuation of these schemes; to further improve the housing conditions and management for our residents in the private rented sector and to fully achieve Sefton's strategic housing vision.



Section 1 Why is Sefton seeking to re-designate the current Selective and Additional (HMO) Licensing Schemes

To achieve Sefton's vision it is clear that although great strides have been made through our current schemes more still needs to be done to improve the housing conditions for our residents in the private rented sector, doing nothing is still not an option and this document determines options available to Sefton Council.

The Local Authority considered whether there are any courses of action, other than re-designating Selective and Additional (HMO) Licensing, that might achieve the same objectives in the proposed areas such as;

Property Accreditation which continues to be supported by the Local Authority in promoting good property management. The Local Authority will again offer licence fee discounts for members of Sefton's Property Accreditation Scheme as is offered in the current licensing schemes. The majority of properties accredited are within the licensing areas which suggest that many landlords and agents may have only signed up to receive the licence fee discounts and would not have done so otherwise. Sefton have accredited 664 properties, 535 of those have been accredited since the introduction of the Selective and Additional (HMO) licensing schemes and almost all of them have been licensed properties. Despite a considerable uptake in accreditation applications this still only represents 4.2% of the private rented stock in the Borough. Any reliance on voluntary accreditation, as an alternative to Selective/ Additional (HMO) Licensing, is not considered to be a viable alternative to licensing.

Officers again considered introducing a district-wide scheme for Selective licensing but this was not taken forward because the evidence is not yet sufficient to introduce the whole district and therefore such an application is unlikely to be supported by the Secretary of State (who has to agree to the implementation of the scheme). A consideration when determining an area for selective licensing is a requirement set out in the Government Guidance, which states that any area considered for selective licensing must have a high proportion of property in the private rented sector, which is more than the national average. Nationally the private rented sector currently makes up 19% of the total housing stock in England. The proportion for the borough of Sefton is 13% (2011 census). Therefore, a borough wide scheme would fail this test.

The Local Authority has, therefore, concluded that re-designating remains the effective course of action to assist in achieving its objectives. Licensing since 2018 has had a substantial impact on landlord and agent behaviour and has improved their engagement and relationship with Sefton.

Licensing of privately rented properties, albeit generally unpopular with landlords can provide several benefits to them for example as mentioned in the quotes below. There are also benefits to their tenants and the wider community.

Comment from a local Managing Agent:

"The fire hazard in the property was only brought to our attention as a result of the Selective licensing scheme, and with the guidance from the Housing Standards Officer, we were able to remove the serious hazard without delay"



Comment from local landlord:

"I grew up within the local community where I have my rental property and have noticed many changes over the 45 years that I have been in and around the area.

Since the purchase of my rental property I was shocked by the lower standards of living that people were having to put up with and I always said I wouldn't be one of those landlords that monopolise off these unfortunate ways.

The licensing scheme is a very good idea of weeding out any landlords who are not up to standard, it is also a very good way for the local authority to keep a closer eye on hot spots.

This scheme should have started a few years ago in my opinion."

What are the benefits of licensing for landlords?

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

What are the benefits of licensing for tenants?

- More professional landlords providing good quality homes
- Likelihood of improvements to their properties
- Licensing will create a clear set of rules that all landlords must follow
- Reduced risk of homelessness and increased length of stay
- Licensing would ensure private landlords are managing and maintaining their properties
- Minimum standards for rented housing are met leading to improved health outcomes for occupiers.

What are the benefits of licensing for the community?

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



This document explains the difference between the Selective and Additional (HMO) licensing schemes and Sefton Council's rationale of its proposal to redesignate both schemes for a further 5 years. The Local Authority has considered data from its current schemes and a wide range of sources before coming to this decision.

Already, improvements are showing across property conditions, crime and ASB. There is though clearly more to do, particularly around the management of privately rented properties and to improve the living conditions of its residents. Therefore, the Council feels that by re-designating both the Selective and the Additional (HMO) licensing schemes for another 5 years further improvements will continue to be made.

The following sections outline the key evidence that supports Sefton Council's proposal to continue and re-designate both Selective and Additional (HMO) Licensing schemes for privately rented properties across selected areas of the Borough. Evidence is provided to support this decision and shows that the current licensing schemes are making a positive impact to its communities across the designated areas.

The statistics used to develop this business case has used, (where possible) identical methodologies as the business case for the current licensing schemes. Therefore, we are using directly comparable statistics for ASB and Crime (from Merseyside Police reporting systems). We have used the English Indices of Multiple Deprivation which uses the same analysis methodology in 2019 as the previous IMD in 2015. Again, with Sefton's internal data sources such as vacant homes and Housing Standards service requests, these are collated and reported in exactly the same manner and are directly comparable over these time periods.

Use of 2021 Census statistical outputs

Some of the statistics we use in this business case are taken from the 2011 Census and therefore, have not changed since the original business case. We have carefully assessed each metric used within this business case to ensure that it is appropriate, robust, reliable, and as up to date as possible and in some cases, this is still the current published Census (2011).

The ONS currently state that the final release of Census 2021 outputs is proposed to be in March 2023. These statistical outputs would be too late to consider with regards to re-designating Selective and Additional (HMO) licensing schemes within Sefton. However, the first results of the Census including some key population statistics may be available from "*late Spring 2022*"*. This may include some tenure data, which could be used to identify areas with "*a high proportion of property in the private rented sector*".

* Source – ONS <https://blog.ons.gov.uk/2021/10/12/census-2021-the-count-is-done-the-data-is-in-so-what-happens-next/>

However, through statistical demographic analysis, alongside a comprehensive working knowledge of the Bootle housing area, it is not anticipated that the selective licensing area's proportion of homes within the privately rented sector has decreased since 2011, but has in fact increased over the past decade. We will confirm this as soon as the appropriate Census outputs are released and if any changes are made to the licensing schemes, these will be appropriately communicated with all parties.



Section 2: Selective Licensing

On 21st September 2017, Sefton Council's Cabinet approved the introduction of a Selective Licensing Scheme covering all privately rented accommodation in the Bootle area of Sefton. The scheme came into effect on 1st March 2018 and will come to an end on 28th February 2023.

What is Selective Licensing?

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

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

A Local Authority will need to apply to the Secretary of State for Levelling Up, Housing & Communities for confirmation of any scheme which would cover more than 20% of their geographical area or that would affect more than 20% of privately rented homes in the Local Authority area. This business case outlines the proposed re-designation which does not meet the criteria to require Secretary of State approval.

Guidance from the MHCLG states: *“the local housing authority may only make a designation if the area has a high proportion of property in the private rented sector. Nationally the private rented sector currently makes up 19% of the total housing stock in England”* (Source - English Housing Survey 2019-20). Therefore, because the overall PRS sector has remained at a similar level since the original licensing scheme's inception in 2017-18 and also the most accurate current PRS figures at a small area level remains the 2011 Census (2021 Census figures at this geographical level will be available from 2023), it has been considered that the most appropriate and prudent approach to renewing the Selective Licensing area in Bootle would be; continuing with the same boundary as previously identified. With this in mind, the total proportion of privately rented properties in the Bootle Selective Licensing area = **19.9%**. Therefore, this can be considered as an area with a high proportion of homes within the PRS tenure.

A Selective Licensing designation may be made if the area to which it relates satisfies one or more of the following conditions. The area is one experiencing:

- low housing demand (or is likely to become such an area)
- a significant and persistent problem caused by anti-social behaviour (ASB)
- poor property conditions
- high levels of migration
- high level of deprivation



- high levels of crime

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

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

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

The law states that any decision to implement a Selective or Additional (HMO) licensing scheme must be consistent with the Local Authority's housing strategy and must be part of a coordinated approach for dealing with homelessness, empty homes and ASB. The Local Authority must be satisfied that there are no other courses of action that might provide an effective remedy and that the introduction of a licensing scheme will significantly assist in dealing with the problem. So, there is a lot of evidence that Sefton analysed before it introduced its current scheme.

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

Owners of privately rented properties within the designated areas will be required to make an application to the Local Authority for a licence and will need to nominate either the manager or the owner to be the proposed licence holder. The proposed licence holder will need to be determined by Sefton Council as a 'fit and proper' person [see page 81].

Exempt from Selective Licensing

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

Defining Proposed Areas for Selective Licensing

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



Selective Licensing requires all privately rented properties, which are located within a designated area, to be licensed. Sefton proposes to re-designate parts Bootle as a Selective licensing area. A map of the designated area and a full list of streets proposed can be found at **Appendix 1**

Scheme details

Each licence granted would be subject to a series of licence conditions, A full set of conditions can be found at **Appendix 2**

The licensing process will require landlords to complete and submit an application form to Sefton Council along with the required fee. The application form will be online, and landlords will be required to provide information about the property

Examples of evidence required include:

- Gas safety - Gas safety record (12 months)
- Energy Performance Certificate
- Electrical Installation Condition Report (EICR)
- Fire Alarm and Emergency lighting certificates, where applicable
- Floor plan with room sizes and uses clearly shown, where applicable
- Any proposed licence holder or manager of the property will be required to make a declaration that they are a “fit and proper person [see Page 81]”
- Current occupancy details (**excluding** names)

Anti-social Behaviour

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

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

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



Section 3 Additional (HMO) Licensing

On 21st September 2017, Sefton Council's Cabinet approved the introduction of an Additional (HMO) Licensing Scheme covering all Houses in Multiple Occupation in an area of central Southport and an area of Seaforth/Waterloo/Brighton Le Sands. The scheme came into effect on 1st March 2018 and will come to an end on 28th February 2023.

What is Additional (HMO) Licensing?

Part 2 of the Housing Act 2004 (the Act) sets out the schemes for licensing of Houses in Multiple Occupation in a local housing authority area.

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

Enforcement action against HMOs is costly, resource intensive and complicated. Sefton's Housing Standards Team continue to respond on a reactive basis to complaints from tenants and neighbours regarding some of the worst properties. The current Additional (HMO) Licensing Scheme has enabled the Team to identify HMO properties that otherwise could have been unregulated, posing a health & safety risk to occupiers.

Mandatory HMO licensing only applies to those HMOs occupied by five or more people where there are two or more households, and the occupiers share an amenity such as a bathroom, kitchen or w.c. or where all the units of accommodation are not fully self-contained. Properties that are required to be licensed under the Mandatory scheme will not be required to be licensed under either Additional (HMO) or Selective Licensing. There are currently 154 Mandatory licenced HMOs in Sefton and the majority of HMO landlords have complied with the major work requirements linked to the licence. This helps demonstrate that licensing can lead to improved property conditions.

Additional (HMO) Licensing under section 56 of the Housing Act 2004 allows the Local Authority to extend the Mandatory HMO licensing scheme to include other types of HMO. Sefton Council considered that a significant proportion of the HMOs of a defined description, in both of the current designated areas were being managed insufficiently enough to give rise to one or more particular problems either for those occupying the property or for members of the public. Sefton proposes once again to include all properties within any prescribed definition of HMO across the proposed Additional (HMO) Licensing designations.

Those HMOs that fall within the definition of section 257, such as converted blocks of flats, are not subject to mandatory licensing, and local authorities that wish to licence such properties need to follow the approval steps for Additional (HMO) Licensing.



Sefton's proposal for Additional (HMO) Licensing includes all properties defined under section 257.

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

- (a) Consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public
- (b) Have regard to any information regarding the extent to which any codes of practice approved under section 233 have been complied with by persons managing HMOs in the area
- (c) Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question
- (d) That making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well)
- (e) Consult persons likely to be affected by the designation.

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

Defining Proposed Areas for Additional (HMO) Licensing

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

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

Duration of licenses

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

What is a HMO?

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

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

- a it meets the conditions of the standard test
- b it meets the conditions of the self-contained flat test
- c it meets the conditions of the converted building test
- d an HMO declaration is in force in respect of it under section 255 of the



Housing Act 2004

- e it is a converted block of flats to which section 257 of the Housing Act 2004 applies.

The 'Tests'

The three tests are as follows:

1. The Standard Test

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

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

2. The Self Contained Test

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

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



3. The Converted Building Test

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

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

Section 257 HMO

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

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

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

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

For example a HMO can include:

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



What is a household?

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

Members of the same family living together including:

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

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

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

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

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

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

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

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



Sefton Council proposes to re-designate Additional (HMO) Licensing schemes to:

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

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

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

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

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

Scheme detail

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

Examples of evidence required include:

- Gas safety - Gas safety record (12 months)
- Energy Performance Certificate (where applicable)



- Electrical Installation Condition Report (EICR), Fire Alarm and Emergency lighting certificates, where applicable
- Floor plan with room sizes and uses clearly shown
- Any proposed licence holder or manager of the property will be required to make a declaration that they are a “fit and proper person [see Page 81]”
- Current occupancy details (excluding names)

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

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

Following expiry of a licence issued for less than 5 years, and if an Additional (HMO) Licensing scheme is still designated, a decision will be made on the standard of management of the property and the property relicensed accordingly for another year or remaining duration of the licensing scheme.

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

Licence Conditions

The focus of Additional (HMO) Licensing is to address the issues of poor property and tenancy management in the PRS and to ensure that landlords are reputable. Landlords will be required to meet the ‘fit and proper test’ [Page 81]. Sefton will check that the management arrangements in place for the property are satisfactory. Landlords who are successful in obtaining a licence will have to comply with the conditions of the licence. These conditions ensure that the property is managed effectively. Landlords, who do not comply with their licence conditions, may find themselves prosecuted and fined. Licensing will introduce a consistent level of property management services among all private landlords in the proposed area.

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



SECTION 4 Review of Progress of current Selective & Additional (HMO) Licensing Schemes

As at the 31st August 2021 the Council had issued 2505 Selective Licences. Prior to commencement of the scheme we estimated that there would be in the region of 2800 privately rented properties to be licenced, by the end of the scheme we estimate the Council will have issued in region of 3200 Selective licences.

As at the 31st August 2021 the Council had issued 195 Additional (HMO) Licences. Prior to commencement of the scheme we estimated that there would be in the region of 200 Additional HMO properties to be licenced. By the end of the scheme we estimate that the Council will have issued 240 Additional licences.

The scheme has been effectively publicised, and the officers from the Housing Standards Team have been actively seeking out properties that require a licence but had not made an application. This has been achieved by carrying out street surveys throughout the licensing areas, obtaining information from Council Tax and Housing Benefit records, using Land Registry searches and Electoral Register information to identify privately rented properties.

It has become apparent in the current Additional (HMO) Licensing Scheme, that licensing of HMOs consisting entirely of self-contained flats (so called 'Section 257' HMOs) is extremely time consuming due to the multi layered ownership arrangements and conflicts between freeholders who often cannot agree who would apply and pay for the licence. There were also a number of HMOs where the type and status of occupiers varied due to sales of flats. The definition of a section 257 HMO requires that for a building to be an HMO, more than a third of the flats within it must be occupied by persons other than leaseholders. Thus, a building comprising of three flats could cease to be an HMO as a result of just one of the flats becoming owner occupied. It also makes it difficult for freeholders to identify whether their property is licensable as they may not know whether an individual leaseholder is in residence or has sub-let the flat.

Progress on the outcomes of the scheme is set out in the following sections:

There are a number of areas where the introduction of the Selective and Additional Licensing schemes has made a positive impact to privately-rented sector residents, and also their wider neighbourhoods. Some of these improvements are unmeasurable in the conventional monitoring sense. However, the statistics outlined below, identify comparable information outputs, and can be analysed to show trends to identify wider impacts of the housing licensing schemes in Sefton.



Improvements in Housing Conditions

Housing Standards Service Requests

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

Table 4.1 below identifies the number and proportion of total (mappable²) housing standards service requests received by Sefton Council over a 3.5 year period between March 2018 and August 2021. The results highlight that the rate of total service requests in each licensing area are significantly greater than the overall Sefton rate (10.2 requests per 1000 households). This evidence highlights that each of the licensing areas continue to be disproportionately affected by poorer housing stock and poor property conditions.

*The proportional rate of service requests in the Bootle SLA has increased since 2012 (from 30.1% to 40.7% of the total service requests).

Whilst the complaints numbers received in the selective licensing areas have started to increase, it is difficult to reach firm conclusions about the reasons for this. It is possible that one contributory factor is growth in private renting across the area. Rather than a general decline in the quality of the Private Rented sector, the increase may be partly due the licensing scheme making tenants more aware of the options available for dealing with issues at their property. They may also feel more confident about reporting complaints within the Licensing regime as landlords cannot evict them simply to avoid obtaining a licence. Whilst 'retaliatory eviction' (where landlords are able to evict tenants who complain about living conditions) is a real fear for tenants, it is likely that this would be a greater issue without the benefit of the licensing framework. Further monitoring of stock conditions will have to be undertaken over coming years to assess the overall positive impact of the Selective and Additional Licensing Schemes in the Borough.

² The total number of service requests received by Sefton Housing Standards was 1,386 from 1st March 2018 to 15th August 2021. Of these; 1,307 (94.3%) could be accurately matched (geocoded) to an address.



Table 4.1 – Housing Standards Service Requests (March 2018 August 2021)

Area	Waterloo/ Seaforth Additional HMO Licensing Area	Southport Additional HMO Licensing Area	Bootle Selective Licensing Area	Total Licensing intervention areas	Sefton Total
Total Housing Standards Service Requests	111	175	532	818	1307
Proportion of Total Housing Standards Service Requests	8.5%	13.4%	40.7%	62.6%	100%
Service Request rate per 1000 households*	20.7	23.4	35.8	29.5	10.2

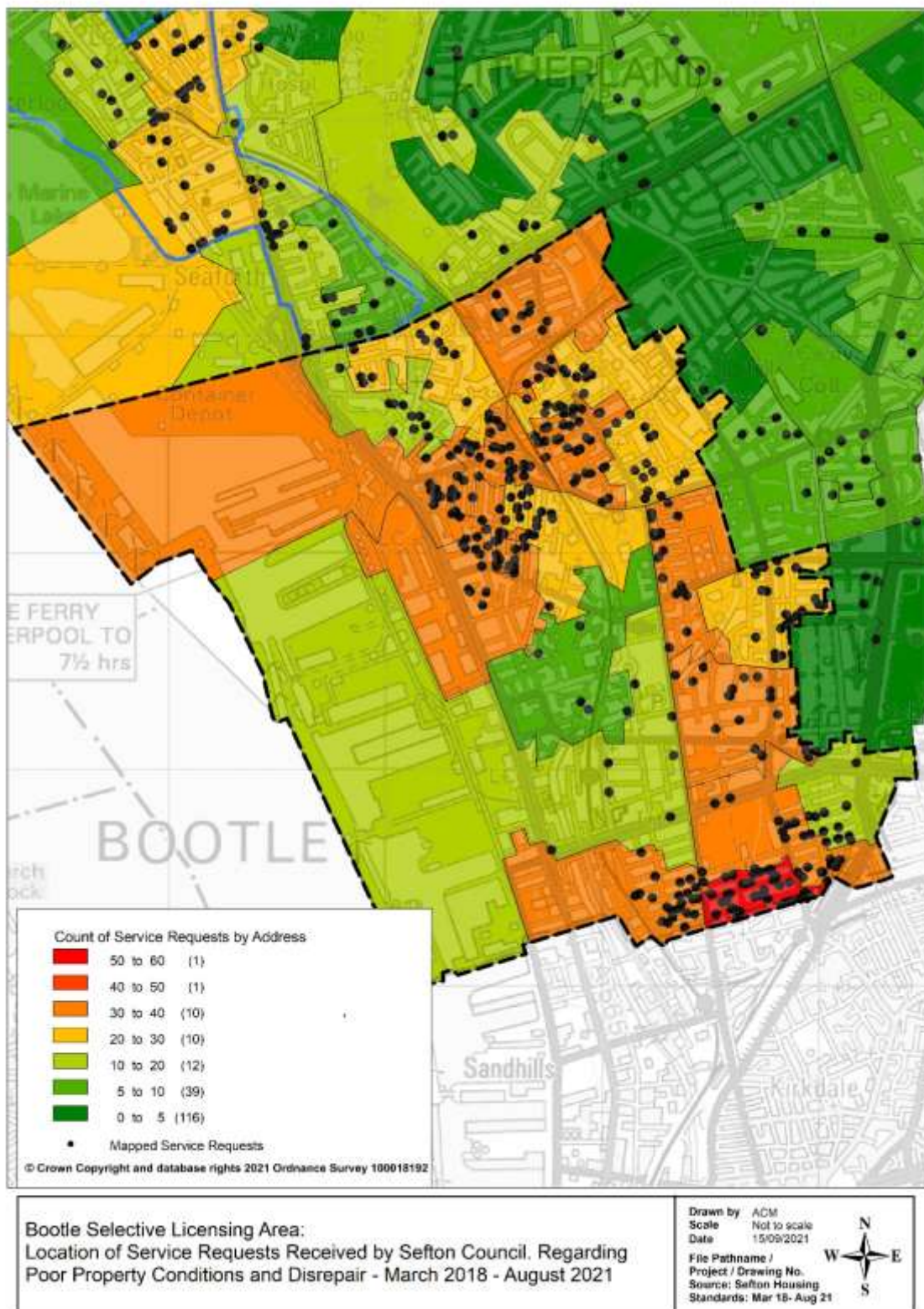
Source: Sefton Council – Flare

*Household Estimate based on 2020 Council Tax Stock Base

When assessing the geographic breakdown of the Housing Standards service requests with regards to poor property conditions and disrepair since the start of the housing licensing schemes (March 2018 to August 2021), the hotspot mapping of service request addresses below, highlight that the current Selective and Additional (HMO) licensing areas remain the main areas of housing disrepair and poor conditions. Therefore, the renewal of the licensing schemes in March 2023 should persist with the same neighbourhood boundaries and streets, to help continue to improve the quality of the private sector properties in these focused areas.



