 Brent	<p align="center">Cabinet</p> <p align="center">19 June 2017</p> <p align="center">Report</p> <p align="center">From the Strategic Director of Community Wellbeing</p>
For Action	All Wards
<p align="center">Selective Licensing in the Private Rented Sector</p>	

1. Summary

- 1.1 In April 2014 the Executive approved the introduction of an Additional Licensing scheme, covering all Houses in Multiple Occupation (HMOs) in the borough and in August 2014 approved the introduction of a Selective Licensing scheme, covering all private rented housing in the wards of Harlesden, Wembley Central and Willesden Green. Both schemes came into effect in January 2015 and run to 31st December 2019.
- 1.2 This report proposes a further extension of Selective Licensing, setting out the rationale for the scheme taking account of progress since 2015 and changes to the regulations covering Selective Licensing. An extensive consultation exercise has been carried out alongside further research and the results of these activities are considered in the body of the report and its appendices. It should be added that apart from making changes to the fees for future selective licensing applications, the recommendations set out in section 2 of this report will not affect the existing Selective Licensing designations for the wards of Harlesden, Wembley Central and Willesden Green which will continue to run until 31 December 2019.

2. Recommendations

- 2.1. Agrees that the legal requirements for introducing Selective Licensing on the grounds of anti-social behaviour (ASB) and/or migration and/or deprivation and/or poor housing conditions have been met with regard to the proposed selective licensing

designation areas as summarised in table 6 in paragraph 10.10 below, which cover the following Council wards:

(i) Dudden Hill, Kensal Green, Kilburn, Mapesbury, Queens Park (designation area 1 - on grounds of anti-social behaviour, poor housing conditions, migration and high levels of crime);

(ii) Brondesbury Park, Queensbury (designation 2 on grounds of migration, anti-social behaviour and high level of crime);

(iii) Dollis Hill, Welsh Harp (designation 3 on grounds of poor housing conditions and anti-social behaviour);

(iv) Alperton, Barnhill, Sudbury, Tokyngton (designation 4 on grounds of anti-social behaviour and poor housing conditions);

(v) Stonebridge (designation 5 on grounds of anti-social behaviour, high levels of crime, deprivation and poor housing conditions);

(vi) Fryent, Kenton, Northwick Park, Preston (designation 6 on grounds of anti-social behaviour and migration).

2.2 Subject to paragraph 2.1 above, agree to authorise the designation of six areas for selective licensing to last for five years from the date of designation which cover the following Council wards as delineated and edged red on the map(s) at Paragraph 10.10, Figure 16:

(i) Dudden Hill, Kensal Green, Kilburn, Mapesbury, Queens Park (designation area 1);

(ii) Brondesbury Park, Queensbury (designation 2);

(iii) Dollis Hill, Welsh Harp (designation 3);

(iv) Alperton, Barnhill, Sudbury, Tokyngton (designation 4);

(v) Stonebridge (designation 5);

(vi) Fryent, Kenton, Northwick Park, Preston (designation 6)

2.3 Agrees to seek consent from the Secretary of State for the designation for Selective Licensing of the six areas as set out in paragraphs 2.1 and 10.9, which will last for five years from the date of designation, if approved by the Secretary of State.

2.4 Agrees that authority to issue the required statutory notifications in relation to the Selective Licensing Scheme designations are delegated to the Strategic Director of Community Wellbeing, in consultation with the lead member for housing and welfare reform.

2.5 Agrees that the licensing conditions for the proposed designation areas for selective licensing as set out in Appendix 4 be approved and authorises the Strategic Director for Community Wellbeing, in consultation with the lead member for housing and welfare reform, to make any minor variations to such licensing conditions.

- 2.6 Agrees that, subject to consent being obtained from the Secretary of State, and the issue of statutory notifications, that the Strategic Director of Community Wellbeing, in consultation with the lead member for housing and welfare reform is authorised to decide the date from which the council will begin to accept applications for Selective Licensing for the six designated areas and the date on which the designations and the extended Selective Licensing scheme will come into effect.
- 2.7 Agrees that the fees for Selective Licensing will be set at £540 in all proposed designated wards for the five year licensing period, including those three wards covered by the current scheme, as set out in paragraph 11.2.
- 2.8 Agrees that authority should be delegated to the Strategic Director of Community Wellbeing, in consultation with the lead member for housing and welfare reform to agree the basis for and level of any discounts to be applied to these fees.
- 2.9 Cabinet notes that the proposed Selective Licensing scheme will be kept under review annually. Any significant changes, including the withdrawal of a licensing designation or a proposal to introduce a new designation, will be subject to further consultation and a decision by Cabinet.

3. Background

- 3.1 Under the Housing Act 2004, there are three forms of licensing available to local authorities:

(a) Mandatory Licensing

All local authorities are obliged to run a licensing scheme covering Houses in Multiple Occupation (HMOs) that have three or more storeys and are occupied by five or more people. A scheme has been in operation in Brent since 2006.

(b) Additional Licensing

Section 56 of the Housing Act 2004 provides a power to licence HMOs not covered by mandatory licensing; defined as properties containing 3 or more separate households in a property of no more than 2 floors. Under Additional Licensing, local authorities can designate an area for an initial 5 years but must be satisfied that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively as to give rise to one or more particular problems, either for those occupying the HMOs or for members of the public. In April 2014 the Executive approved the designation of an Additional Licensing Scheme covering the whole borough with effect from 1st January 2015.

(c) Selective Licensing

Under Part III of the Act, local authorities can introduce Selective Licensing schemes that focus on improving the management of privately rented properties accommodating single households as well as HMOs and a partial scheme covering three wards has been in place since 1st January 2015.

- 3.2 This report is concerned solely with Selective Licensing, as Mandatory and Additional schemes are already in place and cover the whole borough. The current Selective Licensing scheme covering the wards of Harlesden, Wembley Central and Willesden Green is also unaffected by this report. Reconsideration of the scope of Selective Licensing is prompted by the continued growth of the sector and continued concern

about its links with the incidence of ASB and other issues. At the 2011 Census the sector contained 35,000 properties, an increase of 72.1 % from the 2001 exercise. Research carried out in relation to this report (see Appendices 1 and 2) suggests that the sector now contains around 37,000 properties.

- 3.3 An additional factor is the changed regulations relating to Selective Licensing from March 2015. Under the previous regulations, Selective Licensing could only be introduced where a local authority could demonstrate either low demand for housing or significant ASB linked to the extent and nature of the private rented sector. Revised regulations, considered in more detail below, introduce new factors that can be taken into account. Licensing can now be considered to address poor property conditions, high levels of migration (national and international), high levels of deprivation and high levels of crime. These are all factors that could be considered relevant in Brent.
- 3.4 The regulations also stipulate that where a licensing designation would cover more than 20% of the local authority area or more than 20% of the private sector stock, consent to a scheme must be sought from the Secretary of State. The 20% total would include any areas already designated, meaning that any significant extension of Selective Licensing in Brent would require consent.
- 3.5 The sector is a vital resource that has grown in response to demand, particularly as house purchase has moved increasingly out of reach for Brent residents and access to affordable rented housing is restricted by short supply. Much of the sector offers good accommodation but there is significant evidence of poor management and poor conditions. There is also evidence that poorly-managed privately rented properties have a negative impact on many neighbourhoods. ASB, noise complaints, nuisance neighbours, accumulations of rubbish and other problems can be linked to the failure of private landlords to manage their properties and tenancies effectively. Overcrowding, sub-letting and illegal conversions are also features of the private rented sector in Brent on the back of huge demand for housing in the borough and all contribute to neighbourhood problems. Brent experiences high levels of in-migration from within and outside the UK and some parts of the borough score highly on the Index of Multiple Deprivation. Licensing is a valuable tool, alongside other measures, in tackling these problems and driving improved standards and conditions across the sector.

4. Impact of Licensing Since 2015

- 4.1 In the first year of operation, the focus was on maximising applications and this has been followed by a concentration on enforcement action since January 2016. Initial research suggested that there might be up to 2823 licensable properties within the wards currently designated for Selective Licensing. In practice, the number has proved to be much higher and 3,834 licences have been issued, representing 136% of the anticipated total and reflecting, at least in part, the continued growth of the sector. There have been 79 successful prosecutions for breaches of licensing or other Housing Act offences with between 3 and 5 cases referred to Legal Services each week for prosecution and over 500 unannounced inspections or raids on unlicensed properties. A proactive door-knocking exercise to identify unlicensed properties has covered 7293 properties (including those covered by the Mandatory and Additional schemes).
- 4.2 Beyond the licensing process and enforcement action, Selective Licensing has Assisted in building close working relationships with the council's other regulatory services and provided a mechanism for monitoring ASB in the designated areas. A

database of over 3500 landlords and agents operating in Brent has been compiled, supporting better communication and engagement with the sector through a quarterly Private Housing Services (PHS) newsletter and expansion of the Brent Private Landlords Forum: for example, the June 2016 meeting was attended by over 350 landlords. It is evident that take-up of Selective Licensing is assisted by the simplicity of the scheme compared to other approaches. Rather than having to establish whether a property is an HMO and, if so, whether it is covered by Mandatory or Additional Licensing, a landlord covered by a Selective scheme will know that any rented property in a designated neighbourhood falls within it.

- 4.3 The picture for Additional Licensing is different. While take-up of Mandatory and Selective licensing has exceeded anticipated levels, take-up of Additional licensing is below expectations, as illustrated by the table below:

Table 1: Take up of Licensing

	Properties Licensed	Estimate of licensable properties	%
Mandatory	603	300	201%
Harlesden	1,292	1,109	117%
Willesden Green	1,450	1,011	143%
Wembley Central	1092	703	155%
Additional	1,573	16,000	10%
Total	6,010		

- 4.3 There are several possible explanations for this. First, there may be deliberate evasion, involving rogue landlords and properties where standards of management and overall conditions tend to be worse, and this has been reflected in enforcement action for breaches of licence conditions. It is also likely that many landlords have failed to understand that the property they are letting is an HMO within the definition applicable for Additional Licensing, wrongly assuming that it is only larger properties falling within the Mandatory Licensing definition that are covered. It should be stressed that an extension of Selective Licensing is not proposed as a solution to low take-up of Additional Licensing, although it should also be acknowledged that the relative simplicity of the former scheme may assist in prompting landlords to come forward.
- 4.4 The 2014 report to Cabinet noted that there was potential for a negative impact on tenants. This might arise from landlords deciding to leave the rental market rather than engage with licensing, or from evictions (potentially including illegal evictions) following or in anticipation of enforcement action. There is little evidence that landlords have withdrawn from renting in response to licensing, although it is unlikely that the council would be informed in such cases and that there are many other factors that could influence such a decision. There is some evidence, principally from surveys undertaken by representative organisations in the sector, that recent tax and welfare reforms, changing lender attitudes and concerns about future

profitability are the main causes of concern for landlords and have promoted some to either change their business model or withdraw from the market.

