

BIRMINGHAM CITY COUNCIL

**REPORT OF THE DIRECTOR OF REGULATION AND ENFORCEMENT
TO THE LICENSING AND PUBLIC PROTECTION COMMITTEE**

15 NOVEMBER 2023
ALL WARDS

SELECTIVE AND ADDITIONAL PROPERTY LICENSING SCHEMES UPDATE

1.0 Summary

- 1.1. An update of the Selective and Additional Licensing Schemes which became a legal requirement in Birmingham on the 5 June 2023, which is the date the designations came into force.

2.0 Recommendation

- 2.1 Report be noted.

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3.0 Background

- 3.1 Following an extensive consultation period and approval from Cabinet and DLUHC, both the Selective and Additional Licensing Schemes became a legal requirement on the 5 June 2023 in Birmingham and will run for 5 years.
- 3.2 The Selective Licensing Scheme is applicable to privately rented single household properties located in 25 wards of the City. The wards were evidentially identified based on the percentage of rental properties, together with levels of crime and or deprivation. It is estimated that there are 54 000 licensable properties in these areas.
- 3.3 The Additional Licensing Scheme is active city wide and is applicable to private rented properties which house 3 or 4 residents from 2 or more households who share one or more amenity. These properties are often termed 'Small' Houses in Multiple Occupation (HMO's) and amount to approximately 8 000 properties city wide.
- 3.4 Both these schemes compliment the Mandatory HMO Licensing Scheme which has been a legal requirement nationwide since 2006 and which covers approximately 2,500 private rented properties, housing 5 or more residents from 2 or more households who share one or more amenity.
- 3.5 Whilst all the schemes have similar outcomes, the Selective Scheme seeks to tackle crime and deprivation and the Additional Scheme to deal with anti-social behaviour (ASB) and waste / rubbish issues. However, the overall aim and role of the Service is to improve the living conditions of tenants and improve neighbourhoods.

4.0 Number of Applications Received and Licences Issued

- 4.1 Between the 5 June and the 20 October 2023:

	Selective	Additional
Applications in Progress	14 784	1122
Draft Licences Issued	759	184
Licences Issued	2373	156
Total Applications Received	17 916	1462

- 4.2 To date Selective Licences have been received from all wards in the city with 'Ladywood' and 'Soho & Jewellery Quarter' wards submitting the most, and 'Ward End' and 'Lozells' wards the least.
- 4.3 Whilst it is expected that there are far fewer properties which are required to hold an Additional Licence, we have received applications from only 48 of the 69 wards. This information together with the levels of applications in each of the wards will be used to direct compliance and communication activity to ensure licensable properties are compliant with the legislation.

4.4 The City-wide distribution of the applications by ward is as follows:

Ward	Additional Licence	Selective Licence	Total	Ward	Additional Licence	Selective Licence	Total
Acoccks Green	7	613	620	Moseley	9	N/A	9
Allens Cross	0	N/A	0	Nechells	52	N/A	52
Alum Rock	3	326	329	Newtown	44	N/A	44
Aston	18	430	448	North Edgbaston	40	1045	1085
Balsall Heath West	146	199	345	Northfield	2	N/A	2
Billesley	2	N/A	2	Perry Barr	1	N/A	1
Birchfield	3	175	178	Pype Hayes	1	N/A	1
Bordesley & Highgate	31	1773	1804	Quinton	8	N/A	8
Bordesley Green	4	208	212	Sheldon	0	N/A	0
Bournbrook & Selly Park	462	467	929	Small Heath	4	263	267
Bournville & Cotteridge	62	N/A	62	Soho & Jewellery Quarter	62	2606	2668
Brandwood & Kings Heath	5	N/A	5	South Yardley	3	330	333
Bromford & Hodge Hill	1	N/A	1	Sparkbrook & Balsall Heath East	8	397	405
Castle Vale	2	N/A	2	Sparkhill	3	333	336
Edgbaston	34	919	953	Stirchley	14	N/A	14
Erdington	10	N/A	10	Stockland Green	15	846	861
Garretts Green	0	N/A	0	Sutton Mere Green	0	N/A	0
Glebe Farm & Tile Cross	2	N/A	2	Sutton Trinity	3	N/A	3
Gravelly Hill	6	346	352	Sutton Vesey	2	N/A	2
Hall Green North	1	N/A	1	Sutton Wylde Green	2	N/A	2
Handsworth	2	192	194	Tyseley & Hay Mills	4	295	299
Handsworth Wood	26	N/A	26	Ward End	6	153	159
Harborne	86	N/A	86	Weoley & Selly Oak	82	N/A	82
Heartlands	1	175	176	Yardley West & Stechford	2	186	188
Holyhead	14	283	297	Longbridge & West Heath	1	N/A	1
Ladywood	163	5256	5419				
Lozells	3	100	103	Total	1462	17916	19378

