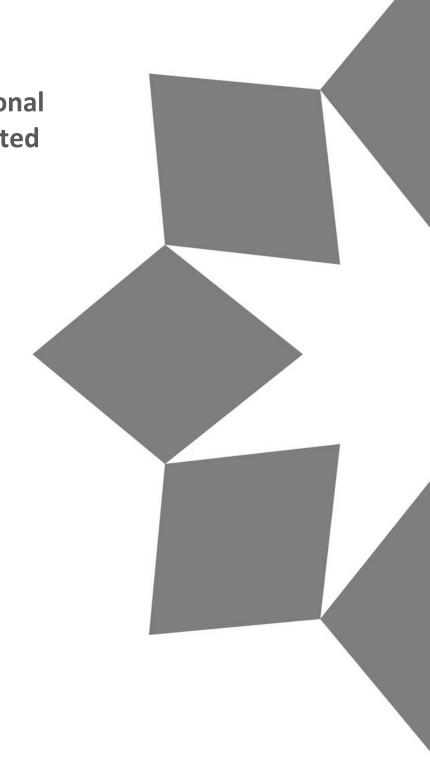


Consultation on additional licensing of private rented property in Sandwell

**Sandwell Council** 

Final report April 2024







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# **Project details and acknowledgements**

Title	Consultation on Additional Licensing of private rented sector housing in Sandwell
Client	Sandwell Council
Project number	23245
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M·E·L Research would like to thank Sandwell Council for their support with the consultation. We would also like to thank residents, tenants, landlords, agents and stakeholders for taking part in the consultation.

This project has been delivered to ISO 9001:2015, 20252:2019 and 27001:2013 standards.







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# 1. Executive summary

Demand for housing in Sandwell is at an all-time high therefore there is a need for a wide range of homes, in terms of size, type and tenure to meet current and future needs. The Council wants to ensure that all residents in the borough have access to decent and secure housing, improve the local surroundings, reduce crime, anti-social behaviour and modern day slavery.

The private rented sector makes up around a quarter of Sandwell's housing, therefore is an integral part of these ambitions. In order to tackle these issues, the Council is considering expanding the Additional Licensing scheme to be a borough-wide scheme to tackle problems of poor housing management practices and conditions within Houses of Multiple Occupation (HMOs) that are not covered under the existing Mandatory Licensing scheme.

Sandwell Council commissioned M·E·L Research to undertake an independent consultation on their behalf, to consult with and gather views of local people, in particular local landlords, private tenants, agents, residents, businesses and organisations in Sandwell and in bordering local authority areas, on the proposal they are considering.

The consultation lasted 10 weeks, starting on the 8<sup>th</sup> January 2024 and finishing on the 18<sup>th</sup> March 2024. A range of consultation methods were used to provide sufficient opportunities for interested parties to share their views. These included an online consultation page on the Council's Consultation Hub with a link to an online survey and supporting documents, a face to face survey across the borough, representative of the local population, a telephone helpline to assist with surveys and queries, and a dedicated email address for written comments and queries.

Promotion of the consultation was undertaken by the Council and included e-shots to landlords, agents, local businesses, as well as public meetings, social media posts and wider press releases to relevant trade and local press. These were targeted in and around Sandwell.

In total, 981 survey responses were received; 198 from the online response and 783 from the face to face survey. In total, 2 written responses were submitted via email, and 11 people attended public meetings. Key headlines from the consultation are provided below.



# **Key findings**

## **Additional Licensing scheme proposals**

Table 1: Summary of survey responses on proposal (overall/by respondent group)

	Overall	Landlords/ agents *	PRS tenants	Residents	Other *
Base	981	19	121	833	8
Agree with borough-wide Additional Licensing proposal	89%	47%	88%	90%	75%
Disagree with borough-wide Additional Licensing proposal	6%	53%	5%	6%	13%
Base	981	19	121	833	8
Positive impact if implement Additional Licensing	40%	37%	39%	40%	63%
Negative impact if implement Additional Licensing	4%	32%	5%	4%	13%
Base	981	19	121	833	8
Agree that Additional Licence fees are reasonable	65%	21%	61%	66%	63%
Disagree that Additional Licence fees are reasonable	22%	74%	24%	21%	25%
Base	981	19	121	833	8
Agree that Additional Licence conditions are reasonable	91%	42%	93%	92%	75%
Disagree that Additional Licence conditions are reasonable	6%	42%	5%	5%	13%
Base	981	19	121	833	8
Agree that standards and amenities are reasonable	91%	58%	95%	92%	75%
Disagree that standards and amenities are reasonable	5%	26%	2%	5%	0%

<sup>\*</sup>Please note that the number of respondents for these groups are relatively low, so the figures should be used with caution.

- Support for a borough-wide **Additional Licensing scheme** is strong overall with just under nine in ten respondents (89%) agreeing with the proposal. 6% disagree with the proposal.
  - Residents are most supportive of the proposal, followed closely by privately renting tenants (90% and 88% agree respectively);
  - Landlords/agents are least in favour of Additional Licensing, with just over half (53%) disagreeing with the proposal, and (34%) agreeing; however, this is only slightly higher than the proportion of those who agree (47%);
  - The most frequent comments from those who agree with the Additional Licensing proposal is that they are generally in favour of the proposal/idea (409 comments), followed by it will improve living conditions, standards and safety (228 comments);
  - The most frequent comment from those who do not agree with the proposal is that it will be an additional cost and strain for landlords (23 comments).
- Four in ten respondents (40%) feel that the **impact of Additional Licensing** on them would be positive if the scheme was implemented. Only 4% feel it would have a negative impact on them.



- 'Other' respondents feel more positive that the scheme would have a positive impact on them, although there were only a small number of respondents overall (63%);
- Around a third of landlords/agents (32%) feel it is likely to have a negative impact on them, higher than other groups, although a slightly higher proportion of landlords/agents actually feel it will have a positive impact on them (37%);
- The most common comments from those who feel Additional Licensing will have a positive impact is that it will improve living conditions, standards and safety (141 comments) and that it will result in cleaner streets, local areas and gardens (139 comments);
- The most common comment from those who feel Additional Licensing will have a negative impact is that they **disagree in general with the scheme** (11 comments);
- Around two thirds of respondents (65%) agree that the proposed **Additional Licence fees are reasonable**. Over a fifth (22%) disagree.
  - Support is stronger amongst residents (66%) than other groups, followed by 'other respondents (63%) and private renting tenants (61%);
  - Landlords and agents are more negative, with three quarters disagreeing (74%);
  - The most frequent comments from those who feel the fees are reasonable are that they are reasonable and will improve conditions and standards (296 comments), whilst many feel that fees are too low and should be higher (111 comments);
  - The most common reasons from those who disagree with the fees are that they are too high and should be lower (91 comments).
- Around nine in ten respondents (91%) agree that the proposed **Additional Licensing conditions are reasonable**, with just under half (47%) strongly agreeing. Only 6% disagree.
  - Private renting tenants and residents are most supportive that the conditions are reasonable (93% and 92% respectively);
  - Landlord and agent views are split equally, with 42% agreeing and 42% disagreeing;
  - The most common comments made by respondents who feel the conditions are reasonable are that they are appropriate/reasonable (495 comments) and that they will improve living conditions, standards and safety (347 comments).
- Around nine in ten respondents (91%) also agree that the proposed **standards and amenities are reasonable**. Only 5% disagree.
  - Private renting tenants and residents are most supportive of the standards and amenities being reasonable (95% and 92% respectively);
  - Landlord and agents are more supportive than not, with over half agreeing (58%) and around a quarter disagreeing (26%);
  - The most common comments by respondents around the conditions are that they will improve living conditions, standards and safety (393 comments). This is followed by comments generally agreeing with the standards and amenities (347 comments).



## Other comments about the proposals and alternatives to licensing

Respondents were asked whether they had any other comments to add about the proposed licensing schemes or suggestions for alternatives that the Council could consider. 431 comments were received from 288 respondents. The most common comments were that;

- There are issues with HMOs, such as there are currently too many and that they can have a negative impact on an area (108 comments);
- Generally being supportive of the proposed scheme (77 comments);
- Need to ensure that regular monitoring, checks and inspections happen as a part of the scheme (53 comments).

## Views from the public meeting/written responses

Three public meetings were held in person across Sandwell during the consultation period (a further one was offered but had no attendees). In total, 11 attendees took part in the meetings. In addition, there were 2 written responses provided. Below is a summary of some of the key themes that came out from both the written responses and the feedback from the public meetings.

- Most participants agreed that any actions taken to improve HMO standards and hold criminal landlords to account is a good thing.
- However, many felt that the Council should target their resources on finding the criminal landlords, not targeting all landlords. Further comments and queries were around how the Council is intending to find the criminal landlords.
- Safeagent and the NRLA felt that discounts should be given for landlords/agents who are accredited.
- Respondents wanted to know what the impact of other schemes has been in Sandwell, such as the smaller scheme in West Bromwich or the Mandatory Licensing scheme.
- Several comments were around the importance of the scheme having a strong focus on inspections and enforcement, rather than just granting licences.
- A number of participants, particularly landlords felt that the Council should consider the potential negative impacts of the scheme, as landlords may sell up with the number of additional financial pressures they are currently facing. Consequences of this could be that there are a shortage of houses/HMOs in the private rented sector, rent increases and therefore a potential increase in homeless cases.
- Although participants generally agree that landlords should be held accountable for properties they
  rent out, many felt it was unfair that landlords should be held accountable for tenants behaviour such
  as ASB and waste management decisions taken by tenants.
- A number of participants asked whether there is evidence elsewhere that Additional Licensing is working for other local authorities.



- The NRLA asked the Council to provide a calculation of how the fees have been reached (including resourcing that is going to be needed to deliver the scheme). The NRLA written response also suggests that the Council's proposed charges for different variations to a licence, such as a £50 fee for a change of address details for the licence holder, are unlawful and must be removed.
- The planning side of HMO conversions was discussed in one group, with participants concerned that the Council have allowed too many houses to be converted without consideration.
- A number of landlords, as well as Safeagent and the NRLA ask that the Council provides regular information on the impact/outcomes of the scheme if it is to go ahead.



# 2. Introduction

# **Background**

Demand for housing in Sandwell is at an all-time high therefore there is a need for a wide range of homes, in terms of size, type and tenure to meet the diversity of current and future needs. Rather than compromise the housing standards and conditions of both new and existing housing to meet the ever-increasing demand, the Council wants to ensure that all residents in the borough have access to decent, secure housing. In addition to ensuring homes are safe and decent, there is a need to improve the local surroundings, and reduce crime, anti-social behaviour and modern day slavery.

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 18.6% in 2021. Data from the Building Research Management Limited (BRE) report carried out on behalf of the Council in 2018 estimated that the sector could make up around a quarter of Sandwell's housing. Therefore, the private rented sector is an integral part of the Council's ambitions to ensure homes are safe and decent across the borough. A Mandatory Licensing scheme has been in place since 2006, which covers privately rented Houses in Multiple Occupation (HMOs), where 5 or more tenants share an amenity, such as bathroom or kitchen.

# **Proposal**

Sandwell Council is proposing to introduce a borough-wide Additional Licensing scheme of smaller HMO properties that are privately rented, which are not covered under the Mandatory Licensing scheme. This is where 3 or 4 non-related tenants share an amenity, such as a bathroom or kitchen.