- 4.5 The more immediate concern is the impact on tenants of enforcement action taken against unlicensed properties or landlords in breach of license conditions. Although there is little evidence that enforcement has led to homelessness applications, there is evidence that tenants have moved on, sometimes voluntarily, in such cases but little evidence as to where they have moved to. To establish a clearer picture of the impact of licensing on tenants, Future of London (FoL) have been commissioned to undertake a study, the findings of which will be taken into account in developing the council's approach to tenant engagement.
- 4.6 Whilst this report concerns extending selective licensing in Brent and most enforcement has been focused on HMOs which is regulated under Mandatory and Additional licensing, Private Housing Services commissioned FoL to look into the effect of their unannounced inspections on tenants. This is to be commended. While 18 boroughs have discretionary licensing schemes, and there are over 500 additional and selective schemes nationwide, so far there has been little shared evaluation of success, and even less on their effect on tenants.
- 4.7 The research, which comprised field work, data analysis and interviews with a number of stakeholders (including tenants themselves), painted a mixed picture. Some tenants' situations have improved as a result of an inspection, while others have deteriorated. Information on eviction and displacement has produced a complex range of tenant pathways, with dependent factors including awareness of rights and support structures, and level of tenant vulnerability.
- 4.8 Despite data and information limitations, the research had some clear actions for Private Housing Services to take forward
- Do more to raise private tenant awareness of their rights before, during and after the inspections. Empowered tenants will engage with officers after visits, and their situations are more likely to improve.
 - Improve and better promote tenant liaison services to tenants. Officers need to better communicate services to tenants, as well as working more closely with the contract-holder (currently SSP Law) and monitoring progress.
 - While the council's concern must be housing decently its vulnerable communities in priority need, people living in poor-quality HMOs are vulnerable in a different way – from poor conditions and exploitative landlords. A closer and more cooperative relationship between PH, Housing Needs and the plethora of voluntary sector groups embedded in communities will help to protect all of Brent's communities.
- 4.9 The research found that some people were being negatively affected, though the way in which the enforcement inspection was conducted had a bearing on what happens next to the tenant. The circumstances of tenants who were well-informed and aware of their rights were more likely to improve. The research suggested ways to ensure more tenants are better-informed of their rights before, during and after the inspections.
- 4.10 It also recognised that displacement of tenants happens, within and beyond Brent boundaries. Tracking of private tenants is difficult and not as much of a priority of most local authorities as it is for Brent. Pan-London/sub-regional licensing groups are a good place to discuss systems for recording/sharing data and the GLA have indeed now established a Private Sector Housing Leaders group to look at issues such as these.

- 4.11 The research also concluded that there is scope for Brent's voluntary sector to help the council seize a number of opportunities, such as communicating with tenants about licensing and rights. Many groups are keen to help Brent improve their services. Advice for Renters has a wealth of information and knowledge, but resources are stretched. A more cooperative and collaborative relationship with the voluntary sector, including regular meetings, would help to share responsibilities and target resources.
- 4.12 Whilst the research focused on tenants that had been party to an unannounced inspection of their property, either at their request due to the conditions they were living in, or at the request of neighbours and residents concerned for instance that the property was an overcrowded HMO, empirical and anecdotal evidence gathered indicated that some tenants had had a positive outcome as a consequence. Furthermore, despite there having been in the region of 600 unannounced visits made since the introduction of licensing and over 6500 properties licenced there was no evidence to show an increase in tenants accessing services both within the Councils Housing Needs service or SSP Law.
- 4.13 As a result of this research an action plan has been developed which will see all of the recommendations made being implemented.

5. Conditions for Selective Licensing

- 5.1 The Housing Act 2004 sets out requirements for the introduction of Selective Licensing and evidence gathering and consultation have sought to establish the position in relation to these. The legal requirements which the Cabinet has to consider before authorising the introduction of designations for selective licensing are set out in paragraphs 14.1 to 14.19 of this report.
- 5.2 It is a requirement that any exercise of the power is consistent with the council's overall Housing Strategy and that a co-ordinated approach is taken in connection with dealing with homelessness, empty properties and ASB affecting the private rented sector. The Housing Strategy was approved by Cabinet on 21st July 2014 and addresses these issues. The Strategy is currently subject to a review, details of which can be found here: www.brent.gov.uk/drafthousingstrategy2017. Consultation ran until 31st May 2017 and the final document will take full account of this report. The authority must also consider whether any other course of action – for example the use of other enforcement powers – would be effective and whether the designation of Selective Licensing will assist in dealing with identified problems. This is considered further below.
- 5.3 Following the publication of revised regulations, Selective Licensing is intended to assist in dealing with a range of issues in addition to problems of low demand and ASB. Low demand is not a relevant consideration in Brent and the focus of research and consultation has been on the other factors set out in the regulations. With regard to ASB, the regulations state that the local authority must be satisfied:
- a. that the area is experiencing a significant and persistent problem caused by ASB;
 - b. that some or all of the private sector landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat the problem that it would be appropriate for them to take, and;
 - c. that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, lead to a reduction in, or the elimination of, the problem (s.80(6) Housing Act 2004)

5.4 The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 adds to the existing conditions, which are set out below.

- That the area contains a high proportion of properties in the private rented sector, in relation to the total number of properties in the area and that one or more of the sets of conditions below (i.e. (i) to (iv)) is satisfied:
 - (i) That there is evidence of poor conditions in the sector and that making a designation will, combined with other measures, contribute to an improvement in general housing conditions in the area.
 - (ii) (a) That the area has high levels of migration and a significant number of properties in the sector are occupied by those migrants; and
 - (ii) (b) that making a designation will, with other measures, contribute to the preservation or improvement of the social or economic conditions in the area and ensuring that properties are properly managed, and in particular, that overcrowding is prevented.
 - (iii) (a) That the area is suffering from a high level of deprivation, which affects a significant number of the occupiers of relevant properties; and
 - (iii) (b) that making a designation will, with other measures, contribute to a reduction in the level of deprivation in the area.
 - (iv) (a) That the area suffers from high levels of crime and criminal activity affects those living in relevant properties or other households and businesses in the area; and
 - (iv) (b) that making a designation will, with other measures, contribute to a reduction in the levels of crime in the area, for the benefit of those living in the area.

6. Rationale for Reviewing the Current Approach

- 6.1 The continued growth of the sector, in itself, suggests a need to keep the position under review. The impact of licensing so far, the extent of enforcement action since then and the other evidence considered below, indicate that issues of poor management and poor conditions persist and that the scale and distribution of the sector and its associated problems is not confined to the three wards covered by the current designation. The additional considerations introduced by revised regulations address areas that were a concern prior to the introduction of the current scheme but could not be taken into account at that time. The ability to consider these factors makes it timely to re-evaluate the evidence.

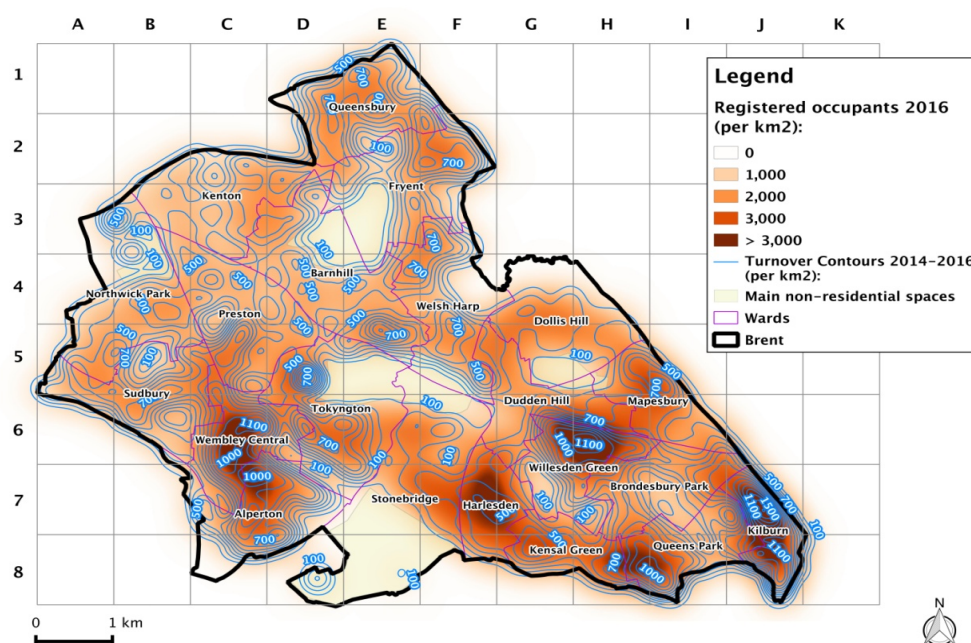
7. The Private Rented Sector in Brent

- 7.1 The research and consultation exercises that support this report were undertaken in light of the matters summarised above and a similar approach to that taken in the earlier exercise was adopted. Mayhew Harper Associates were again commissioned to review available data and provide an analysis of the sector and, in particular, to identify any correlation between the size and location of the private rented sector and the factors set out in paragraphs 5.3 and 5.4 above. This work complemented extensive research and analysis undertaken by council officers. The consultation exercise was the third key element and this is considered in section 9. The following sections provide a summary of key points emerging from research and evidence gathering. The findings of the council's own research are set out in Appendix 2 and the report from Mayhew Harper Associates is attached at Appendix 1.

- 7.2 Analysis confirms the continued growth of the sector as noted earlier. This growth is underpinned by London's expanding population, driven by UK and international in-

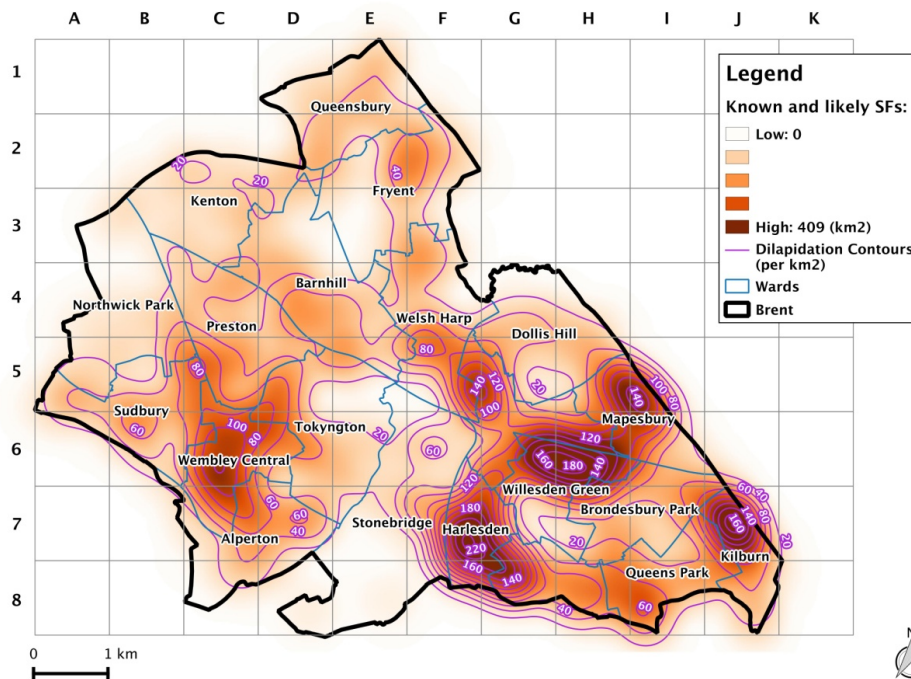
migration and a rising birth rate, both of which are especially marked in Brent. An additional factor is population turnover, which is three times higher in Brent than in the rest of England, as illustrated in the chart below. Population density is indicated by shading while turnover is shown in the blue contours.

Figure 1: Hotspot and contour map of Brent showing adult population density in 2016 and churn between 2014 and 2016



- 7.3 Analysis indicates that the PRS now makes up 41.5% of all private sector housing, reflecting a shift away from owner occupation, which has become increasingly unaffordable. While the largest concentrations of private renting have always been in the south of Brent, the pattern is changing, with increasing numbers in areas traditionally dominated by owner occupation and in which problems associated with private renting were not previously a significant concern.
- 7.4 The map below shows the distribution of known and likely Single Family Dwellings – that is, properties that are unlikely to be HMOs and would be subject to Selective Licensing rather than the Mandatory or Additional schemes. The likelihood of a property being an HMO or a single family dwelling is based on analysis of a range of “risk” factors – for example, number of occupants, HB and Council Tax records – which are explained in detail in the report at Appendix 1. Note that the unshaded areas are mainly open space or areas of very low residential density, with the exception of Stonebridge, where the dominant tenure is social housing (although even here and on other social housing estates, private renting has increased as homes sold under the Right to Buy are let by their owners). The map also shows contours based on the concentration of known dilapidation and noise complaints, which are notably denser in areas of high private renting. The map shows a strong correlation with poor housing conditions and this is considered further below.

