

Sandwell Metropolitan Borough Council

Additional Licensing Scheme Expansion - Evidence Base

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1. Introduction - Licensing the private sector

Background information

The private rented sector plays an important part in providing accommodation in the borough. The sector in Sandwell has grown from 5% in 2001, to 15% in 2011 through to an estimated 26% (34,386) units of accommodation in the borough for 2018. There are many high-quality landlords and letting agents providing a range of property types throughout the borough to meet a broad range of housing needs.

The borough has faced a major increase in private rented accommodation in some areas and it is recognised that there are landlords and agents who do not provide adequate accommodation or management of their properties. This poor management of properties has a significant impact on people's lives and on council and partner resources in tackling issues such as anti-social behaviour, modern slavery, fly tipping of domestic waste, concerns about property condition and harassment and illegal eviction.

Under the Housing Act 2004, there are three forms of licensing relating to private sector housing available to local authorities.

Mandatory Licensing of certain HMOs

All local authorities are obliged to run a licensing scheme covering Houses in Multiple Occupation (HMOs) that have five or more people who are not living together as a single household.

Additional Licensing – HMO

Local authorities can introduce a discretionary additional scheme for other types of HMOs not subject to mandatory licensing in part or whole of the area within its district.

All licensing schemes are intended to address the impact of poor quality housing, rogue landlords and anti-social tenants. In an area subject to licensing, all private landlords must obtain a licence and if they fail to do so, or fail to achieve acceptable management standards, the authority can take enforcement action. Schemes run for a maximum period of five years and a fee is payable for each license.

Statutory conditions and evidence

Additional HMO Licensing

Under Part II of the Housing Act 2004, local authorities can designate areas or the whole of the area within their district as subject to additional licensing in respect of some or all the privately rented HMOs in its area that are not already subject to mandatory licensing.

Before making an additional HMO licensing designation for a particular type of HMO, or for a particular area, the local authority must:

- Consider that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to problems either for those occupying the HMOs or for members of the public.
- Consider whether there are any other courses of action available to them that might provide an effective method of dealing with the problem or problems in question.
- Consider that the making of the designation will significantly assist them to deal with the problem or problems.

There is also a requirement on the local authority to:

- Take reasonable steps to consult persons who are likely to be affected by the designations and consider any representations made.
- Ensure that the exercise of the power is consistent with their overall housing Strategy.
- Adopt a coordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others.
- Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of achieving the objectives that the designation would be intended to achieve.
- Consider that the making of the designation will significantly assist them to achieve the objectives (whether or not they take any other course of action as well)

2. Sandwell's proposal – To expand Additional Licensing

Our main reason for proposing to expand our additional licensing scheme boroughwide is to improve the standard and safety of private rented housing and address anti-social behaviour. This will benefit HMO private tenants, landlords and greatly improve the generally appearance of the borough. Our aim is that over the 5-year period the licensing schemes will offer the following outcomes:

- Improved housing conditions
- A reduction in significant persistent problems caused by anti-social behaviour, including modern day slavery and human trafficking.
- An increase in good landlords and an elimination of rogue landlords.

Based on the evidence outlined in this report, Sandwell is proposing to implement a 5-year licensing scheme as follows:

Additional Licensing Scheme - Houses in multiple occupation – HMOs

A scheme that will require all HMOs within the borough to be licensed. This will include the category of HMO which is often referred to as a section 257 HMO. Section 257 HMOs are where the building was converted into self-contained flats before the 1991 Building Regulations came into force on 1st June 1992 and have not been subsequently improved to at least the 1991 standards.

Licensing fees

Note: Fees are subject to Consumer Price Index (CPI) increases.

Financial modelling has been carried out to establish the operating cost of the scheme over a 5-year period. The fee for an additional licence will be £938.02 per property. There are several discounts which can be applied to the licence fees to reduce the overall cost. These discounts are intended to recognise those landlords who take their responsibilities seriously.

The proposed schedule of fees, associated discounts and charges is set out below:

Additional Licensing Fees Schedule

Table 1

Type of Property & Discount	Proposed Fee
All property types and sizes including each individual self-contained flat within a larger building operating as a HMO.	Initial licence fee: £938.02 in two payments Stage 1 Fee – Payable at the time of making the application = £601.44 Stage 2 Fee – Payable once the Council has determined to Grant a Licence. = £336.58
Landlord Accreditation (MLAS)	Discount of £165.00 per initial licence application (where the accredited landlord is also to be the licence holder or the accredited agent is also to be the licence holder as the owner cannot be deemed to be fit and proper and able to hold the licence) where the landlord or agent acting as licence holder is a current member of the Midland Landlords Accreditation Scheme at the time of application. This discount does not apply to applications where an accredited managing agent is being nominated as the manager only and not also as the licence holder.
Membership of a nationally recognised professional landlord's association	Discount of £55.00 per initial licence application for membership of the National Landlords Association (NLA) or the Residential Landlords Association (RLA) at the time of application.

Multiple Applications	Discount of £55.00 for second and subsequent licence applications where more than one licence application are made by or on behalf of the same owner at the same time.
Rent Well in Sandwell discount	Discount of £55.00 for properties within the area that have achieved a star rating of 4 or more stars under the Rent Well in Sandwell scheme

Table 2 – Variation Fees Schedule

These fees are payable on application for a licence variation where a licence remains in force at the time of the application.

Proposed License Variation	Proposed Fee
Change of address details of the licence holder, manager or owner. This fee shall be payable on request.	£50 fee
Change of mortgagor, owner, freeholder or leaseholder, unless they are the existing licence holder. This fee shall be payable on request.	£50 fee
Reduction in the number of maximum occupiers and/or households. This fee shall be payable on request.	£50 fee
Variation of licence instigated by the council	No fee
Change of licence holder	New Application fee - to be worked out as per Table 1
Change of manager, provided they are not also the licence holder. This fee shall be payable on request.	£50 fee
Increase in the number of maximum occupiers and/or households for licensing purposes – by increasing the number of habitable room, increasing of room sizes or by the provision of additional amenities. This fee shall be payable on request.	£50 fee

Table 3 – Other Fees Schedule

These fees are payable as appropriate.

Circumstances	Proposed Fee
Continued incomplete application / evidence requirements following two reminders. This fee shall be payable on request.	£100 fee
Issuing of a Temporary Exemption Notice	No fee
Application received following the expiry of a Temporary Exemption Notice (TEN) made by the Council	New application fee - to be worked out as per Table 1
Revocation of licence	No fee
Application to licence following revocation of licence	New application fee - to be worked out as per Table 1
Licence application processed and refused by the Council	Refund of compliance inspection and license process £540.00
On review of an application it is decided that the property does not need a license at the time of application (for example, it falls under one of the exemptions) or a duplicate application is made	Full refund
Licence issued but property ceases to require a licence during the five-year life of a licence	No refund.

Licence Conditions

The Housing Act 2004 requires that every licence must include certain mandatory management conditions. Councils also have the power to include other discretionary conditions which they consider appropriately for tackling the problems associated with private sector dwellings.

Please see proposed schedule of conditions for the Additional licensing scheme via the council website link: XXXXX

Penalties for non-compliance

It is a criminal offence to let out a property in a designated licensing area without a license, or for failure to comply with any condition of the licence. Failure to apply for or obtain a licence could lead to prosecution and an unlimited fine or, as an alternative to prosecution, the issue of a fixed penalty notice with a financial penalty of up to £30,000.

The level of any financial penalty issued will be based on factors including:

- Severity of the offence,
- Culpability and track record of the offender,
- Harm caused, or the potential for harm to be caused, to the tenant(s),
- An appropriate and proportionate punishment of the offender,
- A suitable deterrent to committing the offence,
- Removal of any financial benefit the offender may have obtained as a result of committing the offence.

In addition, the council or the tenants of the property could apply to the First Tier Tribunal (Property Chamber) for a Rent Repayment Order, requiring the landlord to repay an amount equivalent to up to twelve months of any rent received in respect of a property.

