

Selective Licensing Evidence Report Summary

Introduction

Birmingham City Council is keen to hear your views on the proposal to introduce selective licensing in parts of the city before any decisions are made.

If you are a tenant, resident, landlord, letting agent or a business, living or operating in one of the proposed areas you could be affected by the proposals in this document.

This information document is a summary of the proposals. A more detailed evidence report can be downloaded from the Council's consultation hub at www.birminghambeheard.org.uk The consultation on this proposal starts on Monday 25th October 2021 and will run for 10 weeks, closing at 9am on Tuesday 4th January 2022.

Following consultation, a full report on the findings and outcomes of the consultation will be presented to the Council's Cabinet, who will make a decision on whether to implement the scheme. Due to the size of the proposed scheme, approval from the Government is required. The scheme would be in operation for five years, with approval to renew the scheme at the end this time being required.

What is Selective Licensing?

Legislation gives Council's the power to designate areas subject to discretionary licensing, subject to certain evidential criteria, public consultation, and approval from central Government.

If a selective licensing designation is approved, the landlord of every privately rented property in the designated ward would be required to obtain a licence from the Council

(subject to a number of exemptions set out in the full evidence report on pages 36 and 37). At the end of the five year period, the scheme will be reviewed.

It is a criminal offence to let a property in an area designated for selective licensing without a licence. Failure to apply for a licence could lead to prosecution and the offence is punishable by an unlimited fine.

Legislative Framework

Legislation allows for six different reasons for the introduction of selective licensing, they are that the area:

- is, or is likely to become, an area of low housing demand
- is experiencing a significant and persistent problem caused by anti-social behaviour
- is experiencing poor housing conditions
- has experienced, or is experiencing, an influx of migration into it
- is suffering from high levels of deprivation
- is experiencing high levels of crime

In Birmingham, the Council feels that selective licensing will contribute toward reducing deprivation and crime.

A local authority may only make a designation after they have considered if there are any other available courses of action to them and if these would produce the intended outcomes that the designation would achieve; and if making the designation will significantly assist them to achieve the objectives.

Desired Outcomes

The targeted outcomes for the proposed scheme over the five period are:

- Reduce the deprivation gap between that found in the 25 proposed wards and that of the city's other wards

- Reduce the number of wards within the selective licensing area that are designated as the 10% most deprived Super Output Areas nationally
- In at least 95% of licensed properties, compliance with licence conditions and improved property conditions has been achieved, or enforcement action taken or in progress
- Ensure that at least 75% of licensable properties are licensed
- Reduce incidents of home burglary and non-domestic violent crime
- Improve 1000 properties in the Private Rented Sector per annum as a result of the Local Authority's intervention