5.0 Communications

- 5.1 As part of the legislation linked to the administration of the schemes section 85(4) of the Housing Act 2004 states that:

“The local housing authority must take all reasonable steps to secure that applications for licences are made to them in respect of houses in their area which are required to be licensed under this Part but are not so licensed.”

- 5.2 To achieve this there have been and will continue to be a number of campaigns to promote the schemes and the legal requirement for applicable properties to be licenced. Details of some of these activities are as follows.
- 5.3 Ahead of the launch of the schemes there were a number of press articles and adverts in local newspapers and this will continue throughout the life of the current schemes.

- 5.4 The most recent campaign started on the 9 September 2023 and included an advert twice a week for four weeks in the Birmingham Mail. This was supported by an article on their website and numerous social media promotions.
- 5.5 The digital property licensing article received 3 500 views with people spending an average of 4:56 mins on the page. People from outside the UK also accessed the article including some from Europe, India, the United States and Canada. These may be current overseas landlords, and this demonstrates the 'reach' of such campaigns.
- 5.6 Posted alongside other articles on the Birmingham Mail website was an advertisement from Birmingham City Council entitled "Check if your privately rented property has the right licence" which linked to the property licencing article. This advertisement was seen by 21 524 people.
- 5.7 The same advertisement was posted on social media (Facebook and Instagram) and appeared on 246 335 devices, was 'clicked on' 42 639 times, and resulted in 5343 visits to our Property Licensing web page.
- 5.8 Apart from digital promotion referred to above, an information leaflet on the schemes has been developed. This leaflet will be distributed to 450 087 residential and 23 820 business properties throughout Birmingham from the 20 November.
- 5.9 Letters are also being sent to suspected landlords who are yet to get a licence and the Service are emailing a large number of managing / letting agents in the Birmingham, to encourage compliance.
- 5.10 Whilst ignorance of the schemes is not a legal defence. The level and amount of communication which has been undertaken will encourage compliance from good landlords, and support enforcement action against those who have chosen not to operate their property business legally.

6.0 Available Resources and Developments

- 6.1 Since the start of the schemes, applicants have been able to submit and pay for an application via the City Councils dedicated web pages. These pages provide a wealth of information and are constantly being reviewed and improved. Details of all the schemes can be accessed via the simplified web address www.birmingham.gov.uk/prpl .
- 6.2 The section also operates a dedicated email mailbox (PL@birmingham.gov.uk) for enquiries. All enquiries are responded to quickly and the team have successfully supported many applicants to gain compliance.

- 6.3 In the past month we have added a link to the Public Register which details information about the licences which have been issued. This is a legal requirement under The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions)(England) Regulations 2006.
- 6.4 Shortly we will be launching an online system for tenants and residents to report disrepair, unlicensed properties, and anti-social behaviour.