If a license applicant or property manager has been convicted of a specified criminal offence or issued with a financial penalty, s/he may be considered as not '*fit and proper*' to hold a licence and may be refused a licence. Similarly, in such cases, an existing licensee may have their licence revoked. In cases where the person applying for the licence is not considered fit and proper and the property is to continue to be rented, an alternative, unrelated person will have to apply to be the licence holder. If a suitable licence holder cannot be found then the council may have to take over management of the property itself by, for example, making an interim management order under Part 4 of the Housing Act 2004.

Standards and Amenities Guide for Houses in Multiple Occupation (HMO)

The guide has been produced by Sandwell Council to assist owners, agents and occupiers in relation to the standards / amenities expected in houses in multiple occupation (HMOs) in Sandwell. The draft guide can be found via the Council website link: XXX

3. Why is the Council considering a borough-wide additional licensing scheme?

We know that there has been a dramatic increase in the number of private rented properties within Sandwell. We estimate that we have approximately 35,500 private sector dwellings. Much of the sector provides decent accommodation and is reasonably well managed and plays an important key role in the provision of accommodation to meet homelessness. However, there are problems associated with parts of the sector arising from poor management and property conditions and related problems of anti-social behaviour. Poor property conditions are particularly prevalent within HMOs. We know that increasingly more and more smaller houses are being poorly converted into shared accommodation, these properties are problematic and currently fall outside of the Mandatory Licensing scheme.

The rise in the private rented sector within Sandwell is mirrored nationally with the majority of all local authorities reporting an increase in private sector accommodation.

The change in tenure is also accompanied by the change in the type of private sector landlords. The proportion of part time landlords – those who supplement their day job with rental income has reached its highest level. The National Residential Landlords Association (NRLA) estimate that part time landlords now make up more than 70% of the sector – therefore only a relatively small proportion of the sector is made up of experienced landlords who are aware of and fully understand their obligations to their tenants.

An increasing number of our residents, many of whom are vulnerable, either live in private rented property or live adjacent to it. Failure to effectively manage private rented sector housing can adversely affect the health and safety of tenants and can have a wider impact on the local community. In addition to poor management, a number of landlords positively exploit their tenants and often the public purse through housing benefit, by renting substandard and dangerous accommodation.

The private rented sector traditionally offered an alternative to social housing or home ownership. For many, the private rented sector was seen as a short term need while they waited for an offer of council owned accommodation or were in a financially stronger position to take their first steps onto the property ladder. The increase in house prices, reduction in social housing and reduced access to mortgage funding means that this is no longer the case. Increasingly, private rented sector accommodation now provides a longer term or “life” home for many residents.

The continued growth in the population of Sandwell and the lack of alternative housing solutions for many, means that the private rented sector will continue to play a significant role in providing accommodation. More than ever, the sector needs to be properly managed and supported to fulfil its important role.

Licensing imposes a set of standards/conditions, makes it easier for officers to gain access into a property and can allow the tenant to make a complaint without being identified. A licensing scheme can also play a much-needed role in supporting landlords.

In summary, we believe that Licensing offers the following benefits:

The benefits for a private landlord

- Good landlords will be rewarded for their responsible letting practices by paying a reduced fee for the license.
- Creation of a level trading environment for private sector HMO landlords.
- Their reputation will be enhanced by holding a licence, while those bad landlords who have given private renting a poor status, will either be made to bring their properties up to the standard of the others or risk losing the right to let their properties.

- HMO Landlords can promote their licensed status and find it easier to attract tenants who know that a licensed property is well managed and safe; a better environment will make properties easier to let and sustain tenancies.
- Better management and tenancy agreements will enable the HMO landlord to have better control over the property and will be supported in dealing with tenants who commit anti-social behaviour.
- Advice and guidance will be available on all aspects of private renting especially those landlords who are inexperienced from a dedicated licensing team of officers.

The benefits for private tenants

- Enhanced protection for vulnerable tenants living in HMO accommodation, by ensuring, for example, that the accommodation has adequate amenities, space standards and fire safety.
- Protection from possible retaliatory eviction as licensing enables the proactive checking of properties and management practices, rather than relying on the tenant to report poor conditions.
- The standards imposed will ensure that the landlord is not permitted to have more tenants than recommended for the size of the property and the facilities provided so tenants can be assured that they are not living in cramped overcrowded accommodation.
- Advice and guidance will be available to tenants so that they can understand their rights to a decent home.
- Added protection for tenants as a result of better landlord management practices and greater protection from unlawful eviction.

The benefits for the community

- There is no cost to the tax payer as the scheme is self-funding.
- Reduce the number of overcrowded properties that can lead to anti-social behaviour especially relating to noise and rubbish.
- The register of landlords / managing agents will be made public and can be accessed by neighbours who wish to report anti-social behaviour and by the Police when they are dealing with these individuals.

4. Alternative options considered

Before introducing an additional licensing scheme, we are obliged to consider whether there are other courses of action we can take to effectively deal with the problem. We have considered the following:

Mandatory HMO Licensing only

Through our mandatory HMO licensing scheme, we will continue to identify properties that require licensing – it will run alongside the proposed additional

licensing schemes. However, mandatory HMO Licensing will only apply to those HMOs occupied by five or more people forming two or more households. This type of HMO makes up only a small percentage of the overall HMO stock within the borough. It will not tackle the problems associated with other types of HMO accommodation, many of which are in poor condition.

Do nothing and continue with existing legal powers

Existing powers available to the council are largely reactive with officers responding to tenants' complaints. Many tenants do not know where to complain or are reluctant to complain through fear of retaliatory eviction. Although current enforcement activity has been successful in remedying problems in individual dwellings, it is not felt to have raised the standard of private sector HMO dwellings generally. Responding to complaints often involves coordinated investigation and enforcement by numerous departments, using various pieces of legislation, before a final resolution is obtained.

Voluntary Accreditation

Although the voluntary accreditation scheme is helpful in driving up standards, it relies on the willingness of landlords to sign up to it. It is likely therefore that conscientious landlords will continue to support the scheme, but that rogue landlords will remain difficult to identify and will avoid joining the scheme, preferring instead to operate with the minimum regulation "under the radar".

We believe that the combination of mandatory and additional HMO licensing will achieve the maximum benefit and best outcomes for the HMO private tenants within the boroughwide.

5. Sandwell – Demographics and the Housing Stock

Sandwell is home to over 325,000 people and around 9,000 businesses who collectively employ over 140,000 people. It is in an excellent strategic location with access to the national motorway network with five junctions feeding into the M5 and M6. This provides access to the South-west, South-east and North-west regions. It has excellent public transport provision via railway, including a mainline railway station, Midland Metro line serving Wolverhampton and Birmingham with an extension planned from Wednesbury to Brierley Hill. The area is also well served by a bus network within the area as well as serving neighbouring boroughs. An extensive canal network provides further sustainable transport modes for walking and cycling as well as providing leisure and recreation opportunities and linking jobs, houses and people.

Sandwell has strengths in the manufacturing sector with 48% of companies within the borough involved in Base Metals, Advanced Manufacturing, Metals and Fabricated Metals. There is a strong supply chain with the automotive trade including Rolls Royce, Jaguar Land Rover, Mercedes Benz and Aston Martin. The borough also has strengths in the Wholesale and Retail and Construction sectors. Its proximity to three other Black Country Boroughs and Birmingham City makes this an ideal location in which to live, work, visit and invest.

However, Sandwell is experiencing a steady increase in population year on year with many people wishing to locate here given the job opportunities available. Sandwell is well connected and centrally located having a growing international recognition and a thriving dynamic economy. The dependency on good quality and affordable housing requires action to enable development to be forthcoming to meet the needs and demands of current and future residents.

Therefore, all efforts are being channelled to the delivery of housing in three major areas; West Bromwich Town Centre, Friar Park and the Grove Lane part of Greater Icknield and Smethwick. These three areas are the focus of potential partnership working between Sandwell Council, West Midlands Combined Authority, Black Country Local Enterprise Partnership and developers in bringing to fruition a transformational change with new family housing and improved environments alongside its high-quality transport connections and accessibility to work.

Sandwell experiences high levels of rental activity in many forms. The private rented sector is used for Supported Housing for vulnerable people which is paid for by Special Exempted Housing Benefit. Unfortunately, this scheme is often open to abuse, leaving vulnerable people unsupported, in poor quality HMOs often without the landlords realising this is happening.