Figure 4.2 – Bootle: Poor Property Conditions Service Requests



Poor Property Conditions: Homes in Multiple Occupation

Table 4.3 below identifies the number and proportion of total (mappable³) housing standards service requests, relating to Homes in Multiple Occupation (HMOs), received by Sefton Council over a 3.5 year period between March 2018 and August 2021. The results highlight that the rate of total HMO service requests in each of the additional (HMO) licensing areas (Waterloo and Southport) are significantly greater than the overall Sefton rate (0.15 requests per 1000 households). This evidence highlights that each of the licensing areas continue to be disproportionately affected by poorer property conditions in regard to Homes in Multiple Occupation.

Table 4.3

Area	Waterloo/ Seaforth Additional HMO Licensing Area	Southport Additional HMO Licensing Area	Bootle Selective Licensing Area	Total Licensing intervention areas	Sefton Total
Total HMO Housing Standards Service Requests	22	74	57	153	189
Proportion of Total HMO Housing Standards Service Requests	11.6%	39.2%	30.2%	81.0%	100%
HMO Service Requests rate per 1000 households*	4.1	9.9	3.9	5.6	0.15

Source: Sefton Council – Flare

*Household Estimate based on 2020 Council Tax Stock Base

³ The total number of HMO service requests received by Sefton Housing Standards was 197 from 1st March 2018 to 31st August 2021. Of these; 189 (96%) could be accurately matched (geocoded) to an address.



Figure 4.4 – Southport: Poor Property Conditions HMO Service Requests

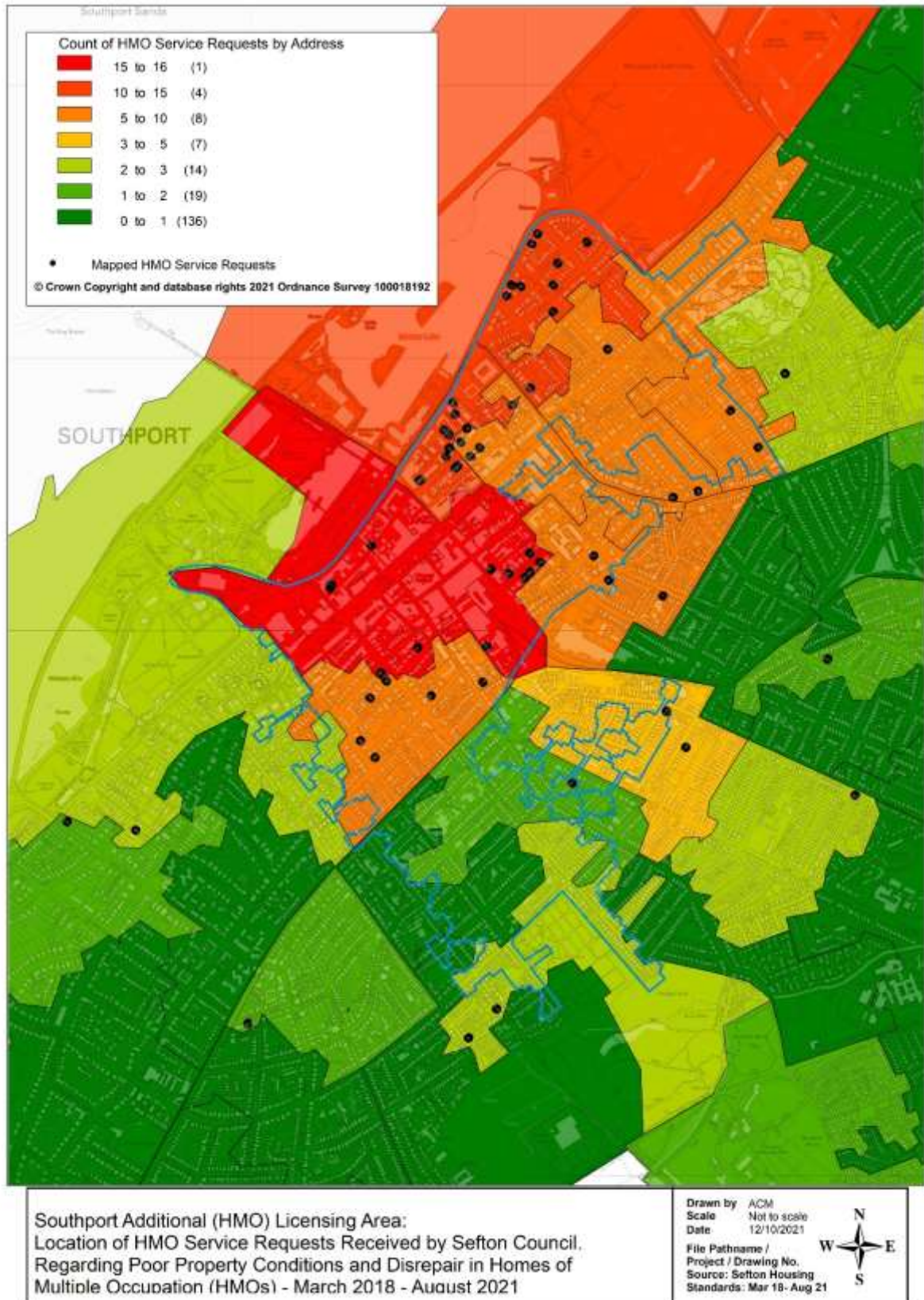
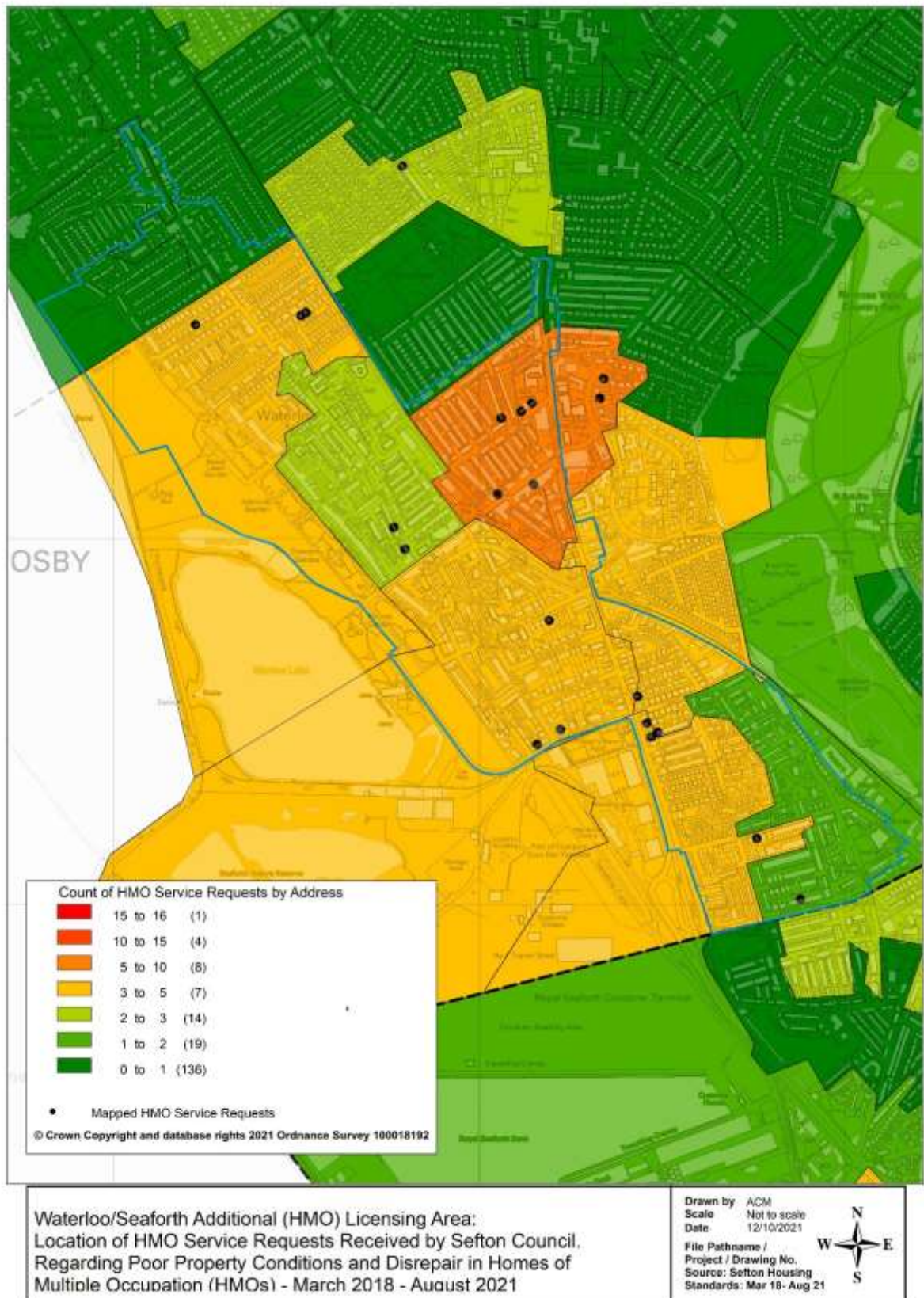


Figure 4.5 – Waterloo/Seaforth: Poor Property Conditions HMO Service Requests



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

The system considers 29 separate hazards relating to:

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

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

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

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

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

Without licensing the Team's work would solely be a reactive service. Once a complaint is made to the Local Authority, a member of the Housing Standards Team will then undertake a HHSRS inspection to determine whether action needs to be taken. Whilst this approach does improve property conditions it is sporadic across the Borough and does not have a concentrated impact in one area. In addition, this power does not tackle property management standards. Through the Selective Licensing designation landlords can attend development days, which cover all aspects of property management including property condition. Through training, advice and support landlords will recognise what improvements need to be made to their properties reducing the need for action under the HHSRS.



Category 1 Hazards

Private Sector Stock Condition modelling commissioned by Sefton and undertaken by BRE in 2018 estimated that; 13,370 dwellings in the private sector in Sefton that have category 1 Housing Health and Safety Rating System Hazards⁴. This equates to 12.4% of all private sector properties in the Borough. This proportion of private houses with Cat 1 hazards is slightly better than the national rate, equating to 13.7%.

An estimated 2,750 dwellings in the Privately Rented Sector (PRS) have Category 1 HHSRS hazards. This equates to 14.3% of properties within the PRS as suffering from these health and safety issues.

The highest concentrations of all HHSRS Category one Hazards for all housing stock within Sefton are found in Dukes and Cambridge wards (Southport), Church ward (Waterloo) and Derby and Litherland wards (Bootle).

Focusing on the tenures within the private sector stock, the private rented stock has slightly higher levels for all hazards, excess cold, disrepair, fuel poverty (both definitions); however, levels of fall hazards are the same across both tenures. Levels of low-income households are much higher in the private rented sector – 27% compared to 18% in the owner-occupied sector.

Table 4.6 (below): Estimates of the numbers and percentage of dwellings meeting the key indicator criteria assessed by the Housing Stock Models and Housing Stock Condition Database by tenure for Sefton

Indicator	Private sector stock				Social stock		
	Owner occupied		Private rented				
	No.	%	No.	%	No.	%	
No. of dwellings	88,365	-	19,196	-	19,337	-	
HHSRS category 1 hazards	All hazards	10,625	12%	2,747	14%	1,163	6%
	Excess cold	2,193	2%	597	3%	278	1%
	Fall hazards	6,704	8%	1,491	8%	755	4%
Disrepair	4,262	5%	1,520	8%	314	2%	
Fuel poverty (10%)	12,534	14%	3,148	16%	3,403	18%	
Fuel poverty (Low Income High Costs)	9,443	11%	3,081	16%	1,844	10%	
Low income households	15,598	18%	5,140	27%	14,409	75%	

N.B. the information on hazards refers to the number of dwellings with a hazard of the stated type. Because of this there is likely to be some overlap – for example, some dwellings are likely to have excess cold and fall hazards, but this dwelling would only be represented once under 'all hazards'. The number of dwellings under 'all hazards' can therefore be less than the sum of the excess cold plus fall hazards.

⁴ The Housing Health and Safety Rating System (HHSRS) assesses 29 housing hazards and the effect that each may have on the health and safety of current or future occupants of the property. The HHSRS provides a way that hazards can be assessed and the best way of dealing with them identified. If a hazard is a serious and immediate risk to a person's health and safety, this is known as a Category 1 hazard. If a hazard is less serious or less urgent, this is known as a Category 2 hazard.



Figure 4.7

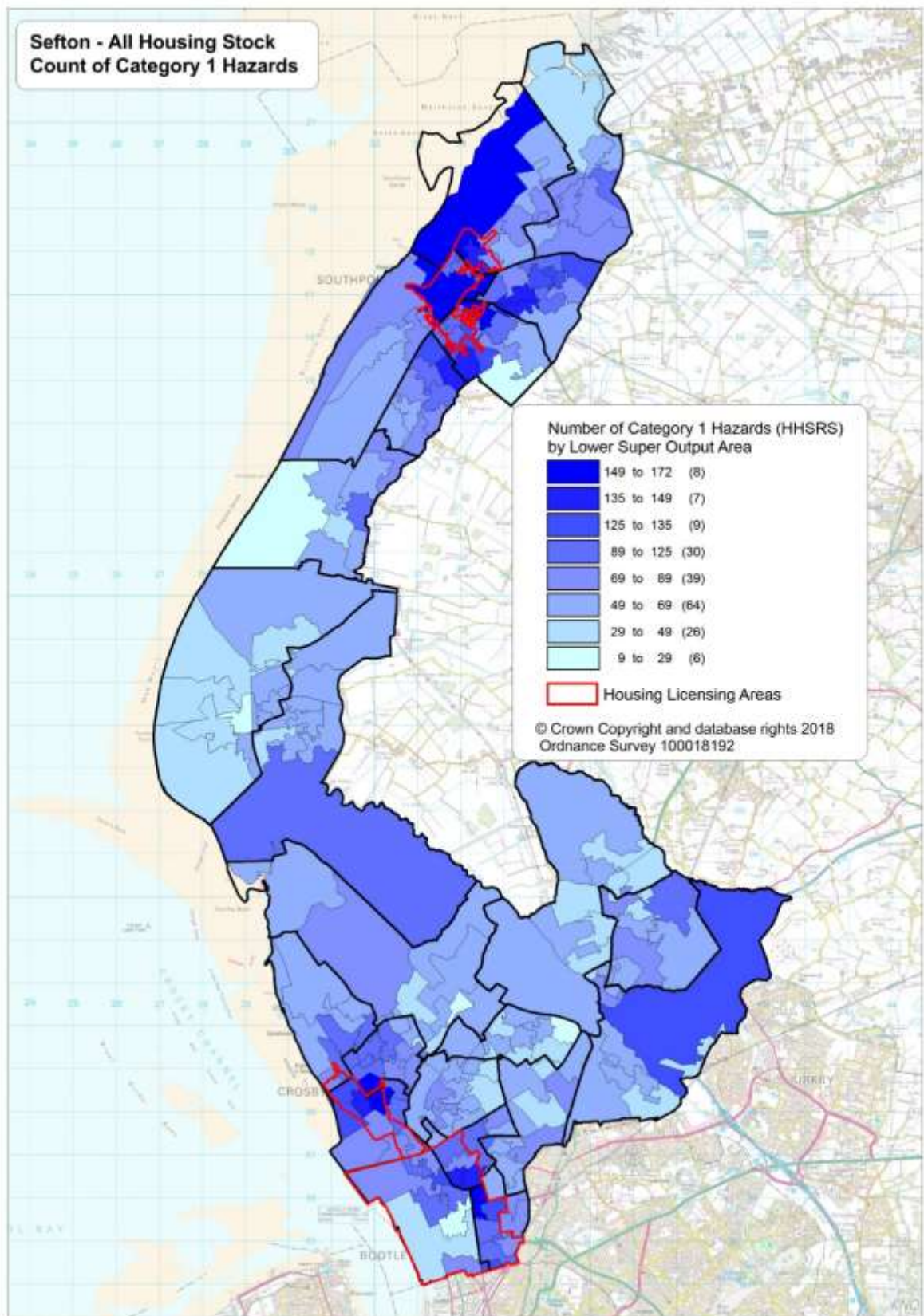
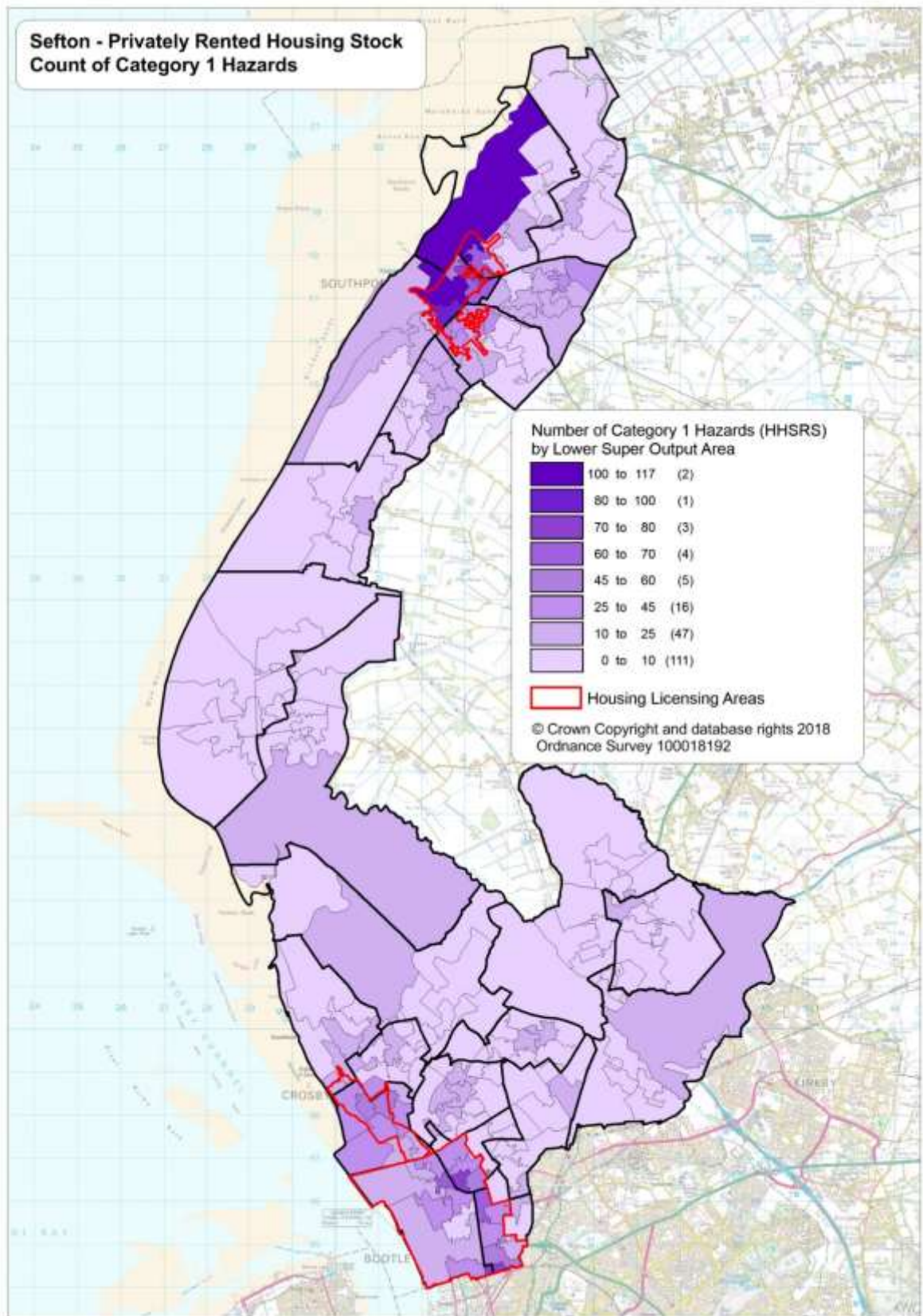


Figure 4.8



Since the commencement of the licencing schemes in March 2018 to end of August 2021, 288 licensable properties have had serious Category 1 hazards removed. The total number of hazards removed from all licensable properties is 1113 and 370 of them being the most serious Category 1 hazards. The main hazards that have been removed from the properties are hazards relating to Fire Safety, Electrical Hazards, Damp & Mould, Excess cold and Falls between levels.