Figure 2: Known and Likely Single Family Dwellings



7.6 Single family homes are more numerous in the south, but there are strong indications that the distribution is changing with growth in other wards. While long-standing concentrations of private renting exist in wards such as Kilburn, Harlesden, Willesden Green and Wembley Central, growth has extended to areas such as Mapesbury, Welsh Harp, Dudden Hill and Tokyngton. Beyond this, wards which previously had very little private renting such as Barnhill, Fryent, Preston, Queensbury, Alperton and Sudbury have seen significant growth. While growth of private renting is less marked in Northwick Park and Kenton, analysis indicates that continued demand pressure and high house prices are likely to drive growth in these wards too, where the mainly inter-war housing stock lends itself to single family renting.

8. Private Renting and the Conditions for Selective Licensing

8.1 Selective Licensing will be an appropriate response where it can be demonstrated that the some or all of conditions set out earlier are met. Research and analysis have therefore focussed on examining whether a correlation can be shown between the presence and extent of private renting in the borough, either as a whole or in part, and the relevant conditions. It should be stressed that the research does not set out to prove a causal link between these conditions, such as the incidence of ASB, and any *particular* property, landlord or tenant. Nor is it implied that all landlords or tenants are responsible for ASB, poor conditions or other factors in an area or that licensing alone is the only solution to these problems. It is expected that the role of licensing will be considered alongside other powers the council or others have and actions they might take. The following paragraphs summarise the key findings from analysis, while further detail is set out in the appropriate appendices.

8.2 Anti-Social Behaviour, Crime and Poor Housing Conditions

8.2.1 Analysis has considered the relationship between ASB and poor housing conditions and the extent of private renting at ward level. Data covering six ASB, crime, and housing indicators were used to determine which wards are most/least affected and which indicators are most/least correlated with private renting. This includes: data on environmental crime at household (property and other levels) for the period January 2013 to October 2016; property conditions and disrepair at address level from January 2010 to August 2016; Police reported ASB at ward level by financial year from 2013/14 to 2015/16; data on over 14,000 fly-tipping incidents at ward level between September 2015 and September 2016; data on council reported ASB incidents. The data is used to assess the relationships between various factors and the extent of the PRS, which produces a correlation measure that ranges from -1 (negatively correlated) to +1 (positively correlated). A fuller explanation of the methodology is set out in Appendices 1 and 2.

8.2.2 DCLG guidance groups ASB in three categories:

- Crime: Tenants not respecting the property in which they live, including vandalism, criminal damage, and robbery/theft or car crime
- Nuisance neighbours: Noise, nuisance behavior, animal-related problems, vehicle-related nuisance etc.
- Environmental crime: Graffiti, fly-posting, fly-tipping, litter around a property, dilapidations

8.2.3 The table below ranks each ward according to this data.

Table 1: Ward Rank by ASB and Housing Conditions

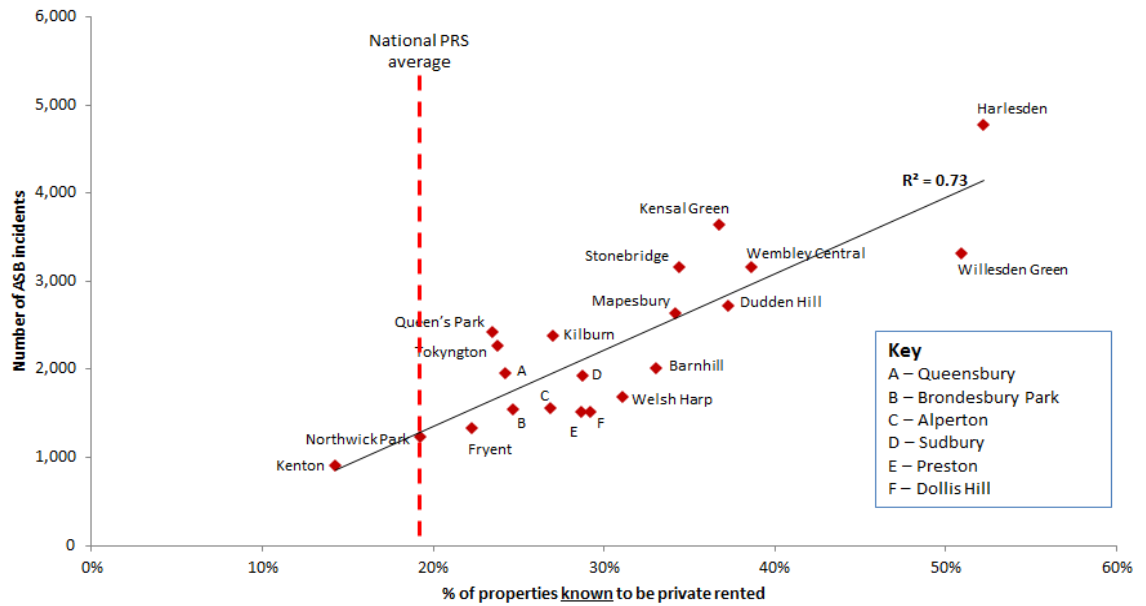
Rank	Ward name	Single Family Rented	Cumulative % of private sector (estimated)	Cumulative % of Brent Area	SLS in place
1	Willesden Green	1,297	3 . 5	3.6	Y
2	Harlesden	1,519	7.6	6.2	Y
3	Kilburn	693	9.4	8.3	
3	Mapesbury	1,012	12.1	11.5	
5	Kensal Green	1,105	15.1	14.1	
6	Wembley Central	738	17.1	17.8	Y Y
7	Queens Park	469	18.4	21.3	
8	Dudden Hill	1,081	21.3	25.2	
9	Stonebridge	771	23.3	34.5	
10	Barnhill	752	25.4	41.4	

11	Tokyngton	698	27.2	47.8	
12	Queensbury	502	28.6	52.6	
13	Alperton	650	30.3	57.3	
14	Sudbury	816	32.5	62.2	
15	Preston	696	34.4	67.8	
15	Welsh Harp	867	36.7	73.1	
17	Dollis Hill	770	38.8	78.5	
18	Fryent	620	40.4	84.6	
19	Brondesbury Park	503	41.8	88.6	
20	Northwick Park	345	42.7	94.8	
21	Kenton	331	43.6	100.0	
	Total	16,235			

8.2.4 Overall, the analysis shows strong associations between the PRS, ASB and disrepair. In particular, compared to the similar analysis undertaken for the 2014 exercise, data on indicators such as noise nuisance and enviro-crime show a deterioration in some wards, including Kensal Rise, Tokyngton and Queens Park. These links are more marked in some areas than others.

8.2.5 The pattern is illustrated in the chart below, which shows the number of ASB incidents and the extent of private renting in each ward. Recorded ASB is lowest in Kenton, which also has the lowest proportion of private renting, and highest in Harlesden, which has the highest proportion of private renting. However, it should be stressed that ranking wards in this way should not mask the fact that all wards demonstrate an unacceptable level of problems, although their relative positions and the scale of local issues show significant variation.

Figure 3: Number of ASB incidents* against % of ward known to be PRS**

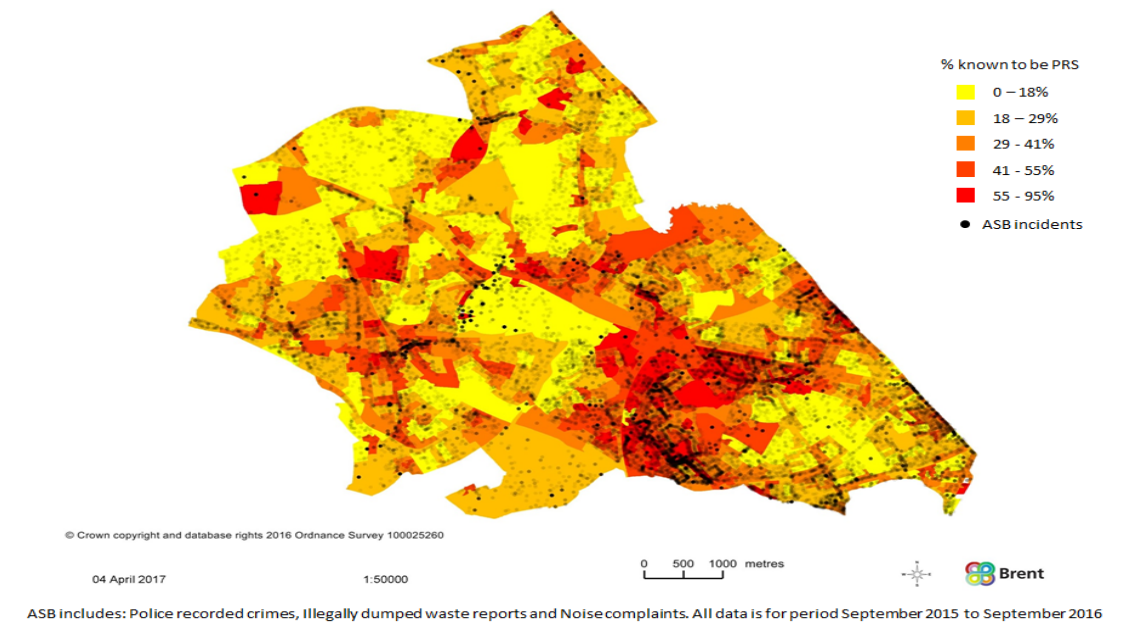


*Includes data from four sources; police recorded crime, fly tipping reports, noise complaints and police recorded ASB – data aggregated to ward level

**37,466 PRS records in total. These have been identified as being known PRS through various council sources e.g. housing benefit, council tax benefit which state the tenure type of the property.

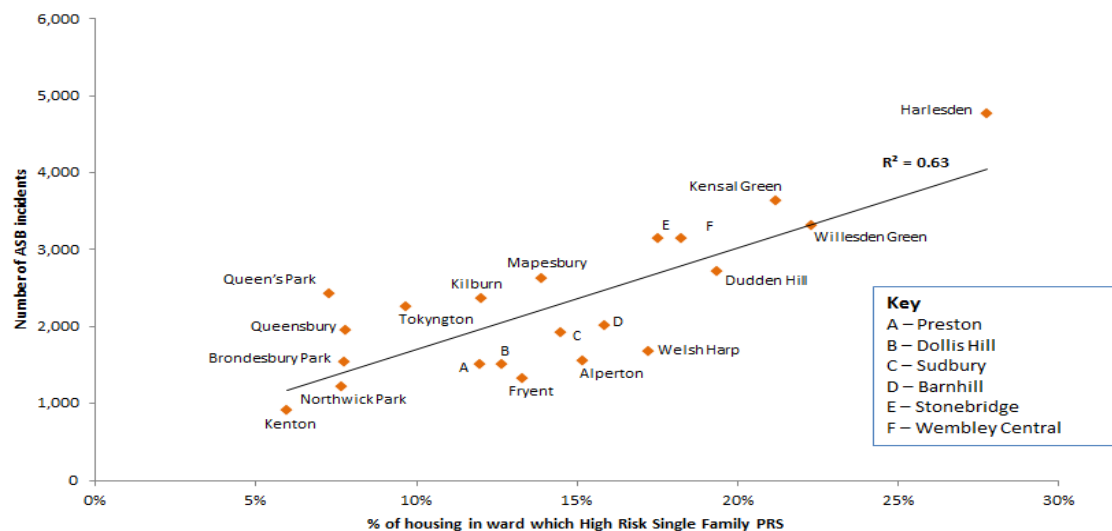
- 8.2.6 There is a +0.73 correlation between the concentration of private renting and the six indicators used indicating a high level of association throughout the borough. There is a strong correlation between ASB and PRS in relation to police recorded ASB. Using data from September 2015 to September 2016, the highest number of incidents were recorded in Wembley Central (744), Harlesden (640), Stonebridge (613) and Willesden Green (602). These four wards also have some of the highest levels of PRS in the borough, ranging from 52% in Harlesden to 34% in Stonebridge. There is a positive correlation between areas with a greater proportion of Single Family PRS and police recorded ASB. The relationship is however not as strong as with all PRS combined (0.14 compared to 0.57). The relationship is also illustrated in the map below;

Figure 4: Map showing % of properties known to be PRS by recorded ASB incidents



8.2.7 Within the overall private rented sector, Selective Licensing is concerned with Single Family dwellings. Figure 5 illustrates the correlation for these properties.