Landlords are also often misled by tenants, not realising that their tenants have engaged in 'Rent to Rent' (subletting) or taking in friends who are homeless, thereby creating unregulated HMOs without the landlords' knowledge, permission or required amenities. Through its proactive work, the Council is aware of these issues along with modern slavery, which our evidence shows is prevalent in the private rented sector.

To inform the Council's consideration of the potential for licensing, BRE were commissioned in early 2018 to undertake a series of modelling exercises on Sandwell's housing stock. These modelling exercises utilised sophisticated tools that incorporated local and national data to evaluate the make-up of local households. Due to the BRE data now being five years old, the Council has also considered a range of contemporary datasets and updated some of the previous datasets.

All updated data sets are based on Lower Super Output Level (LSOA) which are output areas designed specifically for statistical purposes. There are 186 Lower Super Output Areas in Sandwell and they comprise of between 400 and 1,200 households and have a resident population between 1,000 and 3,000 persons.

When the range of available datasets are considered in relation to Sandwell the borough has sufficient evidence to support the potential expansion of additional licensing across all of the borough. This section will demonstrate that a number of datasets meet the prevalence criteria set out, however, as alluded to in the evidence base current available data around the exact location of PRS properties and HMO's is not at a sufficiently granular level to allow us to directly correlate and attribute each dataset to private rented accommodation. It is the view of this analysis that all area(s)/ towns meet at least one criteria stated below.

The table below demonstrates a summary of the findings for each dataset by town. The full detail of each dataset and associated maps and findings can be found under the methodology section.

Dataset	Town					
	West Brom	Oldbury	Rowley	Tipton	Smethwick	Wednesbury
1 – ASB	Red	Amber	Red	Red	Amber	Amber
2 – Housing Conditions	Amber	Amber	Amber	Amber	Amber	Amber
3 - Crime	Red	Amber	Amber	Red	Amber	Amber
4 – Migration	Amber	Amber	Amber	Amber	Red	Amber
5 – Deprivation	Red	Red	Red	Red	Red	Red

Key: **Red** – Strong Evidence; **Amber** – Some Evidence; **Green** – Weak Evidence

ASB - There were 5183 ASB incidents reported to the police in 2021/22 and 2022/23. The heatmap shows that incidents of ASB were reported across the borough with only a small number of areas with no reports – these tended to be larger open spaces. Areas of higher ASB reports can be attributed to areas of higher population density. In addition to police reported ASB data, the council holds data on ASB instances reported to the Anti-Social Behaviour Team. Similarly, to the police data, ASB affects all wards and towns within Sandwell. The related heat map correlates with the police data in most areas.

Housing Conditions - The 2018 BRE report estimated (through their Housing Stock Condition model database) that the private rented stock in Sandwell has higher levels of disrepair and fuel poverty (based on the ability of households to meet fuel costs) when compared to social housing and owner-occupied properties. This analysis is further evidenced through the inspection and enforcement activity of the Council's Private Rented Sector and Housing Standards Team. When analysis further breaks down complaints and enquiries received by the service, the council supported 2252 cases with active intervention between 2013 and 2022. The distribution of cases covered 180 of the 186 LSOAs within Sandwell. The data can be further disaggregated to issues raised with HMO's. There were 716 cases raised for HMO's with the main reasons for casework being logged was due to poor standards and when aggregated accounted for 55% of the caseload.

Crime – Similarly to the police ASB data, the council reviewed all police reported crime incidents from 1 April 2021 to 31 March 2023. The number of incidents that resulted in an intervention by the police is shown in appendix 1. There were 85,744 incidents reported to the police in 2021/22 and 2022/23. The heatmap shows that incidents were reported across the borough with only a small number of areas with no/few reports –

these tended to be larger open spaces. Areas of higher crime reports can be attributed to areas of higher population density.

Other data sets related to PRS

Migration - In Sandwell, the 2021 Census found that almost one in four (23.6%) usual residents were born outside the UK compared to 15.9% in the 2011 census. The 2021 estimate compares with one in six nationally and this proportion puts the borough in the top 50 Local Authorities across England & Wales for this measure. The West Midlands is currently the 4th largest of all 12 UK regions for welcoming asylum seekers and refugees. Individuals and families seeking asylum in Sandwell are living across a number of wards within the Borough, most commonly in the areas of St. Pauls, Smethwick and Soho and Victoria.

Deprivation – The Indices of Multiple Deprivation (IMD) 2019 shows Sandwell's average deprivation score as ranked 12th most deprived local authority in England, out of a total of 317. Previous IMD results for this measure show that Sandwell's position has declined slightly relative to other districts in England. Sandwell was 13th most deprived local authority in 2015. One in five of Sandwell's LSOAs fall into the most deprived 10% nationally in 2019. A further two-fifths fall into the most deprived 10-20%, so overall 60% of Sandwell's LSOAs fall within the worst 20% nationally, and 97% within the worst 60% nationally, clearly displaying the high levels of deprivation prevalent in large parts of Sandwell.

How licensing fits with the Council's wider plans

Our Vision for 2030 is that, Sandwell is a thriving, optimistic and resilient community. The proposed expansion of additional licensing positively contributes to the following Council Vision 2030 ambitions;

The Best Start in Life for Children and Young People

Improved quality of accommodation actively contributes to improved health outcomes. Additional licensing will reduce the impact that poor quality housing has on vulnerable individuals

People Live Well and Age Well

Improved quality of accommodation actively contributes to improved health outcomes. Additional licensing will reduce the impact that poor quality housing has on vulnerable individuals

Strong Resilient Communities

Additional licensing will contribute to reduced levels of anti-social behaviour.

Quality Homes in Thriving Neighbourhoods

The introduction of additional licensing will improve the condition of the private rented properties in the specific areas meaning the area is a more attractive place to live.

Our Housing Strategy Statement 2023 - 2028

Our Housing Strategy Statement 2023 – 2028 includes a number of significant points regarding the private rented sector:

The key objectives for housing in the borough are:

- Providing more affordable homes
- Making best use of the homes
- Quality housing for all
- Supporting People's health through housing
- Addressing climate change and fuel poverty

The third and fourth of these objectives are particularly relevant to the improvement of the private sector.

Sandwell experiences high level of rental activity in many forms. The private rented sector is used for Supported Housing for vulnerable people which is paid for by Special Exempted Housing Benefit. Unfortunately, this scheme is often open to abuse, leaving vulnerable people unsupported, in poor quality HMOs often without the landlords realising this is happening.

Landlords are also often misled by tenants, not realising that their tenants have engaged in 'Rent to Rent' (subletting) or taking in friends who are homeless, thereby creating unregulated HMOs without the landlords' knowledge, permission or required amenities. Through its proactive work the council is aware of these issues along with modern slavery, which our evidence shows is prevalent in the private rented sector.

Interventions such as licensing can bring about an uplift in the quality of the sector through eliminating poor management practices and property conditions and reducing ASB that can adversely affect a neighbourhood.

The Police, Council and other enforcement agencies work closely together to tackle modern slavery, anti-social behaviour, sharing information and using the powers and levers of the various agencies to effect a change in behaviour and reduce the impact of crime and ASB. We know through our evidence gathering that there is a significant and persistent problem with Modern Slavery directly linked to private rented sector properties. Licensing will support existing initiatives by also requiring landlords to act against their tenants, by ensuring that household waste is correctly disposed of and that front gardens are maintained and free from rubbish.

Licensing will give the Council additional powers to deal with housing related crime. The existence of a landlord register will make it easier for the both the Police and the Council to trace the owner of the property.

6. Methodology

The government has set out clear guidance to structure council decisions to introduce licensing through the provision of updated legislation in April 2015 (via an Amended General Approval). This guidance states that before any council can consider making an additional licensing designation it must ensure that the area in question has a high number of private rented properties occupied under assured tenancies or licences and that it meets one (or more) of the following criteria;

1. The authority must consider that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively.
2. That the management of the HMOs are likely to give rise to one or more particular problems either for those occupying the HMOs or for members of the public including anti-social behaviour as outlined within the Act.

To inform the Council's consideration of the potential introduction of licensing, the Building Research Establishment (BRE) were commissioned in early 2018. Due to the BRE data now being five years old, the Council has also considered a range of contemporary datasets and updated some of the previous datasets.