In the first 3 years of the schemes 570 compliance visits took place. The number of compliance visits undertaken was severely below target due to the Covid pandemic, that prevented officers from the Housing Standards Team carrying out routine compliance visits in the third/fourth year of the scheme. Of those 570 inspections, 330 properties were non-compliant on first inspection, equating to 58%. However, following informal intervention by the Housing Standards Team, 98% of these properties became compliant. The main reasons for non-compliance was the failure to have a Gas Safe report for the property, failure to have an Electrical Installation Condition Report where required, and failure to have smoke alarms fitted.

On the current rate of progress, it will be impossible for the Team to carry out compliance visits on all the licensed properties. The lockdown due to Covid, has had a huge impact on inspection numbers. Although we receive substantial information about the property and its management at application stage, it cannot be an adequate substitute for a compliance visit, which provides the opportunity to discuss the management of the property with the tenant and the landlord. The visit also provides an opportunity to identify any hazards within the property that can then be dealt with as a housing standard issue under our current Housing Standards Enforcement Policy.

To summarise, there is evidence to indicate that the licensing schemes are leading to improvements in housing conditions. Selective and Additional (HMO) licensing and the need to obtain a licence has helped Sefton Council identify high risk properties requiring intervention, often where tenants would not have risked complaining to their landlord. The application process has highlighted just how many properties do not have the minimum requirements such as a Gas Safe Certificate. Without licensing, it is fair to conclude that most of these properties would remain without one, leaving tenants at serious risk.

We have provided further examples of poor conditions and management practices in a number of Selective and Additional (HMO) Licensing case studies, which can be found at Appendix 5



Anti-Social Behaviour (ASB)

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

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

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

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

Bootle Selective Licensing Area

Please note: These Anti-Social Behaviour (ASB) statistics are for the time period April 2019 – March 2020. These dates are considered to be statistically more comparable with the original selective licencing business case data (from Merseyside Police 2015). The 2020-21 ASB crime data is available, however, there have been an exceptional number of ASB reports due to the Covid-19 pandemic (since March 2020), especially around the reporting of 'lockdown' breaches and other unauthorised activities.

The MHCLG state that: ***“The outcome of the selective licensing scheme should be a reduction in, or elimination, of anti-social behaviour (caused by tenants in the private sector) in the designated area”.***

Overall ASB rates

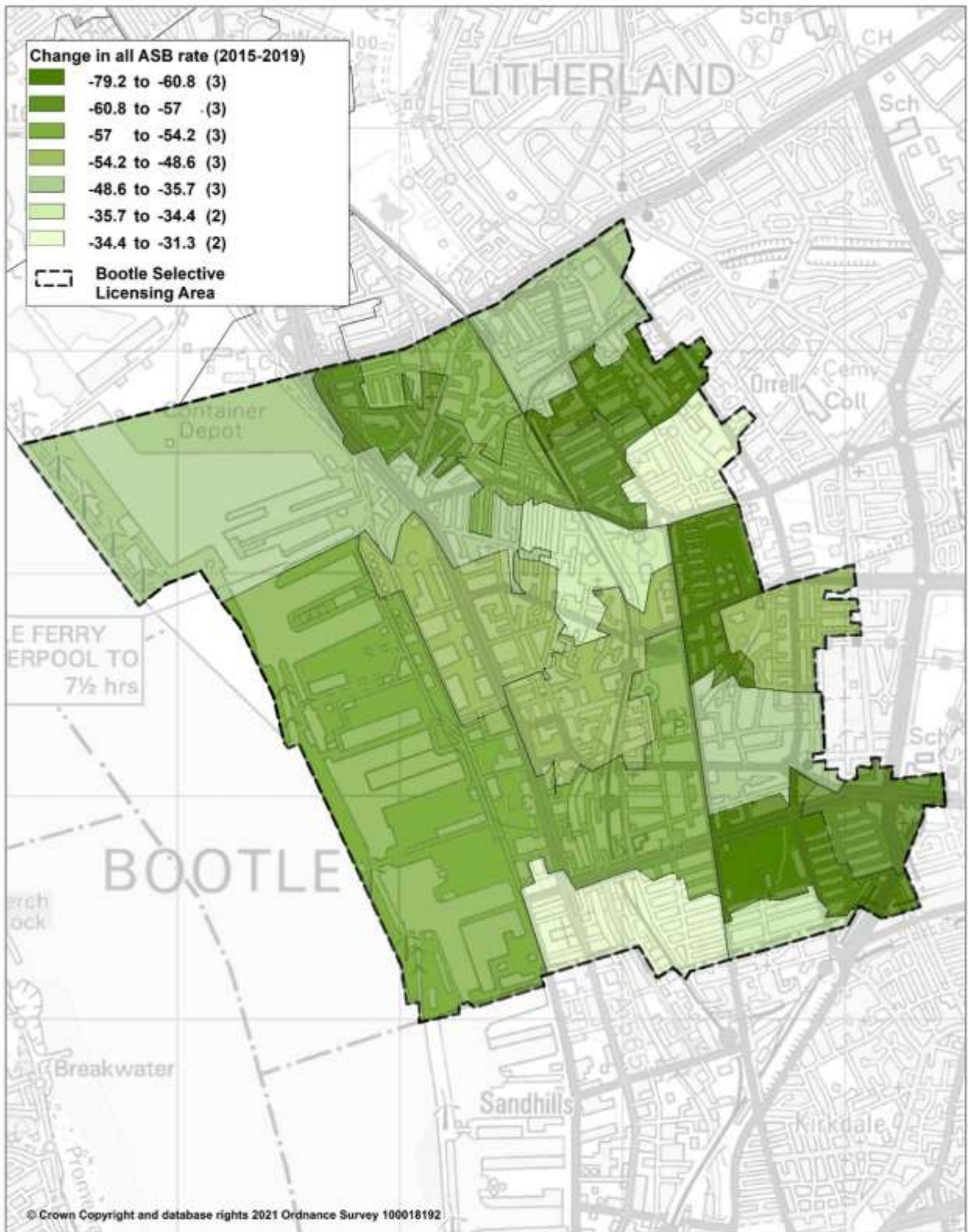
Since the introduction of the scheme within Bootle, there has been a significant overall reduction in the rate of anti-social behaviour in every single one of the individual Lower Super Output Areas (LSOA), that comprise the licensing boundary. The overall ASB rate per 1000 people has reduced by **52.9** over the previous five years (2015-2020) and this is greater than the Borough's ASB rate reduction over the same time period (a reduction of 49.1 per 1000 persons).



Table 4.9

LSOA Code	Ward Name	ASB rate Per 1000 People -2015	ASB rate Per 1000 People -2020	Change in ASB Rate per 1000 People – 2015 to 2020
E01006961	Derby	55.8	23.5	-57.9
E01006962	Derby	44.5	28.6	-35.7
E01006963	Derby	59.3	20.0	-66.3
E01006964	Derby	37.8	19.4	-48.7
E01006966	Derby	32.6	17.9	-45.1
E01006967	Derby	106.2	46.4	-56.3
E01007003	Linacre	74.1	31.2	-57.9
E01007004	Linacre	53.1	27.3	-48.6
E01007005	Linacre	63.6	41.1	-35.4
E01007006	Linacre	81.0	40.8	-49.6
E01007007	Linacre	69.5	31.8	-54.2
E01007008	Linacre	57.4	25.0	-56.4
E01007009	Linacre	107.1	70.3	-34.4
E01007010	Linacre	82.0	35.3	-57.0
E01007011	Linacre	56.9	39.1	-31.3
E01007012	Litherland	63.6	24.9	-60.8
E01007013	Litherland	49.8	27.4	-45.0
E01007016	Litherland	108.4	37.2	-65.7
E01007017	Litherland	67.4	14.0	-79.2
Bootle Selective Licensing Area				
Sefton		67.3	31.7	-52.9
Sefton		33.8	17.2	-49.1





Bootle Selective Licensing Area:
 Change in in all Anti-Social Behaviour rate per 1000 population
 by Super Output Area - 2015 to 2019

Drawn by ACM
 Scale Not to scale
 Date 21/06/2021
 File Pathname /
 Project / Drawing No.
 Source: Merseyside Police
 April 2019 - March 2020

Figure 4.10

Environmental Anti-Social Behaviour

Analysing the ASB rates in further detail, environmental ASB helps to monitor people's perceptions and use or misuse of a local area. Physical settings and surroundings are known to impact positively or negatively on mood and sense of well-being. There can also be a perception that the quality of a particular environment can be undermined, causing those residents affected by that environment to feel undervalued or ignored. Public spaces change over time as a result of physical effects caused, for example, by building but the environment can also change as a result of the people using or misusing that space. The environmental ASB figures record a number of different factors, including; Graffiti, Fly-tipping, abandoned vehicles, dog-fouling, litter, trespassing, unpleasant smells, untidy gardens, rogue landlords amongst others.

The environmental ASB rates over the previous 5 years do show significant improvements within the Bootle selective licensing area. As with the overall ASB rates, these environmental improvements are again better than the overall improvements experienced throughout the Borough. The overall rate of environmental ASB has halved **(-50%)** in Sefton (reducing from 0.8 to 0.4 incidents per 1000 people). However, within the Bootle selective licensing area the overall rate of environmental ASB has reduced by **-53.3%** over the same timeframe (reducing from 1.5 to 0.7 incidents per 1000 people).

Table 4.11

SOA Code	Ward Name	Environmental ASB rate Per 1000 People -2015	Environmental ASB rate Per 1000 People -2020	Change in ASB Rate per 1000 People – 2015 to 2020
E01006961	Derby	0.0	0.0	0.0
E01006962	Derby	1.4	0.0	-1.4
E01006963	Derby	2.8	0.6	-2.2
E01006964	Derby	1.3	0.0	-1.3
E01006966	Derby	1.3	0.0	-1.3
E01006967	Derby	3.2	0.6	-2.6
E01007003	Linacre	0.8	3.3	2.4
E01007004	Linacre	0.7	0.0	-0.7
E01007005	Linacre	1.6	2.8	1.2
E01007006	Linacre	1.4	0.7	-0.7
E01007007	Linacre	2.4	1.5	-0.9
E01007008	Linacre	1.6	0.0	-1.6
E01007009	Linacre	1.4	0.0	-1.4
E01007010	Linacre	2.5	1.4	-1.1
E01007011	Linacre	2.0	1.9	-0.1
E01007012	Litherland	1.5	0.0	-1.5
E01007013	Litherland	1.4	0.7	-0.7
E01007016	Litherland	1.0	0.5	-0.5
E01007017	Litherland	1.2	0.6	-0.6
Bootle Selective Licensing Area		1.5	0.7	-0.8
Sefton		0.8	0.4	-0.4



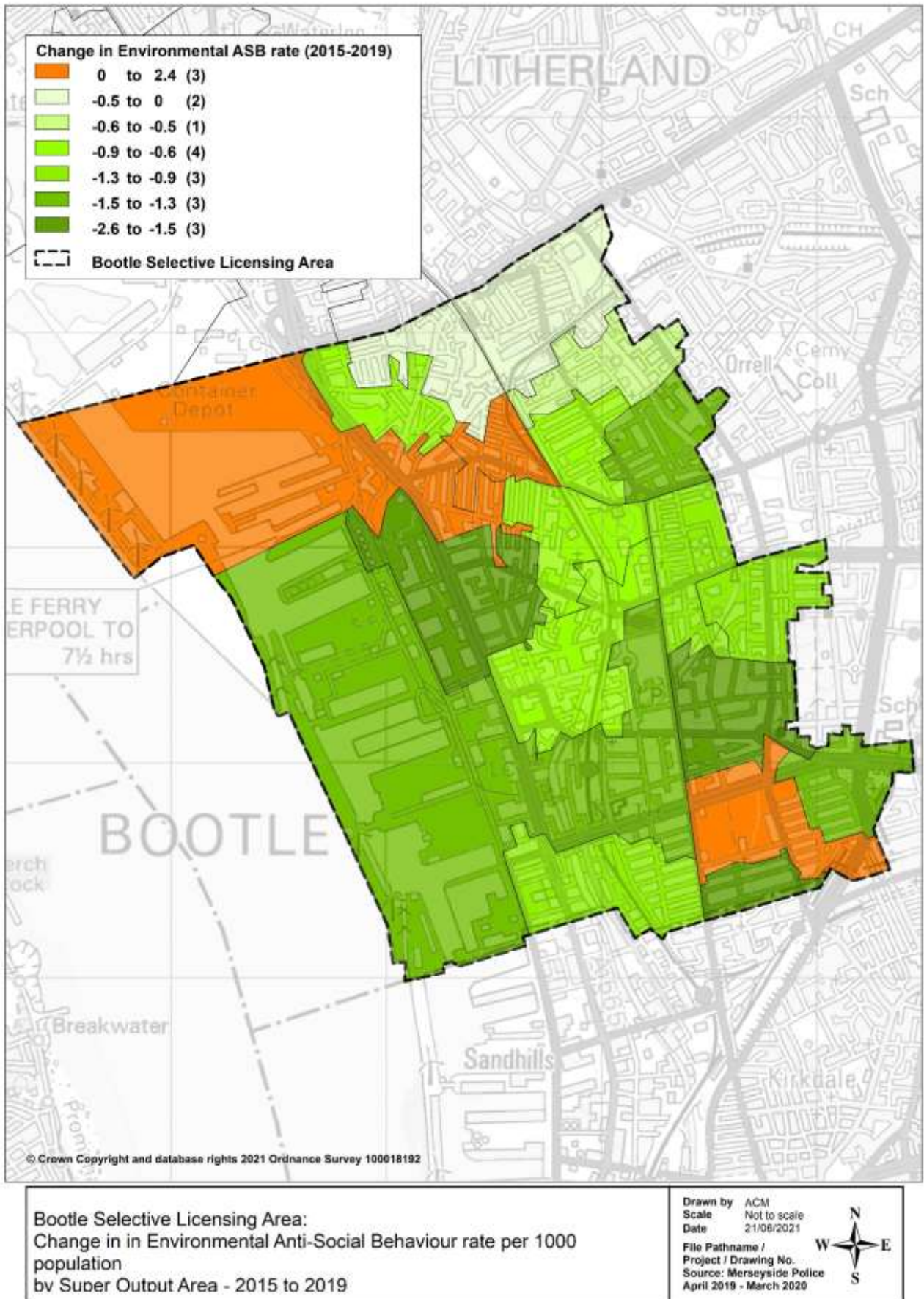


Figure 4.12

PROJECT - Anti-Social Behaviour (Environmental) in POETS Streets Neighbourhood, Bootle, L20

Sefton Council and Registered Housing providers in the Poets Streets Area of Bootle have introduced a regular joint inspection and follow up routine focused on fly tipping and excess refuse outside properties, which is a long-standing concern in this area.

Licence holders have a duty, under the Anti-Social Behaviour Housing Licence conditions, to ensure properties are regularly monitored and to that the property does not cause a nuisance to neighbours or other residents.

The aim is to break the cycle of fly tipping and poor-quality environment in the area which will not come only from an enforcement approach. The Council and Registered Housing Providers are therefore keen to work with licence holders and stakeholders in the local area to enable this new joint management approach to make a positive impact, which is in the interests of everyone involved.

It is also clear that some residents will require support to deal with underlying issues and concerns which may make managing their tenancies as they should a challenge. The project welcomes referrals of tenants who may need support from agencies to assist with issues such as debt, physical and mental health and other social and economic issues that may cause them to struggle.

Anti-Social Behaviour and Selective Licensing in Bootle

Continuation of a Selective Licensing Scheme in Bootle beyond 2023

The statistics on ASB, as set out above, do indicate that the selective licensing scheme in Bootle is fulfilling the conditions as set out by the MHCLG. However, although the overall ASB rate and specifically the environmental ASB rates are falling in the Bootle Selective Licensing area. The ASB data still highlights that this area still has some way to go in terms of reducing the impacts of all ASB to a rate that is similar or equal to the overall Borough rates.

Table 4.13

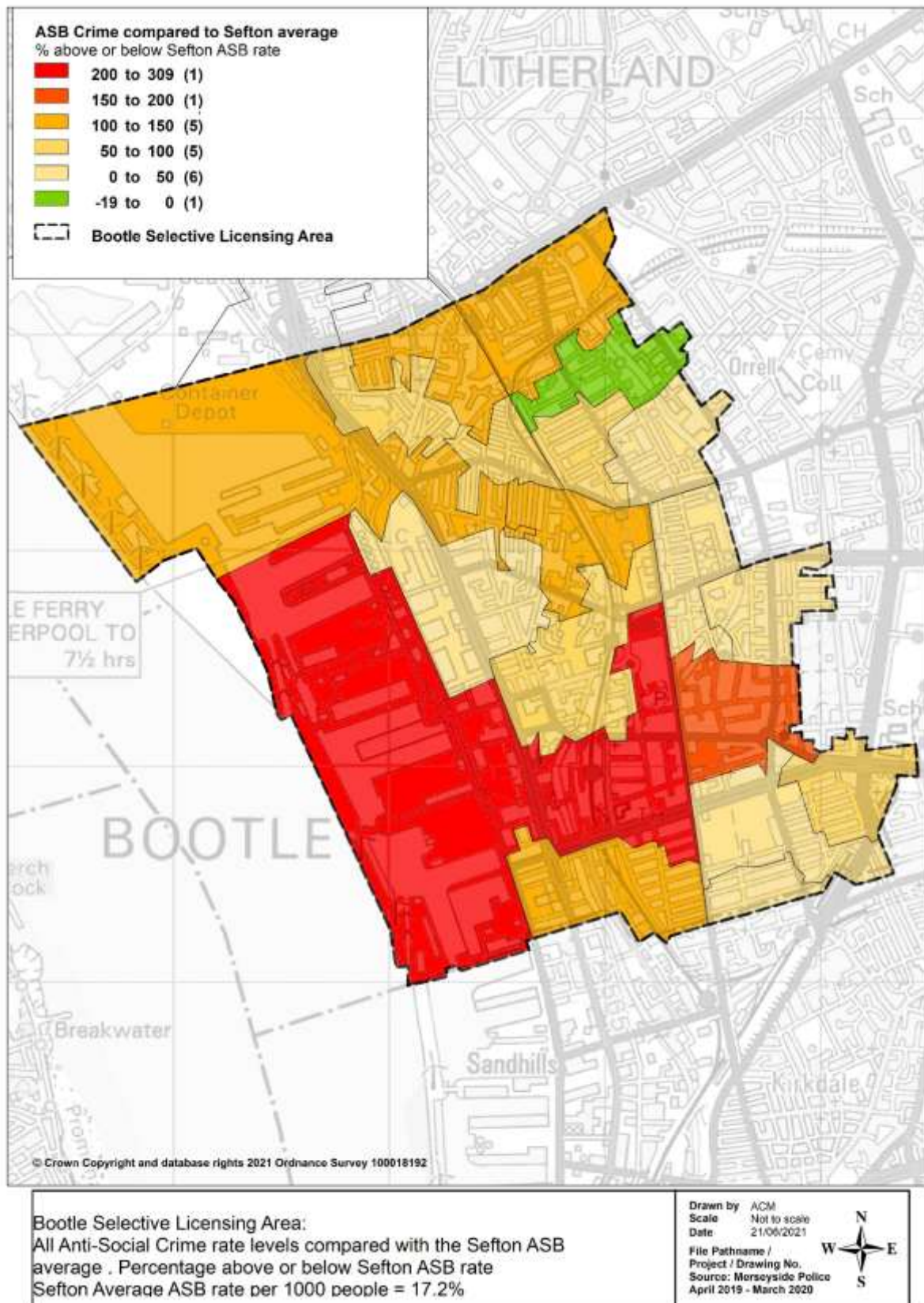
	Rate per 1000 Population - SEFTON	Rate per 1000 Population - BOOTLE SL area	Difference (rate per 1000 population)
All ASB	17.2	31.7	14.5
Environmental ASB	0.4	0.7	0.3

The map below identifies that there are a number of areas that have overall ASB rates in excess of four times the Sefton average. Only one Super Output Area (out of 19) has an ASB rate below the Sefton average.

Therefore, there is a strong argument presented, regarding the continuation of a selective licensing scheme in Bootle. This will help to continue to narrow the gap and improve the quality of the privately rented sector, and ultimately, improve the lives of all residents within the scheme's area.



Figure 4.14



During the first 3 years of the licensing schemes, 7 licence holders have approached the team for advice on ASB. That advice was sought, and the matter now resolved. In all cases we supply the Landlord with the Sefton “*Landlords Guide to dealing with ASB*”. We emphasise to the Landlord it is their responsibility to tackle ASB issues within their properties. Due to Lockdown cases have increased by 100%.

There have been 87 privately rented properties in the selective licensing area and 5 HMOs in the Additional (HMO) Licensing areas where the ASB team have intervened, following complaints from residents rather than the landlord.

However, all the landlords of these properties have also received advice from the ASB team and been given the Licensing “*Landlords Guide to dealing with ASB*”.

The majority of Landlords have been happy to seek advice and work with the team to deal with Tenants causing ASB

We have served one Closure Order of a flat in a HMO in the Additional (HMO) Licensing area. This originated from a private landlord seeking help. The flat was being used for drugs and the premises was closed in December 2020 via the Court System.