Figure 5: Number of ASB incidents* against % of ward where housing is predicted to be High Risk Single Family PRS



*Includes data from four sources; police recorded crime, fly tipping reports, noise complaints and police recorded ASB – data aggregated to ward level

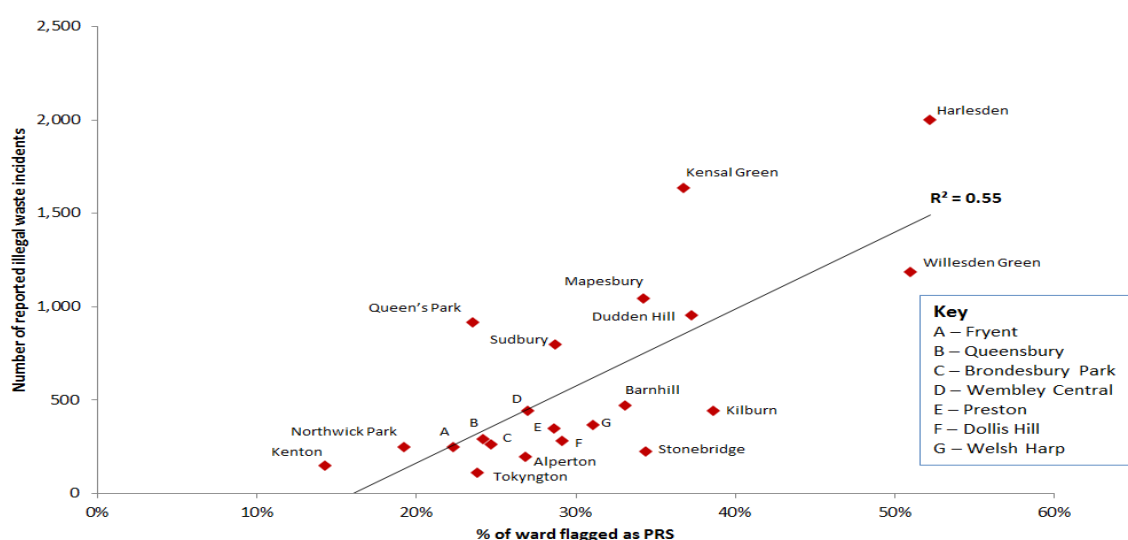
**17,505 properties were identified as being high risk of being Single Family Private Rented. This was deduced by indicators such as having housing benefit at the address, two or more adults at the address, reports of dilapidation or noise, as well as being smaller properties (council tax bands A-C). Please note that we cannot be 100% certain these are single family PRS, nor indeed private rented.

8.2.8 The wards currently covered by Selective Licensing score highly on all key measures such as poor property conditions. Only Wembley Central scores higher on enviro-crime and fly tipping. Wards such as Kenton and Northwick Park where private renting is least established show relatively lower scores on almost every indicator. By contrast Kilburn and Mapesbury with the highest concentrations of private renting are ranked joint third. The indicators most correlated with private renting are enviro-crime (+0.79), fly-tipping (+0.74), and property conditions (0.68).

Those correlated least, albeit still positively, are Police-reported ASB (0.58) and Council reported ASB (0.57) [although it must be noted that the sample size for this indicator was relatively small].

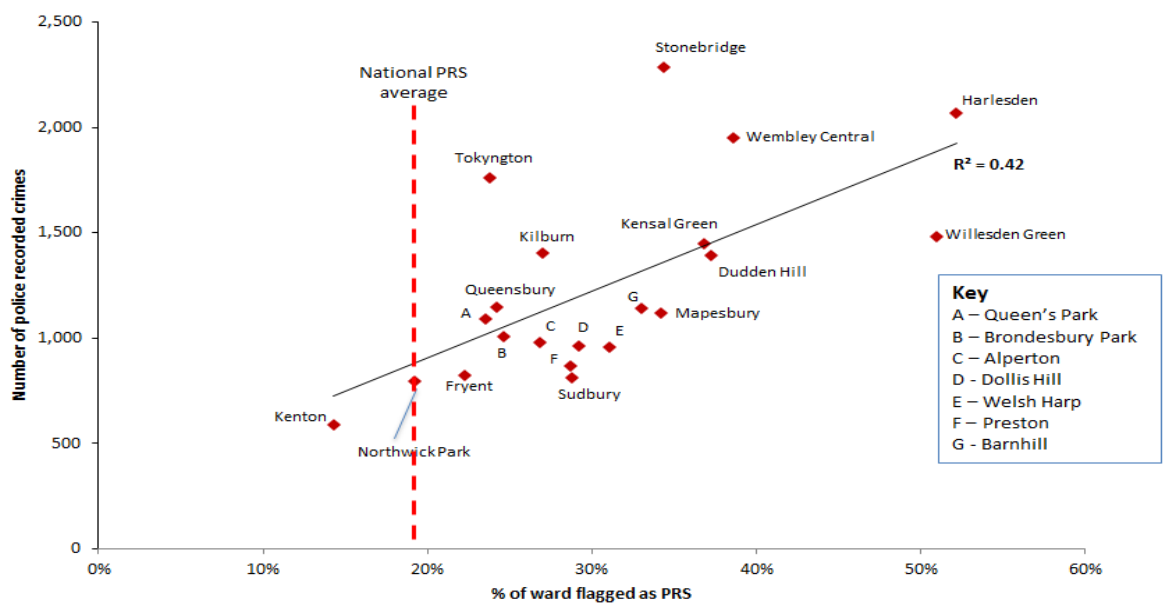
- 8.2.9 The three wards with the highest levels of contaminated waste reports are Brondesbury Park (13,080), Queensbury (12,206) and Barnhill (11,619). The levels of contaminated waste are also high in other wards. There is also a strong relationship between PRS and reports of illegally dumped waste across the borough, with Harlesden, Kensal Green and Willesden Green showing especially high levels. Overall there is a slight positive correlation (0.32) between noise complaints and private renting, with Harlesden, Mapesbury and Kilburn wards showing the highest correlation

Figure 6: Illegally dumped waste reports using Cleaner Brent app by known PRS (September 2015 – September 2016)



- 8.2.10 Overall there is a fairly strong relationship between the PRS and police recorded crime in the borough within the wards of Stonebridge, Harlesden, Wembley Central and Tokyngton. It should be stressed that figures for Tokyngton may be distorted by incidents related to large crowds attending events at Wembley stadium. In considering the relationship between Single Family PRS and police recorded crime, there is still a positive relationship in that areas with more Single Family PRS also see higher levels of police recorded crime. Stonebridge, Harlesden, Wembley Central and Tokyngton are notable outliers.

Figure 7: Police recorded crime by known PRS (September 2015 – September 2016)



8.2.11 In terms of disrepair and poor conditions, there is direct evidence from activity within Private Housing Services, which is set out in detail in Appendix 2. In summary, datasets on property conditions and disrepair at address level spanning the period January 2010 to August 2016 were collated and provided background for both the in-house and Mayhew Harper studies. The data covered a range of problems including drainage, overcrowding and HMO enforcement. Section 4 of Mayhew's Report gives his findings while the in-house review of housing conditions is found on pages 30-32 of the in-house report. The study was based on the following evidence;

- Proportion of PRS tenure
- Proportion of Private Rented Sector Stock with a Category 1/2 hazards
- Count of housing disrepair complaints
- Count/proportion property licence applications, licences issued and renewals

8.2.12 The table below shows overall complaints. While it might be expected that more complaints would be received from areas where the PRS has a high presence, it is apparent that numbers are disproportionately high in areas with a larger PRS. For example, while the percentage of PRS housing in Willesden Green is less than double the percentage in Preston, the number of complaints is three times higher. Even in areas with a lower proportion of PRS housing, numbers of complaints are relatively high.

Table 2: Disrepair complaints to private housing service June 2014 to Dec. 2016

Complaints rank	Ward	% known PRS	Number of complaints (June 2014 - December 2016)
1	Willesden Green	51%	194
2	Harlesden	52%	184
3	Dudden Hill	37%	172
4	Mapesbury	34%	163
5	Kensal Green	37%	155
6	Wembley Central	39%	113
7	Kilburn	27%	100
8	Barnhill	33%	96
9	Stonebridge	34%	96
10	Welsh Harp	31%	94
11	Tokington	24%	93
12	Dollis Hill	29%	87
13	Sudbury	29%	82
14	Alperton	27%	75
15	Preston	29%	60
16	Fryent	22%	59
17	Brondesbury Park	25%	55
18	Queensbury	24%	52
19	Northwick Park	19%	43
20	Kenton	14%	32
21	Queens Park	24%	16

8.2.13 A similar pattern emerges with Category 1 and 2 hazards, the most serious and high risk disrepair issues.

Table: 3 Category 1 and 2 hazard complaints to private housing services

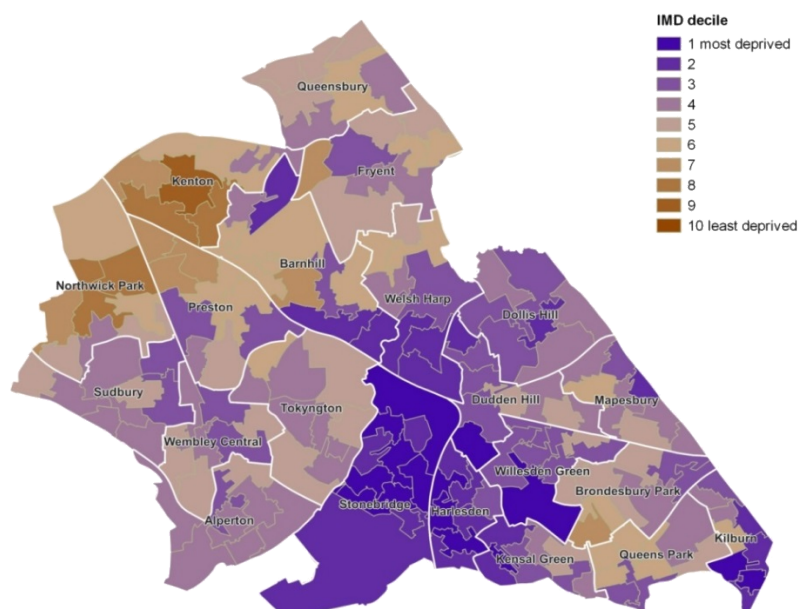
Cat 1 /2 hazard rank	Ward	% known PRS	Cat 1 Hazards	Cat 2 Hazards	Total
1	Harlesden	52%	123	93	216
2	Willesden Green	51%	97	77	174
3	Dudden Hill	37%	71	58	129
4	Wembley Central	39%	66	58	124
5	Kensal Green	37%	74	43	117
6	Mapesbury	34%	82	33	115
7	Welsh Harp	31%	55	31	86
8	Stonebridge	34%	46	36	82
9	Sudbury	29%	48	33	81
10	Tokington	24%	43	38	81
11	Kilburn	27%	41	37	78

12	Dollis Hill	29%	34	33	67
13	Alperton	27%	29	32	61
14	Barnhill	33%	36	18	54
15	Brondesbury Park	25%	27	18	45
16	Preston	29%	24	20	44
17	Queen's Park	24%	30	14	44
18	Fryent	22%	18	21	39
19	Queensbury	24%	29	7	36
20	Northwick Park	19%	14	17	31
21	Kenton	14%	10	12	22
		Totals	997	729	1726

8.3 Deprivation

- 8.3.1 Revised regulations allow a designation to be made if an area is subject to high levels of deprivation. The map below shows deprivation levels in the borough according to the Index of Multiple Deprivation (IMD) 2015. Overall, Brent is ranked 39th among English authorities in the Index, although there are significant variations across the borough. Higher levels of deprivation are concentrated in southern and central neighbourhoods but there are variations in these areas, as well as pockets of deprivation in more affluent parts of the borough.