All updated data sets are based on Lower Super Output Level (LSOA) which are output areas designed specifically for statistical purposes. There are 186 Lower Super Output Areas in Sandwell and they comprise of between 400 and 1,200 households and have a resident population between 1,000 and 3,000 persons.

When the range of available datasets are considered in relation to Sandwell the borough has sufficient evidence to support the potential expansion of additional licensing in all of the borough. This section will demonstrate that a number of datasets meet the prevalence criteria set out, however, as alluded to in the evidence base current available data around the exact location of PRS properties and HMO's is not at a sufficiently granular level to allow us to directly correlate and attribute each dataset to private rented accommodation. It is the view of this analysis that all area(s)/ towns meet at least one criteria stated within the Act.

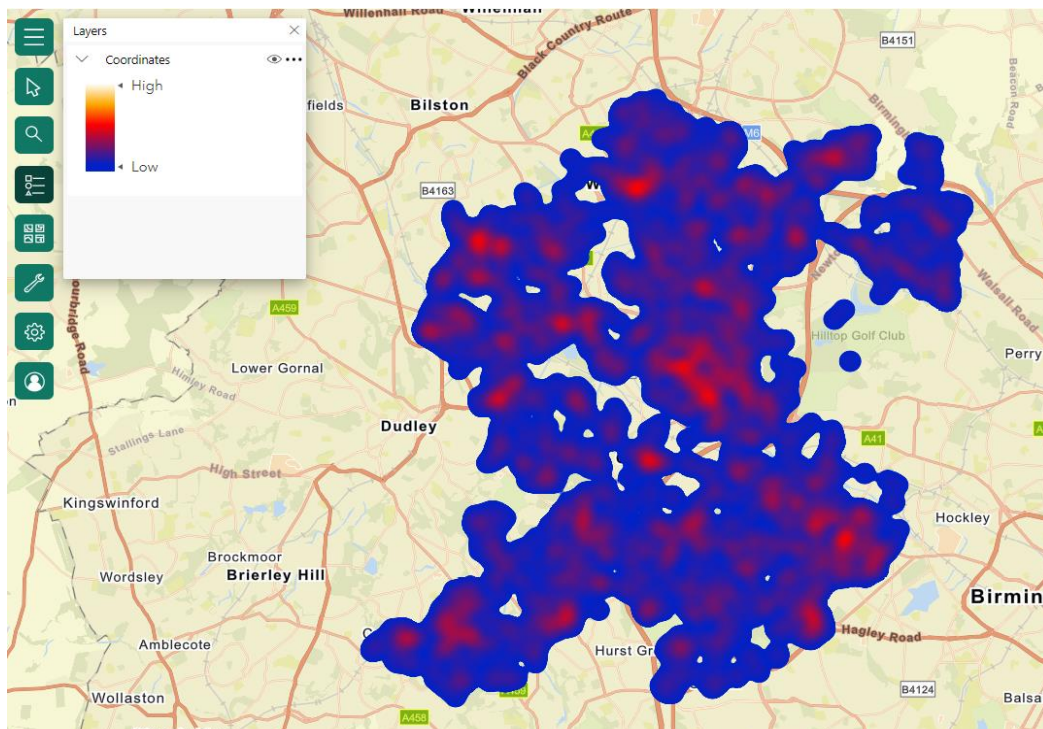
Datasets 1 – Anti Social Behaviour

To evidence the criteria, the Council needs to demonstrate that the area within the proposed designation experiences persistent ASB, which is caused, in part, by private landlords failing to manage their properties (and their tenants) effectively. However, demonstrating the link between anti-social behaviour and the private rented sector is not straightforward since there is no comprehensive source of information on whether a property is privately let, either divided into rental units or sub-let to tenants. There are a large number of councils who have carried out studies into ASB and the

connection to the private rented sector (including Tower Hamlets, Lewisham, Cardiff, Birmingham, Oxford, York) and a paper published by the House of Commons Library “Anti-social neighbours living in private housing (England) – 27 August 2019” makes reference to the challenges posed by the PRS. The report states “The Home Affairs Select Committee’s 2004-05 inquiry into anti-social behaviour (ASB) noted that although the response to ASB was originally located in the context of social housing, “many nuisance neighbours are not social tenants but private tenants or owner-occupiers.”. The Northern Housing Consortium told the Committee that a “significant number of problems arise in the private sector that are ignored due to absentee landlords or landlords that do not have the skills or capacity to tackle the problems.” <http://researchbriefings.files.parliament.uk/documents/SN01012/SN01012.pdf>

For the purpose of this evaluation, the Council reviewed all police reported anti-social behaviour incidents from 1 April 2021 to 31 March 2023. The number of ASB incidents that resulted in an intervention by the police is shown below. They relate to ASB associated with both residential premises and in communal and public spaces. For example, the ASB data includes incidents investigated on a street corner that cannot be directly linked to a residential property.

It is important to note that ASB can be subject to recording issues and therefore results do not include all ASB incidents, for the purpose of this dataset only ASB incidents investigated by the police have been included.

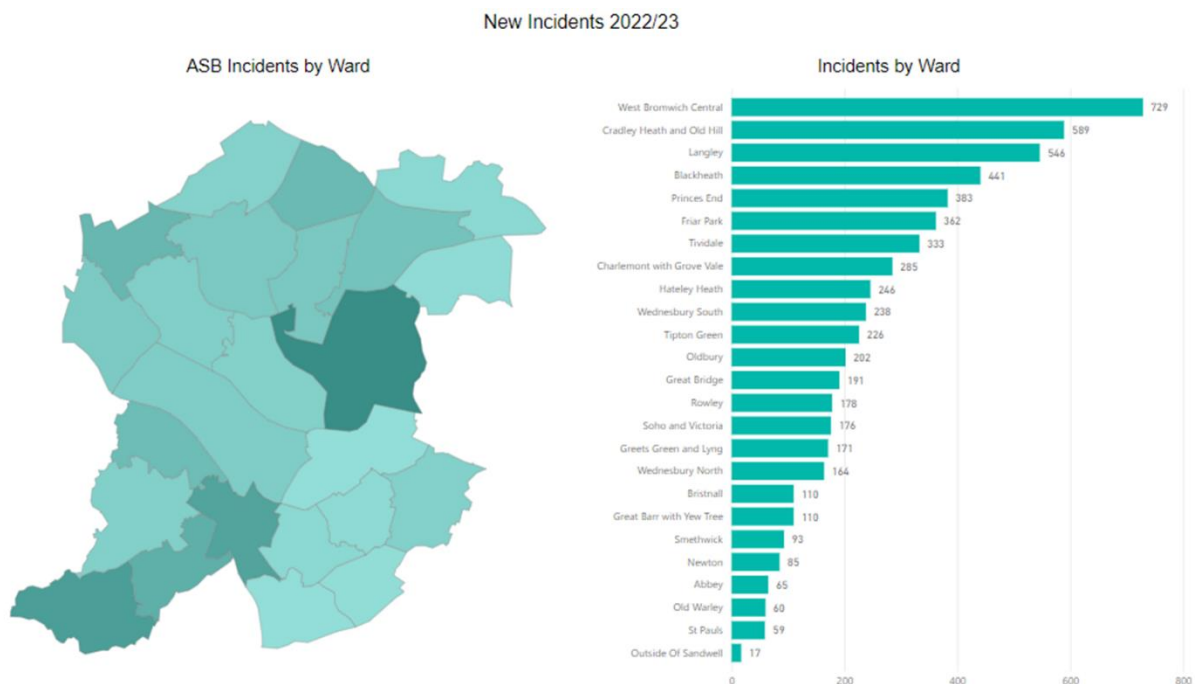


There were 5183 ASB incidents reported to the police in 2021/22 and 2022/23. The heatmap shows that incidents of ASB were reported across the borough with only a small number of areas with no reports – these tended to be larger open spaces. Areas of higher ASB reports can be attributed to areas of higher population density. The heatmap shows the highest prevalence of ASB in the following areas:

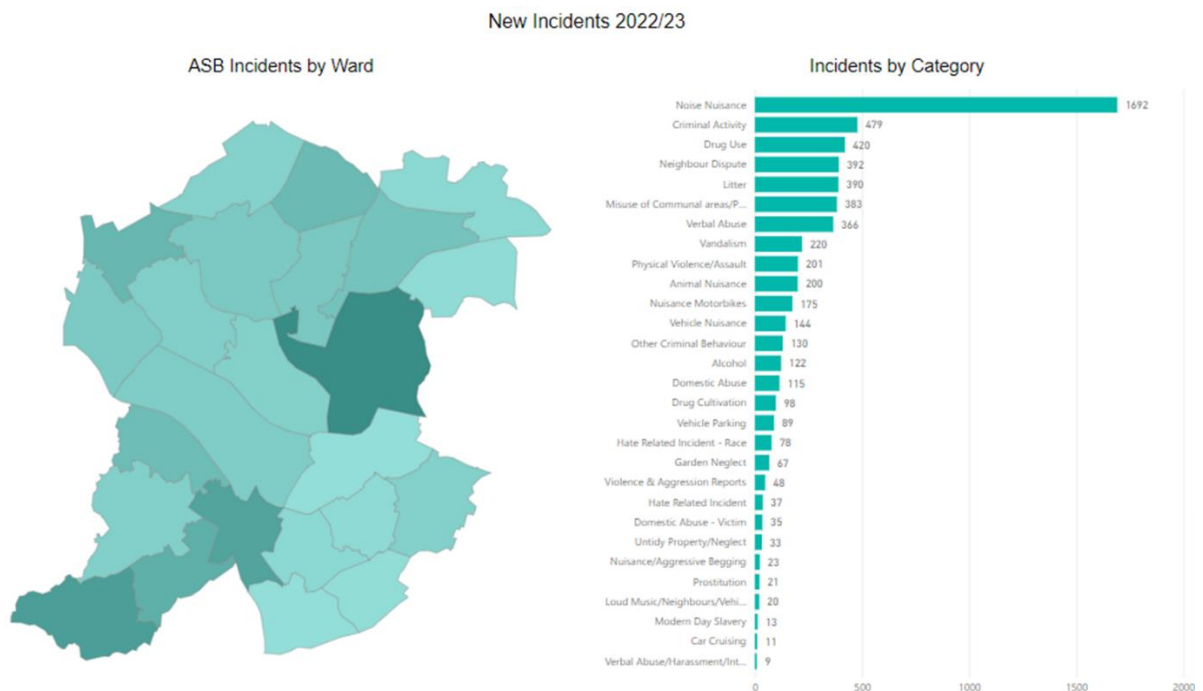
- Large proportions of West Bromwich
- Large proportions of Tipton
- Northern and eastern Smethwick
- Western Rowley
- Some areas of northern and central Oldbury
- Some areas of southern Wednesbury

In addition to police reported ASB data, the Council holds data on ASB instances reported to the service. The charts below show the number of ASB incidents in each ward for 2022/23 and the nature of the issue:

Incidents by ward:



Incident type



Similarly, to the police data, ASB affects all wards and towns within Sandwell. The council data correlates with the police data in some areas and shows the highest proportion of cases are as follows:

- West Bromwich shows the highest concentration of ASB reports
- Rowley has the second highest concentration of ASB reports
- Tipton and Oldbury show similar levels
- Smethwick shows the second lowest proportion and Wednesbury receives the fewest reports

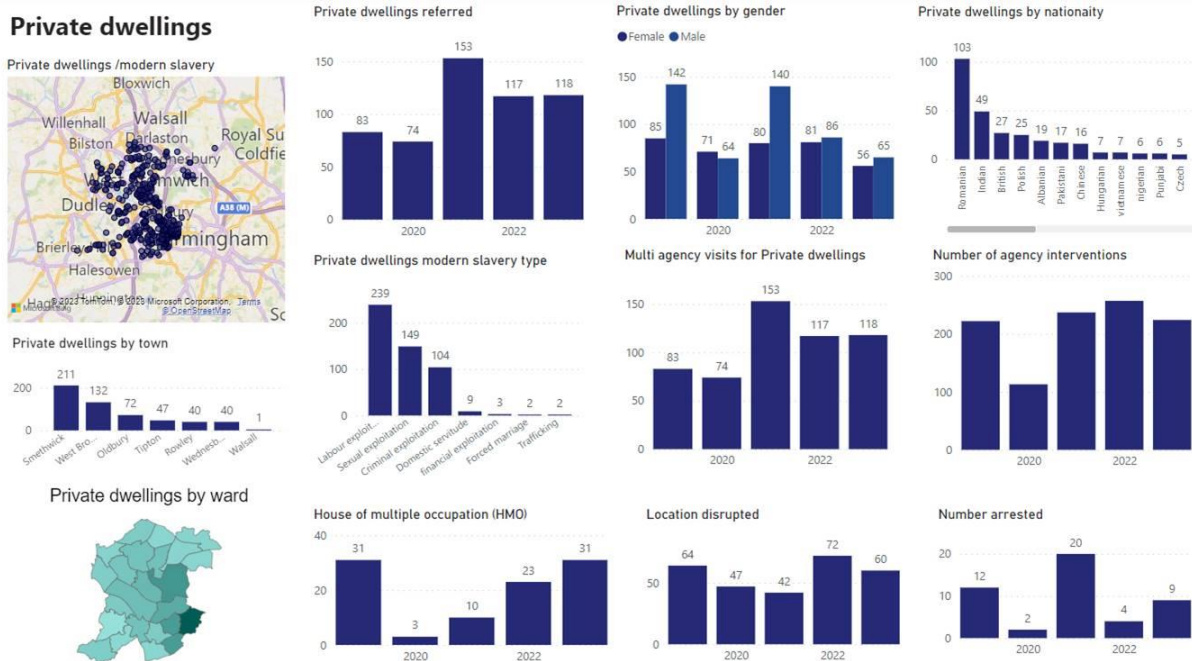
Modern Slavery & Human Trafficking in Sandwell

Modern Slavery is a global phenomenon of organised criminality and one which is sadly now recognised as having a footprint within our communities. This is largely because Sandwell is a diverse area, is centrally based and with ease of access from both abroad and from other areas of the UK making us vulnerable in attracting those with the criminal intent to exploit.

We are committed to ensuring that our response to Modern Slavery is robust and informed, and that our central aim is to partnership work with other agencies which include Police, Home Office Immigration, West Midlands Fire Service and Utility providers to disrupt the activity of perpetrators and to make Sandwell a hostile place from which to perpetrate Modern Slavery.

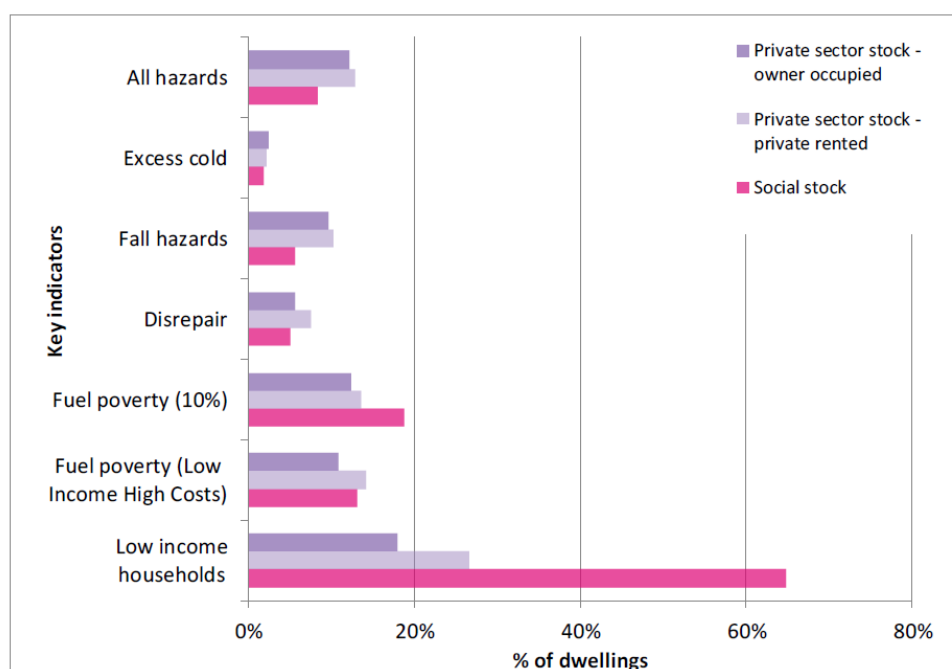
Current data has shown West Bromwich & Smethwick areas as hotspots for this form of criminality with over 50% of incidents investigated are linked with the private rented sector particularly within HMO's.