Of the 94 cases we have dealt with :

- 18 complainants have moved
- 20 offenders moved
- 56 other cases have been resolved via the combination of issuing of:
 - Community Protection Notice Warning
 - Full Community Protection Notice
 - Informal Warning
 - Mediation

Case Study:

An example of working across sectors and partners is a case from December 2020. A Southport Landlord whose property is situated in the Additional (HMO) Licensing area contacted Sefton Anti-Social Behaviour Unit regarding an occupier (not his tenant) within the same building causing ASB for his tenants, using and selling of drugs from the premises and holding frequent parties.

This situation caused a great deal of distress and fear for the other tenants. The police raided the property on several occasions. The Landlord of the problematic flat was deceased, and no probate had been actioned, therefore the official landlord could not be identified.

The ASB team investigated and produced a prosecution file for a Closure Order. The file included evidence of drug use, ongoing parties, threats to tenants and damage to the property. Furthermore, the fire escape was deemed unsafe to be used and the Housing Standards Team served a Prohibition Order on the structure. This provided the only access to the flat which then deemed the flat uninhabitable. The Closure Order was signed off by The Chief Executive of Sefton Council and submitted to Court for prosecution. The Order was granted for three months with a possible 3-month extension and the offender was ordered to move out.



The ASB Officer and the Police assisted the offender to vacate. The tenant was offered Sefton emergency accommodation which was refused. After 3 months the Closure Order was extended for a further 3 months. At this stage the tenant informed the ASB officer that they no longer had any interest in the property and was in supported housing and had stopped using drugs and cut all ties with the other drug users previously associated with.

The flat will now go through the Enforced Sale procedure.

High Levels of Deprivation

In deciding whether the authority considers the areas to be suffering from high levels of deprivation the authority should consider the English Indices of Multiple Deprivation (IMD) 2019, provided by the Ministry of Housing, Communities and Local Government in comparison to other similar neighbourhoods in the area or within the region.

This data measures overall multiple deprivation experienced by persons living in geographical areas at Lower Super Output Area (LSOA) levels. Each LSOA in England is ranked according to its level of deprivation relative to that of other areas. There are multiple domains and sub domains that make up the overall deprivation level. Sefton ranks 89 most deprived out of the 317 Local Authority areas in England. This is a slight worsening of Sefton's overall ranking position since 2015.

All of the LSOAs in the Bootle Selective Licensing area are ranked within the most deprived quintile (20%) nationally. Within this Selective Licensing boundary there are areas suffering from severe deprivation, seven are ranked within the most deprived 1% nationally and seven are ranked within the most deprived 5%. Therefore, this Selective Licensing area can be considered as suffering from extremely high levels of deprivation. In 2019, of the 19 LSOAs that make up the Bootle Selective Licensing Area; 16 out of 19 areas are ranked lower (more deprived) compared to other English LSOAs since 2015. The potential positive impacts on reducing deprivation through improving Housing Standards, particularly through the Housing Licensing schemes in Sefton, since 2018, can only be fully assessed and analysed in subsequent future publications of the Indices of Multiple Deprivation. The table and map below depict the ranking of deprivation across Bootle, particularly within the proposed re-designated area for Selective Licensing.



Table 4.15 below shows the ranking of deprivation across the electoral wards within the proposed Selective Licensing area

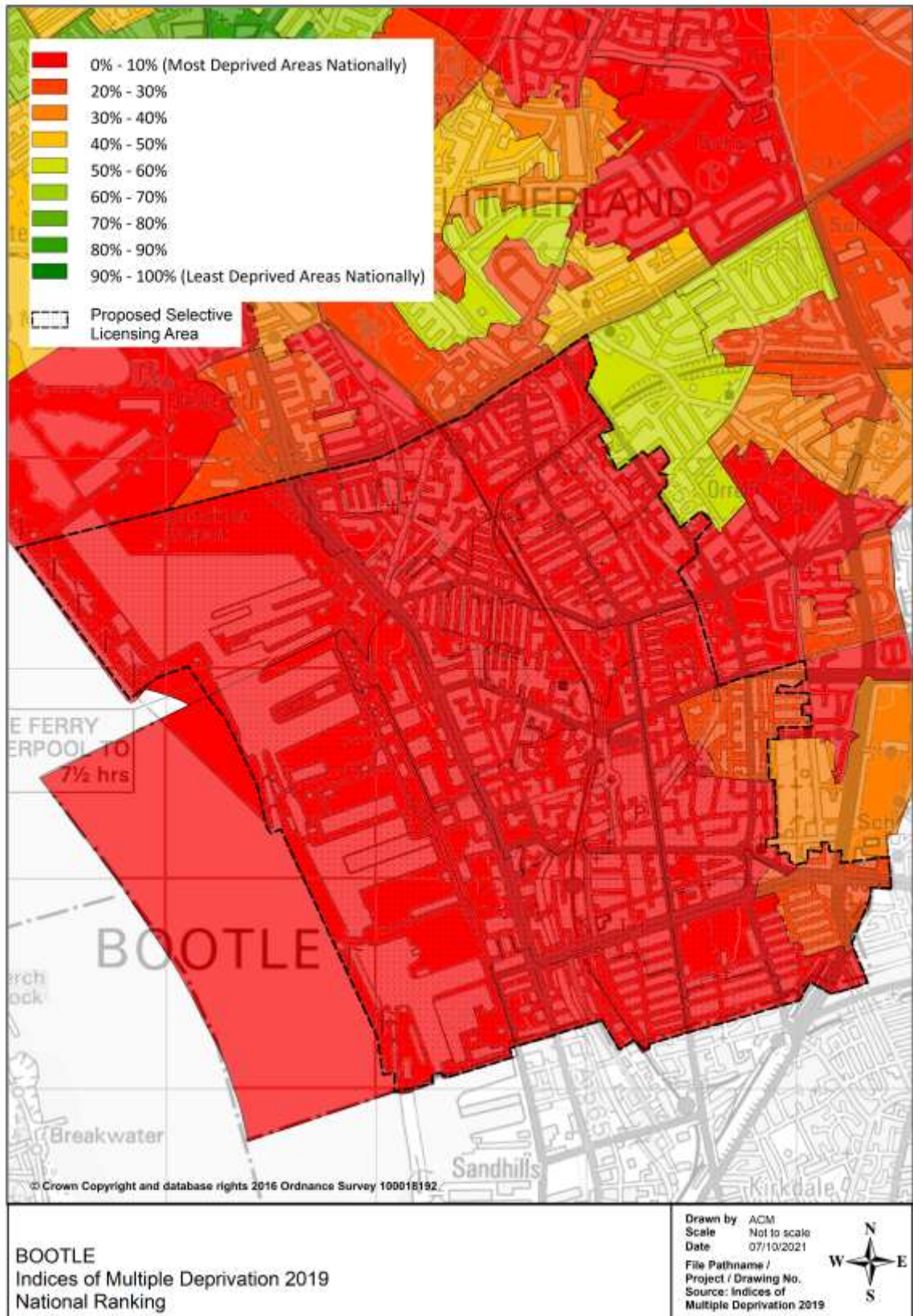
Table 4.15 – IMD 2019 Rank

LSOA Code	Ward Name	IMD National Ranking (where 1 = most deprived and 32,844 = Least deprived)	Proportional IMD Ranking Where < 1% = most deprived and 100% = least deprived
E01006961	Derby	807	2.5
E01006962	Derby	4,962	15.1
E01006963	Derby	128	0.4
E01006964	Derby	1,180	3.6
E01006966	Derby	3,752	11.4
E01006967	Derby	508	1.5
E01007003	Linacre	71	0.2
E01007004	Linacre	1,105	3.4
E01007005	Linacre	54	0.2
E01007006	Linacre	108	0.3
E01007007	Linacre	57	0.2
E01007008	Linacre	257	0.8
E01007009	Linacre	443	1.3
E01007010	Linacre	369	1.1
E01007011	Linacre	296	0.9
E01007012	Litherland	2,101	6.4
E01007013	Litherland	540	1.6
E01007016	Litherland	1,956	6.0
E01007017	Litherland	2,049	6.2



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

Figure 4.16



Crime

When considering whether areas suffer from high levels of crime a Local Authority may wish to have regard to whether the area has displayed a noticeable increase in crime over a relatively short period, whether the crime rate in the area is significantly higher than in other parts of the Local Authority area or that the crime rate is higher than the national average. In particular, the Local Authority may want to consider whether the impact of crime in the areas affects the local community and the extent to which a Selective Licensing scheme can address the problems.

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

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

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

All Crime related incidents in Sefton are recorded at just under 78 incidences per 1000 head of population (April 2019 – March 2020). This compares favourably to the overall national (England) crime rate of 82.6 crimes recorded per 1000 population. All Crime records incidents of Burglary, Criminal Damage, Drugs, Robbery, Theft and Violence.

The overall rate of all crime within the area covered by the Bootle Selective Licencing area is **166.7** incidents per 1000 population. This recorded overall crime rate is just over double the Sefton average (113% greater) and just over double the English average. All of the LSOAs in the Bootle Selective Licensing area have a reported crime rate above the Sefton average.



Table 4.17

LSOA Code	All Crime rate Per 1000 People	Burglary rate	Criminal Damage rate	Drugs rate	Robbery rate	Theft rate	Violence rate
E01006961	198.3	9.0	13.9	35.0	3.0	39.2	73.5
E01006962	126.2	11.0	15.4	13.2	2.9	9.5	45.5
E01006963	177.5	16.1	24.5	16.8	1.9	7.7	79.4
E01006964	126.5	5.2	14.2	11.6	1.9	4.5	64.5
E01006966	91.4	5.6	14.8	7.4	0.6	3.1	34.0
E01006967	181.8	15.3	15.3	13.4	1.3	12.1	90.9
E01007003	216.7	5.7	29.6	33.7	0.8	6.6	103.4
E01007004	106.9	5.2	14.0	16.2	2.2	2.9	45.0
E01007005	189.9	14.2	30.5	32.6	2.1	7.8	76.5
E01007006	134.0	6.4	17.2	22.2	0.0	7.9	48.7
E01007007	243.2	12.1	18.2	22.7	1.5	14.4	67.4
E01007008	186.1	12.5	28.9	20.3	2.3	10.2	70.4
E01007009	417.3	26.0	26.0	35.1	4.2	57.5	113.3
E01007010	167.6	21.5	20.8	18.0	0.0	11.1	57.5
E01007011	138.0	5.7	21.4	23.9	0.6	7.6	56.1
E01007012	104.8	2.3	8.3	12.1	0.8	6.8	43.7
E01007013	144.7	5.9	17.6	22.2	0.7	8.5	62.6
E01007016	140.6	7.7	5.5	17.0	1.1	14.8	43.2
E01007017	78.6	4.1	11.1	4.1	0.6	5.2	33.2
Bootle Selective Licensing Area	166.7	10.1	17.9	19.7	1.5	13.0	63.3
Sefton	77.9	5.8	8.9	6.0	0.6	17.2	29.3

Source: Merseyside Police Delphi System (Corvus) April 2019 – March 2020

Conclusion

Defining Proposed Areas for Selective Licensing

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

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

In carrying out this process, there also needs to be consideration of the impact of licensing may have on surrounding areas. Selective Licensing may, depending on the nature of the housing, rental values and property prices, result in a displacement of



either irresponsible landlords or problem tenants. The area boundaries should consider this aspect.

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

The area proposed (Bootle) suffers from:

Deprivation

- Being within the top 1-5% of the most deprived areas across the country
- Contains the highest rate of PRS properties across the Borough at approximately 25%
- Suffers high levels of unemployment, low level educational achievement with low skill and low paid occupations
- Highest rate of lone parents across the Borough
- Average household incomes of £22,600 are the lowest in the borough and compare to an average £29,000 for the whole borough
- Over a third of people aged 16 and over in Bootle have no qualifications, compared to a quarter for the whole borough

Selective Licensing has helped to improve privately rented properties and had provided an opportunity to develop better relationships between the Local Authority and landlords. By working together there can be benefits for both landlords and tenants. If more households can be helped out of poverty, the prosperity of the area generally will improve making it a more attractive area to live, which in turn should improve the popularity of housing in this area.

Property Conditions

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

Selective Licensing provides additional powers to help the Local Authority inspect and tackle poorly managed privately rented property. As around 25% (2020 estimate) of the accommodation in Bootle is in the private rented sector (national average 19%, English Housing survey 2019/20), improved management standards in this sector should contribute to an overall improvement in living conditions in the area, ultimately leading to a better quality of life for its residents.



ASB

- Significant problem with ASB with all areas of Bootle being above Sefton's average
- When analysed, ASB in the proposed selective licensing area in Bootle is standardised per 1,000 population the rate is 67.3, this is almost double the Sefton ASB rate.

Selective licensing gives the local authority and landlords additional powers in dealing with those tenants that chose to cause ASB.

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

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

Conclusion

Defining Proposed Areas for Additional licensing

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

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

Evidence of poor management practices can be evidenced through issues that arise within the property such as poor conditions or within the local community including ASB and crime. Over the 3.5-year period as shown in Table 4.3, 189 service requests were received from HMO properties 153 of those within the licensing areas equating to 81%. Therefore, this provides evidence of poor property management across this sector and specifically within the proposed designated areas.

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



The number of service requests received by the Council regarding property conditions within Southport and Waterloo/Seaforth are just over twice the rate of the Sefton average (22.3 service requests per 1000 households compared to the Borough average of 10.2 service requests per 1000 households). This highlights, both areas as having poorer housing conditions, therefore, poor management practice.

Overall, Additional (HMO) Licensing can provide additional powers to help the Local Authority tackle poorly managed privately rented property. An estimated 33% of the private rented sector HMO accommodation across Sefton is in Waterloo/Seaforth and central Southport. Re-designating the Additional (HMO) Licensing areas will continue to build upon improvements to the management standards in this sector, improve living conditions and ultimately lead to a better quality of life for residents. It will help the areas to be more conducive to good landlords but provide an environment that is less opportunistic and attractive for poor and rogue landlords.

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



Section 6: Sefton’s demographic and economic profile

The following data provides an overview of the Borough’s statistical profile which supports the proposed redesignations of the licensing schemes.

Sefton has an estimated population of approximately 275,900⁵. After several decades of population decline, Sefton’s population has remained stable since 2011 showing a slight population growth of 0.7% (2011-2020). This rate of growth has been far lower than the rest of the UK, which has shown estimated population growth rates of 6% over the same period⁶.

Age Profile

Sefton’s population profile differs significantly from the Merseyside, North West and the rest of the UK. Sefton has a much older demographic make-up, with a much larger proportion of older people, both those aged 65-84 and those aged 85 and over⁷.

Table 6.1

	Proportion of Population aged 0-14	Proportion of Population aged 15-44	Proportion of Population aged 45-64 Y	Proportion of Population aged 65-84	Proportion of Population aged 85+
Sefton	16.4%	31.8%	27.9%	20.2%	3.5%
Merseyside (Met County)	17.1%	38.2%	25.6%	16.6%	2.5%
North West	18.0%	37.3%	25.9%	16.4%	2.4%
United Kingdom	17.9%	37.7%	25.8%	16.2%	2.5%

Population Projections⁸

The latest (2018 based) Population Projections compiled by the Office for National Statistics (ONS) suggest moderate population growth in the Borough over the next 25 years. It is projected that the population will increase by 16,780 by 2043 or 6.1%. The highest projected growth will be in the over 65s age group, by around 21,166 (33%), while the over 85 age group is projected to increase by around 6,824 (73.3%) by 2043. Respectively, the number of adults of working age is projected to decrease slightly by -427, or -2.6%. These 2018-based population projections do show a lower projected decline in the working-age groups than the 2014 based projections, potentially leading to a higher demand for privately rented properties throughout Sefton, over the next 25 years. It is anticipated that the highest proportions of those over 65 will continue to live in the northern parts of the Borough including Formby and especially Southport.

⁵ Source: ONS Population estimates - local authority based by five year age band

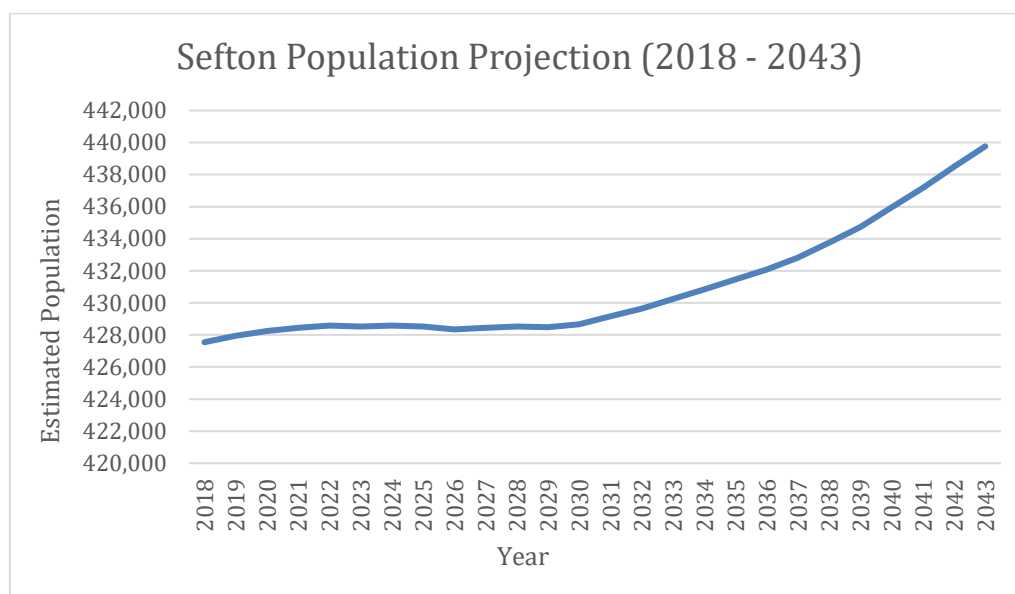
⁶ Source: ONS Population estimates - local authority based by five year age band

⁷ Source: ONS Population estimates - local authority based by five year age band

⁸ Source: ONS Population projections - local authority based by single year of age



Chart 6.2 - ONS Population projections - local authority based by single year of age



Age Profile

Table 6.3 (below) provides a profile of Sefton by age and sub-market area. Overall, the Borough has a comparatively smaller proportion of younger people; 33.4% of its residents are under 29 years of age compared with 37.5% across the North West and 37.5% across England. The authority has a greater proportion of older people; 27.5% of the Sefton population are over 60, compared to 22.8% across the North West and 22.3% across England as a whole. The pattern of age distribution differs within each sub-market area and reflects the difference within each distinct community. Bootle and Netherton have a higher than average population in the 'Under 15' age group at 18.9% and 18.3% respectively and smaller 75+ populations, at just 6.0% in Bootle. Formby, Southport and Aintree however have significantly older populations than the average for the North West and England. Almost 13% of Formby's population are 75+ for example, compared to 7.7% in both the North West and England.

Table 6.3 – Census Population Profile by Sub-Area

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

Source : Census 2011

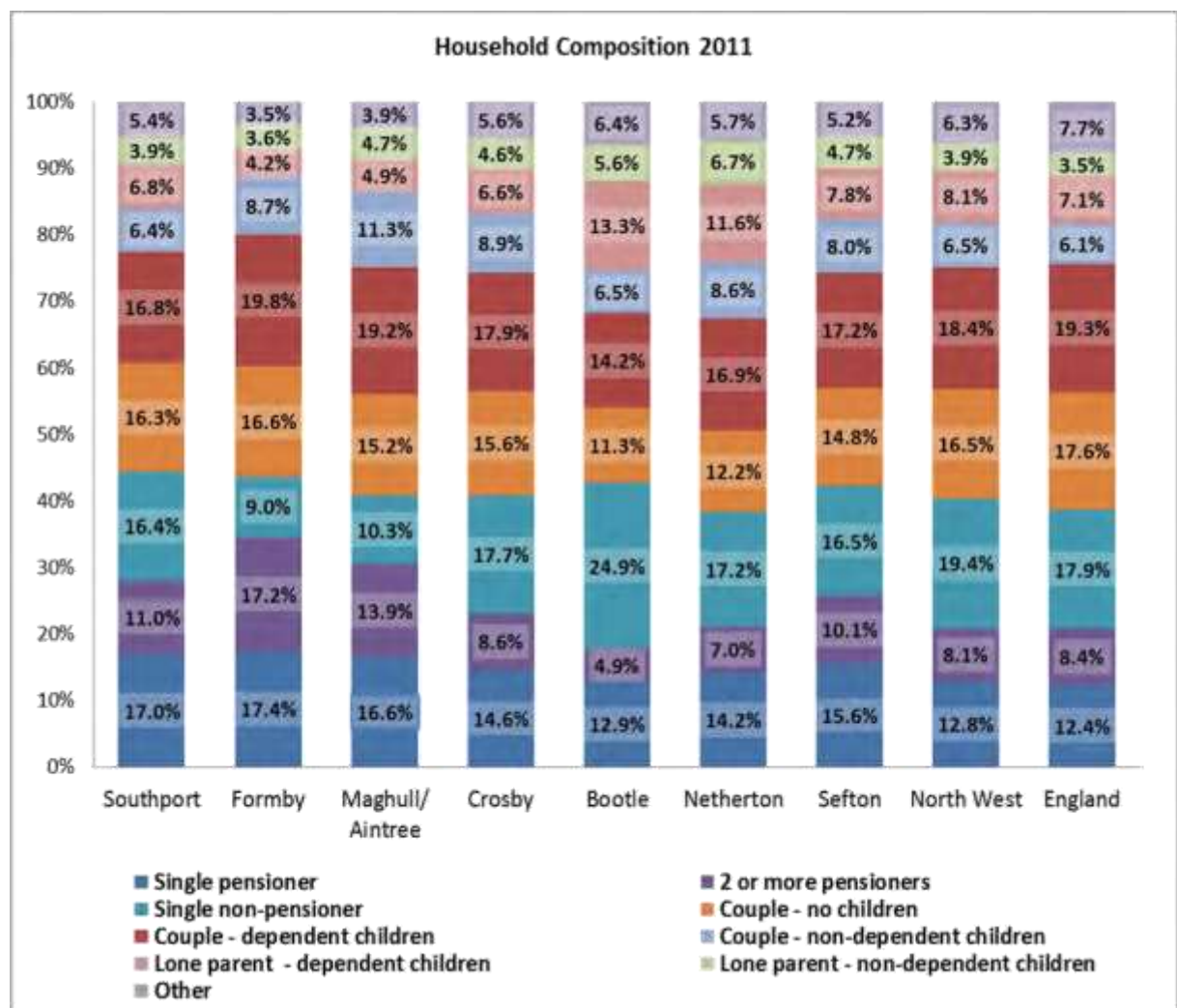


Household Structure

Figure 6.4 shows the household structure in the study area according to the Census in 2011 (again to allow comparisons across areas), compared with the regional and national profiles. Sefton has a higher proportion of pensioner only households and relatively few households with dependent children. In total, 26% of households in Sefton are entirely composed of people aged 65 and over; this compares with 21% both regionally and nationally.