Proposed Selective Licensing Areas

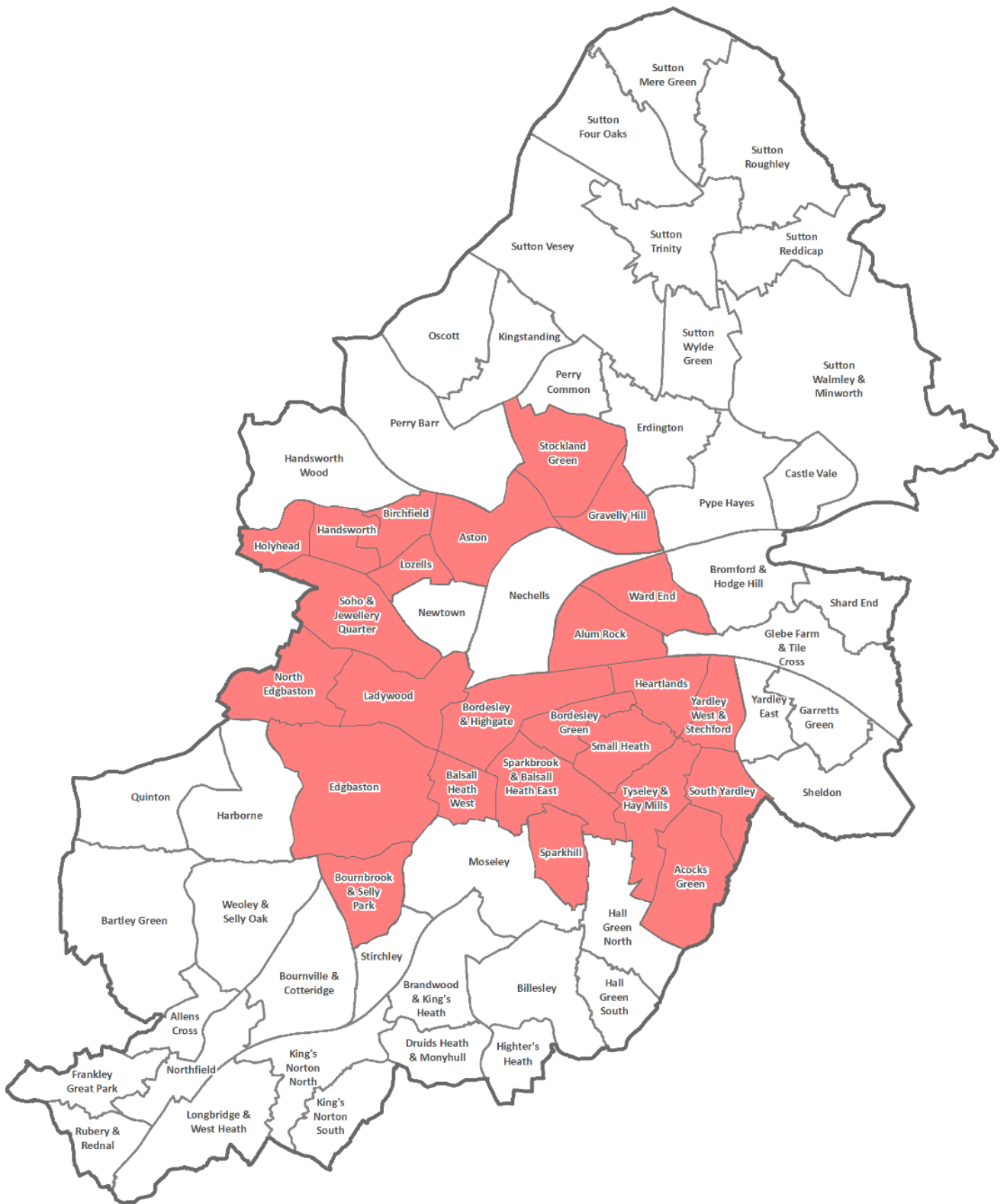
Regulations and guidance for the introduction of selective licensing requires local authorities to meet strict criteria before a selective licensing scheme can be implemented in an area/s. Based on the research the Council has undertaken, we have decided to consult on a proposal to introduce selective licensing on the following statutory grounds:

A significant proportion of the stock is privately rented and that this stock is in:

- an area that experiences high levels of deprivation
- an area that experiences high levels of crime

Below is a list proposed wards to be designated for selective licensing. These areas are marked in the map on the following page.

Acocks Green	Gravelly Hill	South Yardley
Alum Rock	Handsworth	Sparkbrook & Balsall Heath
Aston	Heartlands	Sparkhill
Balsall Heath West	Holyhead	Stockland Green
Birchfield	Ladywood	Tyseley & Hay Mills
Bordesley Green	Lozells	Ward End
Bordsley & Highgate	North Edgbaston	Yardley West & Stechford
Bournbook & Selly Park	Small Heath	
Edgbaston	Soho & Jewellery Quarter	



Justification for Designating Areas for Selective Licensing

1) An area experiencing high levels of private renting

One of the requirements of designating an area for selective licensing scheme is that the it must contain a high proportion of privately rented homes compared with the national average (currently 19%). Each of the 25 wards identified for inclusion in the selective licensing designation have a high (greater than 19%) percentage of private rented property.