7.0 Compliance Activities

- 7.1 In September 2023 compliance activity commenced and the team have started to undertake visits to licensed and unlicensed properties to check adherence to the schemes.
- 7.2 **Fraud:** Through the checks undertaken during the application process the team have successfully identified multiple properties that were unregistered for Council Tax.
- 7.3 For example, an owner of a large property in Birmingham applied for a single Selective Licence. During the review, the Licensing Officer discovered that the property consisted of 15 self-contained flats, none of which were registered for Council Tax.
- 7.4 Prompt action was taken and through liaison with colleagues in Revenues & Benefits and Planning Enforcement, an investigation into potential fraud has commenced.
- 7.5 To date, the Team have identified over 12 unregistered properties and it is anticipated that this number will rapidly rise as we build the size of the team and in turn intensify our efforts to proactively identify unlicensed properties across the city.
- 7.6 **Homelessness:** A further example of where these schemes are already starting to benefit residents of Birmingham and the wider organisation is through tackling homelessness. Our team have been collaborating closely with the Housing Options Team. We have integrated into their process providing vital information when it is needed to assist tenants who present themselves as homeless following receipt of an eviction notice, typically a Section 21 notice.
- 7.7 Effective from the 5 June 2023, any Section 21 notice is only valid if the landlord has either applied for the relevant property licence or has secured a Temporary Exemption Notice.

- 7.8 To date, we have received 172 referrals from the Housing Options Team and have identified 113 invalid Section 21 notices. This has had the effect of delaying and/or preventing homelessness, saving the Council emergency accommodation costs and reducing the impact to the tenant and their family.
- 7.9 As a follow up and using this intelligence, the team have contacted the landlords of these unlicensed properties and have given them a deadline to make an application.
- 7.10 **Energy Performance Certification:** Since April 2018 for new tenancies and from April 2022 for existing tenancies all private rented properties are legally required to have an energy performance rating of E or above.
- 7.11 As part of the application process, properties are checked against the government database for their current Energy Performance Certificate (EPC) rating. If the property does not have a current EPC, doesn't hold an exemption or doesn't meet the minimum legal standard of an E rating then we engage with the owner to ensure compliance.
- 7.12 The [government EPC checker](#) is a really useful resource for property owners as it gives guidance on getting an EPC, and for those properties which already have one it gives advice on how to improve a properties rating including an estimate on how much improvements will cost to implement and what potential savings residents can expect.
- 7.13 The EPC regulation aims to improve the energy efficiency of rented properties and reduce carbon emissions, and in doing so will provide tenants with lower energy bills and improved comfort, which directly links to the aims of the property licensing schemes.
- 7.14 To date the majority of applications which have been received have been from properties which have an EPC rating of E or above, however as we start to identify properties without licences we expect that this will increase the amount of properties which are found to be less energy efficient and fall below the statutory minimum.
- 7.15 **Identification of Illegal HMO:** In June 2020 the City introduced a city-wide Article 4 Direction which means that planning applications must be submitted for any house which is being converted into an HMO to accommodate between 3 and 6 people. This was introduced to stop concentrations of HMO's being created without any consideration being given to the surrounding communities.

- 7.16 The Property Licensing team have already identified HMO's which they suspect are operating without the correct Planning Permission and these are being referred through to Planning Enforcement for investigation. Through the increased communications and inspections which are on going it is expected that the team will identify many more HMO's which are not operating legally.
- 7.17 Apart from ensuring that HMO's are distributed correctly throughout the City so as to reduce impacts on the areas surrounding them; as there is a charge associated with Planning Applications this will also result in additional income to the Planning Department.

8.0 Implications for Resources

- 8.1 The Property Licensing Section operates with a ring fenced budget completely funded by the licence fees.
- 8.2 The general fund is not impacted upon by this Section.

9.0 Implications for Policy Priorities

- 9.1 Whilst the work detailed in this report contributes to a number of the Corporate Plan Priorities 2022-2026, the main impact will be in
- **An Inclusive Birmingham:** through a focus on tackling poverty and inequality, empowering citizens, promoting diversity and civic pride, and supporting and enabling all children and young people to thrive.
 - **A Safe Birmingham:** through a focus on making the city safer, safeguarding vulnerable citizens, increasing affordable housing, and tackling homelessness.
- 9.2 It will achieve this by encouraging safe flourishing neighbourhoods through the teams work to improve the private rented sector and by providing a 'level playing field' for good compliant landlords to offer affordable, safe and green housing which protects all tenants and residents including those most at risk.

10.0 Public Sector Equality Duty

- 10.1 The public sector equality duty is supported by the Property Licensing activities carried out by officers.

DIRECTOR OF REGULATION AND ENFORCEMENT