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

Figure 6.4



Source: Census 2011



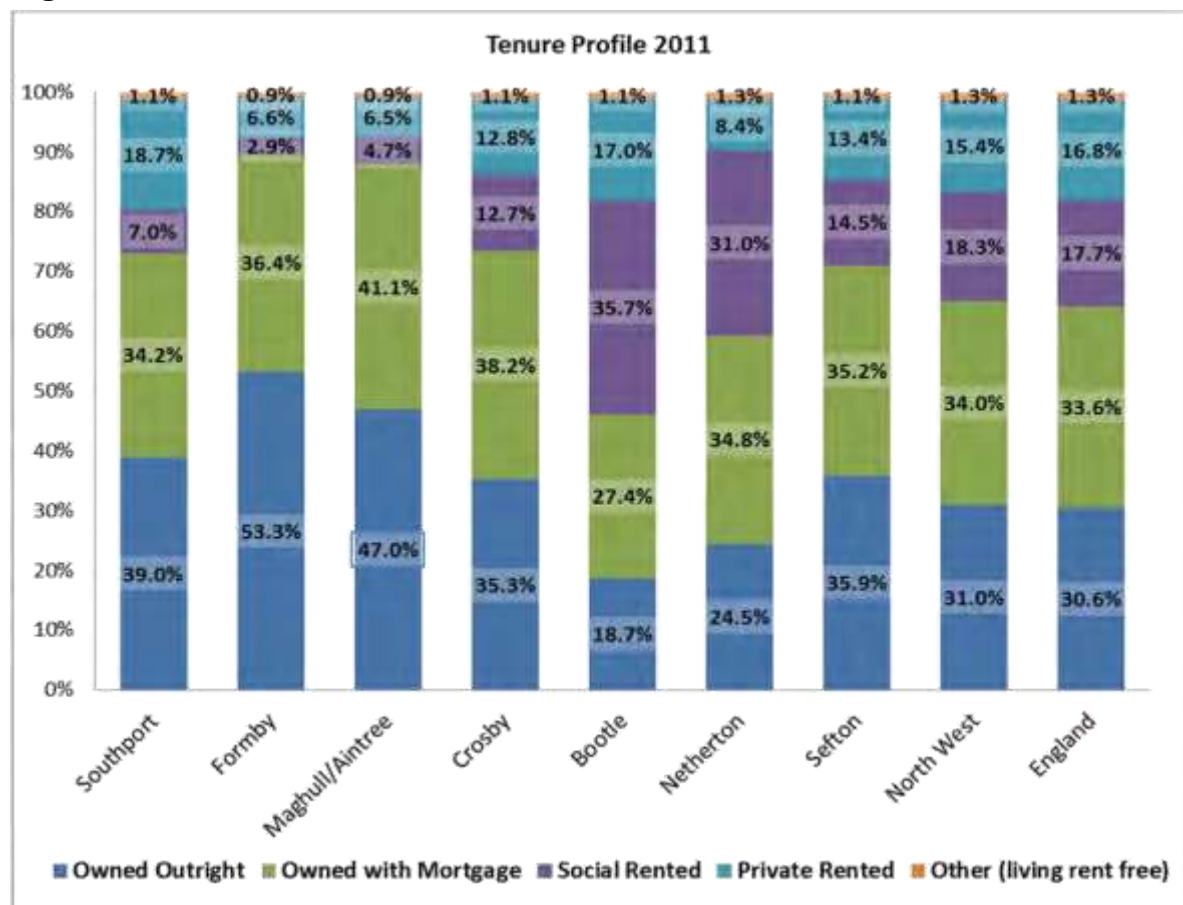
Tenure Profile

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

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

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

Figure 6.5



Source: Census 2011



The change in the proportion of households living in different tenures is shown in table 6.6 (below). As well as clearly showing the growth in the private rented sector the data also shows a significant reduction in the proportion of households owning homes with a mortgage or loan. This trend is again consistent with regional and national data. The data also shows a notable decrease in the size of the social rented stock which may limit the ability of lower income and more vulnerable people to meet their housing needs.

Table 6.6

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

Source: Census 2001 & 2011

Table 6.7

Change in Privately Rented Tenure (2011 – 2020)					
	2011 Census	2020 English Housing Survey	Change	% Change	Estimated Privately Rented Tenure Proportion
England	3,716,000	4,438,000	1,031,000	19.43%	19.0%
Sefton Estimated PRS	15,804	18,875	3,071	19.43%	16.1%

2019-20 English Housing Survey: Private Rented Sector Report

Since the 2011 Census, the proportion of people nationally who rent privately has increased by 19.4% from 3,716,000 to 4,380,000.

It is reasonable to expect that this rate of increase (19.4%) could also be applied to Sefton as is it similar to the Borough's annual rate of increase in this housing tenure since 2011.

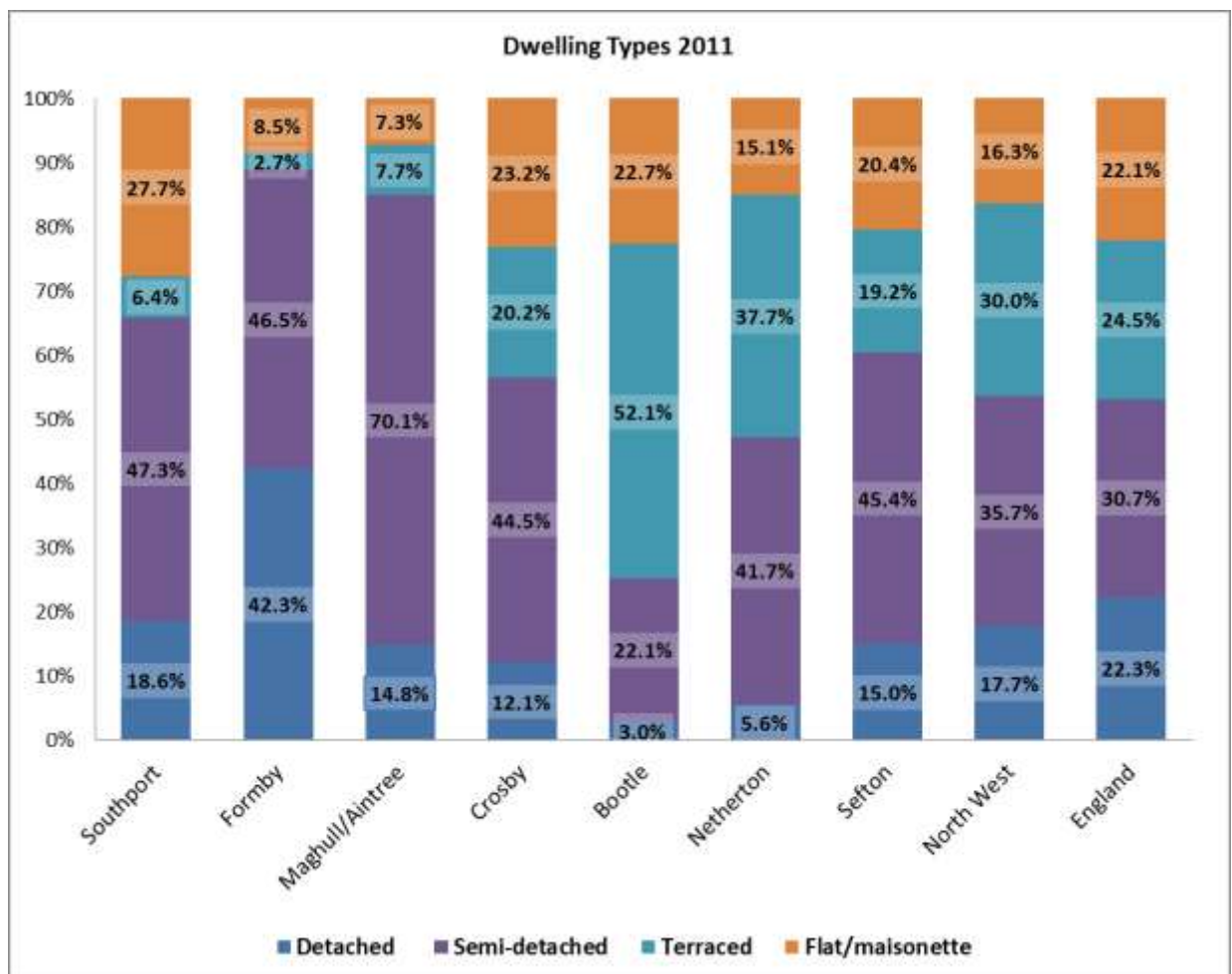


Stock/Dwelling Profile

Figure 6.8 below shows the types of dwelling in the Borough, regionally and nationally, from the 2011 Census. The data shows that Sefton has relatively few terraced homes and detached houses/bungalows when compared with national or regional figures. The proportion of semidetached properties is notably higher than other areas, making up 45% of the housing stock.

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

Figure 6.8



Source: Census 2011

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

Table 6.9

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

Source: Census 2001 & 2011



Household Overcrowding

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

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

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

Table 6.10

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

Source: Census (2001 and 2011)

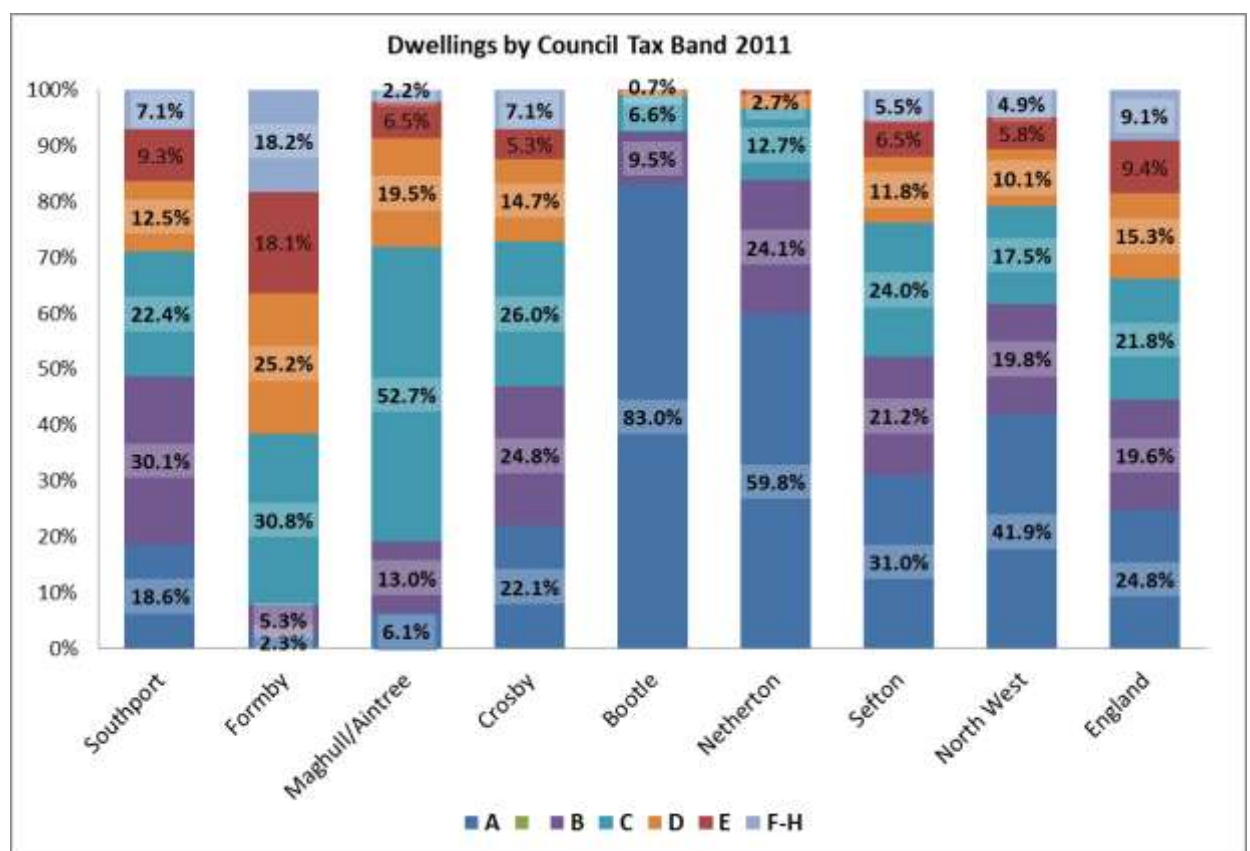


Council Tax Band

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

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

Figure 6.11

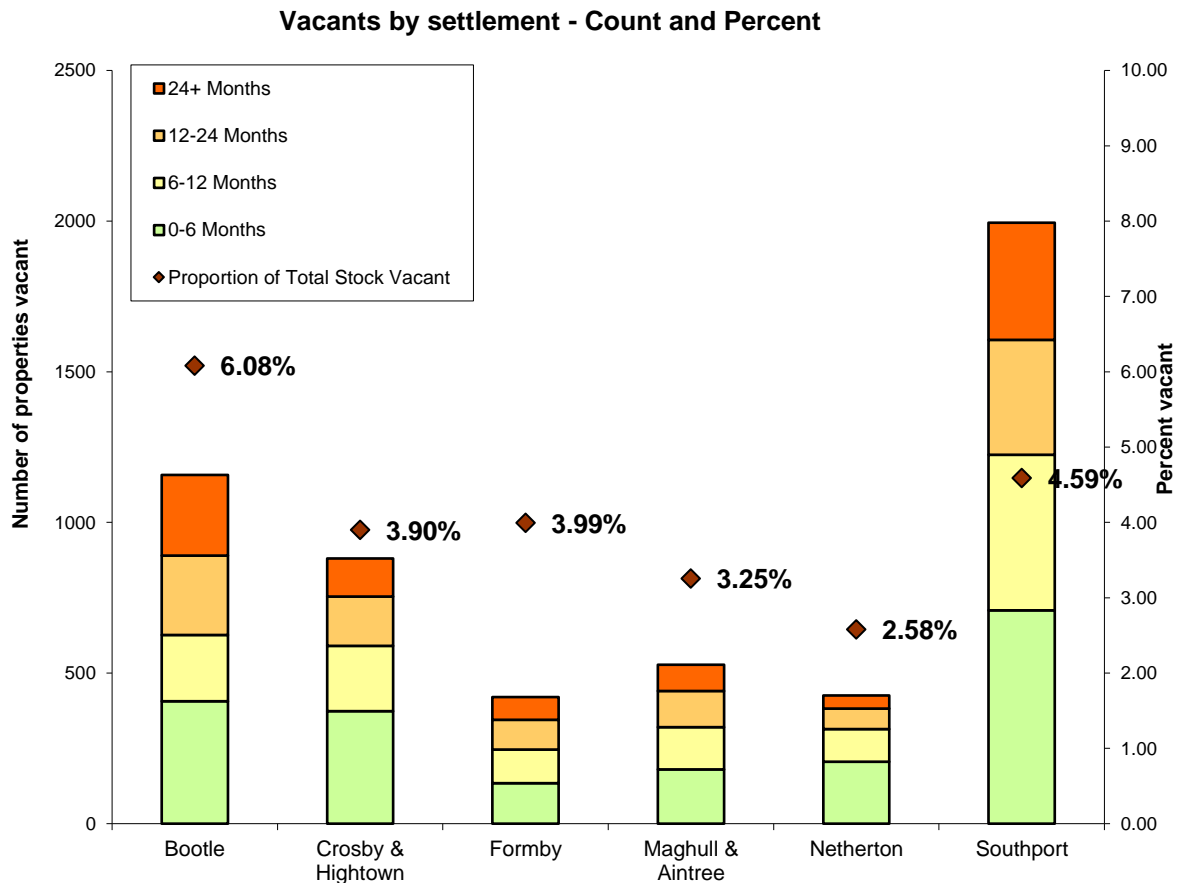


Source: Census 2011

Vacant Homes

The number of vacant (i.e. empty) homes in Sefton is 5,406 (based on October 2020 Council tax data), 4.21% of the total stock (including second homes). This has marginally decreased (by 164 homes) since the introduction of Sefton’s housing licensing schemes. Of the total number of vacant homes, 3,399 are classed as long-term vacant, i.e. vacant for more than six months (2.65% of the total housing stock). These vacancies are concentrated in south Sefton (mainly Bootle) and central Southport.