Under the scheme, landlords of private rented properties that fall under the remit of the scheme are required to obtain a licence to rent out their property. Landlords are charged an associated fee for registration and the scheme would run for a five-year period.

Sandwell Council commissioned M·E·L Research to undertake an independent consultation to gather views of local people, in particular local landlords, private tenants, agents, residents, businesses and organisations in Sandwell and in bordering local authority areas, on the proposal.

The consultation focused on the degree to which respondents agreed or disagreed with the proposal to introduce the additional licensing scheme, as well as views on the proposed licence fees, conditions, standards and amenities and any other alternatives that the Council could consider.



## **Public consultation**

The consultation lasted 10 weeks, starting on the 8<sup>th</sup> January 2024 and finishing on the 18<sup>th</sup> March 2024. A variety of consultation methods were used to allow interested parties to share their views on the proposals. These are detailed below.

The survey was promoted by the Council to interested parties in Sandwell such as landlords, agents, tenants, residents, local businesses and third sector organisations. It was also promoted to neighbouring local authorities and encouraged neighbouring local authorities to promote the survey to landlords, residents, tenants and other businesses who may wish to take part in the consultation. A full list of all activities undertaken by the Council to promote the consultation, is provided here:

- Consultation Hub HMO consultation
- Promotion advert in the Sandwell Herald which is delivered to every household in Sandwell
- Press releases in local newspapers
- Sandwell website news posts
- Posts on Facebook
- Posts on Instagram
- Posts on Landlords Blog
- Residents E letters:
- Emails to the following groups:
  - Landlords and agents
  - Community Groups
  - Eastern European Groups
  - Others
- Public Meetings at:
  - Sandwell Council House
  - Smethwick Fire Station
  - Cradley Heath Fire Station
  - Landlords forum, Smethwick Mencap Club.

Copies of the social media posts and statistics are provided in Appendix 5.



## **Consultation methods**

A variety of methods were used to consult with landlords, tenants, residents, businesses, stakeholders and other interested parties. These included an online survey, which was hosted on the Council's Consultation Portal, along with a household survey with a representative sample of residents. Four public meetings were held across different areas in Sandwell, although the final was cancelled due to no attendees. In addition, an email address was provided for any written responses and queries, and a freephone number.

In total, the consultation generated 981 responses to the survey and 2 written responses. In total, there were 11 attendees across the public meetings.

## 1. Online survey

The online survey was open to all interested parties to have their say on the proposals. In total, there were 198 responses to the online survey. For the purposes of this consultation, results have been grouped to show respondents as 'landlords,' which includes both landlords and letting/managing agents, 'private renting tenants', 'residents' and 'Other'. This includes the following descriptions:

- A resident/ landlord/ business in a neighbouring area to Sandwell
- Other'.

Where people identified themselves as belonging to more than one group, we have assigned respondents to one principal group (prioritised by landlords/agents first, followed by private renting tenants, residents and then 'other'). The chart below shows the breakdown of respondents by profile:

Figure 2: Respondent profile to online survey (n=198)

Respondent profile	Number	% of responses
A resident of Sandwell	172	87%
A privately renting tenant within Sandwell	6	3%
A landlord with a property (or number of properties) in Sandwell	12	6%
An agent, managing properties in Sandwell	0	0%
A resident/ landlord/ business in a neighbouring area to Sandwell	5	3%
Other	3	2%

#### 2. Household survey

A household survey was undertaken door to door via a Computer-Assisted Personal Interview (CAPI) method with 783 residents across the borough. The survey was representative of the local Sandwell population by ward, age and gender, whilst ethnicity figures were monitored to ensure a range of views



were gathered, and is accurate to +/-4% at the 95% confidence level. The chart below shows the breakdown of respondents by profile:

Figure 3: Respondent profile to household resident survey (n=783)

Respondent profile	Number	% of responses
A resident of Sandwell	661	84%
A privately renting tenant within Sandwell	115	15%
A landlord with a property (or number of properties) in Sandwell	5	1%
An agent, managing properties in Sandwell	2	0.3%
A resident/ landlord/ business in a neighbouring area to Sandwell	0	0%
Other	0	0%

### 3. Public meetings

Four public meetings were hosted by M·E·L Research, to introduce the proposal to anyone interested in finding out more about the proposal and to share their views. Council officers were present at each of the meetings, with a Question and Answers session included as an opportunity for attendees to ask the council any questions about the proposals, as well as to provide them with an opportunity to feedback views and concerns. The last session did not have any attendees. In total, 11 people attended a public meeting. With one of the meetings being held with landlords at the Landlord Forum meeting, the majority of participants were landlords, although there were a number of residents who took part.

### 4. Written feedback/responses

In addition, respondents were able to submit written responses if they wished. They could do this either by a feedback form online, by email, by letter or by telephone. In total, 2 written responses were submitted via email. These have been included and analysed in the report and inserted in the Appendices.



# **Overall profile of respondents**

A breakdown of respondent types (across the online and household surveys) is provided in the chart below.

Figure 4: Respondent profile to consultation (by group) (n=981)

Respondent profile	Number	% of responses
A resident of Sandwell	833	85%
A privately renting tenant within Sandwell	121	12%
A landlord with a property (or number of properties) in Sandwell	17	2%
An agent, managing properties in Sandwell	2	0.2%
A resident/ landlord/ business in a neighbouring area to Sandwell	5	1%
Other	3	0.3%

# **Reporting conventions**

Owing to the rounding of numbers, percentages displayed visually on graphs or charts in the report <u>may</u> <u>not always add up to 100%</u> and may differ slightly when compared with the text. The figures provided in the text should always be used. For some questions, respondents could give more than one response (multiple choice). For these questions, the percentage for each response is calculated as a percentage of the total number of respondents and therefore percentages do not usually add up to 100%.

The consultation findings are presented throughout the report as an overall figure (using combined results from the household and online surveys, as the principal survey tools for the consultation), and then by type of respondent (landlord/agent, privately renting tenant, resident, other) to show differing views. Results by methodology are provided in Appendix 2 (by household and online survey methods).

The number of respondents to each question is presented as 'n=' throughout the report.

# 3. Survey results

This section of the report presents the results from the surveys, with overall results combining online and household survey responses.

The Council is proposing to introduce Additional Licensing of privately rented Houses in Multiple Occupation (HMO) across the borough. This would require all HMOs in Sandwell to be licensed, that do not currently fall under the Mandatory Licensing scheme.

Overall, just under nine in ten respondents (89%) agree with the proposal for Additional Licensing, with only 6% disagreeing. Just over four in ten (42%) strongly agree.

47%

Disagree

Figure 5: Support for introducing a borough-wide Additional Licensing scheme (overall) (n=981)

## When we look at responses by group, we can see the following differences:

Agree

 Residents are most supportive of the proposal, followed closely by privately renting tenants (90% and 88% agree respectively);

Strongly disagree

■ Don't know

• Landlords/agents are least in favour of Additional Licensing, with just over half (53%) disagreeing with the proposal, and (34%) agreeing. However, the proportion who disagree is only slightly higher than the proportion who agree with the proposed scheme (47%).



Strongly agree

Resident (N=833) 44% 46% Private tenant (N=121) 33% 55% Landlord / agent (N=19) 21% 21% 26% 32% Other (N=8) 63% 13% 13% 13% ■ Don't know ■ Strongly agree Agree Disagree ■ Strongly disagree

Figure 6: Support for introducing a borough-wide Additional Licensing scheme (by group)

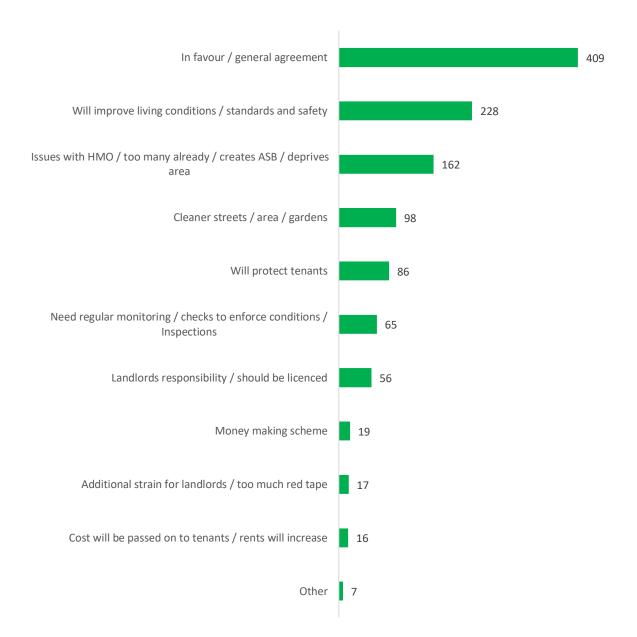
## **Comments on borough-wide Additional Licensing scheme proposal**

Respondents were invited to provide any further comments they may around the Council's proposal to introduce a borough-wide Additional Licensing scheme. For all free text responses throughout the report, each response was analysed and coded into one or more 'theme.' Comments that were not relevant to the question have been excluded from the analysis.

Comments show that the most common reasons provided by those who agree with the proposal (from 1163 comments from 828 respondents) included being generally in support of the scheme (409 comments), followed by the scheme improving living conditions, standards and safety (228 comments) and the need for a scheme due to issues with HMOs in the area (162 comments).

Although the comments were provided by those in support of the proposal, there are evidently still some concerns about the scheme amongst respondents. For example, 19 comments are around it being a money-making scheme, 17 comments around it being an additional strain on landlords and 16 comments around rents increasing and costs passed onto tenants.

Figure 7: Themed comments on why respondents agree with the proposed borough-wide Additional Licensing proposal (no of comments coded by theme) (1163 comments)

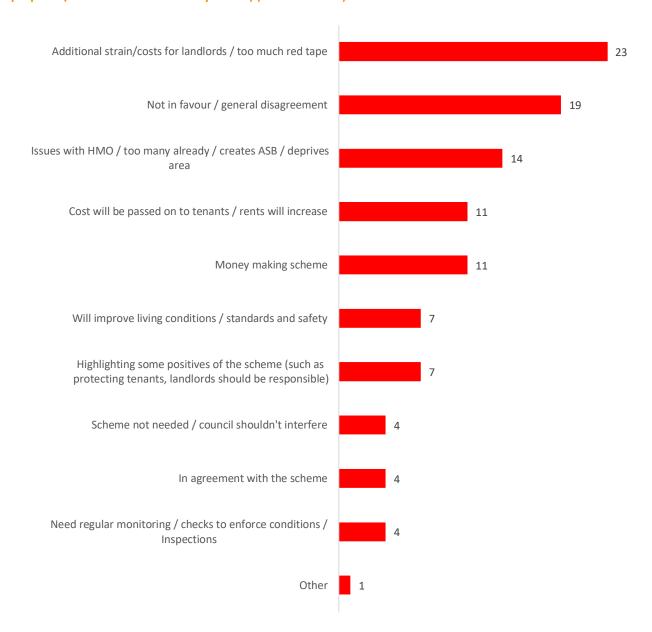


Those who disagree with the proposed Additional Licensing scheme were also asked to provide their reasons why. In total 105 comments were coded from 60 respondents. The most common reasons for disagreeing with the proposed scheme include it being an additional cost and strain for landlords (23 comments), being against the scheme in general (19 comments) and that costs will be passed onto tenants and rents will increase or it being a money making scheme by the Council (11 comments each).