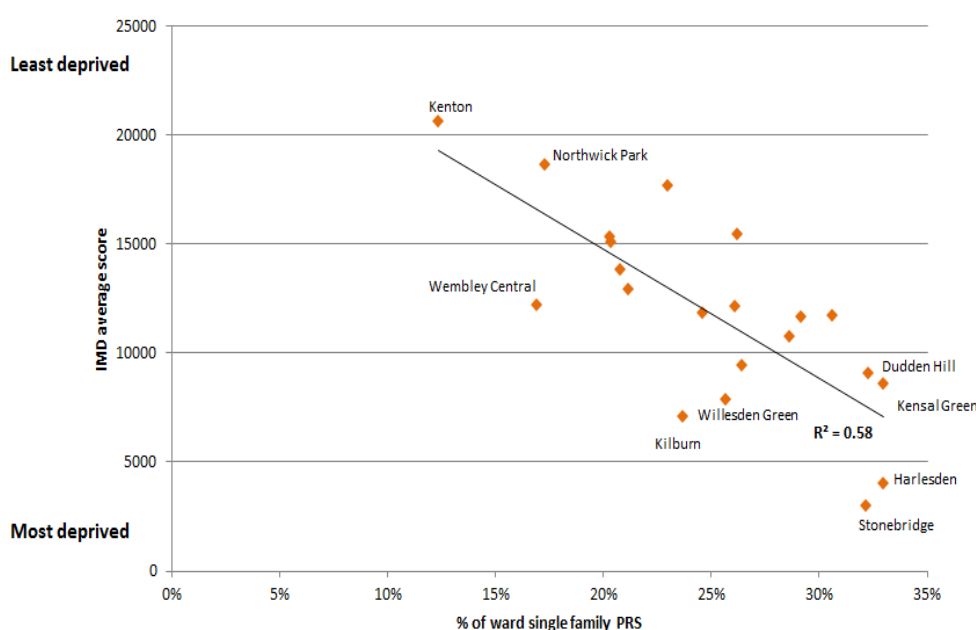
Figure 8: Index of Multiple Deprivation



- 8.3.2 Analysis considered the correlation between private renting and deprivation, comparing it to the association between private renting and ASB. Wards with high

levels of deprivation show some correlation with private renting but this was not a perfect match and the correlation was not as high, at +0.41, as for ASB and poor conditions, where the correlation is high at +0.76. However, there is still a demonstrative positive correlation in that areas with a greater proportion of Single Family PRS also tend to be more deprived. The chart below shows the correlation between deprivation and private renting. However, taken together all three criteria are persuasive arguments for an extension to Selective Licensing either alone or in combination.

Figure 9: Correlation between Deprivation and Private Renting



8.4 Migration

8.4.1 Migration is an additional factor that can be taken into account. Office for National Statistics (ONS) data shows that annual inflows account for between 8% and 10% of the resident population. This is over seven times the rate experienced by England as a whole and is higher than the London average. Of this percentage between 2.5% and 4.5% is international in origin. Inflows of international migrants exceed outflows by over 2 to 1. By contrast outflows of internal migrants exceed inflows, indicating a growth of international migrants over time. This is supported by the number of new migrant GP and National Insurance Registrations which are running at an annual rate of 15k and 23k. The evidence is that these pressures are not new and that this is reflected in an increasingly diverse black, Asian and minority ethnic (BAME) population. The PRS is the main source of housing for this group, with owner occupation largely out of reach and social housing supply limited and with access controlled by allocation policy. There is also evidence, for example recent research by the Runnymede Trust, that some BAME groups, including the White Other group into which the majority of migrants from Europe will fall, are disproportionately affected by overcrowding.

8.4.2 Figure 1 at paragraph 7.2 above has already highlighted the extent of population churn, demonstrating that that turnover and overcrowding are localised and

correspond with identified private rental hotspots especially in areas such as Kilburn, Wembley Central, Willesden Green and Mapesbury. These are traditionally the areas that have been most vulnerable but the phenomenon is increasingly becoming borough-wide as may be inferred from the density and proximity of turnover contours in other areas. Density and churn are high in areas such as Queensbury, Sudbury, Fryent and parts of Kenton, suggesting that private renting is impacting over a wide area.

8.4.3 Analysis also assists in identifying whether properties experiencing churn or overcrowding are more likely to be private rented HMOs or single family rented. Using a cut-off of five or more adults per address and a turnover of five or more adults as a proxy for large HMOs, key findings are:

- Large HMOs experience higher occupancy and churn than single family private rented properties or smaller HMOs, indicating that smaller private rented single family properties are a more stable group.
- Wembley Central and Alperton rank highest on both occupancy and churn, followed by Kenton, Queensbury and Tokyngton. This finding is consistent with the identified HMO hotspots.
- Wards with lower occupancy include Harlesden and Willesden Green which are already Selectively Licensed and also Kilburn, Kensal Green, Dudden Hill and Mapesbury all of which are more likely to be single family rented.

8.4.4 As with other factors, there is significant variation in the impact of migration at ward level. In broad terms, wards with higher levels of private renting tend to see higher levels of migration, particularly where the proportion of HMOs within the PRS is higher. Wards in the south of the borough rank in the top ten for migration with Mapesbury, Willesden Green, Kilburn and Queens Park ranking highest. This might be expected in light of the points noted at 8.6.1. It should also be noted that there are similarities in the pattern here and that for ASB and deprivation. In this context, the scale and distribution of in-migration is a relevant factor in assessing the potential to extend licensing.

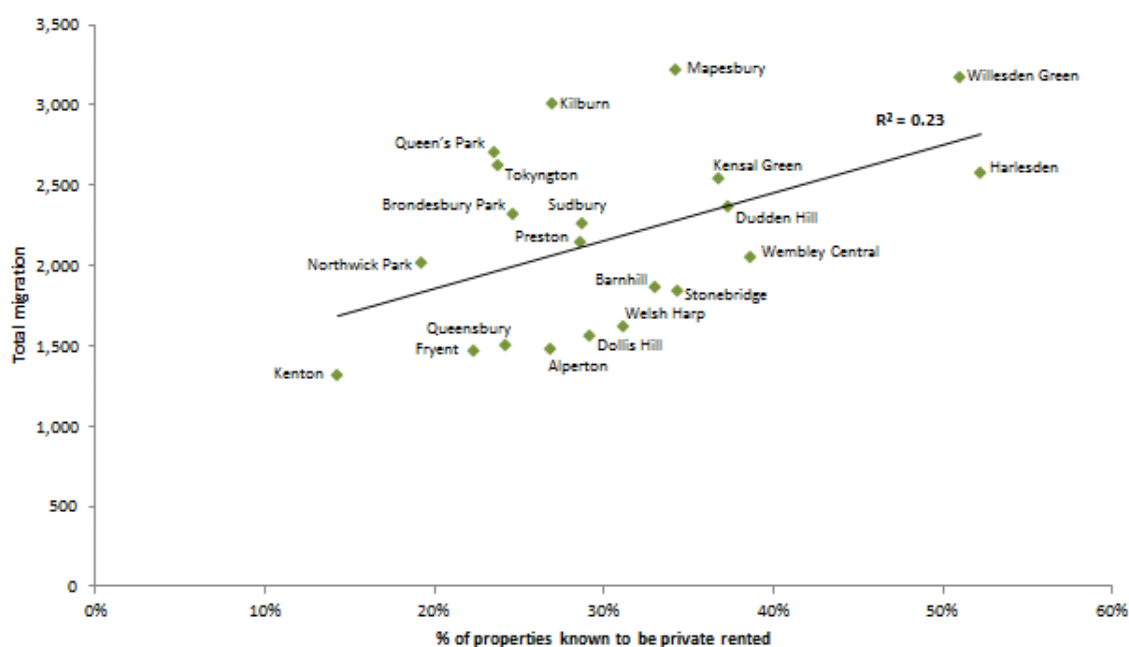
Table 4: Migration at Ward Level

Migration rank	Ward	% PRS (including HMOs)	% Single Family PRS	Migration Total
1	Mapesbury	34%	29%	3,218
2	Willesden Green*	51%	26%	3,163
3	Kilburn	27%	24%	3,006
4	Queens Park	24%	20%	2,696
5	Tokyngton	24%	21%	2,616
6	Harlesden*	52%	33%	2,578
7	Kensal Green	37%	33%	2,541
8	Dudden Hill	37%	32%	2,366
9	Brondesbury Park	25%	21%	2,311

10	Sudbury	29%	26%	2,263
11	Preston	29%	26%	2,142
12	Wembley Central*	39%	17%	2,051
13	Northwick Park	19%	17%	2,008
14	Barnhill	33%	31%	1,866
15	Stonebridge	34%	32%	1,837
16	Welsh Harp	31%	29%	1,615
17	Dollis Hill	29%	26%	1,557
18	Queensbury	24%	23%	1,498
19	Alperton	27%	25%	1,471
20	Fryent	22%	20%	1,469
21	Kenton	14%	12%	1,316

8.4.5 The map below provides an alternative visual illustration of this data

Figure 10: Amount of migration into each ward against known PRS



37,466 PRS records in total. These have been identified as being known PRS through various council sources e.g. housing benefit, council tax benefit which state the tenure type of the property.