The data below shows a number of incidents across the borough over the last five years.



Dataset 2 – Housing Conditions

The 2018 BRE report estimated (through their Housing Stock Condition model database) that the private rented stock in Sandwell has higher levels of disrepair and fuel poverty (based on the ability of households to meet fuel costs) when compared to social housing and owner-occupied properties as detailed in the chart below:

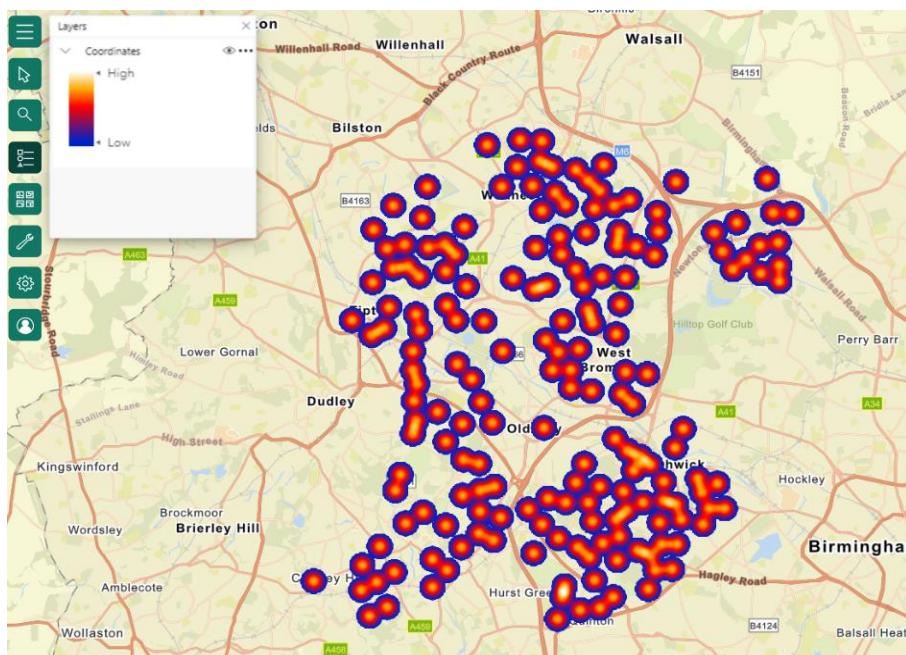


This analysis is further evidenced through the inspection and enforcement activity of the Council's Private Rented Sector and Housing Standards Team. The team provide advice, assistance, support and signposting services as well as direct intervention for private tenants, landlords and owners of empty properties. Many of these customers are vulnerable or economically inactive and often require some form of assistance to either maintain or remain in their homes.

The table below shows the level of complaints / enquires received by the Private Rented Sector and Housing Standards Team into private rented housing. The table also depicts that whilst enforcement action has been undertaken it has not considerably reduced the level of complaints, thus suggesting a need to move to the more proactive approach associated with additional licensing

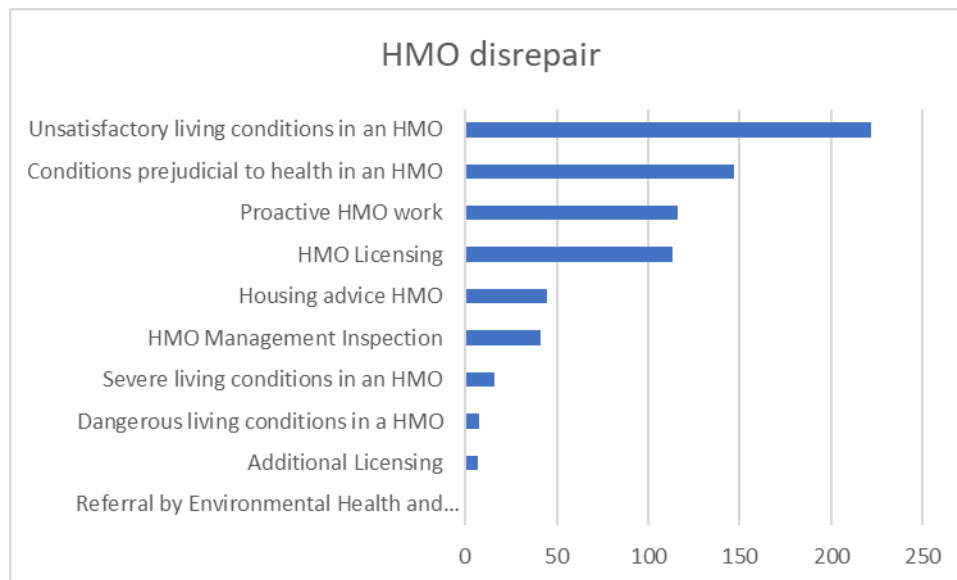
Year	Number of complaints / enquires received by HQT Triage system
2014/15	886
2015/16	810
2016/17	845
2017/18	887
2018/19	728
2019/20	866
2020/21	783*COVID impact
2021/22	859
2022/23	804

When we further break down complaints and enquiries received by the service, we supported 2252 cases with active intervention between 2013 and 2022. These interventions range from advice and guidance to enforcement including notices and civil penalties. The distribution of cases covered 180 of the 186 LSOAs within Sandwell and the map below shows where the largest volume of these cases were located:



The map shows a relatively even spread across Sandwell with all towns seeing some demand. The key exception would be the centre region of Oldbury where there are very few hotspots identified. This suggests that issues with disrepair in the PRS has an even geographic spread and affects all six towns.

The data can be further disaggregated to issues raised with HMO's. There were 716 cases raised for HMO's within the data show above. A summary of the reasons/categories of casework can be seen in the chart below:



The chart shows that the main reasons for casework being logged was due to poor standards and when aggregated accounted for 55% of the caseload raised for HMO's.

The reason why landlords of HMOs have a tougher regime to deal with is because of all the problems that can arise in this type of accommodation. Although there are many well managed and trouble-free HMOs, generally most are at the lower end of the scale. Tenants, especially those renting a room in a shared house, are often unable to afford anything more. Frequently they will be on housing benefit and because they are unrelated but living in close proximity, studies have shown that there are far more likely to be problems with HMOs.

The Council has always taken a positive approach in dealing with concerns about HMOs and concentrates on four main areas of enforcement:

- Unlicensed HMOs
- Non-compliance of licence conditions
- Management
- Health and Safety

Under the Housing Act 2004 the Council is responsible for administering the mandatory licensing scheme described earlier in this report. Where the Council suspects there is an unlicensed HMO it has powers to inspect without providing any notice to the occupants or the owner. Once a property has been found to be operating without a licence the Council will instigate a formal investigation and decide, based on a range of risk factors, what course of action is appropriate.

In cases of poor management, the Council has powers under the Management of Houses in Multiple Occupation (England) Regulations 2006. The general principle of the regulations is to protect the health, safety and welfare of occupants by requiring landlords and managers of HMOs to comply with certain duties.

Effective management procedures should take account of the characteristics of the residents, including age, vulnerability, disabilities or dependencies. It may be necessary to make special provision for individuals such as providing written information in large print or in another language.

Effective management also relies in part on residents being fully aware of their responsibilities. They should be made aware that they are either required by regulation or by the terms of the tenancy agreement not to act in a way that obstructs the manager, or causes nuisance or annoyance to neighbours, and also be made aware of the consequences if they do not comply with this.

HHSRS applies to HMOs as any other housing accommodation and the Council is required to keep property conditions 'under review'. The application of HHSRS in HMOs is a reactive approach as the Council relies upon residents and tenants to complain so that it is aware of issues.