Although the comments were from respondents who disagree with the proposals, there are clearly some respondents who can see that there may be positives from having a scheme. These include 14 comments around there being too many HMOs which have a negative impact and 7 comments around being generally in favour of the scheme.



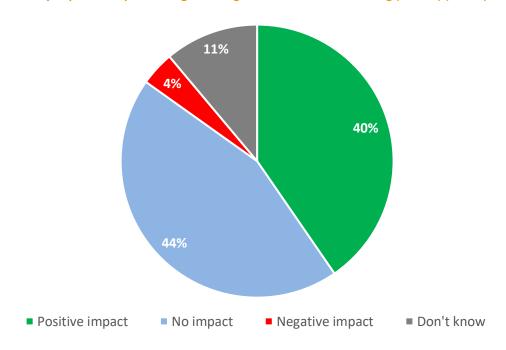
Figure 8: Comments around why respondents disagree with the borough-wide Additional Licensing scheme proposal (no of comments coded by theme) (105 comments)



# Impact of the proposed scheme

Respondents were asked what they feel the likely impact of implementing an Additional Licensing scheme would have on them. Four in ten respondents (40%) feel that introducing Additional Licensing will have a positive impact on them, whilst only 4% feel it will have a negative impact. Over four in ten (44%) feel it will have no impact.

Figure 9: Likely impact of implementing a borough-wide Additional Licensing (overall) (n=981)



#### When we look at responses by group, we can see the following differences:

- 'Other' respondents are more positive that the scheme will have a positive impact on them, although there were only a small number of respondents overall (63%);
- Around a third of landlords/agents (32%) feel it is likely to have a negative impact on them, which is higher than other groups. However, a slightly higher proportion of landlords/agents actually feel it will have a positive impact on them (37%) than negative.

Figure 10: Likely impact of implementing a borough-wide Additional Licensing (by group)





## **Comments on impact of an Additional Licensing scheme**

Not in favour / general disagreement

Good for tenants / protects tenants

Additional strain for landlords / too much red tape

Respondents were then invited to provide any further comments on the impact of Additional Licensing. In total, 433 comments were identified and coded into key themes, from 349 respondents.

The most common comments are that it will **improve living conditions**, **standards and safety** (141 comments) and that it will result in **cleaner streets**, **local areas and gardens** (139 comments), followed by 48 comments in **general support** of the scheme.

Will improve living conditions / standards and safety

Cleaner streets / area / gardens

In favour / general agreement

Need regular monitoring / checks to enforce conditions / Inspections

Issues with HMO / too many already / creates ASB / deprives area

12

12

Figure 11: Themed comments on positive impact of implementing Additional Licensing (no of comments coded by theme) (433 comments)

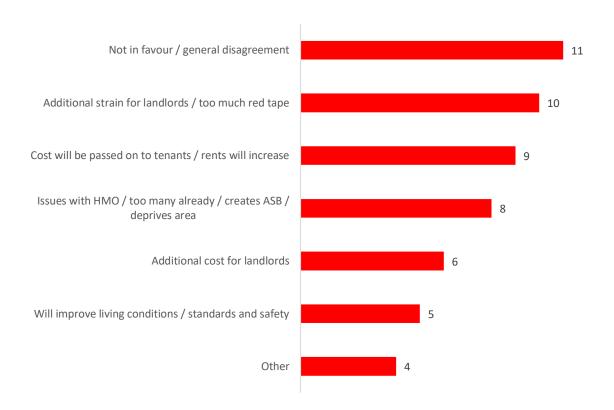
The vast majority of comments from those who felt the scheme would have 'no impact' on them were that the **scheme would not affect them** (279 of 350 comments).

Other 4

For those who said it would have a negative impact on them, 53 comments were provided by 39 respondents. The most common comments are **generally disagreeing with the scheme** (11 comments), that it will be an **additional strain for landlords** (10 comments), followed by 9 comments that **costs will be passed onto tenants and rents will increase**.



Figure 12: Themed comments on negative impact of implementing Additional Licensing (no of comments coded by theme) (53 comments)



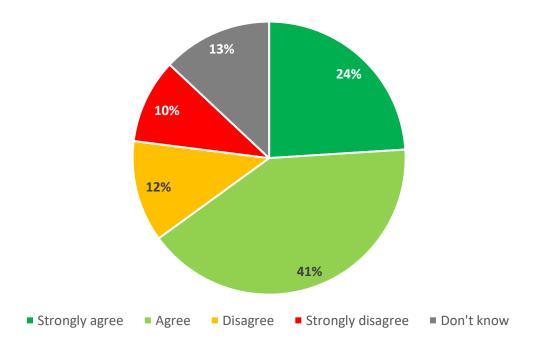
# Licence fees

The consultation also sought views on the proposed licence fees for Additional Licensing, which would be for up to 5 years. Links to documents and further information about the fees were provided within the consultation documents.

Respondents were asked the extent to which they agree or disagree that the proposed fees are reasonable. For Additional Licensing, the proposed fees are £938.02 in for a five-year licence, before discounts.

Overall, around two thirds of respondents (65%) agree that the proposed Additional Licence fees are reasonable, with around a quarter (24%) saying they strongly agree. Over a fifth (22%) disagree.

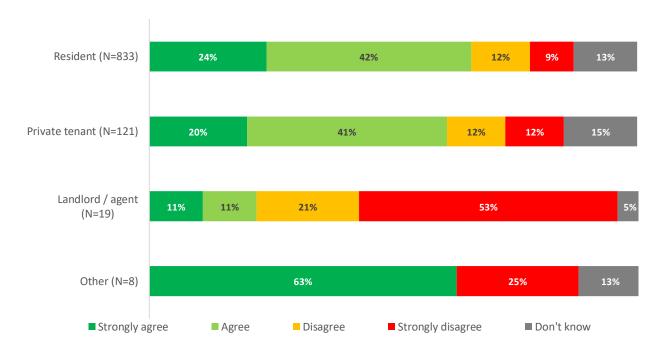
Figure 13: How reasonable is the proposed Additional Licence fee? (overall) (n=981)



#### When we look at responses by group, we can see the following differences:

- Support is stronger amongst residents (66%) than other groups, followed by 'other' respondents (63%) and private renting tenants (61%);
- Landlords and agents are more negative than other groups, with three quarters disagreeing (74%).

Figure 14: How reasonable are the proposed Additional Licence fees? (by group)

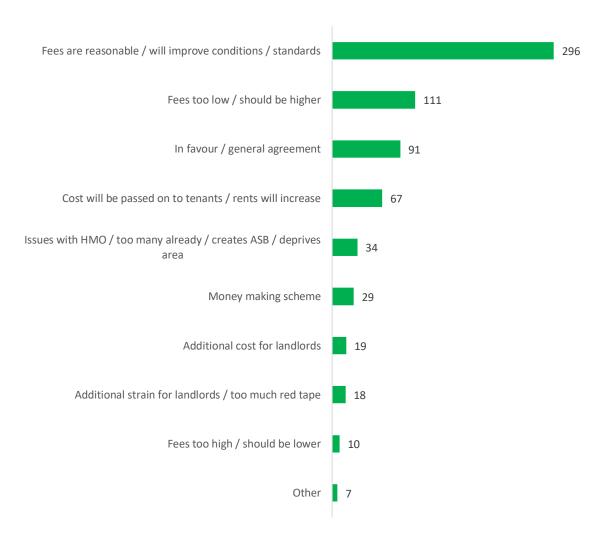




## **Comments on proposed licence fees**

Respondents were invited to provide any other comments they had around the proposed Additional Licence fees. Firstly, those who agreed that the fees are reasonable were asked to provide their comments. In total, 682 comments were provided which have been coded into common themes (from 577 respondents). The most frequent comments are that respondents feel they are reasonable and will improve conditions and standards (296 comments), whilst many feel that the fees are too low and should be higher (111 comments). There are clearly still some concerns about the fees, with 67 comments around the costs being passed onto tenants and rents will increase.

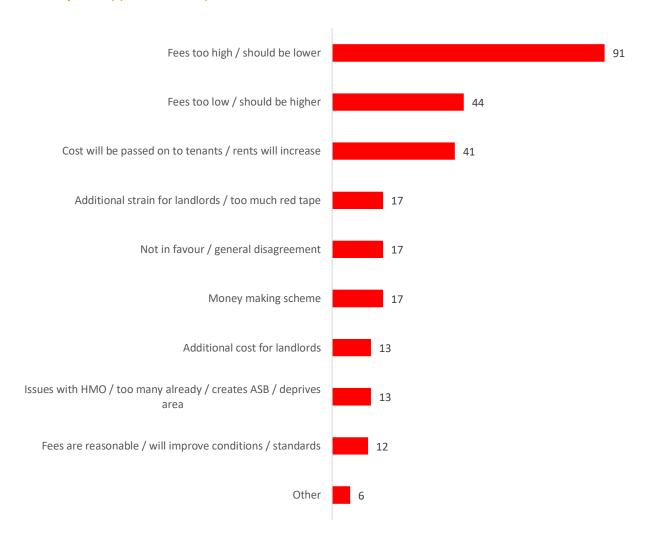
Figure 15: Comments on Additional Licence fees from those who agree they are reasonable (no of comments coded by theme) (682 comments)



Those who disagree that the fees are reasonable were asked to provide their comments (271 comments from 206 respondents). The most frequent comments are that respondents feel fees are too high and should be lower (91 comments), whilst conversely some still feel that the fees are too low and should be higher (44 comments). This was followed by concerns that costs will be passed onto tenants and rents will increase (41 comments).



Figure 16: Comments on Additional Licence fees from those who disagree they are reasonable (no of comments coded by theme) (271 comments)

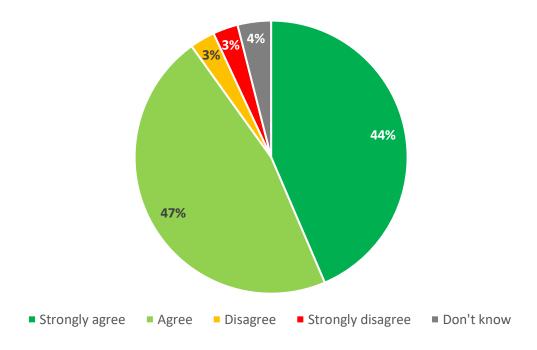


# Licence conditions

The consultation sought the views of respondents on a set of proposed licence conditions for the Additional Licensing scheme. Further details on the proposed conditions were provided within the consultation documents.

Overall, just over nine in ten respondents (91%) agree that the proposed Additional Licence conditions are reasonable, with 44% strongly agreeing. 6% disagree.

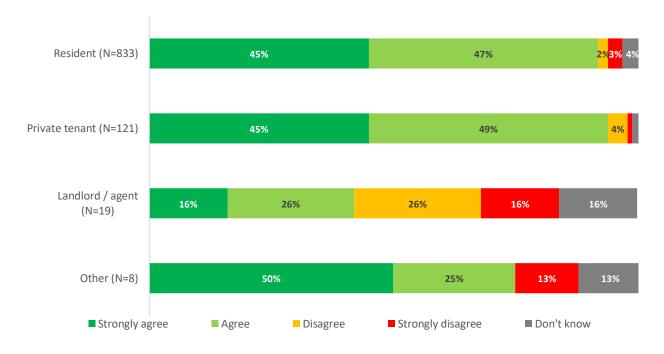
Figure 17: Extent to which proposed Additional Licence conditions are reasonable (overall) (n=981)



### When we look at responses by group, we can see the following differences:

- Private renting tenants and residents are most supportive that the conditions are reasonable (93% and 92% respectively);
- Landlord and agent views are split equally, with 42% agreeing and 42% disagreeing.