8.4.6 As with other factors considered above, ranking wards in this way illustrates the relative severity of the issue, not its presence or absence. Wards that have scored relatively low on other indicators, notably Northwick Park, score much higher in

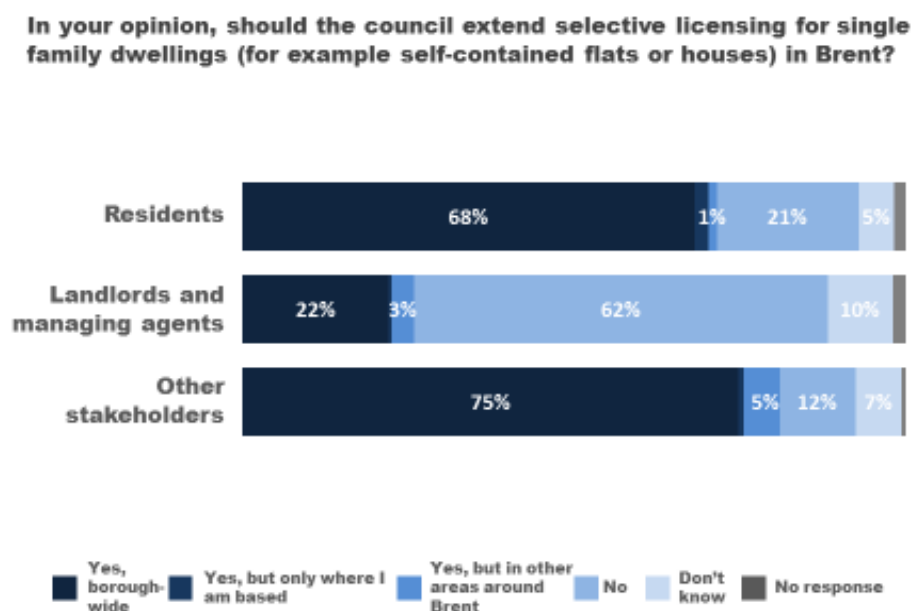
relation to migration, where levels are not significantly lower than in Wembley Central. Similarly, while Kenton is ranked lowest, the level of migration is still significant. These findings reflect a trend identified in relation to other factors that demonstrates the increasing importance of the PRS in such wards. This trend is expected to continue, suggesting a likelihood that these wards will see similar patterns in relation to ASB and other factors to that experienced in other parts of the borough as the sector continues to grow.

9. Consultation

- 9.1 The Housing Act 2004 requires that, before making a designation for Selective Licensing the Council must take reasonable steps to consult persons who are likely to be affected by the designation and consider any representations made in accordance with the consultation and not withdrawn. An extensive consultation exercise was carried out, involving landlords and their representative organisations, letting agents, tenants, residents and neighbouring boroughs. A full report on the consultation process and responses is attached at Appendices 6 and 7, while the following paragraphs summarise the process and key findings.
- 9.2 Consultation aimed to provide residents, landlords, and managing and letting agents with an opportunity to provide their views about the draft proposals to extend the selective licensing scheme. Consultation covered the following areas:
- Opportunities to provide views about the problems in their local area and in relation to their homes in Brent
 - Opportunities to provide views as to how the PRS as a whole in Brent might be improved
 - Opportunities to provide views on the proposed licensing conditions
 - Support for extending selective licensing for single family dwellings in Brent
 - Where selective licensing should apply based on ASB and also one or several of these new criteria: - poor property conditions, high levels of migration, high level of deprivation or high levels of crime,
 - Opinion as to what selective licensing would achieve
- 9.3 The approach was primarily governed by the provisions of the Housing Act 2004 and the DCLG guidance (Revised April 2010). Three questionnaires were designed to capture views on the proposals; one for residents, tenants and businesses, another for private landlords and managing agents and a third for other stakeholders, the latter focusing on interest from London Boroughs of Barnet, Camden, Ealing, Harrow, Hammersmith and Fulham, Kensington and Chelsea, and Westminster, as these boroughs border Brent. The consultation questionnaire was conducted online, though paper forms were made available on request and in certain circumstances such as outreach sessions. Paper forms could be completed by hand and returned to the Council in a pre-paid envelope.
- 9.4 The aim was to use our customer insight to target communications and evaluate their impact. The strategy was to use a broadly based communications drive with a diverse range of channels to deliver consistent integrated messages. The approach was also informed by an equalities analysis.
- 9.5 Consultation ran for 11 weeks from 30 September 2016 and closed on Friday 16 December 2016, although the web-link remained open until 19 December 2016. The vast majority of the work was focused on an external audience, although internal channels were used to engage staff whose work is public facing to act as ambassadors for the consultation and encourage more responses.

- 9.6 1,207 responses were received: 205 from landlords and agents, 855 from residents (including 227 tenants living in the PRS) and 147 from others. Key findings are summarised below.
- 9.7 In response to the central question as to whether the council should extend licensing for single family dwellings, responses were as set out in Figure 11.

Figure 11: Views on the Extension of Selective Licensing

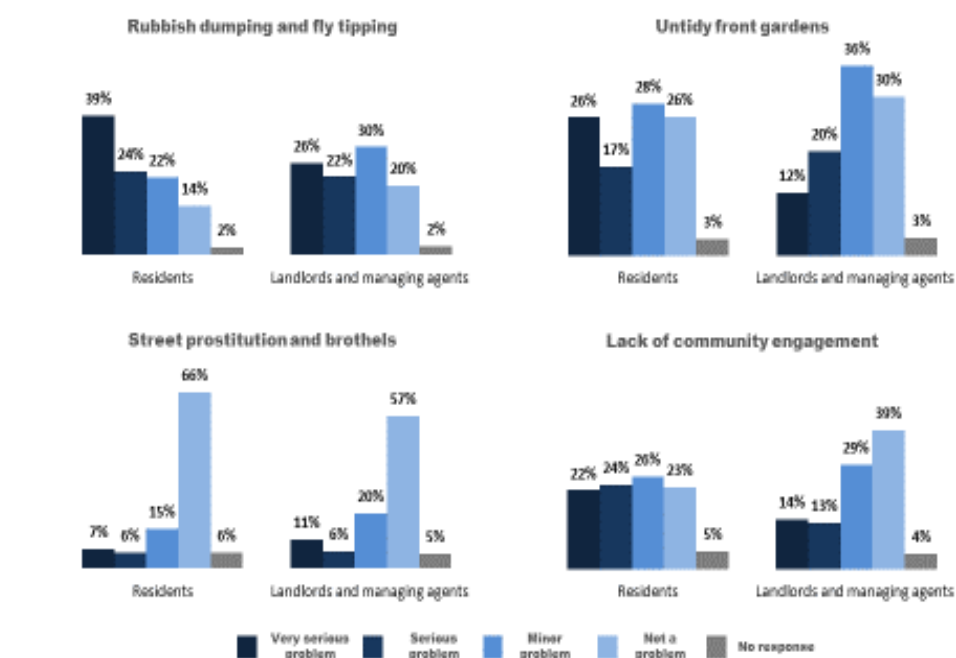


Consultation dates: 30 September 2016 – 16 December 2016
Residents, tenants and businesses (855) Landlords and managing agents (205) Other stakeholders (147)

- 9.8 As was the case in consultation on the original licensing proposals, there is strong support from residents. Although a majority of landlords and agents were opposed, a significant minority also indicated support. Support was highest among other stakeholders who, along with residents, showed majority support for an extension covering the whole borough.
- 9.9 When asked about ASB and other problems in neighbourhoods, it is notable that all respondents indicated some level of concern, with few respondents indicating that there were no problems, except in the case of street prostitution and brothels, which by their nature tend to be less visible and more localised. Levels of concern in all other cases were higher among residents but a significant proportion of landlords indicated concern about fly tipping and rubbish dumping and untidy front gardens. Responses are summarised in Figure 12.

Figure 12: Neighbourhood Problems

**How would you rate the following problems in your local area? /
As a resident, landlord or agent in Brent, how would you rate the problems
identified below?**

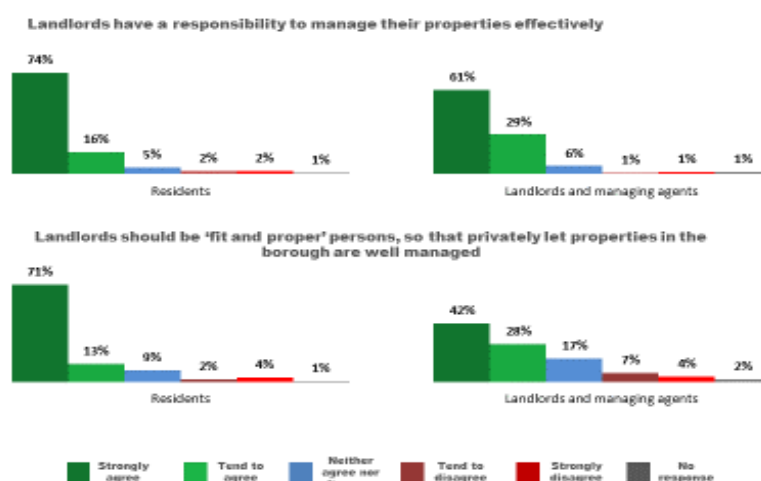


Consultation dates: 30 September 2016 – 16 December 2016
Residents, tenants and businesses (855) Landlords and managing agents (205) Other stakeholders (147)

- 9.10 There was strong support, particularly from residents but also from landlords and agents, for the proposition that landlords have a responsibility to manage their properties effectively and to be fit and proper persons.

Figure 13: Management and Fit and Proper Person Requirements

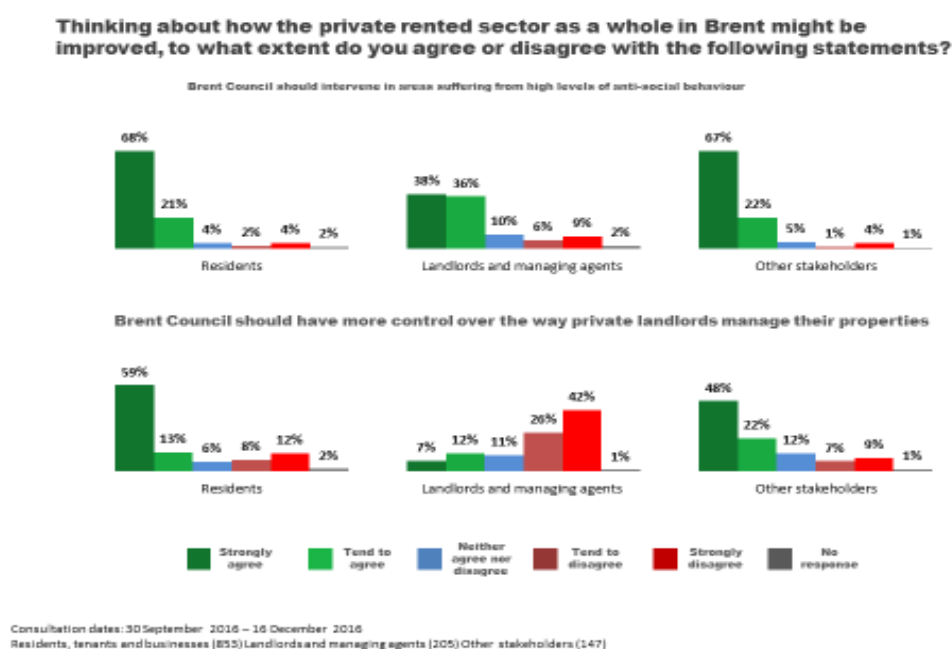
Thinking about the private rented sector as a whole in Brent, to what extent do you agree or disagree with the following statements?



Consultation dates: 30 September 2016 – 16 December 2016
Residents, tenants and businesses (855) Landlords and managing agents (205) Other stakeholders (147)

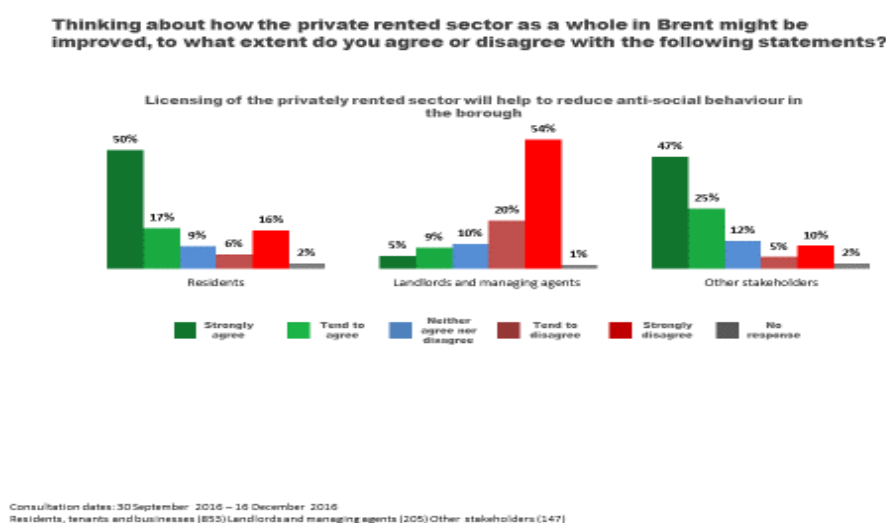
- 9.11 There was also strong support for the proposition that the council should intervene in areas with high levels of ASB. Although support was less pronounced among landlords and agents, it is clear that there is recognition within this group that their business can be adversely affected by ASB. Views on the extent to which the council should have more control over the way that landlords manage their properties were, perhaps unsurprisingly, more mixed with strong support from residents and other stakeholders but clear opposition from landlords and agents.