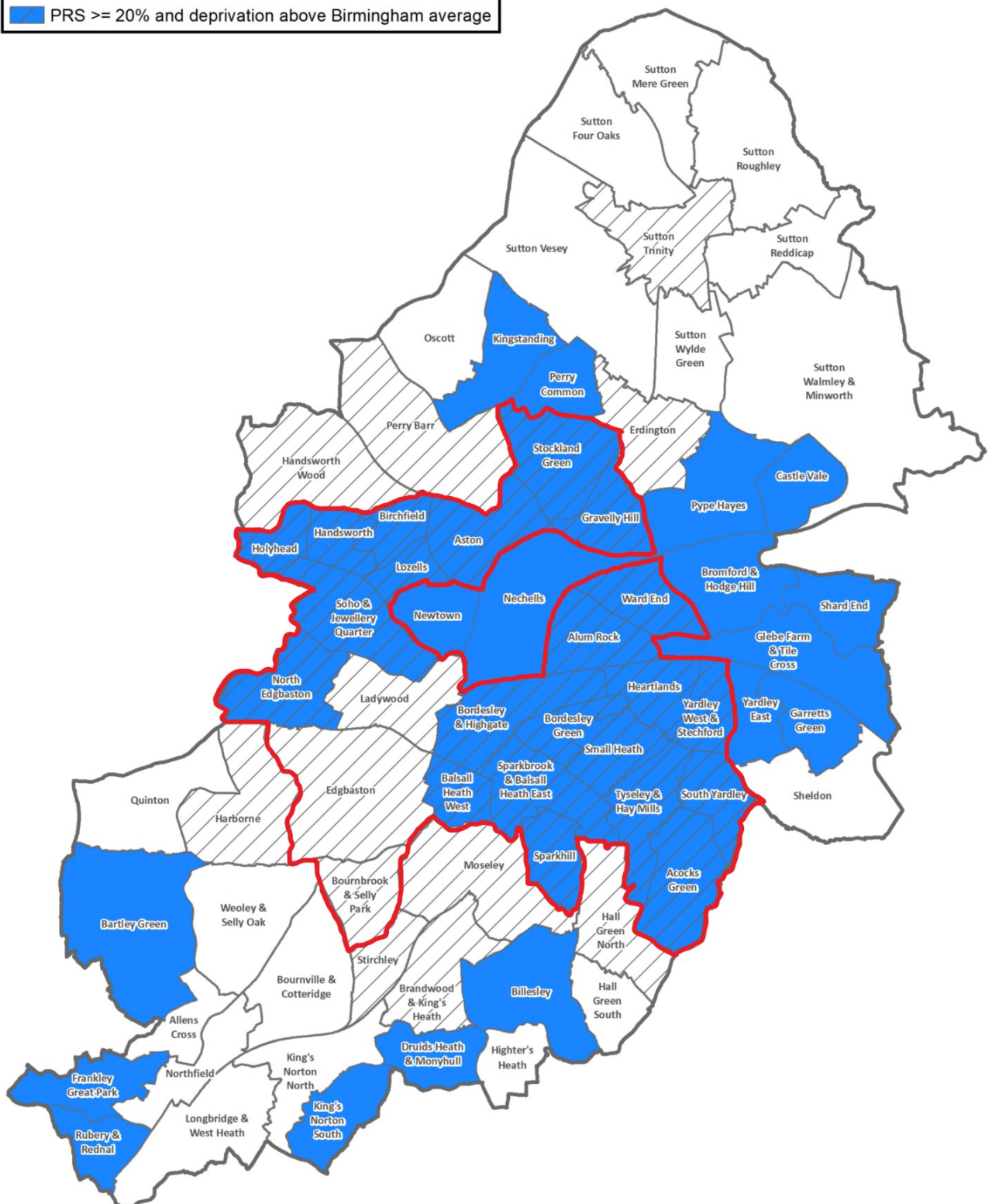
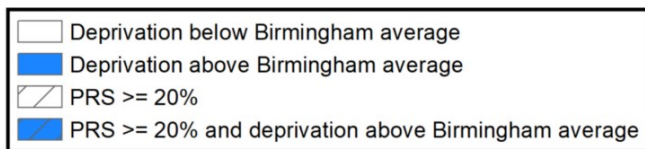
2) An area experiencing high levels of deprivation

Deprivation is the consequence of a lack of income and other resources and can be measured and evidenced in various ways. This includes the employment status of adults, the average income of households, the availability and ease of access to education, training and other services for households, the health of households, levels of crime, and the living environment – both internal and external

A ranking score was used to compare the deprivation levels of Birmingham compared to the national average. A rank of 1 means that the area is the most deprived. The average rank for England is 16,422 and for Birmingham it is 7,752.

While there are pockets of deprivation in all parts of the city, deprivation is most heavily clustered in the wards surrounding the city centre.