Figure 18: Extent to which proposed Additional Licence conditions are reasonable (by group)



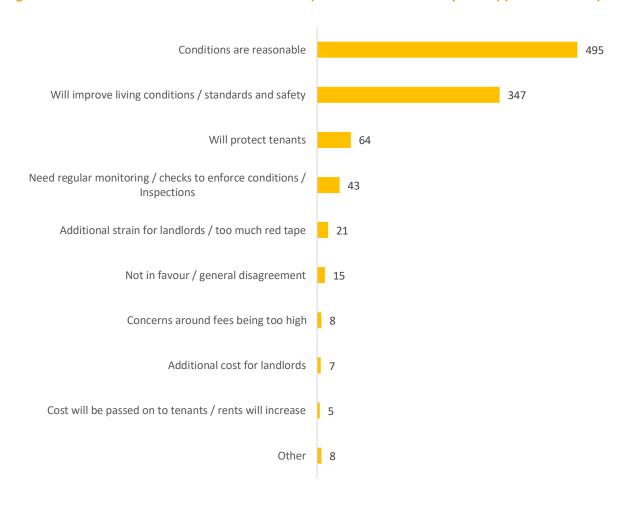


## **Comments on proposed licence conditions**

Respondents were invited to provide any comments around the Additional Licencing conditions. As there was only a small proportion of respondents who made a comment if they disagreed (39 respondents), the results below show all comments provided to the question. In total, 1,013 comments were identified and coded into key themes (from 832 respondents). Themes which received fewer than 5 comments were grouped under 'other'.

The most common theme by far is that the **conditions** are **reasonable** (495 comments). This is followed by comments that they will **improve living conditions**, **standards and safety** (347 comments) and that the conditions will help to **protect tenants** (64 comments). There are also some concerns raised, such as they will be an **additional strain on landlords** (21 comments).

Figure 19: Comments on Additional Licence conditions (no of comments coded by theme) (1013 comments)



# Standards and amenities

The consultation also sought the views of respondents on a set of proposed standards and amenities for landlords to follow for the Additional Licensing scheme. Further details on the proposed standards and amenities were provided within the consultation documents.

Overall, just over nine in ten respondents (91%) agree that the proposed Additional Licence standards and amenities are reasonable, with 42% strongly agreeing. Only 5% disagree.

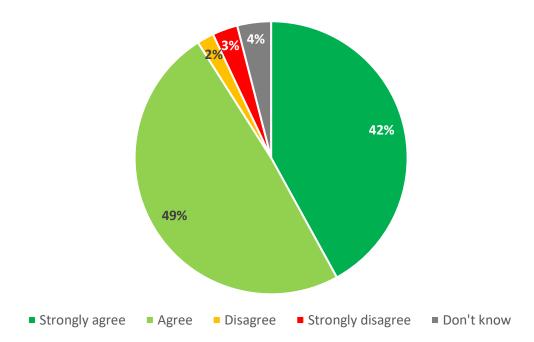


Figure 20: Extent to which proposed Additional Licence standards and amenities are reasonable (overall) (n=981)

#### When we look at responses by group, we can see the following differences:

- Private renting tenants and residents are most supportive of the standards and amenities being reasonable (95% and 92% respectively);
- Landlord and agents are more supportive than not, with over half agreeing (58%) and around a quarter disagreeing (26%).

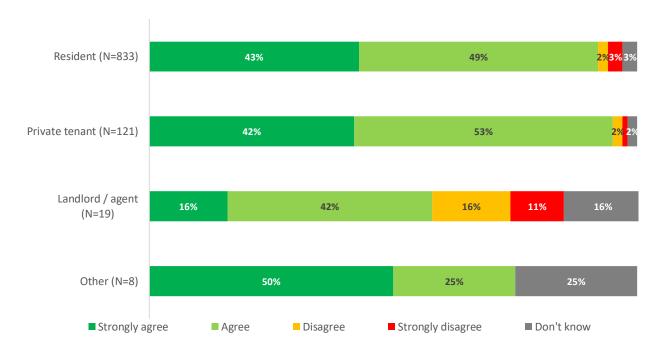


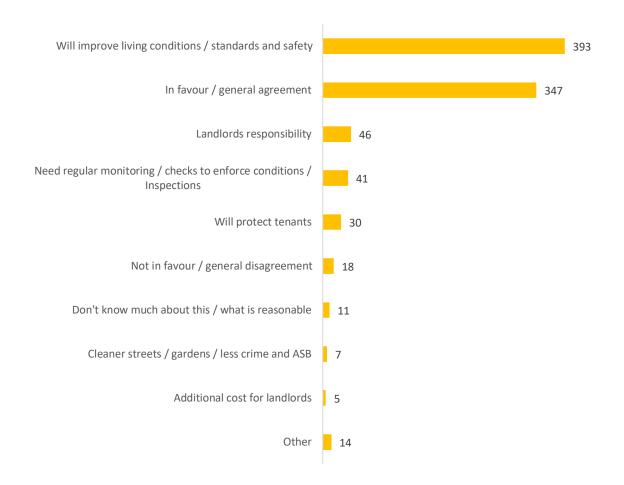
Figure 21: Extent to which proposed Additional Licence standards and amenities are reasonable (by group)

## **Comments on proposed standards and amenities**

Respondents were invited to provide any comments around the proposed standards and amenities. In total, 912 comments were identified from all respondents and coded into key themes (from 845 respondents). Themes which received fewer than 5 comments were grouped under 'other'.

The most common theme is that they will **improve living conditions**, **standards and safety** (393 comments). This is followed by comments **generally agreeing** with them (347 comments) and that these are a **landlords responsibility** (46 comments).

Figure 22: Comments on proposed standards and amenities (no of comments coded by theme) (912 comments)

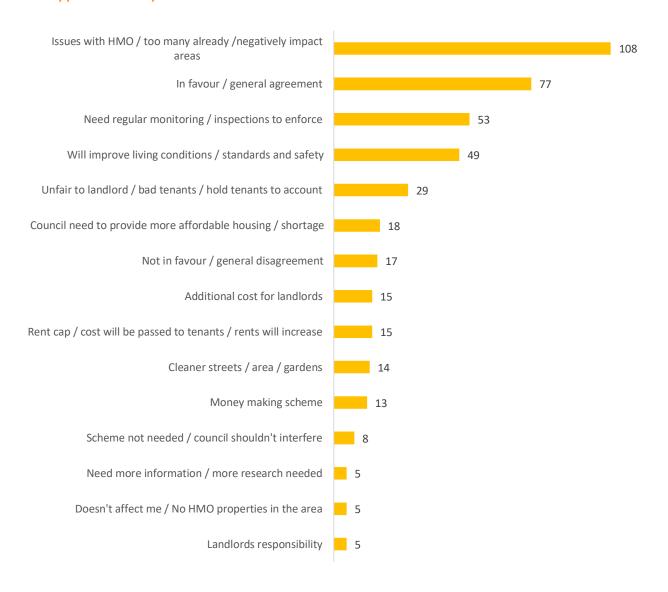


# Other comments or alternatives to Additional Licensing proposal

The final question in the survey asked respondents to add any further comments they would like to make on the proposals or any alternatives that the Council could consider instead of Additional Licensing. In total, 431 comments have been identified and coded into themes (from 288 respondents). Any comments that were not relevant to the question were not included in this analysis. Themes that receive fewer than 5 comments were put under 'Other'.

Key themes are around respondents generally feeling there are **issues with HMOs, such as there are currently too many and that they can have a negative impact on an area** (108 comments), followed by generally being **supportive of the proposed scheme** (77 comments). This is followed by comments around the need to ensure that **regular monitoring, checks and inspections happen as a part of the scheme** (53 comments).

Figure 23: Comments on proposals and alternatives that the Council could consider (no of comments coded by theme) (431 comments)



# 4. Public meetings/written responses

M·E·L Research facilitated three public consultation meetings during the consultation period. The first meeting took place at a landlords forum in January 2024. Two further events were held in February, whilst a final meeting in March 2024 was offered, but resulted in no attendees on the day. All meetings were in person and were held in venues across Sandwell. Council Officers were present at the meetings, therefore many of the gueries and questions that were raised, were dealt with at the time.

In total, there were 11 attendees across the three meetings. There were slightly more landlords than residents amongst the 11 participants.

Below is a summary of some of the key themes that came out from both the written responses and the feedback from the public meetings. **2 written responses are also provided in Appendix 4.** 

#### Scheme should target criminal landlords

Landlords felt that the scheme should focus on catching the criminal landlords, rather than just being a 'paper' exercise to register landlords who are willing to come forward. Residents also asked how the Council is going to find criminal landlords as part of the scheme. At the Landlords Forum, the NRLA felt that the Council should know where the criminal landlords are and should only be focusing on them rather than penalising good landlords. This was echoed in the written responses from Safeagent and the NRLA, who felt that finding and holding to account criminal landlords should be the key focus of any licensing scheme.

The NRLA suggests that the Council uses council tax records to identify tenures used by the private rented sector and those landlords in charge of those properties.

#### Improving standards

Most participants agreed that any actions taken to improve HMO standards and hold criminal landlords to account is a good thing.

#### Landlord accountability

Although all participants agree that landlords should be held accountable for properties they rent out, many felt it was unfair that landlords should be held accountable for tenants behaviour such as ASB and waste management decisions taken by tenants. The NRLA written response suggests that landlords do not have experience to manage ASB issues and therefore unreasonable to request that they do so. They also asked that the Council provides a service/facility for excess waste to be collected/disposed of at the



end of tenancies, as tenants often just leave anything they don't want to take with them outside the property.

#### Discounts should be made for landlords/agents who are accredited

Again, the NRLA representative during the Landlords Forum asked that discounts should be considered for all accreditation schemes including the NRLA scheme. They also felt that good landlords should not pay the same level of fees as rogue landlords. This was echoed in the written response from Safeagent who request that landlords who are accredited or use an accredited agent are able to get a discount. They have also suggested that landlords who are supporting the Council by providing accommodation for homeless residents are waived the licence fee, but given a licence.

#### Impact of the West Bromwich scheme

A number of participants asked what the impact of the smaller Additional Licensing scheme (and even the Mandatory Licensing scheme) has been in terms of improving housing conditions and standards for tenants and enforcement action taken against landlords.

#### Enforcement required, not just a paper licence

Following on from the last point, many participants highlighted the need for any licensing scheme to have inspections undertaken and enforcement as a result, rather than it being just an administrative scheme in providing landlords with a licence. A number of participants queried whether the Council has the resources to do this and whether the current fee is going to be enough to deliver this.

#### **Unintended consequences of licensing**

Landlords in particular feel that the Council should consider the potential negative consequences of licensing. Things like conversions from HMOs to family homes to avoid Additional Licensing were mentioned, as well as landlords selling up because of the increased costs from that landlords have been facing in recent years (such as reductions in tax breaks, increased mortgage rates), as well as an increase in tenant rights with the removal of Section 21 evictions. One landlord said that the Council may see a decrease in the available housing in the PRS and therefore an increase in the number of homeless cases if landlords continue to exit the market.