Figure 6.12



Source: Sefton Council Tax Oct 2020



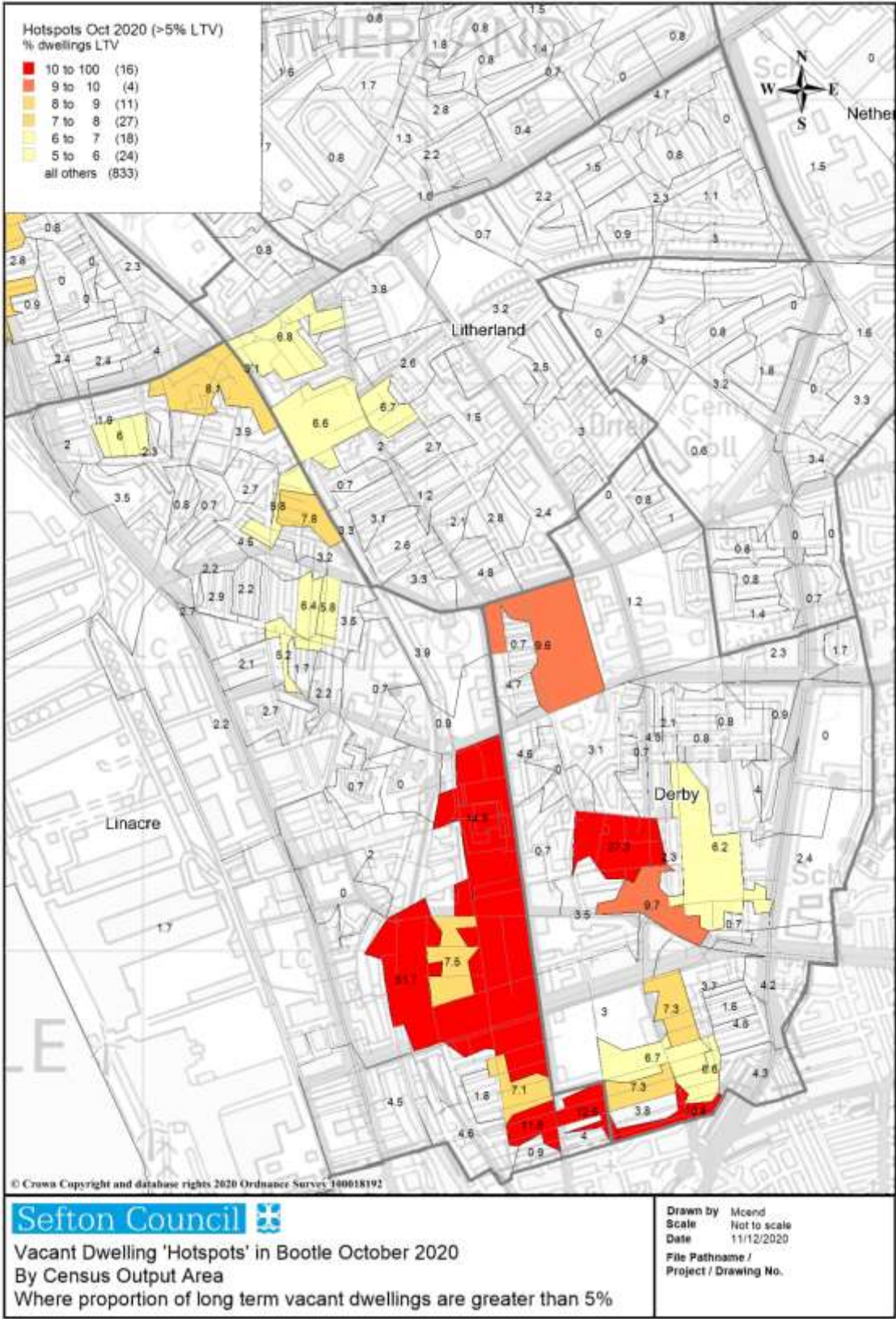


Figure 6.13

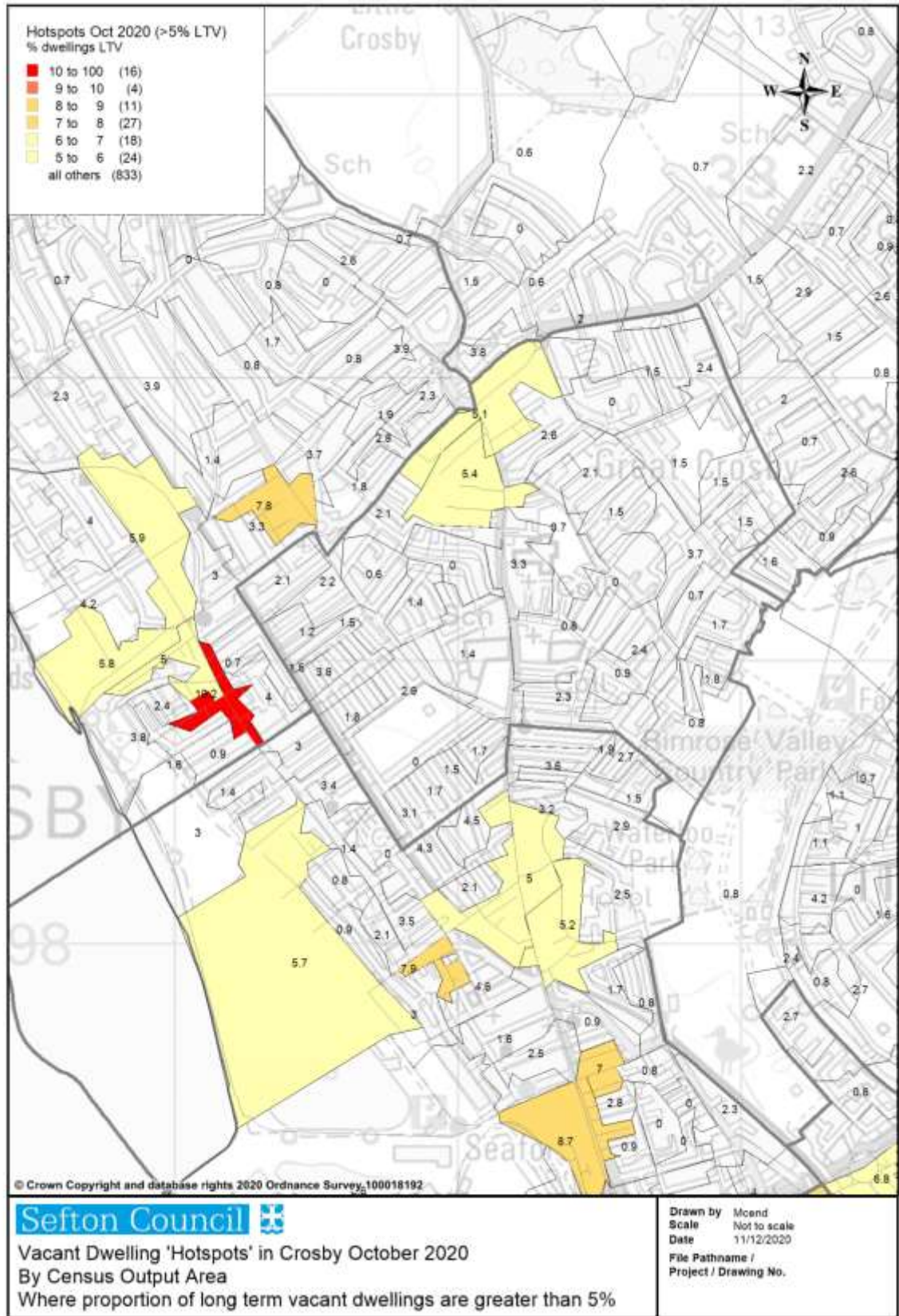


Figure 6.14

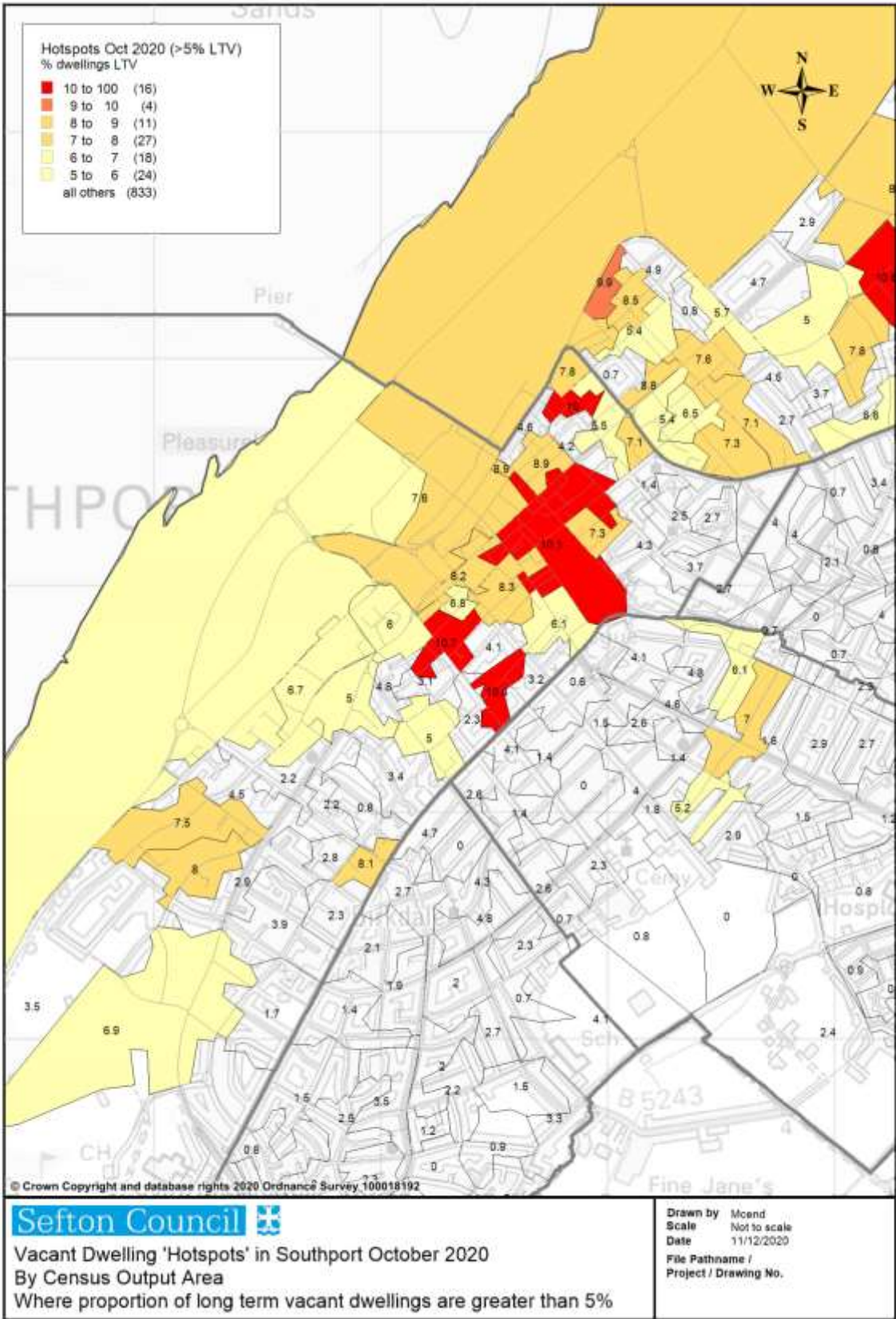


Figure 6.15



Housing Need in Sefton

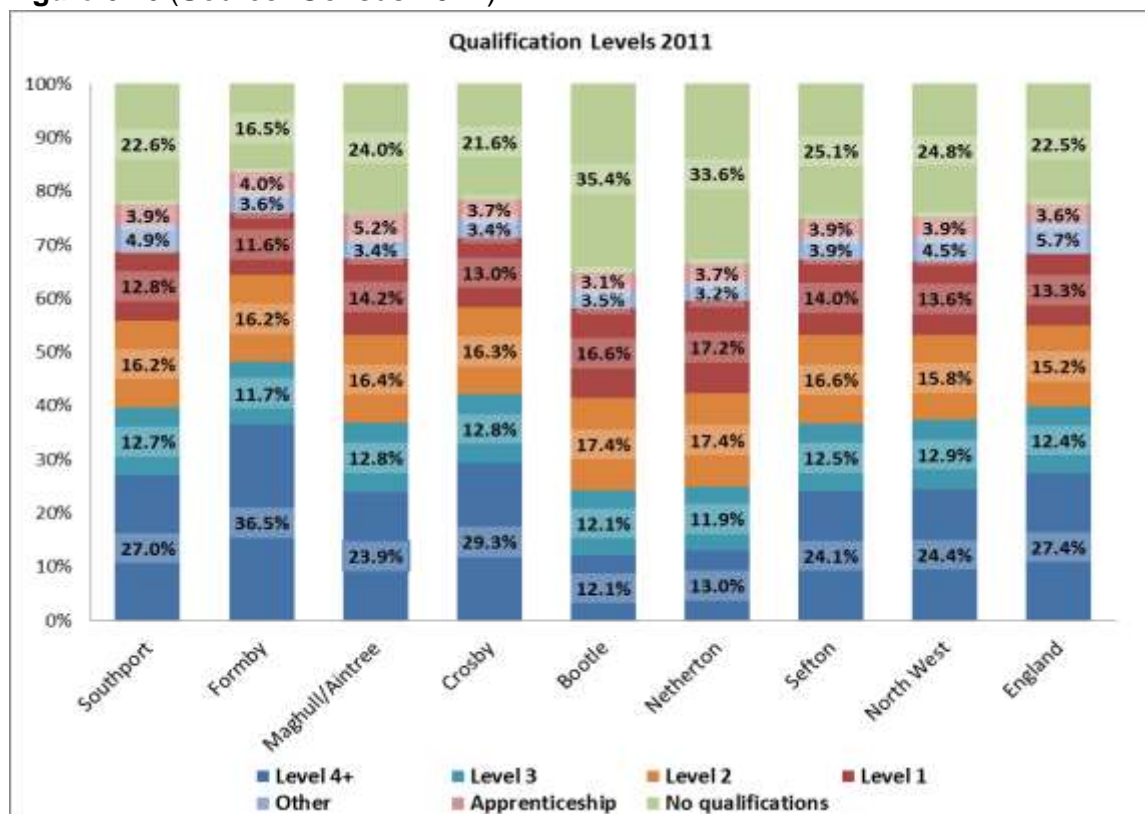
The most recent review of the Housing Requirement for Sefton was undertaken in October 2019 based on the latest demographic information. The National Planning Policy Framework (NPPF February 2019) introduced a Standard Method, based on looking at projected household growth (using 2014- based subnational household projections) and adjustments based on the level of affordability in an area. This concluded that Sefton’s household growth over the plan period equated to the need for 645 additional dwellings a year. The figure of 645 dwellings per annum can be compared with the housing target in the Local Plan – this was for 11,520 dwellings over the 18-year period to 2030 (an annual average of 640 dwellings per annum). Therefore, at present the Local Plan target of **640 net additional homes per year** remains reasonable and is certainly not seeking to underprovide housing.

Economic Profile

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

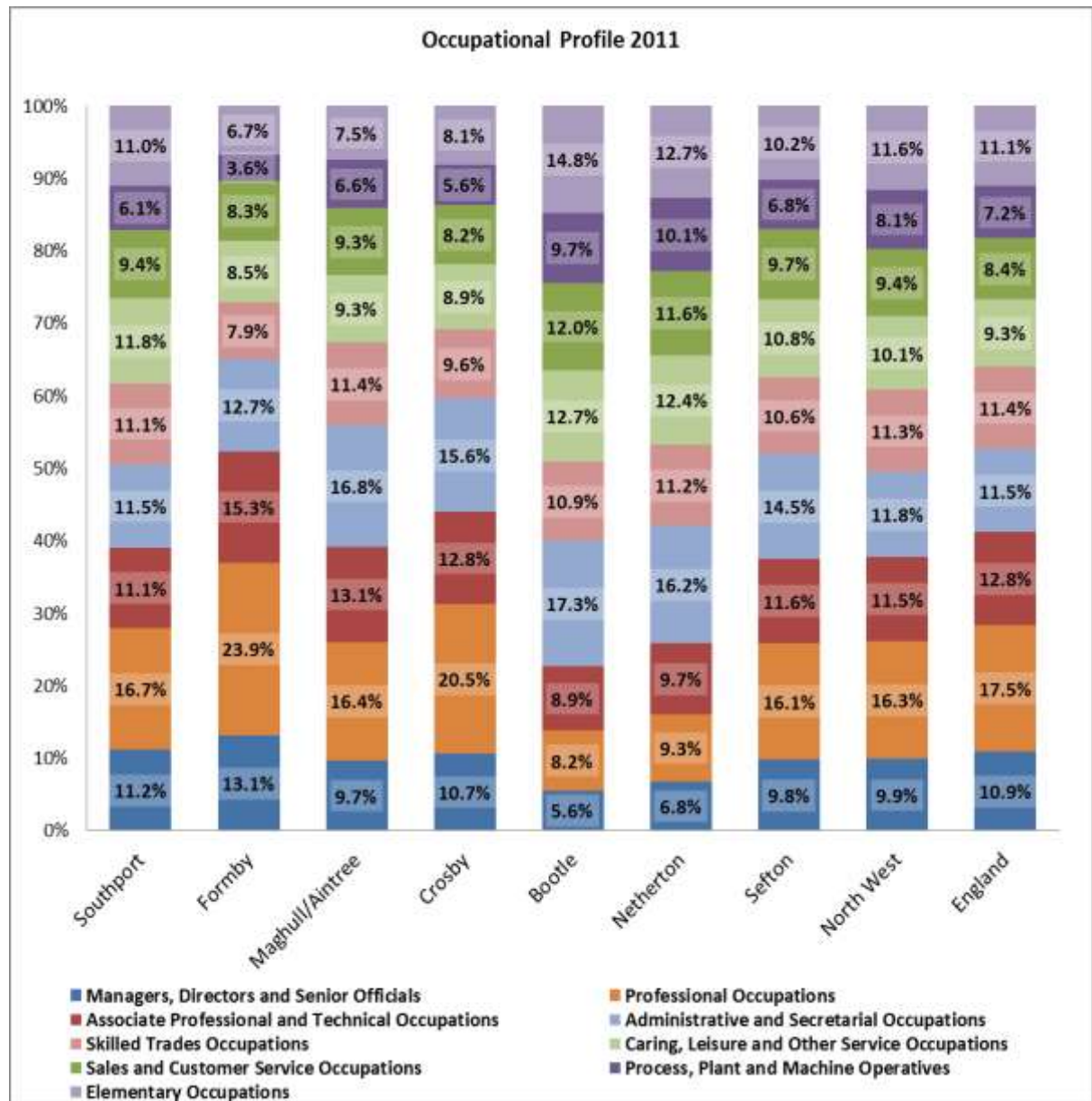
For individual sub-areas we again see some notable differences; only 12% of people in Bootle and 13% in Netherton are qualified to Level 4 or above, this compares with 37% in Formby. Over a third of people aged 16 and over in Bootle and Netherton have no qualifications.

Figure 6.16 (Source: Census 2011)



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

Figure 6.17



Source: Census 2011



Household Incomes

Income has a crucial effect on the level of choice a household has when determining their future accommodation. The figure below shows the median annual income of people in full-time employment from the Annual Survey of Hours and Earnings (ASHE) for 2005 and 2020. The figure shows that in all areas gross income levels are higher in 2020 than 2005. However, these figures disguise the effect of inflation on 'real' wage levels. Sefton's wages have not kept pace with inflation since 2005 (averaging 2.9% per annum). However, gross annual wages have risen slightly faster than the regional and national averages.

Table 6.18

Gross Annual Pay of Full Time Employed Residents (2005 -2020) - Median Income			
Area	2005 Wage	2020 Wage	% Change in Wage
Sefton	£21,500	£29,750	38.4%
North West	£21,300	£29,150	36.9%
England	£22,500	£30,550	35.8%

Source: ONS annual survey of hours and earnings - resident analysis (Median earnings in pounds for employees living in the area)

Analysis has also been undertaken to estimate how incomes vary by sub-area, with the table below showing mean, median and lower quartile incomes in each area. The analysis shows the highest incomes to be in Formby, with substantially lower incomes in Bootle and to a lesser extent Netherton.

Table 6.19

Estimated average (mean) household income by sub-area (mid-2018 estimate)			
	Mean	Median	Lower quartile
Southport	£38,300	£29,100	£16,900
Formby	£48,700	£37,000	£21,400
Maghull/Aintree	£42,600	£32,400	£18,700
Crosby	£41,700	£31,700	£18,300
Bootle	£29,800	£22,600	£13,100
Netherton	£33,000	£25,100	£14,500
All households	£38,400	£29,000	£16,800

Source: ONS annual survey of hours and earnings - resident analysis



Conclusion

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

Although other areas across the Borough may suffer from high levels of deprivation, those areas do not presently meet the legal provision required for consideration within a Selective Licensing designation. The number of PRS properties fall short of the required 19%. For example, areas of Litherland/Netherton which have high levels of deprivation, average around 8% of PRS housing. Notably these areas contain predominantly social housing.

Waterloo/Seaforth

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

Deprivation (IMD 2019)

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

Table 6.20

LSOA Code	Ward Name	IMD National Ranking (where 1 = most deprived and 32,844 = Least deprived)	Proportional IMD Ranking Where < 1% = most deprived and 100% = least deprived
E01006941	Blundellsands	19,119	58.2
E01006942	Blundellsands	15,461	47.1
E01006952	Church	428	1.3
E01006953	Church	3,561	10.8
E01006954	Church	10,364	31.6
E01006956	Church	5,101	15.5
E01006957	Church	1,498	4.6
E01006958	Church	4,919	15.0
E01006959	Church	8,474	25.8



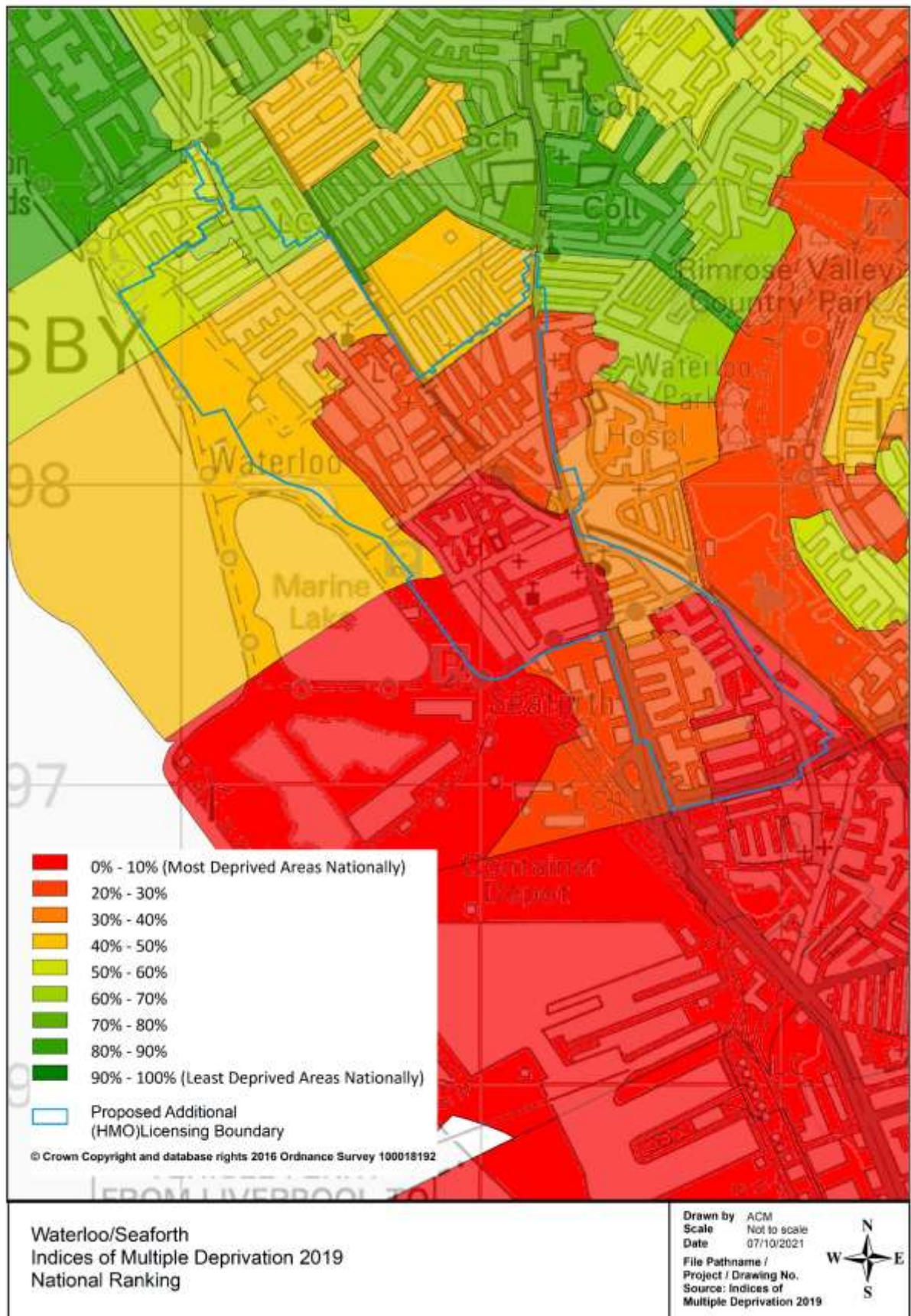


Figure 6.21

Anti-Social Behaviour (April 2019 – March 2020) – Waterloo/Seaforth

The overall rate of ASB within the area covered by the Waterloo/Seaforth Additional HMO Licencing area is **23.0** incidents per 1000 population. This ASB rate is above Sefton ASB averages. However, again there are significant differences in ASB reporting rates within the Lower Super Output Areas (LSOA) within the proposed additional (HMO) licencing area. These ASB incident rates range from 2.8 times greater than the Sefton average in central Waterloo to three times lower in areas near Blundellsands to the north of the Waterloo/Seaforth Additional HMO Licencing boundary.