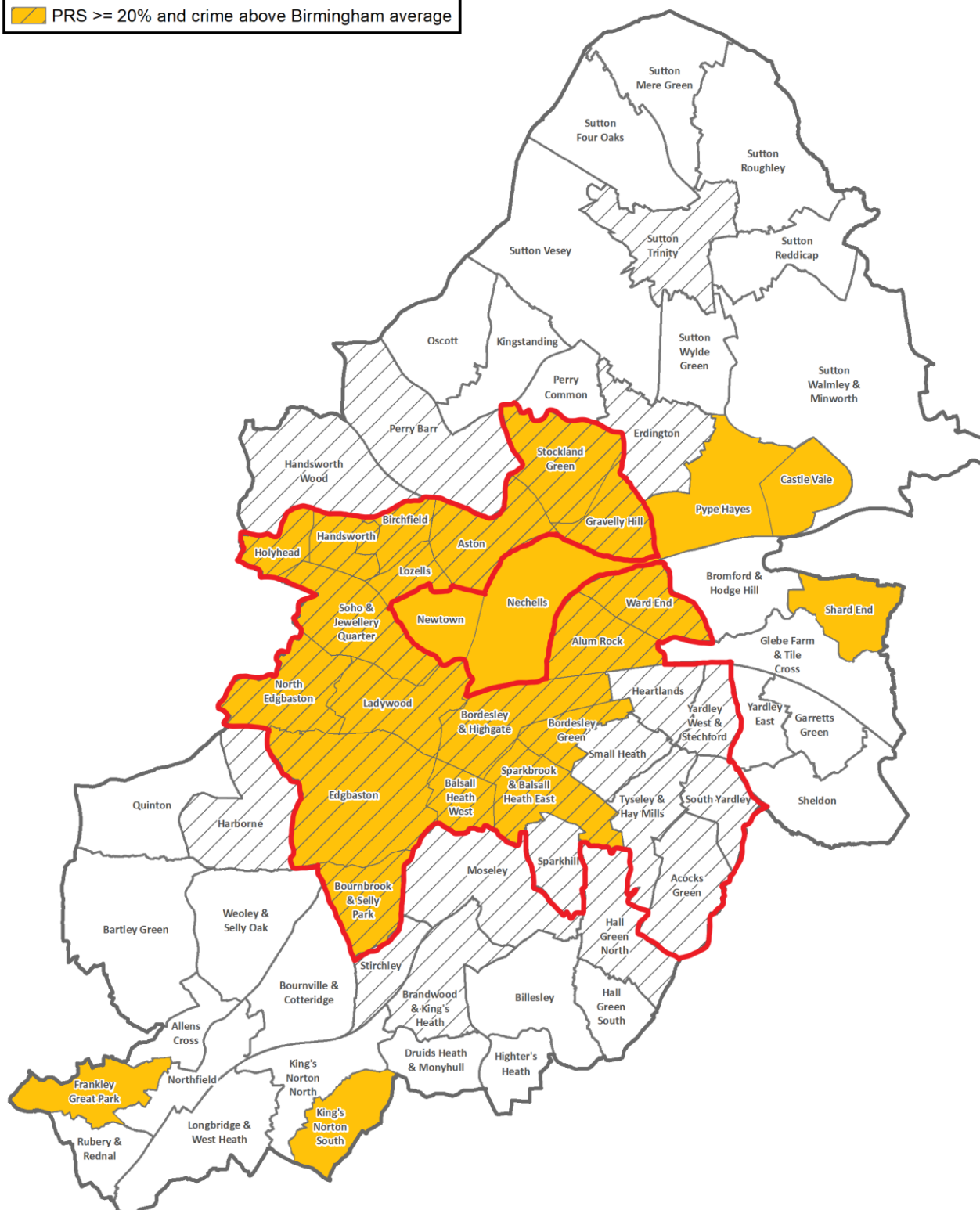
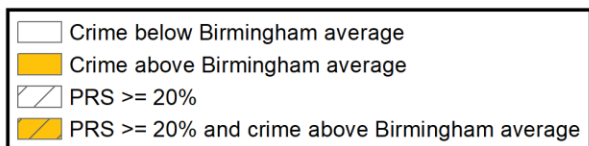
The map below shows the wards where the deprivation ranking is greater or less than the city average, and where deprivation rankings are higher than the average and also have high levels (greater than 20%) of private rented housing. The boundary of the proposed designation is marked by the red line.



3) An area experiencing high levels of crime

The data relating to crime was taken from the West Midlands Police open crime data base. The crime ranking for England is 179.41 and for Birmingham 203.7. Any ward with a ranking greater than 203.7 can be interpreted as experiencing high levels of crime.

The map below shows the wards where the crime ranking is greater or less than the city average, and where crime rankings are higher than the average and also have high levels (greater than 20%) of private rented housing. The boundary of the proposed designation is marked by the red line.



Alternative options considered

We have considered other courses of action to address the issues described in this report. These include the use of traditional enforcement action and landlord accreditation. However, we do not believe that either individually, or collectively, that they would prove sufficiently effective, or be as an effective means of tackling deprivation and crime in the city.

Licence Fees

The Council is able to recover the costs of administering the scheme and would charge landlords a licence fee. The fees relate to costs of the scheme and cannot be used for other purposes. The Council has calculated that the cost for a five year licence to be £670 per property. This is split between a Part A fee of £375 which is due on application and covers the processing cost, and a Part B fee of £295 which covers compliance and enforcement, and must be paid before granting a licence.

Licensing conditions

The Licence will include a range of conditions aimed at ensuring licensed properties are safe, meet basic standards, and that they are managed in a satisfactory way. The proposed conditions are set out in full in the Appendix of the evidence report.

The proposed licencing conditions include requirements related to:

- Gas safety
- Electrical appliance safety
- Furniture fire safety
- Smoke and carbon monoxide (where applicable) alarms
- Tenant reference
- Landlord “fit and proper person” assessment
- Measures to prevent overcrowding
- Security of the property
- Waste and recycling
- Emergency contact arrangements