#### **Positive case studies**

A number of participants asked whether there is evidence elsewhere that Additional Licensing is working for other local authorities. In all three groups, Birmingham City Council's licensing schemes were highlighted as being an example where the scheme is too large and too all encompassing, without the resources to inspect and enforce. One landlord suggested that Sandwell look at those cases across the



country where HMO standards are being tackled, whether that is through Additional Licensing or other models and learn from that. One asked whether there are other local authorities with a similar demographic profile that they could learn from before going down the licensing route.

#### **Fees**

The NRLA asked the Council to provide a calculation of how the fees have been reached (including resourcing that is going to be needed to deliver the scheme). The NRLA written response also suggests that the Council's proposed charges for different variations to a licence, such as a £50 fee for a change of address details for the licence holder, are unlawful and must be removed.

### **Planning permission for HMOs**

The planning side of HMO conversions was discussed in one group, with participants concerned that the Council have allowed too many houses to be converted without consideration. Birmingham City Council was cited as having planning controls in certain areas of the city to control the number of HMOs, although two participants felt that some areas in Birmingham (such as Erdington) were now much more run down due to the volume of HMOs that had been allowed. There were concerns that unless Sandwell Council tries to control this, there could be a significant impact on local residents living in areas with high volumes of HMO properties.

#### Transparency around success of scheme

A number of landlords, as well as Safeagent and the NRLA ask that the Council provides regular information on the impact/outcomes of the scheme, such as the number of properties licensed, number of inspections, issues identified and enforcement actions taken, throughout the lifetime of the scheme.



# **Appendices**

**Appendix 1: Survey questions** 

**Appendix 2: Responses by methodology (household survey and online survey)** 

**Appendix 3: Demographic profile of respondents** 

**Appendix 4: Written responses to consultation** 

**Appendix 5: Social media posts and statistics** 



# **Appendix 1 – Survey questions**

## **About you**

Question 1: Which of the following best describes you? (Please tick all that apply)

A resident of Sandwell
 A privately renting tenant within Sandwell
 A landlord with a property (or number of properties) in Sandwell
 An agent, managing properties in Sandwell
 A business operating in Sandwell
 A resident/ landlord/ business in a neighbouring area to Sandwell
 Other (Please specify below)

Question 2: Please provide us with your postcode (this will be used to see where responses have come from across the borough)

#### Question 3: Which of the answers best describes your housing tenure? (Please tick one box below)

- Owned or buying with a mortgage
- Rented from Housing Association, Trust or the Council
- Rented from a private landlord (Refer to Question 4 below)
- Living with family or friends
- Owner renting out a spare room
- Homeless
- Living in temporary accommodation
- Other (Please specify below)





Question 4: (If Question 3 option 3) If you are a privately renting tenant in Sandwell, please state which best describes the property that you rent.

- I rent a room in a house with 4 or more tenants and share facilities.
- I rent a room in a house with 4 or less tenants and share facilities.
- I rent a studio or bedsit
- I rent a self-contained flat
- I rent a whole house with my family or another unrelated person.
- I live with someone else who owns their house (a lodger)
- Other (Please specify below)

.....

## **Scheme Proposal**

Sandwell's proposal includes:

- A borough-wide Additional Licensing scheme this will require all privately rented HMOs in the selected area to be licensed (if they aren't already under the Mandatory Licensing scheme).
- A set of conditions that all landlords must follow the Council believes that the conditions will lead to better managed properties, a reduction in anti-social behaviour (specifically untidy front gardens and dumping rubbish) and an improvement in living conditions for tenants.
- A Licence fee that landlords will have to pay affected landlords will have to pay a fee which will cover the costs of running the scheme.

#### The scheme

Question 5: To what extent do you agree or disagree with the Council's proposal to introduce a boroughwide HMO Additional Licensing Scheme? (Please tick one box)

- Strongly agree
- Agree
- Disagree
- Strongly Disagree
- Don't know



Qu	estion 6: Please tell us the reason for your answer in the box below.
	estion 7: What impact, if any, do you feel implementing an HMO Additional Licensing scheme would ve on you? (Please tick one box)
	A positive impact  No impact
	A negative impact  Don't know
Qu	estion 8: Please tell us the reason for your answer in the box below.

#### **Licence Fees**

The Council is proposing to charge £938.02 per property for an Additional Licence (subject to Consumer Price Index (CPI) increases.) The licences are for up to 5 years. Fees will be kept under review throughout that period.

To see the proposed license fees, please refer to the licensing fees document in supporting information.

Question 9: To what extent do you agree or disagree that the proposed HMO Additional Licensing fees are reasonable? (Please tick one box)

- Strongly agree
- Agree
- Disagree
- Strongly Disagree
- Don't know



Question 10: Please tell us the reason for your answer about the proposed HMO Additional Licence fee
in the box below.
Licence Conditions
The conditions are a set of licensing standards that all landlords or managing agents will have to adher
to for both the management and condition of the property. To see the conditions, please refer to licensin
conditions document in supporting information.
Question 11: To what extent do you agree or disagree that the proposed HMO Additional Licenc
conditions are reasonable? (Please tick one box)
<ul><li>Strongly agree</li></ul>
<ul> <li>Agree</li> </ul>
<ul> <li>Disagree</li> </ul>
Strongly Disagree
■ Don't know
Question 12: Please tell us the reason for your answer about HMO Additional Licensing scheme
conditions in the box below.
Standards and Amenities Guide for Houses in Multiple Occupation (HMO)

The guide has been produced to assist owners, agents and occupiers in relation to the standards they should expect in houses in multiple occupation (HMOs).

To see the guide, please refer to supporting information.

Question 13: To what extent do you agree or disagree that the proposed standards and amenities are reasonable? (Please tick one box)

•	Strongly agree
•	Agree
•	Disagree
•	Strongly Disagree
•	Don't know
Qu	estion 14: Please tell us the reason for your answer about the proposed standards and amenities in
the	e box below.
••••	
Ot	ther suggestions and comments
Qu	estion 15: Please use the box below to provide any other comments on the proposals, or any
alt	ernatives the Council could consider.

### **Public meetings**

The Council will be looking to run a number of public meetings to discuss the proposal and gather your feedback.

Q16. Would you be interested in attending one of our public meetings?

- Yes
- No



#### Keeping you informed about the proposal

Q17. If the Council decides to go ahead with the proposed scheme, would you like them to contact you?

- Yes, I would be interested
- No

#### About you

Sandwell Council are committed to make Sandwell a fair and equal borough. To do this, we are collecting equality monitoring data to understand inequalities in the borough. This helps the Council to demonstrate how they meet their legal duties under the Equality Act 2010. All data collected is for monitoring purposes only in line with requirements of the Data Protection Act 2018.

#### Question 18: How old are you? (Please tick one box)

- Under 21
- 22 24
- **25 29**
- **■** 30 44
- Prefer not to say

#### Question 19: Are you...? (Please tick one box only)

- Male
- Female
- Non-binary
- Prefer to self-describe
- Prefer not to say



#### Question 20: Are you...?

- A refugee
- An asylum seeker
- Economic Migrant
- None of the above
- Prefer not to say

#### Question 21: If applicable, what country or region are you a refugee/asylum seeker from?

Please specify below:

#### Question 22: What is your ethnic background? (Please tick one box only)

White: British

White: Irish

White: Romanian

White: Turkish

White: Kurdish

White: Slovakian

White: Polish

Czech

Bulgarian

Hungarian

Albanian

Lithuanian

White: other

Prefer not to say

#### Disability

Under the Equality Act 2010, a person is considered to have a disability if she/he has a physical or mental impairment which has a substantial and long-term adverse effect on her/his ability to carry out day-to-

day activities. Sandwell Council accepts the social model of disability. However, to be able to identify and respond to your specific needs, it is important to know what kind of disability you have.

#### Question 23: Do you consider yourself to be a disabled person? (Please tick one box only)

- Yes
- No
- Prefer not to say

#### Question 24: [If yes] Is your disability related to any of the following....? (Please tick all that apply)

- Blindness or partial loss of sight
- Deafness or partial loss of hearing
- Development disorder
- Learning disability
- Long term illness or condition
- Mental ill health
- Physical disability
- Other disability (Please specify below if you wish)



# **Appendix 2: Responses by methodology**

#### Q1. Which of the following best describes you?

	Online		Household	
	Count	%	Count	%
A resident of Sandwell	172	87%	661	84%
A privately renting tenant within Sandwell	6	3%	115	15%
A landlord with a property (or number of properties) in Sandwell	12	6%	5	1%
An agent, managing properties in Sandwell	0	0%	2	0%
A resident/ landlord/ business in a neighbouring area to Sandwell	5	3%	0	0%
Other	3	2%	0	0%

#### Q3. Which of the answers best describes your housing tenure?

	Online		Household	
	Count	%	Count	%
Owned or buying with a mortgage	155	78%	357	46%
Rented from Housing Association, Trust or the Council	21	11%	258	33%
Rented from a private landlord	8	4%	135	17%
Living with family or friends	5	3%	32	4%
Homeless	0	0%	1	0%
Living in temporary accommodation	1	1%	0	0%
Other	8	4%	0	0%

# Q4. If you are a privately renting tenant in Sandwell, please state which best describes the property that you rent.

	Online		Online Hous		House	hold
	Count	%	Count	%		
I rent a room in a house with 4 or more tenants and share facilities.	0	0%	3	2%		
I rent a room in a house with 4 or less tenants and share facilities.	0	0%	9	7%		
I rent a studio or bedsit	0	0%	2	1%		
I rent a self-contained flat	1	13%	9	7%		
I rent a whole house with my family or another unrelated person.	6	75%	109	81%		
I live with someone else who owns their house (a lodger)	0	0%	1	1%		
Other	1	13%	2	1%		



# Q5. To what extent do you agree or disagree with the Council's proposal to introduce a boroughwide HMO Additional Licensing Scheme?