Table 6.22

LSOA Code	All ASB rate Per 1000 People	Environmental ASB rate	Nuisance ASB rate	Personal ASB rate	Inappropriate Vehicle Use ASB rate	Nuisance Neighbour ASB rate	Rowdy Inconsiderate Behaviour ASB rate
E01006941	5.6	0.0	3.1	2.5	0.0	0.0	3.1
E01006942	8.3	0.7	5.6	2.1	1.4	2.1	2.8
E01006952	23.5	0.0	18.0	5.5	3.1	3.1	7.8
E01006953	24.3	0.7	17.3	6.2	2.1	6.2	8.3
E01006954	16.7	0.7	14.1	2.0	5.4	1.3	4.7
E01006956	34.8	0.6	28.0	6.2	5.0	1.2	15.6
E01006957	47.5	0.0	43.0	4.5	10.3	3.2	18.6
E01006958	29.4	1.3	19.1	8.9	1.3	5.1	8.9
E01006959	15.7	0.7	11.6	3.4	2.0	3.4	5.5
Waterloo/Seaforth Additional Licencing area	23.0	0.5	17.9	4.6	3.4	2.8	8.5
Sefton	17.2	0.4	14.2	2.7	2.6	1.8	7.1

Source: Merseyside Police Delphi System (Corvus) April 2019 – March 2020

Crime – (April 2019 – March 2020) Waterloo/Seaforth

The overall rate of all crime within the area covered by the Waterloo/Seaforth Additional HMO Licencing area is **97.2** incidents per 1000 population. This recorded overall crime rate is almost a quarter (24.7%) higher than the Sefton average and 17.6% greater than the English average crime rate of 82.6 incidents per 1000 population. Again, there are large differences in crime rates throughout the proposed additional (HMO) licencing area in Waterloo and Seaforth with the majority of LSOAs having Crime rates in excess of the Borough & national averages.



Table 6.23

LSOA Code	All Crime rate Per 1000 People	Burglary rate	Criminal Damage rate	Drugs rate	Robbery rate	Theft rate	Violence rate
E01006941	33.0	3.7	3.1	1.2	0.6	8.7	12.5
E01006942	54.8	4.9	4.9	2.8	0.7	11.1	25.7
E01006952	147.5	8.6	14.1	16.5	0.0	20.4	75.3
E01006953	104.7	4.2	17.3	12.5	1.4	12.5	45.8
E01006954	59.6	4.0	4.7	6.0	0.0	7.4	29.5
E01006956	132.5	7.5	11.2	8.7	0.6	34.2	50.4
E01006957	175.2	3.9	14.1	27.6	0.6	32.7	68.0
E01006958	102.7	3.8	14.7	5.7	1.3	15.3	51.7
E01006959	68.3	4.8	10.2	4.8	0.0	13.0	27.3
Waterloo/ Seaforth Additional Licensing Area	97.2	5.0	10.4	9.4	0.6	17.4	42.5
Sefton	77.9	5.8	8.9	6.0	0.6	17.2	29.3

Source: Merseyside Police Delphi System (Corvus) April 2019 – March 2020



Southport

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

Deprivation (IMD 2019)

Analysing the Indices of Multiple Deprivation 2019; four LSOAs within the Southport Additional (HMO) licensing area are ranked within the most deprived 10% nationally, with a further six areas ranked with the most deprived quartile (25%). No area within the proposed Additional (HMO) licensing area is ranked above the 50th percentile. Therefore, this area can be considered as suffering from high levels of deprivation.

Table 6.24

LSOA Code	Ward Name	IMD National Ranking (where 1 = most deprived and 32,844 = Least deprived)	Proportional IMD Ranking Where < 1% = most deprived and 100% = least deprived
E01006944	Cambridge	6,457	19.7
E01006945	Cambridge	4,163	12.7
E01006950	Cambridge	1,901	5.8
E01006968	Dukes	1,388	4.2
E01006969	Dukes	6,488	19.8
E01006970	Dukes	6,194	18.9
E01006994	Kew	7,792	23.7
E01006996	Kew	7,762	23.6
E01006997	Kew	11,333	34.5
E01006998	Kew	9,766	29.7
E01033094	Dukes	782	2.4
E01033097	Dukes	2,947	9.0



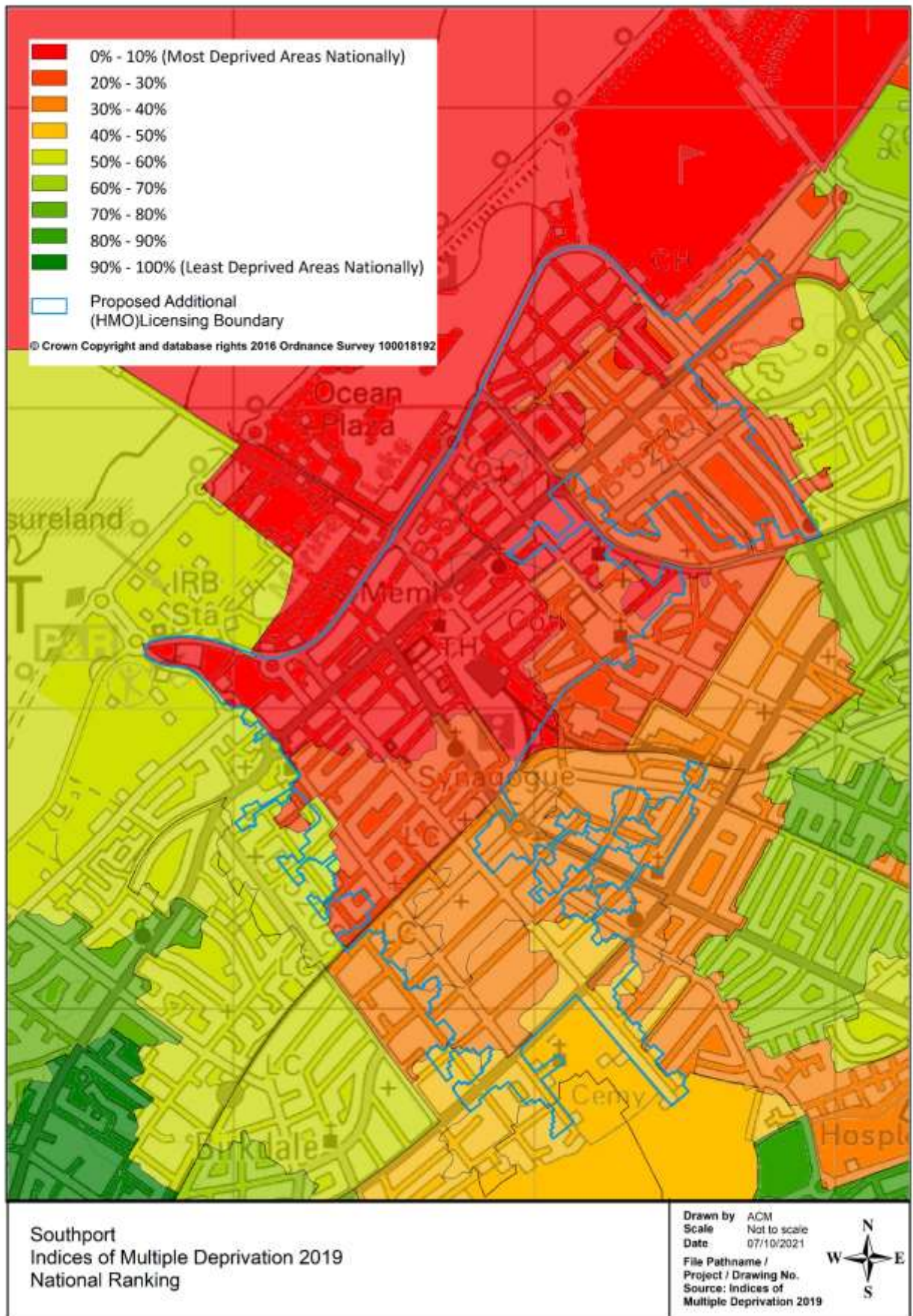


Figure 6.25



Anti-Social Behaviour – (April 2019 – March 2020) Southport

The overall rate of ASB within the area covered by the Southport Additional (HMO) Licencing area is **31.3** incidents per 1000 population. This ASB rate is almost 82% higher than the Sefton average. However, there are significant differences in ASB reporting rates within the Lower Super Output Areas (LSOA) within this licencing area. These ASB incident rates range from almost 9 times greater than the Sefton average in central Southport, to three and a half times lower in areas near to Southport Cemetery.

Table 6.26 below highlights the type of ASB across the individual LSOAs.

Table 6.26

LSOA Code	All ASB rate Per 1000 People	Environmental ASB rate	Nuisance ASB rate	Personal ASB rate	Inappropriate Vehicle Use ASB rate	Nuisance Neighbour ASB rate	Rowdy Inconsiderate Behaviour ASB rate
E01006944	18.6	0.0	17.0	1.6	1.1	1.6	9.3
E01006945	11.8	0.6	9.3	1.9	1.2	1.2	6.2
E01006950	26.6	0.0	23.5	3.1	0.6	2.5	12.4
E01006968	153.8	3.0	133.7	17.1	5.5	5.5	84.5
E01006969	8.8	0.0	7.6	1.2	0.6	0.6	4.7
E01006970	13.3	0.6	10.0	2.8	1.1	1.1	6.7
E01006994	16.5	0.0	13.7	2.8	1.1	5.1	5.7
E01006996	6.6	0.0	6.0	0.5	0.5	0.5	3.3
E01006997	11.4	0.0	8.7	2.7	1.3	2.0	4.0
E01006998	4.9	1.2	3.1	0.6	0.0	0.6	1.8
E01033094	60.3	3.1	47.0	10.2	7.2	9.2	27.6
E01033097	36.1	1.8	28.2	6.2	0.0	6.2	17.6
Southport Additional HMO Licencing Area	31.3	0.8	26.4	4.1	1.6	2.7	15.8
Sefton	17.2	0.4	14.2	2.7	2.6	1.8	7.1

Source: Merseyside Police Delphi System (Corvus) April 2019 – March 2020

Crime – (April 2019 – March 2020) Southport

The overall rate of all crime within the area covered by the Waterloo/Seaforth Additional HMO Licencing area is **174.3** incidents per 1000 population. This recorded overall crime rate is almost 2.25 times (124%) higher than the Sefton average and greater than the English average crime rate of 82.6 incidents per 1000 population. Again, there are large differences in crime rates throughout the proposed Additional (HMO) Licencing area in Southport with the vast majority of LSOAs having Crime rates in excess of the Borough & national averages.



Table 6.27

LSOA Code	All Crime rate Per 1000 People	Burglary rate	Criminal Damage rate	Drugs rate	Robbery rate	Theft rate	Violence rate
E01006944	98.1	5.5	9.9	6.0	0.0	22.5	41.6
E01006945	98.6	2.5	9.9	9.9	0.0	29.2	36.6
E01006950	157.7	7.4	13.0	24.1	1.9	29.1	64.9
E01006968	692.3	35.2	45.8	61.3	5.5	239.3	210.2
E01006969	153.0	12.9	12.9	7.6	1.8	59.6	41.5
E01006970	96.0	8.3	7.8	3.9	0.6	18.3	40.5
E01006994	114.5	13.7	9.1	5.7	1.7	17.7	51.8
E01006996	70.0	4.9	6.6	5.5	1.6	15.3	30.6
E01006997	74.1	6.7	6.0	6.7	0.7	11.4	30.1
E01006998	54.5	7.3	6.7	1.8	1.2	4.3	28.2
E01033094	228.8	16.3	21.5	19.4	4.1	36.8	100.1
E01033097	194.7	22.9	21.1	15.9	0.0	42.3	70.5
Southport Additional HMO Licensing Area	174.3	11.9	14.2	14.3	1.6	47.1	62.8
Sefton	77.9	5.8	8.9	6.0	0.6	17.2	29.3

Source: Merseyside Police Delphi System (Corvus) April 2019 – March 2020



Section 7 How licensing fits with Sefton's strategies

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

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

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

Sefton's Housing Strategy

A key priority of the current Sefton Council Housing Strategy (2016-21) is to improve existing housing stock to benefit households, neighbourhoods, and communities. Since Sefton neither currently owns or manages its housing stock, we wish to work with and encourage others across all types and tenures of homes to raise housing standards, address energy efficiency, reduce fuel poverty and decrease the number of 'non-decent homes'. This will remain key message in the emerging Housing Strategy refresh (currently under development and anticipated to be fully adopted by the Council in April 2022). It is recognised at a borough-wide level; that an up to date Housing Strategy is prerequisite for introducing a Selective Licensing scheme within Sefton. As guidance states: *"selective licensing is not a tool that can be used in isolation. The local housing authority will have to show how such a designation will be a part of the overall strategic borough wide approach"*.

Both the currently adopted and emerging versions of Sefton's Housing Strategy identify strategic priorities that may also help to tackle the number of empty homes in the Borough, reducing negative impacts on neighbourhoods and help increase the number of available homes. The current Housing Strategy identifies Sefton's priorities as follows:

- Raise housing standards across all tenures and reduce the number of non-decent homes with particular focus on the worst conditions including;
- Improving the quality of privately rented sector (PRS) homes and;
- Regulating and improving Houses in Multiple Occupation (HMOs) through mandatory Licensing.



- Working with Housing Associations to agree approaches to improve the assets and services of Housing Association's owned stock;
- Reducing the numbers of empty homes and neighbourhood empty homes 'hot-spots'.

We will continue to endeavour to achieve these goals over the next five years (2022-2027) by:

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

Property Accreditation

Sefton has operated a Property Accreditation Scheme since 2013, this is a voluntary scheme whereby landlords sign up to a code of standards which sets a minimum standard for both property condition and management practice. Sefton has accredited 664 individual properties since the scheme began.

Whilst the scheme has been successful in accordance with the number of properties accredited, this represents less than 4.2% of the private rented stock in the Borough and mainly consists of individual HMO units. This is partly due to the discount on the licensing schemes offered to landlords when accredited. The scheme also appeals to more professional landlords operating across the property market within the Borough since these landlords are more willing to make the necessary investment in their properties to ensure their properties comply with the standards. This demonstrates that poor landlords are unlikely to engage with the Local Authority or join a voluntary



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

Empty Homes Plan

Sefton Council remains fully committed to tackling empty homes. Our current Empty Homes Plan ensures that we continue to have a targeted approach to bring long term empty properties back into use. Much of the Local Authority's intervention and effort since 2018 has focused on Bootle and Southport, in conjunction with Selective and Additional licencing schemes, which contain the highest concentrations of empty homes.

The Selective and Additional (HMO) Licensing schemes have provided a tool for engaging with empty home-owners and targeting resources across the designated areas. Since 1st March 2018 the local authority has brought 6 properties back into use across the designated areas using the enforced sale tool. Licensing should improve the reputation of the PRS and lead to improving demand for PRS properties in the proposed licensing areas. This in turn should create more stable communities, reduce property turnover, so help 'prevent' properties from becoming and staying empty.

Case study: long term vacant property- Selective Licensing Area

A property in Sefton's designated selective licencing area and had been left empty for 5 years following the service of an Emergency Prohibition Order (EPO) by the Housing Standards Team.

The Owners did not have the financial resources available to undertake any remedial works to remove the EPO, which would have allowed them to move back into their home. The property would have continued to remain empty, deteriorating over time and potentially generating further complaints. As the property was legally prohibited by law, it was exempt from council tax.

The Housing Standards Team put the owners in contact with a developer who was very interested in purchasing the property. The developer and the Owner subsequently negotiated a private sale. In March 2020, the property had been completely renovated and the EPO was removed. The property is now licenced and tenanted by a family.

Email received from the new Landlord:

"Thought you would appreciate these pics! It's been a challenging project but these before and afters make it all worthwhile.

One less empty property, one more home brought back to life for a family to enjoy and call home :)



Before & after pictures



Homelessness Strategy

Cabinet approved the Local Authority's new Homelessness Strategy 2018-23 at its meeting of [10th January 2019](#).

Homelessness Reduction Act 2017

The Act came into effect in April 2018 and includes several changes to the way that people who are homeless or threatened with homelessness are supported. Some of the key changes include:

- Improving the advice and information available about homelessness and the prevention of homelessness
- Extending the period 'threatened with homelessness' from 28 days to 56 days
- Introducing new duties to prevent and relieve homelessness for all eligible people, regardless of priority need, intentionality (and local connection)
- **Introducing assessments and personalised housing plans, setting out the actions housing authorities and individuals will take to secure accommodation**
- Encouraging public bodies to work together to prevent and relieve homelessness through a duty to refer

In the subsequent Homelessness Strategy Action Plan, there are a number of actions relating to Private Rented Sector offer;

<i>Increase engagement with private landlords</i>	<i>Review the arrangements for and promotion of the landlord forum</i>	Tenancy Sustainment Workers liaising successfully with private landlords to accept people leaving hostel accommodation as part of the Rapid Rehousing Pathway project (MHCLG funded). Region-wide Landlord Forum publicised to partners in June 19. New PRS Incentive Scheme approved by CM providing a range of incentives for landlords in July 2020
	<i>Widely promote the existing landlord</i>	Carry out jointly with Sefton's Housing Standards Team

	<i>accreditation scheme and Licensing schemes</i>	March 2019 - Promotion of Sefton's accreditation and licensing scheme at a regional event in Liverpool
	<i>Provide support for some suitable empty homes to be put back into use for homeless households</i>	Take advantage of available properties across the borough that could be brought into use specifically for homeless people. RSL property now used by a commissioned provider to use for a 3-bedroom for long-term temporary accommodation (June 2019)

Homeless Annual Report 2019/20

https://www.sefton.gov.uk/media/4252/annual-report-levels-of-homelessness-in-sefton-2019_20.pdf

Homeless Prevention

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

Renting from a private landlord has long been the main housing option for single homeless people. Yet with more people finding home ownership unaffordable and social housing unavailable, the private rented sector is increasingly seen as a long-term solution to broader housing needs.

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

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

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

Meeting Housing Needs

At the beginning of April 2021, there were 3665 active applicants on the Sefton Housing Register, seeking rehousing. Of this number, 2099 (65%) applicants require one-bedroom accommodation, many of whom will be under 35 years of age. With welfare reform changes, those people under 35 and reliant on benefit assistance will have their housing cost capped at the LHA single room rate; so only able to afford single room housing such as that usually found in the PRS and HMOs in particular. In the social housing sector, there is a shortage of one-bedroom accommodation and



virtually a nil supply of single room (bedsit) accommodation. So many young, single households will become reliant on the PRS and HMOs.