Figure 14: Intervention on ASB and Management



- 9.12 Finally, respondents were asked for view on the impact of licensing on ASB.

Figure 15: Licensing and ASB



- 9.13. There was clear support from residents and other stakeholders for the view that licensing will help to reduce ASB, while landlords and agents took the opposite view.

Again, this is consistent with findings from previous consultation exercises. Outcomes from consultation are positive and provide additional evidence in support of the case for the extension of licensing. While a numerical majority of all responses supported Selective Licensing there were, perhaps inevitably, differences of view between different interest groups. While it may have been anticipated that landlords and landlord groups would oppose licensing in principle, as they have done elsewhere, the objections put forward raise genuine concerns that have helped to shape the detail of the proposals and will be given due weight in finalising operational arrangements.

10. Conclusions from the Evidence and Consultation

- 10.1 Evidence required by the legislation must ultimately govern the decision in principle as to whether the implementation of Selective Licensing is justified, while outcomes from consultation indicate the level of support for or opposition to the proposals, as well as providing further indication of areas of concern. The consultation sought views as to whether selective licensing should be extended beyond the wards of Harlesden, Wembley Central and Willesden Green to most of the borough and whether selective licensing should be extended on a borough wide basis. It was made clear that any decision on the scope of the scheme would depend on analysis of the evidence and findings from consultation and that it was possible that the Cabinet could be asked to approve the extension of Selective Licensing for every ward in the borough's area beyond the three wards covered by the current Selective Licensing Scheme. It should also be stressed that any decision will not affect the existing Selective Licensing designation in Harlesden, Wembley Central and Willesden Green, which will continue to December 2019 in line with the earlier Cabinet decision.
- 10.2 As set out above, there is strong evidence to support an extension to other parts of the borough based on the conditions relating to ASB, crime, conditions migration and deprivation. However, it is also clear that the picture varies across wards, with factors carrying more or less weight according to local circumstances. The table below summarises the ranking of each ward according to the independent analysis carried out by Mayhew Harper Associates and assessment by officers, with 1 indicating the highest ranking: for example, this means that Harlesden has the most serious problems relating to ASB and poor conditions. Note that some wards rank equally for some factors.

Table 5: Ward Rankings

Ward	PRS (Mayhew)	PRS (Internal)	ASB	Cond	Crime	Dep	Migration
Alperton	31.10%	27%	15	11	14	11	19
Barnhill	27.6%	33%	11	9	10	10	14
Brondesbury Pk	33.7%	25%	16	18	13	15	9
Dollis Hill	24.7%	29%	17	16	15	7	17
Dudden Hill	35.4%	37%	6	3	8	6	8

Fryent	28.3%	22%	19	17	18	17	20
Harlesden	32.4%	52%	1	1	2	2	6
Kensal Green	36%	37%	2	6	6	5	7
Kenton	20.7%	14%	21	21	21	21	21
Kilburn	29.8%	27%	9	7	7	3	3
Mapesbury	45.7%	34%	7	4	11	9	1
Northwick Park	20.6%	19%	20	20	20	20	13
Preston	30.8%	29%	18	15	17	18	11
Queens Park	35.3%	24%	8	14	12	16	4
Queensbury	23.2%	24%	12	19	9	19	18
Stonebridge	16.9%	34%	4	9	1	1	15
Sudbury	33.9%	29%	13	8	19	12	10
Tokington	35.2%	24%	10	11	4	14	5
Welsh Harp	29.4%	31%	14	13	16	8	16
Wembley Central	35%	39%	5	4	3	13	12
Willesden Green	44.9%	51%	3	2	5	4	2

- 10.3 For Table 5, 37,466 properties are identified as privately rented from council sources (Council Tax Benefits, Housing Benefits, tenant information from council tax, ASB data, HMO data). As these were identified from council held sources, there is a high degree of certainty as to their tenure type. The total number of domestic properties for each ward was calculated, and the percentage PRS of all properties was calculated and ranked. Four sources of information have been used to identify ASB; police recorded crimes (September 2015 – September 2016), illegally dumped waste reports from the Cleaner Brent App (September 2015 – September 2016), police recorded ASB incidents (2015/16) and Noise complaints (September 2015 – September 2016). These datasets were combined, aggregated to ward level and then ranked. Property conditions are assessed from– complaints received to private housing services on properties between 1st June 2014 and 31st December 2015; the count of category 1 and 2 hazards; Private property licensing returns January 2015 – March 2017. Wards have been ranked by their individual deprivation score for the combined domains within IMD 2015. Finally, migration data has been taken from the 2011 Census. The individual rank scores were totalled for each ward and ranked

from low to high. For example, Harlesden's combined rankings (1+1+2+2+6) were the lowest across all 21 wards.

- 10.4 Areas proposed for Selective Licensing must have a high level of private rented housing. Brent has 21 electoral wards and data has been analysed at electoral ward level and, where appropriate, at Lower Super Output Area (LSOA) geographies, which average approximately 1,800 residents. Brent has 173 LSOAs or around eight per ward. The average across all wards for each factor relevant to licensing was calculated and acts as the benchmark value. A threshold score was established for each ward across each component within the five conditions, excluding low housing demand. Analysis identified wards which were above the national, London or Brent average for each condition. Wards were then considered for Selective Licensing where there is a high PRS and 1 or more of the conditions are met.
- 10.5 The criterion used to demonstrate a 'high level' is a threshold of 19%, although the English Housing Survey 2015-16 now estimates the national average level at 20.1%. Kenton and Northwick Park are the only wards with a lower total than this based on internal analysis but Mayhew Harper's study gives a higher figure and only Kenton has a proportion below 19%, although a higher figure is found in the Mayhew Harper analysis. Given the continued expansion of the sector, there is reasonable confidence that all wards in Brent have a PRS larger than the national average.
- 10.6 Wards with a high proportion of PRS properties show a greater likelihood of ASB issues, including a correlation between Single Family PRS properties and ASB. With regard to individual components of ASB and their relationship with the PRS (including registered HMOs), police recorded ASB has the strongest correlation, followed by fly tipping reports, police recorded crime and noise complaints. For Single Family properties, the strongest correlations are with fly tipping reports, followed by noise complaints. Several wards frequently feature as being marked by high levels of PRS (both including and excluding registered HMOs) and high levels of ASB. These include Harlesden, Kensal Green, Willesden Green, Stonebridge, Wembley Central and Dudden Hill.
- 10.7 In addition to positive correlations between PRS and ASB, there are also notable correlations between deprivation and PRS. Some of Brent's most deprived wards, including Stonebridge, Harlesden, Kensal Green and Dudden Hill are also marked by having some of the highest proportions of Single Family PRS in the borough. Opposite correlations with ASB can be seen when looking at wards with high proportions of properties marked as 'Other tenure' (these properties are not flagged as PRS or council properties, so there is a higher likelihood of them being owner-occupied). For example, wards with the highest proportions of 'Other tenure' properties see the lowest levels of police recorded ASB.
- 10.8 Officers have considered whether the evidence supports a single designation covering the whole borough and, taking account of analysis and responses to consultation, have concluded that the variations between wards and the prevalence of individual factors relevant to Selective Licensing mean that there is insufficient evidence to support a single, borough-wide designation on the basis of a single factor such as ASB. However, the varying patterns in connection with each factor indicate a strong case for a series of separate designations, grouping wards according to the factors most relevant in each area. The recommendation to extend the scope of selective licensing on this basis means that the geographical coverage and the percentage of the PRS involved exceeds the 20% rule noted earlier and that Secretary of State's confirmation of the scheme is needed if the proposals are agreed by Cabinet.

10.9 In proposing separate designations we have considered;

- The level of the PRS in each ward (known PRS rank),
- The ranking for each of the criteria examined based on the outcome tables and coefficient (R – squared). It is considered that, overall, a ranking of 13 or higher among the 21 wards in Brent demonstrates that the impact of any given factor is significant. This includes the three wards already designated as these (notably Harlesden and Willesden Green) feature worst across all measures although these wards do not feature in the proposed designations in Table 6 as they are already subject to selective licensing. Wembley Central ranks 5th worst in terms of ASB and 7th worst overall.
- The juxta-position of each ward as this indicates a similarity of problem faced, and also allows the boundaries to be easily delineated. The lines also take into consideration the position of the Harlesden, Wembley Central and Willesden Green wards which have already been designated

10.10 This rationale indicates that Kensal Green, Dudden Hill, Mapesbury, Stonebridge, Kilburn, Queens Park, Tokyngton, Barnhill and Queensbury could be proposed as one designation on the basis of their high ranking on ASB. However, Kensal Green, Dudden Hill, Mapesbury, Kilburn and Queens Park are also significantly affected by poor property conditions, migration and crime and given their location in the south eastern section of the borough and therefore, it is proposed that these 5 wards form **Designation 1** on the basis of their shared high ranking against these factors.

10.11 The Brondesbury Park ward is also situated within the south east of the borough and although levels of ASB are less significant, (ranked 16th), migration (9th) and crime (13th) levels are serious problems. The Queensbury ward is ranked 16th for the levels of the PRS is situated at the northern extreme of the borough Queensbury show a relatively high link with ASB (12th rank) and also high crime (9th) and therefore on this basis these two wards form a separate designation – **Designation 2**.

10.12 The Sudbury, Welsh Harp and Dollis Hill wards show evidence of poor housing conditions. The two wards of Welsh Harp and Dollis Hill are therefore proposed as a designation based on poor housing conditions, the general ASB prevalence in the borough and their location next to each other – **Designation 3**

10.13 The wards listed in paragraph 10.10 in relation to ASB also rank highly for poor property conditions. It is proposed that the wards of Tokyngton and Barnhill which were not included in designation 1 should be combined with the other wards which provide evidence of disrepair, these being Sudbury (8th rank) and Alperton (11th rank and also 11th for deprivation) to form a separate designation based on these two criteria, namely poor property conditions and ASB - **Designation 4**.

10.14 Stonebridge is unusual because it is characterised by a high percentage of social housing and industrial use. However, the ward also contains a high proportion of PRS stock, much of it in the form of public sector stock purchased under the Right to Buy. Based on the 2011 census the proportion is 16.9% (Mayhew) but our in-house analysis indicates that the actual figure is 34%, representing significant recent growth. Stonebridge ranks poorly across all criteria (except for migration), and 6th worst overall. It is therefore proposed that it should the four criteria of ASB, poor housing conditions, migration and high levels of crime be the basis for **Designation 5**.