	Online		House	hold
	Count	%	Count	%
Strongly agree	146	74%	270	34%
Agree	21	11%	437	56%
Disagree	4	2%	22	3%
Strongly disagree	21	11%	16	2%
Don't know	6	3%	38	5%
SUMMARY AGREE	167	84%	707	90%
SUMMARY DISAGREE	25	13%	38	5%

# Q7. What impact, if any, do you feel implementing an HMO Additional Licensing scheme would have on you?

	Onl	Online		hold
	Count	%	Count	%
A positive impact	136	69%	257	33%
No impact	24	12%	412	53%
A negative impact	21	11%	23	3%
Don't know	17	9%	91	12%

### Q9. To what extent do you agree or disagree that the proposed HMO Additional Licensing fees are reasonable?

	Online		Household	
	Count	%	Count	%
Strongly agree	98	49%	137	17%
Agree	38	19%	360	46%
Disagree	20	10%	99	13%
Strongly disagree	32	16%	68	9%
Don't know	10	-5%	119	15%
SUMMARY AGREE	136	69%	497	63%
SUMMARY DISAGREE	52	26%	167	21%

# Q11. To what extent do you agree or disagree that the proposed HMO Additional Licence conditions are reasonable?

	Online		Household	
	Count	%	Count	%
Strongly agree	106	54%	327	42%
Agree	49	25%	409	52%
Disagree	11	6%	14	2%
Strongly disagree	15	8%	14	2%
Don't know	17	9%	19	2%
SUMMARY AGREE	155	78%	736	94%
SUMMARY DISAGREE	26	13%	28	4%

# Q13. To what extent do you agree or disagree that the proposed standards and amenities are reasonable?

	Online		Household	
	Count	%	Count	%
Strongly agree	96	48%	318	41%
Agree	66	33%	415	53%
Disagree	7	4%	17	2%
Strongly disagree	11	6%	14	2%
Don't know	18	9%	19	2%
SUMMARY AGREE	162	82%	733	94%
SUMMARY DISAGREE	18	9%	31	4%

#### Q16. Would you indicate which of these age bands you are in.

	Online		Household	
	Count	%	Count	%
Under 21	2	1%	34	4%
22 to 24	2	1%	31	4%
25 to 29	5	3%	67	9%
30 to 44	56	28%	225	29%
45 to 59	77	39%	181	23%
60 to 64	22	11%	51	7%
75+	26	13%	107	14%
Prefer not to say	8	4%	6	1%



### Q17. Are you...?

		Online		House	hold
	Cou	ınt	%	Count	%
Male	58	3	29%	371	47%
Female	12	7	64%	411	52%
Non-binary	1		1%	0	0%
Prefer to self-describe	1		1%	0	0%
Prefer not to say	1:	1	6%	1	0%

### Q18. Are you...?

	Online		Household	
	Count	%	Count	%
A refugee	0	0%	3	0%
Economic Migrant	2	1%	37	5%
None of the above	177	89%	740	95%
Prefer not to say	19	10%	3	0%

#### Q20. What is your ethnic background?

	Online		House	hold
	Count	%	Count	%
British	148	75%	490	63%
Irish	3	2%	5	1%
Romanian	0	0%	4	1%
Slovakian	0	0%	2	0%
Polish	2	1%	18	2%
Czech	0	0%	4	1%
Hungarian	0	0%	1	0%
Lithuanian	0	0%	2	0%
Other	2	1%	12	2%
White and Black Caribbean	2	1%	13	2%
White and Black African	0	0%	1	0%
White and Asian	3	2%	2	0%
Indian	5	3%	89	11%
Pakistani	3	2%	26	3%
Bangladeshi	1	1%	10	1%
African	0	0%	41	5%
Caribbean	5	3%	36	5%
Chinese	0	0%	2	0%
Any other ethnic background	6	3%	15	2%
Prefer not to say	18	9%	10	1%



### Q21. Do you consider yourself to be a disabled person?

	Online		Household	
	Count	%	Count	%
Yes	28	14%	135	17%
No	145	73%	641	82%
Prefer not to say	25	13%	7	1%

### Q22. Is your disability related to any of the following?

	Online		Household	
	Count	%	Count	%
Blindness or partial loss of sight	2	7%	3	2%
Deafness or partial loss of hearing	5	18%	2	1%
Learning disability	1	4%	0	0%
Long term illness or condition	12	43%	44	33%
Mental ill health	6	21%	20	15%
Physical disability	13	46%	66	49%
Other disability	2	7%	14	10%
Prefer not to say	3	11%	8	6%



# Appendix 3: Demographic profile of respondents

#### Q16. Would you indicate which of these age bands you are in.

	Count	%
Under 21	36	4%
22 to 24	33	3%
25 to 29	72	7%
30 to 44	281	29%
45 to 59	258	26%
60 to 64	73	7%
75+	133	14%
Prefer not to say	81	8%

#### Q17. Are you...?

	Count	%
Male	429	44%
Female	538	55%
Non-binary	1	0%
Prefer to self-describe	1	0%
Prefer not to say	12	1%

#### Q18. Are you...?

	Count	%
A refugee	3	0%
Economic Migrant	39	4%
None of the above	917	93%
Prefer not to say	22	2%

#### Q20. What is your ethnic background?

	Count	%
British	638	65%
Irish	8	1%
Romanian	4	0%
Slovakian	2	0%
Polish	20	2%
Czech	4	0%
Hungarian	1	0%



Lithuanian	2	0%
Other	14	1%
White and Black Caribbean	15	2%
White and Black African	1	0%
White and Asian	5	1%
Indian	94	10%
Pakistani	29	3%
Bangladeshi	11	1%
African	41	4%
Caribbean	41	4%
Chinese	2	0%
Any other ethnic background	21	2%
Prefer not to say	28	3%

### Q21. Do you consider yourself to be a disabled person?

	Count	%
Yes	163	17%
No	786	80%
Prefer not to say	32	3%

### Q22. Is your disability related to any of the following?

	Count	%
Blindness or partial loss of sight	5	3%
Deafness or partial loss of hearing	7	4%
Learning disability	1	1%
Long term illness or condition	56	34%
Mental ill health	26	16%
Physical disability	79	48%
Other disability	16	10%
Prefer not to say	11	7%



# **Appendix 4: Written responses**

#### Response 1



#### SANDWELL COUNCIL'S ADDITIONAL LICENSING PROPOSALS

#### A RESPONSE TO THE CONSULTATION FROM SAFEAGENT - MARCH 2024

#### INTRODUCTION

**safeagent** <u>www.safeagents.co.uk</u> is a UK wide, not for profit accreditation scheme for lettings and management agents operating in the Private Rented Sector (PRS)

#### safeagent firms are required to:

- deliver defined standards of customer service
- operate within strict client accounting standards
- maintain a separate client bank account
- be included under a Client Money Protection Scheme

Firms must provide evidence that they continue to meet **safeagent** criteria on an annual basis, in order to retain their accreditation. The scheme includes 1700 firms, with over 2500 offices.

**safeagent** is an accredited training provider under the Rent Smart Wales scheme and meets the requirements for training of agents under the Scottish Government Register. **safeagent** also operates a Government approved Client Money Protection Scheme.

#### SAFEAGENT AND LICENSING

**safeagent** is supportive of initiatives such Additional Licensing, providing they are implemented in a way that takes account of the Private Rented Sector (PRS)'s own efforts to promote high standards.

**safeagent** believes that positive engagement with voluntary schemes and the representative bodies of landlords and agents (such as **safeagent**) is essential to the success of initiatives such as Additional Licensing. We are mindful that the operational problems associated with lack of such engagement have been highlighted in House of Commons Standard Note SN/SP 4634.

The same note sets out how important it is for licensing schemes to avoid being burdensome. We believe that promoting voluntary schemes - and offering discounted licence fees to accredited landlords and agents, can help to achieve this. Voluntary schemes often require members to observe standards that are at least compatible with (and are often over and above) those of licensing schemes. We believe, therefore, that if Sandwell Council were to allow discounts based on membership of **safeagent** (as well as other similar bodies) implementing and policing the licensing scheme would ultimately be less costly and more effective, allowing resources to be concentrated in the areas where they are most needed.



This is a commonly accepted approach by many English Local Authorities. We would further point out that, in Wales, the Welsh Government has recently recognised the importance of membership of specified bodies such as **safeagent** and is offering discounted fees to members as a consequence <a href="https://www.rentsmart.gov.wales/en/">https://www.rentsmart.gov.wales/en/</a>

#### PROMOTING PROFESSIONALISM IN THE PRS - THE ROLE OF AGENTS

**safeagent's** engagement around the country, with various local authorities, suggests that lettings and management agents have a key role to play in making licensing, accreditation and other, voluntary regulatory schemes work effectively. Agents tend to handle relatively large portfolios of properties, certainly when compared to small landlords. They tend, therefore, to be in a position to gain an understanding of licensing based on wider experience. They become expert in trouble shooting and ensuring that the balance of responsibilities between the agent and the landlord is clearly understood. This, amongst other things, can help to prevent noncompliance due to misunderstandings about local licensing arrangements.

Since October 2014, it has been a requirement for all letting agents and property managers to belong to a government-approved redress scheme. In May 2015, new legislation required agents to display all relevant fees, the redress scheme they belong to and whether they belong to a client money protection scheme. On 1 April 2019, new legislation required letting agents and property managers that hold client money to be members of a government approved client money protection scheme.

At **safeagent** we operate one of the six government approved Client Money Protection Schemes. **safeagent** ensures its members maintain defined service standards, have Client Money Protection arrangements in place, keep separate client accounts and comply with their legal obligation to be a member of a redress scheme. We also have an extensive online training offering to support their professional development. All this can be of assistance to councils who are trying to drive up standards in the PRS.

To assist councils in regulating the private rented sector and effectively utilising these enforcement powers, we developed an Effective Enforcement Toolkit. Originally published in June 2016, the second edition was published in 2018. The third and most recent edition of the **safeagent** Effective Enforcement Toolkit, developed in conjunction with London Trading Standards, was published in 2021. It can be downloaded free of charge from our website: <a href="https://safeagents.co.uk/wp-content/uploads/2021/11/safeagent-Effective-Enforcement-Toolkit-2021.pdf">https://safeagents.co.uk/wp-content/uploads/2021/11/safeagent-Effective-Enforcement-Toolkit-2021.pdf</a>

#### SANDWELL COUNCIL'S PROPOSALS - SPECIFIC ISSUES

#### **Partnership Working with Lettings and Management Agents**

We would urge Sandwell Council to work closely with accredited lettings & management agents to ensure that the regulatory effort associated with the licensing schemes is focussed on the greatest risks. The highest priority should be tackling rogue landlords and agents, not policing the compliant.

Many rogue landlords and unaccredited agents operate "under the radar". Resources should, therefore, be directed towards these serious cases. There is danger that too much time will be spent on those properties and landlords where an existing, reputable agent is best placed to ensure compliance with license conditions.

We would urge the council to fully recognise the compliance work reputable agents carry out as part of their day to day work. We would also suggest that the Council work closely with accredited agents to proactively seek out and identify unlicensed properties.



#### **Additional Licensing Fee**

The proposed initial five year fee of £938.02 seems unreasonably high. The "cost formulation" analysis provided as part of the consultation suggests that considerable costs have been loaded on to the scheme by the council and passed on to "customers".

However, we note that discounts are available. If our understanding is correct, the initial discount could amount to £220.00 if landlords or agents are members of the Midland Landlords Accreditation Scheme **and** a professional association such as the NRLA.

This two tier scheme of discounts appears overly complex – and in effect incentivises unnecessary double accreditation. We would, therefore, suggest that, given the high headline fee, the full £220.00 discount should be made available to landlords or agents are members of the **either** the Midland Landlords Accreditation Scheme, **or** a professional association, **or both**.

the full discount should be made available to landlords who engage agents who are members of national schemes such as **safeagent**. we would suggest that this is justified because **safeagent** members and the landlords who engage them are less likely to be non-compliant and that, as a result, there would be reduced costs to the council. we would also suggest that **safeagent** membership mitigates the need for full compliance visits to be carried out by the council. for example, the timing and content of visits could be risk based, recognising that the risk of non-compliance is much lower in the case of properties managed by **safeagent** agents (we note that visits take up 240 minutes of staff time according to the cost formulation and calculation)

In our detailed comments below, we point out some of the areas where compliance with key standards is an inherent part of the **safeagent** scheme.

#### **Licensing Period and Changes in License Holder**

We note the fact that a licence would be valid for five years. However, we are concerned that licence applications made part way through the designated period would incur the full fee. This is unfair and makes licenses granted later in the designated period poor value for money. In these cases, we believe the fee should be charged "pro-rata".

Charging of full fees for part periods is also anti-competitive, as it can add cost to the process of engaging or changing a license holding managing agent. Specifically, we often see cases where a reputable agent has to take on management of a property and the license, when there has been a history of management and/or compliance problems. We would suggest that, in cases where an agent steps in as licence holder/manager, the licensing fee should again be charged "pro rata".