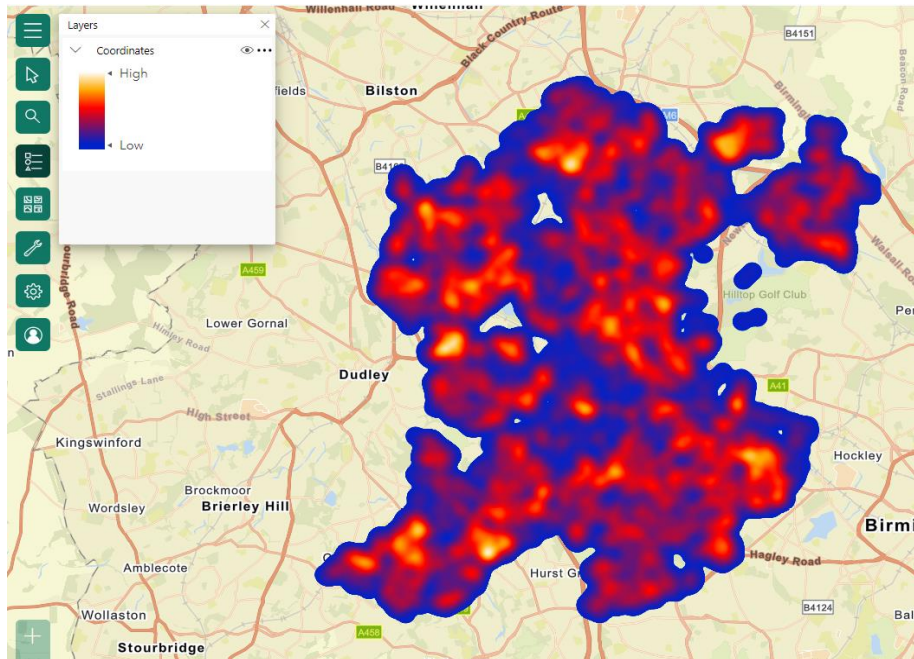
In the case of licensed HMOs, the Council is required to carry out a HHSRS inspection once every five years. This is very much reactive. More recently with austerity resources have resulted in reactive services taking priority.

The Council adopts a robust approach to taking enforcement and has a mechanism to resolve issues either through legal action, which may result in the landlord/licence holder or manager being prosecuted, or through further licensing controls such as revoking a licence and restricting their ability to run HMOs.

Where necessary and appropriate the Council will pursue formal action against landlords and agents. The Council since 2021 have issued over £80,000 in civil penalties relating to HMO's

Dataset 3 - Crime

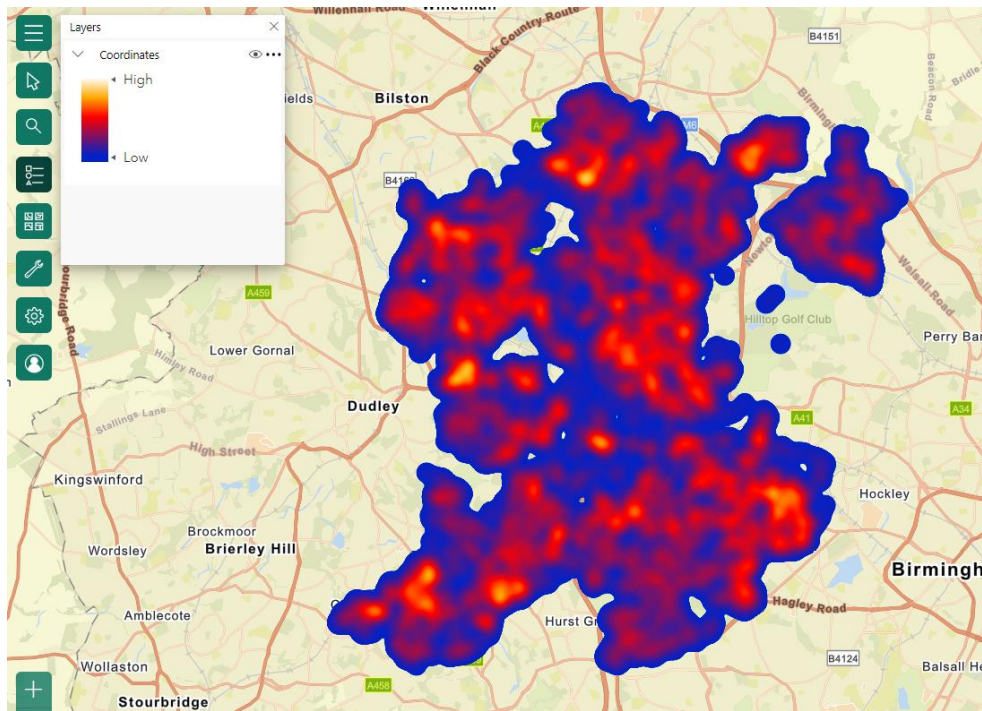
Similarly, to the police ASB data, the Council reviewed all police reported crime incidents from 1 April 2021 to 31 March 2023. The number of incidents that resulted in an intervention by the police is shown below. They relate to crime associated with both residential premises and in communal and public spaces. For example, the crime data includes incidents investigated on a street corner that cannot be directly linked to a residential or commercial property.



There were 85,744 incidents reported to the police in 2021/22 and 2022/23. The heatmap shows that incidents were reported across the borough with only a small number of areas with no/few reports – these tended to be larger open spaces. Areas of higher crime reports can be attributed to areas of higher population density. The heat map shows the highest prevalence of crime in the following areas:

- Large proportions of West Bromwich with a focus on the south eastern part of the town
- Large proportions of Tipton
- Eastern Smethwick
- Southern Rowley
- Some areas of northern and southern Oldbury
- Central Wednesbury

The highest proportion of reported crime type was “violence and sexual offences” which accounted for 44% of all reported crime. This compares to the second highest reason of “public order” accounting for 7884 cases or 9.19%. This comparison shows the significance of the gap between the highest and second highest reported crimes. The map below shows the distribution of “violence and sexual offences” correlates to the “all crimes” map.

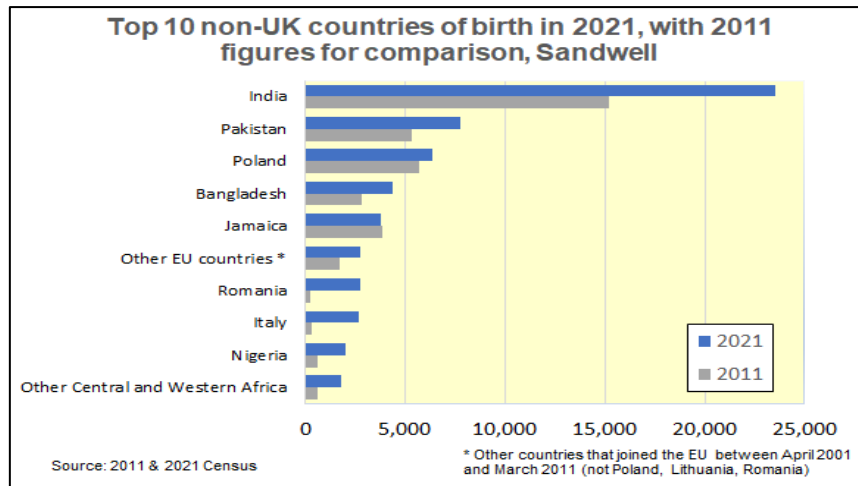


Dataset 4 – Migration

In Sandwell, the 2021 Census found that almost one in four (23.6%) usual residents were born outside the UK compared to 15.9% in the 2011 census. The 2021 estimate compares with one in six nationally and this proportion puts the borough in the top 50 Local Authorities across England & Wales for this measure. In the last decade, this proportion has increased by 7.7%. The West Midlands is currently the 4th largest of all 12 UK regions for welcoming asylum seekers and refugees. Sandwell has been accommodating people through the Home Office’s contracted dispersal programme for decades – most recent projects include the Afghanistan resettlement and Homes for Ukraine schemes. Sandwell has around 1,100 asylum seekers dispersed in the borough.