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

Anti-social Behaviour (ASB)

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

Sefton ASB Mission Statement: Statement of Purpose

This strategy sets out how agencies in Sefton will work together to effectively manage and resolve reports of anti-social behaviour; building upon the excellent partnership work already operating across the Borough and ensuring together we continue efforts to reduce anti-social behaviour and provide every member of the community with the highest possible standard of service.

As a partnership we do not underestimate the impact anti-social behaviour can have on the lives of individuals and communities. The primary focus of our strategy is to put the needs of victims first; to provide effective support and ensure processes are in place to protect them from further harm.

Key to this approach is the identification of repeat and vulnerable victims. We also recognise the importance in effectively tackling perpetrators of anti-social behaviour and the benefits of early intervention methods to achieve long-term sustainable outcomes.

This strategy does not sit in isolation but is intended to run alongside existing anti-social behaviour policies as a framework of activity adopted by agencies in Sefton as an overarching approach to tackling anti-social behaviour

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

Licensing will provide a route for engagement and will support private landlords throughout this process, along with taking appropriate action. Furthermore, a communication route is available to offer landlords advice on crime prevention measures. The ASB Team's role continues to provide a statutory ASB service to members of the public, but with the additional resource provided through licensing will



provide a valuable training and support resource to landlords. However, licensing will not provide landlords a route to pass the ownership of complaints on to the ASB Team. This remains a landlord's responsibility.

Welfare Reform and Anti-Poverty Action Plan

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

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

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

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

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

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

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

ARTICLE 4

On 20th September 2017 the Council issued a 'non-immediate' Article 4 direction for HMOs in parts of Bootle, Litherland, Seaforth, Waterloo and Southport. The area is almost identical to the current and proposed designated licensing areas

Directions are made under the Article 4 Direction of the Town & Country Planning General Permitted Development Order. They remove Permitted Development Rights. Article 4 Directions do not stop development; they mean that planning permission is required. Article 4 Directions are intended for use in exceptional circumstances where evidence suggests that development under Permitted Development rights such as the spread of HMOs harms local amenity or the proper planning of an area.

Whilst the Council do not consider that all HMOs will cause or exacerbate the social, economic or environmental problems in Sefton, it did consider that in certain parts of the Borough there is the potential for harm. Therefore, the Council considered it was justified in these areas that permitted development rights to convert dwelling houses to HMOs will be removed, through the making of an article 4 direction. The removal of



permitted development rights will mean a proposal to convert to an HMO will require planning permission. This will allow the Council to fully assess the impact of the proposal on future residents, neighbouring residents, and the neighbourhood. It will also allow the Council, if it were minded to approve the proposal, to require certain improvements, such as bin stores, sound insulation, etc.

BOOTLE/ SOUTHPORT INVESTMENTS

Bootle Regeneration

Sefton Council has submitted a £14.5 million bid to the Government's Levelling Up Fund that will help kick-start Bootle's economic recovery. The bid focuses on improving Bootle Town Centre. The first phase of development will see the completion of 'Bootle Canalside', a multi-functional events, entertainment, food and drink space.

Located on a once-derelict site alongside the Leeds-Liverpool canal, it will include an urban garden, food and drink offer, leisure uses and events space. It will be a vibrant recreation and leisure area that makes full use of its fantastic setting and brings a new element to Bootle's local economy.

A second phase of development will see the construction and launch of a new, hi-tech digital and Virtual Reality (VR) venue hosting a unique visitor attraction and providing places for technology enhanced 'competitive socialising.'

The Levelling Up funding would be used to maximise the potential of Bootle's proximity to Liverpool and the new Everton stadium development at Bramley Moore Dock.

In addition to the Levelling Up Fund bid the Council is also in the process of preparing a regeneration framework for the town to address a wide range of issues and opportunities including housing to which Selective Licensing will play an integral part. The Bootle Area Action Plan is being developed with a view to formal adoption in summer 2023.

Southport Regeneration

In October 2020 the Council submitted a Town Investment Plan as part of its Town Deal bid, following extensive consultation with local stakeholders. In March 2021 the town was awarded £37.5m in government funding for a range of exciting projects across the town centre and sea front, one of the largest Town Deals that the government has agreed nationally.

The funding will help to invest in existing attractions and the creation of new all-weather attractions in the sea front area, as well as the creation of new enterprise hubs to help attract and grow businesses in the town centre. The Town Deal will ultimately help create over 1,000 new jobs. Additional (HMO) licensing will work alongside this town investment plan to provide well-managed multi-occupied accommodation.



Section 8 How will the schemes be delivered?

The Local Authority is committed to ensuring that the Selective and Additional (HMO) Licensing schemes continue to contribute to improvements in housing conditions across the private rented sector. All licensable properties should receive a compliance inspection over the period of the licence. The Local Authority will provide advice and support to landlords to help to bring property conditions up to the required standards along with ensuring that the landlord's statutory responsibilities are also met.

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

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

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

Licensing has enabled the Council to take a proactive approach to improve the living conditions and environment for tenants, some of which are the most vulnerable. Considerable progress has already been made with landlord engagement and the proposed re-designations should continue to build on this relationship. This will enable the Council to focus resources on housing related enforcement activity within the designated areas, whereby landlords either fail to licence their properties or fail to comply with licence conditions. It is also likely that issues regarding poor housing conditions or ASB across other areas of the Borough may be brought to the attention of the Local Authority as a result of the increased awareness generally brought about by licensing. Where such enforcement action is needed (for example in relation to identified category one hazards within a dwelling) then this shall be referred and dealt with by the existing Private Sector Housing Standards Team who work in accordance with the Local Authority's housing enforcement policy.



Resources

The schemes generate high levels of work and needs to be resourced accordingly. A team 11.5 staff will be required to manage the workload. The team will be staffed sufficiently to process Selective and Additional (HMO) applications

The team will comprise of:-

- 1 Senior Housing Practitioner
- 3 x Housing Practitioners
- 5 x Housing Compliance Officers
- 2 x Admin Support
- 0.5 x Legal Officer

Property Accreditation

We propose to continue to offer a discount on the licence fee (on a time limited basis). Landlords will be encouraged to apply for accreditation and on being successful will be able to access several accreditation benefits including:

- Advertising to households on the Housing Register via Property Pool Plus
- Access to the Council's Bond scheme via Housing Options
- Advice on tenancy matters
- Discounted courses

Legal Support

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

Support for landlords

Anti-Social Behaviour

We recognise that landlords cannot be held solely responsible for the actions of their tenants, but they can, often, have some influence on the behaviour of their tenants. The Local Authority believes that a good landlord would, once they became aware a tenant of theirs was engaged in unacceptable activities that had a detrimental effect on neighbours, try to take some steps to resolve the situation.

A support package will be available to landlords, which will include resources to address the ASB of their tenant. Mediation sessions can also be arranged with tenant and landlord. An agreed process to tackle ASB that has been followed by landlords would ultimately support landlords throughout any legal process, whereby possession of their property was deemed the most appropriate option.



Training

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

Licence Application and Fees

Application

Sections 63 & 87 of the Housing Act 2004 detail the application process for a licence. This section states that an application must be made in accordance with such requirement as specified by the authority. It also states that the authority may require the application to be accompanied by a fee fixed by the authority. When fixing fees, under these sections of the Act, the local housing authority may take into account all costs incurred by the authority in carrying out their functions under these parts of the legislation and all costs incurred in carrying out their functions under Part 4 of the Act chapter 1 which relates to management orders. The application process is detailed within the Act and there are subsequent regulations detailing the contents of an application form. This includes providing information on the property layout, certificates for gas, furniture, and fire safety. The Licensing and management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 schedule 2 provides full details on what must be included within an application this includes determining if the manager or proposed licence holder is a fit and proper person. This requires the declaration of any unspent convictions, unlawful discrimination and prosecutions under housing, public health, environmental health or landlord and tenant law. The Licensing Team will make checks into a person's 'fit and proper' status.

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

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

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

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



Fit & Proper Person

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

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

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

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

If the owner is found not to be a "fit and proper person" against these criteria, then he/she must find someone else agreed by the Local Authority to manage the property. If the Local Authority is not satisfied, then it must refuse the application and give its reasons for this. **See Appendix 6** for Sefton's fit and proper person policy for housing licensing.

Temporary Exemption Notice

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

A Local Authority may only grant a TEN if it is satisfied that the applicant is, or will shortly be, taking steps to ensure the property ceases to be subject to licensing. For example, if planning permission has been obtained for the conversion of the HMO to single family occupation. A TEN can only be granted for a maximum period of three



months, but in exceptional circumstances the Local Authority may issue a second TEN to last a further three months following the expiry of the original. No more than two consecutive TENs may be granted in succession for a given property. If a Local Authority refuses to grant a TEN the applicant may appeal to the First-tier Tribunal (Property Chamber), which can either uphold the LHA decision or reverse it.

Termination / Revocation

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

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

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

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

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

Appeals against licensing decisions

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

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

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



Fees

In setting licence fees, the Local Authority must follow certain principles established by The Provision of Services Regulations 2009 (as amended) and associated UK Guidance 2021. In particular, the fee must not exceed the actual and direct costs of processing an application, monitoring compliance, and enforcing the scheme. The fee structure is also required to be reasonable and proportionate.

The licence fee, is therefore, set to cover the administration and associated costs of the licence. A review of fees will be undertaken annually and will be adjusted to reflect changes in costs. The fees are in line with the findings of the decision of *Hemming v Westminster City Council*.

A licence would normally be granted for a period of five years and no further fees would be payable during the life of the licence. However, licences are non-transferrable in accordance with sections 68 (6) & 91(6) of the Housing Act 2004. A change of licence holder will, therefore, require a new application fee.

Discounts

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

For the purposes of Selective and Additional (HMO) Licensing, an accredited landlord is a landlord who is accredited with the Sefton Property Accreditation Scheme. A landlord who is accredited with the National Residential Landlords Association (NRLA) will also benefit from a discount. The ability to apply for an accreditation discount will be available for 6 months after the commencement of the scheme only, (6 months from date of purchase for newly purchased properties, throughout the duration of the schemes).

There is also a discount for managing agents who are part of our Managing Agent Accreditation Scheme and then only if they are the proposed licence holder. Managing Agent accreditation is only available to agents who manage properties for other landlords and a full assessment of managing practices will be made by Housing Standards Officers to achieve accredited status. Further information on managing agent accreditation is available on our website.

An estimated 3200 properties will fall under the proposed Selective Licensing scheme and the licensing programme has, therefore, been designed around licensing this number of properties.



Proposed Fees per property (exc any additional unit charges)

Selective Licensing	£	Annual Equiv. £	Weekly Equiv. £
Full Fee	695	139	2.67
Accreditation	545	109	2.10
Accredited Managing Agents	495	99	1.90

In addition to the above fee:

For each additional unit (under the same ownership, within the same building) a charge of £30 per additional unit will apply.

For Example:	Additional charge £	Total Licence Fee £
3 self-contained flats/bedsits in same property and the building is owned by the same owner	695 + (2 x 30)	755
10 self-contained flats within one purpose-built block or converted house		
Landlord 'A' - owns 2 flats	695 + (1 x 30)	725
Landlord 'B' – owns 7 flats	695 + (6 x 30)	875
Landlord 'C' – owns 1 flat	Not applicable	695

Although the costs of running the Selective licensing scheme has increased for example higher staffing costs in line with cost of living and additional staffing numbers. Sefton now has more data on the private-rented sector within the Borough, particularly within the Selective (and Additional) licensing areas. The original scheme implemented in 2018 had fees estimated on 2800 Selective licences being issued, a further 400 licensable properties were identified. This additional number of Selective licences has been factored into the above proposed fees and allows the fees, therefore, to remain the same for Selective licences.

Furthermore, feedback from landlords throughout the duration of the current scheme was that they felt it was unfair for larger portfolio landlords to benefit as they only needed to pay one licence fee when they owned multiple flats within the same building. So, although they were receiving higher rental income in relation to another landlord owning only one property in the same building, they paid the same fee. Sefton, therefore, has proposed that in these instances an extra charge will be applicable at the rate of £30 per additional unit within the same building. This unit charge is proposed to be included across all housing licensing schemes.

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

Within the proposals for the re-designation of the Additional (HMO) licencing schemes, the fees have been increased from current levels. The reasoning for this, as previously stated is that in the current Additional (HMO) Licensing Scheme, it has become apparent that the licensing of HMOs consisting entirely of self-contained flats (so called



'Section 257' HMOs) is extremely time consuming due to the multi layered ownership arrangements and conflicts between freeholders who often cannot agree who would apply and pay for the licence. There were also several HMOs where the type and status of occupiers varied due to sales of flats. The definition of a section 257 HMO requires that for a building to be an HMO, more than a third of the flats within it must be occupied by persons other than leaseholders. Thus, a building comprising of three flats could cease to be an HMO as a result of just one of the flats becoming owner occupied. It also makes it difficult for freeholders to identify whether their property is licensable as they may not know whether an individual leaseholder is in residence or has sub-let the flat.

From the recent data collection exercise an estimated number of properties that will fall under the proposed Additional (HMO) Licensing scheme has been obtained. Based on previous experience there will be fluctuations in this number caused by changes in mode of occupancy and property sale. The licensing programme has, therefore, been designed around the licensing of an assumed 240 properties.

Additional (HMO) Licensing	£	Annual Equiv.	Weekly Equiv.
Full Fee	950	190	3.65
Accreditation	800	160	3.08
Accredited Managing Agents	750	150	2.88

In addition to the above fee:

For each additional unit (under the control of the same proposed licence holder, within the same building) a charge of £30 per additional unit will apply.

For Example:	Additional charge £	Total Licence Fee £
4 self-contained flats or bedsits within one property	950 + (3 x 30)	1040
8 self-contained flats in one building: 6 flats are privately rented and 2 are owner occupied (so not licensable).	950 + (5 x 30)	1100
Building containing 20 self-contained flats (Section 257 HMO), freeholder is the proposed licence holder 15 flats privately rented (all different leaseholders) 5 are owner occupied (not licensable)	950 + (14 x 30)	1370

The licence fee will be ring-fenced, and has been set up to take into account all of the Council's costs in administering and enforcing the licensing scheme, including:

- Administration – the actual cost of producing the licence.
- On Costs – accommodation, supplies and services, IT services and equipment, finance and legal costs, recruitment costs.
- Enforcement & compliance costs – staffing costs, travel, property inspections, enforcement action including against landlords operating without a licence.



The fee will be split into 2 parts. The first part payable at the time of application, and the second part to be paid once the intention to grant the licence has been issued.

Financial Presumptions

Staffing levels are based on an assumed time taken to carry out relevant activities such as: processing applications; compliance inspections; targeting of unlicensed properties; compliance activities; tenant & landlord support and specialist support such as communications, legal advice and IT support. This is all additional resource to solely deliver this scheme and does not replace existing activity.

The first part of the fee (application and processing) includes all costs associated with processing the application such as staffing, a proportion of IT equipment and training. The second part of the fee (enforcement) covers the cost associated with property inspections, dealing with complaints and compliance enforcement.

There is an assumed level of staff required for what we believe the scheme will entail, the anticipated expenditure and the level of licences granted. To minimise the risk of needing to increase fees mid-scheme, the level of staff will be either reduced or increased accordingly to ensure the scheme covers the costs of delivery only.

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

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

Refund policy

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

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

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



Enforcement of Licensing

Prosecutions or Civil Penalty Fines

The Housing Standards Team are responsible for ensuring compliance with the designation. Failing to apply for a licence can lead to prosecution and a fine of any amount or the owner/landlord can be issued with a Civil Penalty fine of up to £30,000 for each offence. Where a breach of licence conditions is identified the licence holder can also be prosecuted with a fine of any amount per breach or be issued with a Civil Penalty fine up to £30,000 for each offence. This provides the Local Authority with a choice of whether to prosecute or serve a penalty.

It was made clear from the commencement of the current licensing schemes, that the Council would take a robust approach to enforcement of the schemes to ensure that compliant landlords were not penalised (financially or otherwise) for submitting their licence applications and complying with the licence conditions. A 6-month grace period was allowed at the start of the current schemes for applications to be made. Thereafter the Council commenced a robust enforcement programme

Intelligence is gathered on a street by street basis to identify private rented properties that do not have a licence. Officers utilise information from Council Tax, Housing Benefit and Land Registry to identify such properties. We also get intelligence from external and internal agencies, Local Councillors, and tenants themselves, to alert the team to an unlicensed property.

Up until end August 2021, 1542 properties had been identified through these methods as being properties that are potentially unlicensed. The majority of these have since made the application following a final warning and some have been identified as exempt from licensing. However, 73 have resulted in Final Civil Penalty Notices being issued to landlords and/or Managing Agents, for operating a property without the required licence. The average level of fine for these Notices is £3,530 (based on our approved Civil Penalty Policy). Prosecutions are also being prepared for some cases as an alternative sanction to a Civil Penalty fine.

See Appendix 7 for Sefton's Civil Penalty Policy.

Rent repayment orders

In addition, there is a provision under sections 73 & 96 of the Housing Act 2004 for a Rent Repayment Order to be made to recover all rent paid to an unlicensed property. A tenant living in a property that should have been licensed, but was not, can apply to the First-tier Tribunal (Property Chamber), to claim back any rent they have paid during the unlicensed period (up to a limit of 12 months).

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



Interim Management Order (IMO)

Landlords who continuously fail to licence a property can have control of their property taken away from them through an Interim Management Order. An IMO transfers the management of a residential property to the Local Authority for a period of up to twelve months. The Local Authority may choose to appoint a managing agent to manage properties on its behalf. In particular the IMO allows the Local Authority:

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

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

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

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

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

Retaliatory Eviction

Under section 98 of the Housing Act 2004, there is also a restriction on terminating tenancies where a property is not licensed. This section states that *'No section 21 notice may be given in relation to a short hold tenancy of the whole or part of an unlicensed house so long as it remains a house'*.



The Housing & Planning Act 2016

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

Database of Rogue Landlords and Property Agents

The Database of Rogue Landlords and Property Agents is a new tool for local housing authorities in England to keep track of rogue landlords and property agents. Database users will be able to view all entries on the database, including those made by other local housing authorities. The database can be searched to keep track of known criminals, especially those operating across Council boundaries. This will help the Council and other local housing authorities to target enforcement activities

The Governments statutory guidance states that local housing authorities should always consider whether it would be appropriate to make an entry on the database when a landlord has been convicted of a Banning Order offence or received two or more financial penalties within a 12 month period.

Banning Order Offences include offences relating to both Selective and Additional (HMO) Licensing, e.g. Failure to apply for a licence or a breach of a licence condition

Banning Orders

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

A Banning Order is an order made by the First-Tier Tribunal which bans a person from:

- Letting houses in England;
- Engaging in English letting agency work;
- Engaging in English property management work; or
- Doing two or more of those things

A local housing authority can make an application for a Banning Order against a person who has been convicted of a Banning Order offence that was committed at a time when the person was a residential landlord or property agent. A Banning Order can be made against an individual or a body corporate. If a Banning Order is applied for against a body corporate that has been convicted of a Banning Order offence, the local housing authority must also apply for a Banning Order against any individual officer who has been convicted of the same offence arising out of the same conduct⁴.

Banning Orders are aimed at irresponsible and criminal landlords and property agents who flout their legal obligations and rent out accommodation which is substandard. The Council intends to make robust use of Banning Orders in line with this policy.

A Banning Order must be for a minimum period of 12 months, however there is no statutory maximum period for a Banning Order.



Monitoring the schemes

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

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

Sefton will use a performance monitoring framework to measure the outcomes of the Licensing Schemes. The monitoring factors are listed below:

- The number of applications received against number of identified private rented sector
- Time taken to process applications
- The number of licenced properties
- The number and outcome of any refused licence applications
- The number of appeals
- The number of prosecutions and Civil Penalty Notices issued on landlords of operating unlicensed
- The number of prosecutions and Civil Penalty Notices for breach of licence conditions
- Any impact on empty properties [possible displacement of landlords from the area]
- The number of landlord and tenant complaints with regards to ASB and property condition.

To continue to measure any effects of displacement into neighbouring areas, we will monitor:

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

Mitigating Risks

Local authorities should carefully consider any potential negative economic impact that licensing may have on their area – particularly the risk of increased costs to landlords who are fully compliant with their obligations. It is also important for local authorities to consider some of the possible effects of a making a designation and to include any risk assessment they may have carried out.

A risk analysis of introducing licensing schemes along with mitigating risks can be found at **Appendix 8**.



Section 9 Consultation

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

Our engagement and consultation process will last for a period of 12 weeks, which will commence, in May 2022, subject to Cabinet Approval.

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

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

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

Evaluation

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

Proposed timescales

Following the twelve-week public consultation, the Local Authority will carefully review all representations made. A report will then be submitted to Cabinet in October 2022 for Member consideration and decision.

If Cabinet agree the proposed re-designations for the purpose of Selective and Additional (HMO) Licensing (**see Appendix 9**) the Selective Licensing and Additional (HMO) Licensing designations would become operative on 1 March 2023 with both schemes lasting for a period of five years. If Cabinet decide not to re-designate the area, Sefton could continue solely with the current reactive enforcement regime, linked with the more assertive promotion of Accreditation. These timescales may be subject to change in the event of unforeseen circumstances.