Alternatively, it should be made clear that licenses taken out part way through the period last for a full 5 years - and remain valid when the designation is renewed or comes to an end. If a designation comes to an end, inspections and resultant remedial actions should continue to be in operation until all licenses have expired.

#### Fee Waiver - Tackling Homelessness

We would suggest that, in cases where a private landlord is assisting the Council by offering permanent accommodation to meet homelessness duties, license applications should be accepted without any fee being payable.

Furthermore, this approach could become more structured if the council were to enter into partnership arrangements whereby lettings agents source properties for council referrals of homeless people or those at risk of homelessness. **safeagent** is currently working on a model whereby a "Social Lettings Agency" is created through links to one or more established local agents. This is an alternative to the traditional approach whereby entirely new voluntary sector



entities need to be set up. We would be happy to discuss this model with the council at any time.

#### LICENCE CONDITIONS

#### **Tenant Referencing**

We are supportive of any requirement to obtain references for prospective tenants. **safeagent** is actively involved in promoting good practice in tenant referencing. We would be happy to discuss our work in this area with the Council.

#### **Tenancy Management**

**safeagent** agents are expected provide and fill in a tenancy agreement on behalf of the landlord. they will always make sure the terms of the tenancy are fair and help the tenant to understand the agreement.

They will always provide clear information to the tenant about any pre-tenancy payments and what these cover. They will explain any requirement for a guarantor and what the guarantor role entails.

At the end of a tenancy, they will always serve the tenant with the correct period of notice as set out in the tenancy agreement.

Under **safeagent's** service standards, agents are required to take a deposit to protect against possible damage. They are required to explain the basis on which the deposit is being held and the purpose for which it is required, as well as to confirm the deposit protection arrangements. When joining **safeagent**, agents are asked to provide details of the number and value of the deposits they have registered with the scheme.

Agents are asked to authorise **safeagent** to contact the scheme to verify this information.

During the course of a tenancy, **safeagent** agents will check the condition of the property and draw up a schedule to outline any deductions to be made from the tenant's deposit. They will return the deposit in line with timescales and processes required by the statutory tenancy deposit schemes. **safeagent** agents are also required to:

- Have a designated client account with the bank
- Operate to strictly defined Accounting Standards
- Be part of a mandatory Client Money Protection Scheme.

These requirements provide additional security for client monies held, over and above the requirements of the Sandwell council licensing scheme. Again, this is an area where increased **safeagent** membership would be of benefit to the Council and local tenants.

#### **Licence Conditions Relating to the Property**

We welcome Sandwell Council's drive to improve property standards. We believe that **safeagent**'s standards go a long way to ensuring compliance with license conditions.

Under **safeagent**'s service standards, **safeagent** agents are expected to visit any property to be let with the landlord and advise on any action needed before letting the property. This includes any repairs and refurbishments needed to put it into a fit state for letting. They will also go with possible new tenants to view unoccupied property. Tenants can, therefore, be confident that



**safeagent** agents have provided advice to the landlord concerning any repairs or refurbishments which are necessary.

**safeagent** agents are expected to explain both the landlord's and the tenant's the rights and responsibilities. To guard against misunderstandings, they will arrange for the preparation of a schedule of the condition of the property.

**safeagent** agents are required to ensure that tenants are provided with copies of safety certificates on gas and electrical appliances before they commit to the tenancy. They will provide details of the condition of the property, plus a list of its contents. The property will have undergone all required safety checks on furnishings, and gas and electrical services.

Thereafter, **safeagent's** standards require agents to carry out property inspections periodically, as agreed with the landlord, in line with normal good practice. **safeagent** and our firms would anticipate inspections to be carried out every 6 months as a minimum, to identify any problems relating to the condition and management of the property. In line with common practice, records of such inspections would contain a log of who carried out the inspection, the date and time of inspection and issues found and action(s) taken. Under a licensing scheme, this information could be shared with the council in an appropriate format.

Tenants will be fully aware of access arrangements. **safeagent** agents are expected to arrange in advance a time for access, in order to inspect the condition of the property in accordance with the tenancy agreement. **safeagent** agents will arrange to have routine maintenance work carried out, up to a limit agreed with the landlord. The agent will refer expenditure above that limit to the landlord.

#### Training

We would welcome any proposal that agents who are license holders should undergo training.

Membership of **safeagent** means that agents already have access to an extensive training package, engagement with which should reduce the need for the local authority to intervene. Although not a *condition* of **safeagent** membership, **safeagent** offers short courses and qualifications in Lettings & Management at Levels 2 and 3 which are Ofqual recognised

safeagent offers training to those who have been involved in lettings and management for some time as well as those who are just starting out. Training is available for principals of firms as well as employees. Thus, safeagent's Virtual Learning Environment (VLE) is designed to cater for a wide range of professional development needs. Training is easily accessible and can be undertaken when it suits the trainee. Any candidate completing the safeagent Foundation Lettings Course successfully also has the opportunity to use the designation 'safeagent qualified'. safeagent Foundation Lettings Course (Wales) is also approved training recognised by Rent Smart Wales, the Welsh Government's regulatory body as meeting the requirements for agents to have complying with their licensing requirement.

One advantage of this approach is that it makes it easy to ascertain (through on-line monitoring) that participants have in fact undertaken the required training, prior to or immediately after accreditation.

#### Modules available cover:

- Pre-tenancy issues
- Responsibilities and liabilities
- Setting up a tenancy
- During a tenancy
- Ending a tenancy



- General law concepts, statute vs contract
- Relationships
- Obligations
- Process
- Considerations for corporate tenants
- Continuing Professional Development (CPD)

In addition, **safeagent** provides mini online courses designed to cover a number of elements in more detail, as appropriate to the learner's role, include topics such as:

Assured Shorthold Tenancies (ASTs)
Client Money
Consumer Protection Regulations (CPRs)
Deposits
Disrepair
Electrical Appliances & Safety
Gas Appliances & Safety
Houses in Multiple Occupation (HMOs)
Housing, Health & Safety Rating System (HHSRS)
Inventories and schedules of condition
Joint Tenancies
Notice Requiring Possession

We would further suggest that discounted fees for **safeagent** agents would provide an incentive to positive engagement with training that is fully compatible with the requirements of the licensing scheme.

#### Anti-Social Behaviour

For our members, dealing with actual and perceived anti-social behaviour in the PRS is a day to day activity. However, in general, we have concerns about the assumed link between the amount of PRS accommodation in the neighbourhood and the incidence of ASB.

There may be some *correlation* between incidences of ASB and the prevalence of PRS accommodation on the area. However, correlation does not imply *causation*. The *causes* of ASB are many and varied. It is not, in our view, reasonable to expect agents and landlords to play a disproportionately large part in tackling them.

Furthermore, we would strongly advise against any proposals which imply a parity of approach between the PRS and the social rented sector. Social landlords are publicly funded (and regulated) to develop and manage housing on a large scale. Their social purpose brings with it wider responsibilities for the communities in which they work. As private businesses, PRS landlords and their agents, whilst having clear responsibilities to manage their properties professionally cannot reasonably be expected to tackle wider social problems.

#### **Suitability of Licence Holder**

We support any requirement that the proposed licence holder should be a 'fit and proper' person and that there are suitable management arrangements in place. We believe that this



requirement highlights the importance of lettings and management agents belonging to recognised accrediting bodies like **safeagent**, who themselves apply a fit and proper person test.

All principals, partners and directors of a **safeagent** firm are asked to make the following declaration on application:

— "I confirm that: for a period of 10 years prior to this application I have had no conviction for any criminal offence (excluding any motor offence not resulting in a custodial sentence) nor have I been guilty of conduct which would bring the Scheme or myself into disrepute; I am not an undischarged bankrupt nor is there any current arrangement or composition with my creditors; I am not nor have I been a director of a company which has within the period of 10 years prior to this application entered into liquidation whether compulsory or voluntary (save for the purpose of amalgamation or reconstruction of a solvent company) nor had a receiver appointed of its undertaking nor had an administration order made against it nor entered into an arrangement or composition with its creditors; nor have I at any time been disqualified from acting as a Director of a company nor subject to a warning or banning order from the Consumer Markets Authority or the Department for Business, Enterprise and Regulatory Reform.

If I am subject to any current claim or am aware of any impending claim for professional negligence or loss of money or if I have been the subject of any investigation by the Consumer Markets Authority and/or local Trading Standards Office, full details of the circumstances are set out in a report enclosed with the application; all information provided by me in connection with this application is, to the best of my knowledge, correct"

We believe this certification is broadly in line with Sandwell council's licensing conditions and is another example of where promotion of **safeagent** membership through discounts could help to ensure compliance. Acceptance that agents have already made a fit and proper person declaration could save 120 minutes of staff time per license application, according to the cost formulation and calculation.

#### Complaints

All **safeagent** firms are required to have a written customer complaints procedure, available on request. Our guidance sets out how the first step for complainants is to ask the firm they are dealing with for a copy, which will outline the method by which they can seek to resolve any issues.

In line with statutory requirements, all **safeagent** members must also be members of a recognised redress scheme. Firms are required, at the request of the complainant, to refer the complaint to a redress scheme once their in-house procedure has been exhausted. They are also required to comply with any award determined by the redress scheme, within the timescale prescribed.

Under co-regulation schemes elsewhere in the UK, **safeagent** has undertaken to review any complaints that have been adjudicated upon by any of the redress schemes. Under such an arrangement, **safeagent** can report to the Council on the number of complaints reaching this stage and on the adjudications made. Non-compliance with a redress scheme's adjudication would eventually lead to disqualification of the agent from **safeagent**. We would be happy to come to a similar arrangement with Sandwell council.

#### MEASURING THE SUCCESS OF THE SCHEME

We believe that regular information on implementation of the scheme should be made available in a clear and consistent format. Reports to local landlord and agent forums, representative bodies and other stakeholders should include at minimum:

- The estimated number of private rented properties that require licensing under the Additional licensing scheme
- The number of applications received in respect of these properties



- Progress in processing (granting, querying or refusing) the licence applications received
- Analysis of the reasons for any queries or refusals and the extent to which remedial action is identified and taken as a result
- Analysis of the outcomes of ongoing inspections and the extent to which remedial action is identified and taken as a result
- Progress reports across the whole 5 year period covered by the scheme.

This should help to enable the Council to work in partnership with landlords, agents, representative bodies and other stakeholders to ensure the success of the scheme.

#### CONCLUSION

It seems to us that many of the licencing requirements in the Sandwell Council scheme highlight how important it is for landlords to work with reputable agents such as **safeagent** members. Offering a discount to licence holders who work with a **safeagent** accredited agent would help to promote this.

**safeagent** would welcome a collaborative approach with Sandwell Council, based on shared objectives. We believe that agents who are members of a recognised body are more likely to embrace Additional Licensing and less likely to generate complaints or breaches of their licence. Discounted fees for **safeagent** members would be a significant incentive to positive engagement by agents. In return, the Council would experience reduced administration and compliance costs.

#### **CONTACT DETAILS**

#### safeagent

Cheltenham Office Park Hatherley Lane Cheltenham GL51 6SH

Tel: 01242 581712 Email: info@safeagentcheme.co.uk

### APPENDIX 1 – COMPATIBILITY OF SAFEAGENT SERVICE STANDARDS WITH TYPICAL SCHEME CONDITIONS

Example Scheme Conditions	SAFEAGENT Service Standard Requirements
Fees	SAFEAGENT promotes complete transparency in agency fees. Members provide landlords with a statement of account as often as agreed.
Rent Liabilities and Payments	SAFEAGENT agents collect the rent and pass it on every month or as otherwise agreed. The agent will keep a separate clients' account to hold all monies.