For the cohort of asylum seekers who have resettled in the past two and a half years, the most common country of origin was Iran with 31.1%, followed by Iraq with 19.8%. The remaining countries include Albania (9.3%), Afghanistan (7.1%), Syria (5.4%) Sudan (5.1%), El Salvador (4.5%), Eritrea (3.1%), India (2.3%) and Turkey (2.0%)

The table below gives some breakdown to migration in Sandwell and their country of origin:

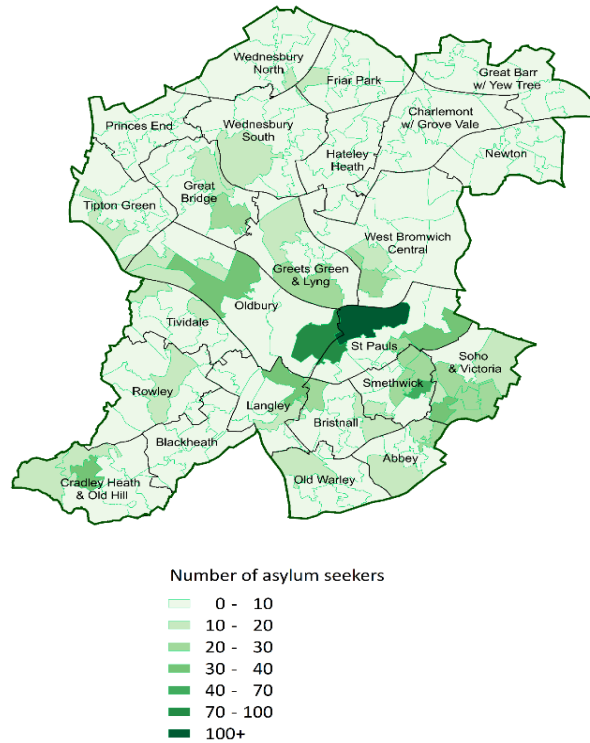


The chart shows that India remained the most common country of birth outside the UK in 2021 with 6.9% of the population. Relatively large proportions of Sandwell residents were born in Pakistan (2.3%) and Bangladesh (1.3%).

The number of people living in Sandwell who were born in Poland grew slightly at 0.1% since the previous census, from 1.8% in 2011 to 1.9% in 2021. Whereas the number born in Romania saw a fairly significant increase from 0.1% in 2022 to 0.8% in 2021.

13.9% of Sandwell residents owned a non-UK passport; the most common non-UK passport held was Polish (2.0% of the population).

Individuals and families seeking asylum in Sandwell are living across a number of wards within the Borough, most commonly in the areas of St. Pauls, Smethwick and Soho and Victoria. However, there are several wards within Sandwell where no asylum seekers are placed – including Great Barr, Newton, Princes End, Hateley Heath, Charlemont with Grove Vale and Blackheath. This suggests that there has been some disproportionate dispersal in the re-settlement of migrants in wards and towns in Sandwell. The map below shows dispersal in recent years:

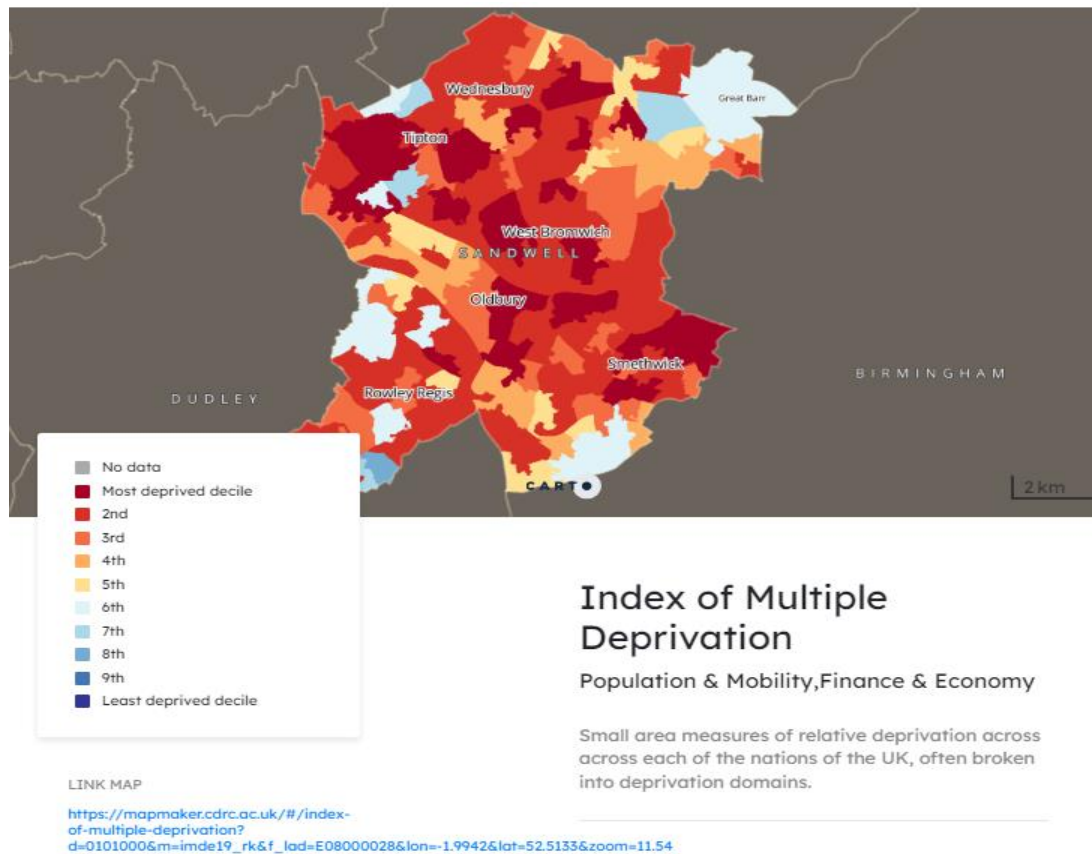


Dataset 5 – Deprivation

The Indices of Multiple Deprivation (IMD) 2019 shows Sandwell's average deprivation score as ranked 12th most deprived local authority in England, out of a total of 317. Previous IMD results for this measure show that Sandwell's position has declined slightly relative to other districts in England. Sandwell was 13th most deprived local authority in 2015.

Within the West Midlands conurbation there is a central corridor of severe deprivation that runs from Birmingham, through Sandwell, into Wolverhampton, parts of Walsall, and Dudley. The less deprived areas are around the extremities of the conurbation and within the adjoining district of Solihull.

Sandwell is the only metropolitan borough outside London that does not adjoin a Shire district. The levels of deprivation can be seen in the chart below:



One in five of Sandwell's LSOAs fall into the most deprived 10% nationally in 2019. A further two-fifths fall into the most deprived 10-20%, so overall 60% of Sandwell's LSOAs fall within the worst 20% nationally, and 97% within the worst 60% nationally, clearly displaying the high levels of deprivation prevalent in large parts of Sandwell.

The BRE report suggested a direct correlation between deprivation and areas of high volume poor quality private rented accommodation. Tenants, especially those renting a room in a shared house, are often unable to afford anything more. Frequently they will be on housing benefit and because they are unrelated but living in close proximity, studies have shown that there are far more likely to be problems.

8. Conclusion

Through our evidence building, we believe that we have satisfied the legislative test for expanding additional licensing scheme boroughwide.

Consultation is a key feature in 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 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 10 weeks, which will commence, in XXXXX. To provide an impartial consultation Sandwell has commissioned external consultants M-E-L Research to undertake the consultation process.

Further information about the consultation process and how to get involved will be provided on Sandwell's website and everyone who may be directly affected by the proposals will be 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. Sandwell Council website and social media.
- We will contact landlords, letting and management agents who operate in and around the borough, inviting them to complete a questionnaire.
- We will provide residents and businesses or services within the borough and surrounding area information on the proposed scheme and how to access the consultation process.
- The consultation will be promoted at Sandwell'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.

Following the closure of the consultation period the responses will be evaluated and published on the Sandwell 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 Additional (HMO) Licensing boroughwide.

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

If Cabinet agree the proposed designation for Additional (HMO) Licensing, the Licensing designation would become operative around autumn 2024 lasting for a period of five years. If Cabinet decide not to designate the area, Sandwell could continue solely with the current reactive enforcement regime.

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