Example Scheme Conditions	SAFEAGENT Service Standard Requirements
Contact Details	SAFEAGENT agents are expected to respond to tenant and other legitimate enquiries in a timely manner. Up to date contact details will enable them to respond to tenants' requests for maintenance or repairs which might in some cases have to be referred to the landlord for approval.
State of Repair	SAFEAGENT agents visit the property with landlords and advise on any action needed before letting the property. This includes any repairs and refurbishments needed to put it into a fit state for letting. They will also go with possible new tenants to view unoccupied property. Tenants can be confident that SAFEAGENT agents have provided advice to the landlord concerning any repairs or refurbishments which are necessary.
Access and Possession arrangements	SAFEAGENT agents will visit the property periodically during the course of the tenancy as often as agreed with the landlord. Tenants will be fully aware of access arrangements. At the end of a tenancy, they will always serve the tenant with the correct period of notice as set out in the tenancy agreement.
Repairs and Maintenance	SAFEAGENT agents will arrange to have routine maintenance work carried out, up to a limit agreed with the landlord. The agent will refer expenditure above that limit to the landlord.
Access, Cleaning and Maintenance of Common Parts	SAFEAGENT agents will arrange in advance a time for access to the property in order to inspect the condition of the property in accordance with the tenancy agreement.
Level of Facilities	SAFEAGENT agents ensure that tenants are provided with copies of safety certificates on gas and electrical appliances before you commit to the tenancy. They provide details of the condition of the property, plus a list of its contents. The property will have undergone all required safety checks on furnishings, and gas and electrical services.



Example Scheme Conditions	SAFEAGENT Service Standard Requirements
Deposits	SAFEAGENT agents provide and fill in a tenancy agreement and take a deposit to protect against possible damage. They will explain the basis on which it is being held and the purpose for which it is required.
References	SAFEAGENT agents choose a tenant in a way agreed with the landlord, taking up references or checking the tenant's rent payment record.
Complaints & Dispute Handling	SAFEAGENT agents explain both the landlord's and the tenant's the rights and responsibilities. To guard against misunderstandings, they will arrange for the preparation of a schedule of the condition of the property.
	During the tenancy, they will arrange to check the condition of the property and draw up a schedule to outline any deductions to be made from the tenant's initial deposit. They will return the deposit as soon as possible, less any appropriate deductions.



### Response 2



212 Washway Road, Sale Manchester M33 6RN

> ● 0300 131 6400 info@nrla.org.uk www.nrla.org.uk

Sandwell Borough Council

18th March 2024

Dear Sir or Madam,

#### **Additional Licensing Proposals**

The NRLA is an association formed following the merger of the National Landlords Association and the Residential Landlords Association. Our membership represents over 100,000 landlords and agents, by far the largest organisation in the sector.

Thank you for the opportunity to respond to the above consultation for the introduction of additional licensing in Sandwell. The NRLA objects to the relevance of Additional Licensing schemes by Local Authorities. Although we sympathise with the aims of Sandwell Council, we believe that Licensing does not align with the successful completion of these objectives.

The NRLA seeks a fair legislative and regulatory environment for the private rented sector while ensuring that landlords know their statutory rights and responsibilities.

#### **Main Objections**

#### Antisocial behaviour and low housing

Landlords are often not experienced in managing certain antisocial behaviour and do not have the professional capacity for example to resolve tenants' mental health issues or drug and alcohol dependency. If there are any allegations about a tenant causing problems, the landlord ends the tenancy. In that case, the landlord will have fulfilled their obligations under the additional licensing scheme, even if the tenant has any of the above issues.

This moves the problems around Sandwell but does not help the tenant, who could become lost in the system, or worst, move towards the criminal landlords. They could also potentially negatively impact their neighbours.

Furthermore, the issue of overcrowding is complicated for a landlord to manage if it is the tenant that has overfilled the property. A landlord will tell a tenant how the number of occupants are permitted to live in the property and that the tenant is not to sublet it or allow additional people to live there. Beyond that, how is the landlord to manage this matter without interfering with the tenant's welfare? Equally, how will the council assist



landlords when this problem arises? It is impractical for landlords to monitor tenants' everyday activities or sleeping arrangements.

Where overcrowding occurs, the people involved know what they are doing and that they are criminals, not landlords. The council already has the power to deal with this.

Regarding reducing antisocial behaviour and tackling such activity within their properties, it should be highlighted that landlords and agents can only enforce a contract; they cannot manage behaviour.

Sandwell Council has many existing enforcing powers that can rectify the identified problems as part of the council's housing strategy. These include:

- Criminal Behaviour Orders
- 1. Crime Prevention Injunctions
- 1. Interim Management Orders
- 1. Empty Dwelling Management Orders
- 1. Improvement Notices (for homes that do not meet the Decent Homes Standard)
- 1. Litter Abatement Notices (Section 92 of the Environmental Protection Act 1990)
- 1. Fixed Penalty Notices or Confiscation of equipment (Sections 8 and 10 of the Noise Act 1996)
- 1. Directions regarding the disposal of waste (for example, Section 46 of the Environmental Protection Act 1990)
- 1. Notices to remove rubbish from land (Section 2-3 of the Prevention of Damage by Pests Act 1949)

The council also has a wealth of housing enforcement legislation that can be used to enforce against poor standards in the PRS, such as the Housing, Health, and Safety Rating System (HHSRS), Improvement Notices, Hazard Awareness Notices, Prohibition Orders and Emergency Remedial Action, civil penalties, and criminal prosecutions. These powers are available to the local authority now and do not need consultation to use.

#### Licence fee charges

In the consultation proposals, it states that as part of the proposed licence fee structure, there would be charges for several variations to a licence, such as a £50 fee for a change of address details for the licence holder. Such fees are unlawful and cannot be implemented.

The fee charging power is limited by s63(7) (or 87(7)). These state that a fee must reflect the cost of running the scheme. The case of Crompton v Oxford City Council CAM/38UC/HMV/2013/0006-7 makes it clear that the power to charge a fee was only the power provided by s63 (or s87 as appropriate) and no other fees were permissible. This includes variation fees charges. The council must remove these variation charges.



#### Waste management

When tenants are nearing the end of their contract/tenancy and are moving out, they will dispose of excess household waste through various methods. These include but are not limited to putting waste out on the street for the council to collect. This is in the hope of getting their deposit back. Local authorities with many private rented properties need to consider a strategy for collecting excess waste at the end of a tenancy in place of additional licensing.

Would the council consider a free/low-cost service for private landlords to remove numerous bunk items for when tenants vacate the property and not dispose of such waste beforehand if such a mechanism is not already in place?

#### Conclusions and alternatives

The NRLA believes that local authorities need a healthy private rented sector to complement the other housing in an area. This provides a variety of housing types that can meet the needs of both residents and landlords in the area. The sector is regulated, and enforcement is essential for keeping criminals who exploit landlords and tenants. An active enforcement policy that supports good landlords is crucial as it will remove those who exploit others and create a level playing field.

The NRLA advocates using council tax records to identify tenures used by the private rented sector and those landlords in charge of those properties. Unlike discretionary licensing, landlords do not require self-identification, making it harder for criminal landlords to operate under the radar. With this approach, the council would not need to seek permission from the government and would be able to implement it with no difficulty.

Should the scheme be approved, the council should consider providing an annual summary of outcomes to demonstrate to tenants and landlords' behaviour improvements and the impact of licensing on the designated area over the scheme's lifetime. This would improve transparency overall.

The NRLA has a shared interest with Sandwell Council in ensuring a high-quality private rented sector but strongly disagrees that the introduction of introduction of additional licensing is the most effective approach to achieve this aim both in the short term and long term.

Yours Faithfully,

Samantha Watkin
Policy Officer
National Residential Landlords Association
Samantha.Watkin@nrla.org.uk



# Appendix 5 – Social media posts and statistics

#### **Facebook**



We're asking for your views on proposals to bring in licensing for all HMOs (houses of multiple occupation) to improve their management and living conditions for tenants.

We're asking landlords, tenants and residents to have their say. The consultation ends in March - link in comments -



Facebook reach – 18,335



We're asking for your views on proposals to bring in licensing for all HMOs (houses of multiple occupation) to improve their management and living conditions for tenants.

We're asking landlords, tenants and residents to have their say. The consultation ends in March - link in comments 👇



Facebook reach - 11,560



There's still time to have your say your views on proposals to bring in licensing for all HMOs (houses of multiple occupation) to improve their management and living conditions for tenants.

We're asking landlords, tenants and residents to have their say. The consultation ends in March - link in comments 👇



Facebook reach – 8,496



We're asking for your views on proposals to bring in licensing for all HMOs (houses of multiple occupation) to improve their management and living conditions for tenants.

We're asking landlords, tenants and residents to have their say. The consultation ends in March - link in comments 👇



Facebook reach - 16,755



There's just a few days left to have your say on proposals to bring in licensing for all HMOs (houses of multiple occupation) to improve their management and living conditions for tenants.

We're asking landlords, tenants and residents for their views. The consultation ends on Monday 18 March - link in comments 4



Facebook reach - 9,472

#### Instagram



Reach - 526



Reach - 658



#### **Twitter**

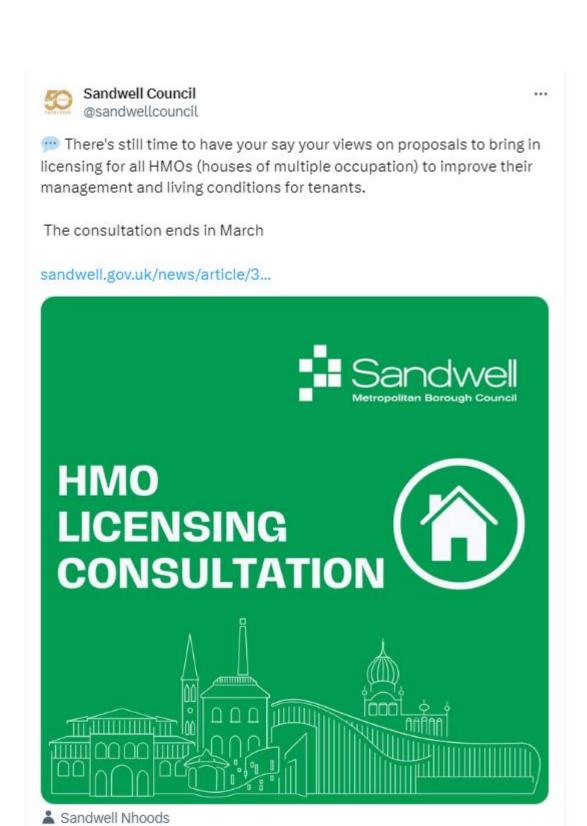


Impressions - 737





Impressions - 1,231



**Impressions** 639

4:36 PM · Feb 6, 2024 · 639 Views



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We're asking for your views on proposals to bring in licensing for all #HMOs (houses of multiple occupation) to improve their management and living conditions for tenants.

We're asking landlords, tenants and residents to have their say

sandwell.gov.uk/news/article/3...



Impressions 1,473