10.15 A strong correlation is shown between migration and the PRS in the north western wards, notably Preston (11th rank) and Northwick Park (13th Rank). These wards plus Fryent consistently feature as the wards least linked to problems in the single family PRS. However given the very strong ASB problems linked to the whole PRS ($R^2=0.73$), these two wards are combined with Kenton to form **Designation 6**, on the basis of migration and ASB

10.16 The six proposed designations are summarised in the table below.

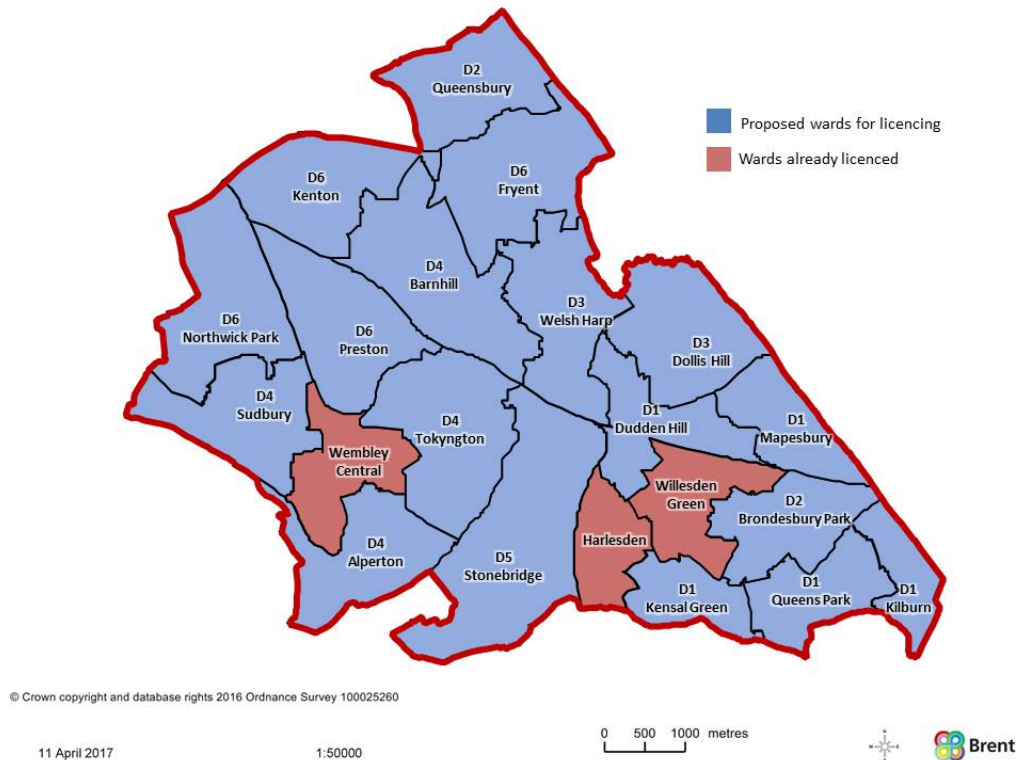
Table 6: Proposed Designations

Ward	Designation	Reasons
Dudden Hill Kensal Green Kilburn Mapesbury Queens Park	1	ASB, PC, MIG, CRIM
Park Brondesbury	2	MIG, CRIM, ASB
Dollis Hill Welsh Harp	3	PC, ASB
Barnhill Tokyngton Preston Sudbury Alperton	4	ASB, PC
Stonebridge	5	ASB, CRIM, DEP, PC
Northwick Park Kenton Queensbury Fryent	6	ASB, MIG

**ASB = Anti-social behaviour; CRIM= high levels of crime; DEP= deprivation;
DISR= poor housing conditions; MIG= migration**

- 10.10 The map below illustrates the geographical coverage of the proposed designations, each of which is numbered in line with Table 6 above.

Figure 16: Map of Proposed Licensing Designations



11. Licensing Conditions and Fees

- 11.1 The proposed draft conditions for Selective Licensing for the proposed six designation areas are set out in Appendix 4 to this report. Some of these are mandatory requirements under the Housing Act 2004 and therefore must be included in any scheme. Others are discretionary and these conditions and the way in which they will operate in practice will be subject to further discussion in the period leading up to commencement of the schemes. The intention is that any additional burden on landlords and unintended negative consequences for tenants should be minimised and that the council's administrative requirements, and by extension the costs of the schemes, should be proportionate.
- 11.2 The council is entitled to cover the costs associated with the scheme through a fee but is not allowed to make a surplus or to use the fee income for purposes unrelated to licensing. To meet these conditions, fees will need to be set at £540 for five years for Selective Licensing. It is proposed that this fee level should also apply to the existing designations in Harlesden, Wembley Central and Willesden Green.

12. Next Steps

- 12.1 As noted earlier, a decision to designate any additional wards for Selective Licensing will require consent from the Secretary of State. Once this has been obtained and

assuming this is obtained, a decision to proceed with licensing proposals triggers a formal notification by way of a designation notice, which must be followed by a period of at least three months before any scheme comes into effect. Following this, licensing applications will be invited and processed but it is not possible to indicate precise timings for this and the commencement of the scheme since this will depend on the time taken to obtain Secretary of State's approval.

13. Legal Implications

- 13.1 Under section 80(2) of the Housing Act 2004 ("HA 2004"), before introducing a selective licensing scheme, the Council (in this case, the Council's Cabinet) must consider that –
- (a) the first or second set of general conditions mentioned in section 80(3) or (6) of the HA 2004; or
 - (b) any conditions specified in an order under section 80(7) of the HA 2004 as an additional set of conditions are satisfied in relation to the area. In this case, The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 ("2015 statutory instrument") will apply as they have provided for additional conditions which involve poor housing conditions, migration, deprivation and crime.
- 13.2 Section 80(3) of the HA 2004 refers to the first set of general conditions which relates to low housing demand which is not relevant for this report.

ASB

- 13.3 The second set of general conditions is set out in section 80(6) of the HA 2004 in relation to ASB and they are as follows:
- (a) that the area is experiencing a significant and persistent problem caused ASB;
 - (b) that some or all of the private sector landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat the problem that it would be appropriate for them to take; and
 - (c) that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, lead to a reduction in, or the elimination of, the problem. "Private sector landlord" does not include a registered social landlord within the meaning of Part 1 of the Housing Act 1996.
- 13.4 ASB is relied upon as the one of the reasons and justifications for all six of the proposed designation areas and the Council's Cabinet must be satisfied the requirements set out in (a), (b) and (c) in the previous paragraph are met when considering and deciding to make Selective Licensing Designation areas for the proposed designation areas 1 to 6 as set out above on the ground of anti-social behaviour.
- 13.5 As for the definition of "ASB", this is set out in section 57(5) of the HA 2004 which states:
"anti-social behaviour" means conduct on the part of occupiers or, or visitors to, residential premises –
- (a) Which causes or is likely to cause a nuisance or annoyance to persons residing, visiting or otherwise engaged in lawful activities in the vicinity of such premises; or
 - (b) Which involves or is likely to involve the use of such premises for illegal purposes.

2015 Statutory Instrument – additional conditions

- 13.6 In relation to the 2015 statutory instrument, the following conditions are specified as additional conditions which the Council's Cabinet must consider are met in relation to a proposed designation area before making a selective licensing designation:
- (i) that the area contains a high proportion of properties in the private rented sector, in relation to the total number of properties in the area;
 - (ii) that the properties referred to in sub-paragraph (i) above are occupied under either assured tenancies or licences to occupy; and
 - (iii) that one or more of the four sets of conditions as set out in the 2015 statutory instrument is satisfied. The four sets of additional conditions are set out below.

Conditions in relation to housing conditions

- 13.7 The first set of additional conditions, which are set out in the 2015 statutory instrument, relate to poor housing conditions. The requirements to rely on poor housing conditions as a sufficient reason to introduce a designation for selective licensing are as follows:
- (a) that having carried out a review of housing conditions under section 3(1) of the 2004 Act, the local housing authority considers it would be appropriate for a significant number of the properties referred to in paragraph 14.6(i) above to be inspected, with a view to determining whether any category 1 or category 2 hazards exist on the premises;
 - (b) that the local housing authority intends to carry out such inspections as referred to in the previous sub-paragraph, with a view to carrying out any necessary enforcement action; and
 - (c) that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, including any licence conditions imposed under section 90 of the 2004 Act, contribute to an improvement in general housing conditions in the area.
- 13.8 Poor housing conditions are relied upon as the one of the reasons and justifications for Designation 5 of the proposed designation areas (i.e. the ward of Stonebridge). The Council's Cabinet must be satisfied the requirements set out in paragraph 14.6 above and in (a), (b) and (c) in the previous paragraph are met when considering and deciding to make a Selective Licensing Designation area for the proposed designation area 5 for the ward of Stonebridge on the ground of poor housing conditions.

Conditions in relation to migration

- 13.9 The second set of additional conditions as set out in the 2015 statutory instrument relates to migration and they are as follows:
- (a) that the proposed designation area has recently experiencing an influx of migration into it;
 - (b) that a significant number of the properties referred to in paragraph 14.6(i) above are occupied by those migrants referred to in the previous sub-paragraph (a) ; and
 - (c) that making a designation will, when taken by the other measures taken in the designation area by the Council, or by other persons together with the Council, contribute to-

- (i) the preservation or improvement of the social or economic conditions in the area; and
- (ii) ensuring that the properties referred to in paragraph 14.6(i) above are properly managed, and in particular, that overcrowding is prevented.

Conditions in relation to migration are cited as the one of the reasons and justifications for the proposed designations 1 and 6desbury Park. The Council's Cabinet must be satisfied the requirements set out in paragraph 14.6 above and this paragraph are met when considering and deciding to make a Selective Licensing Designation area for proposed designation areas 1 and 6 on the ground of migration.

Conditions in relation to deprivation

- 13.10 The third set of additional conditions as set out in the 2015 statutory instrument relates to deprivation and they are as follows:

(a) that the proposed designation area is suffering from a high level of deprivation, which affects a significant number of the occupiers of properties to in paragraph 14.4(i) above;

(b) that making a designation will, when taken by the other measures taken in the designation area by the Council, or by other persons together with the Council, contribute to a reduction in the level of deprivation in the area.

- 13.11 When determining whether a proposed designation area is suffering from a high level of deprivation, the Council's Cabinet may have regard to the following factors in relation to the proposed designation area: (a) the employment status of adults; (b) the average income of households; (c) the health of households; (d) the availability and ease of access to education, training and other services for households; (e) housing conditions; (f) the physical environment; and (g) levels of crime.

- 13.12 Conditions in relation to deprivation are cited as one of the reasons and justifications for the proposed designation area 5 for the ward of Stonebridge. The Council's Cabinet must be satisfied the requirements set out in paragraphs 14.6 and 14.10 above are met when considering and deciding to make a Selective Licensing Designation area for the ward of Stonebridge (proposed designation area 5) on grounds of deprivation.

Conditions in relation to crime

- 13.13 The fourth set of additional conditions, which are set out in the 2015 statutory instrument, relate to high levels of crime. The requirements to rely on high levels of crime as a sufficient reason to introduce a designation for selective licensing are as follows:

(a) that the area suffers from high levels of crime;

(b) that the criminal activity affects those living in the properties referred to in paragraph 14.4(i) above, or other households and businesses in the area; and

(c) that making a designation will, when combined with other measures taken in the area by the local housing authority, other persons together with the local housing authority or by the police, contribute to a reduction in the levels of crime in the area, for the benefit of those living in the area.

- 13.14 Conditions in relation to high levels of crime are cited as one of the reasons and justifications for the proposed designation areas 1 and 5. The Council's Cabinet must be satisfied the requirements set out in paragraphs 14.6 and 14.13 above are met

when considering and deciding to make a Selective Licensing Designation area for the proposed designation areas 1 and 5 on grounds of high level of crime.

Other matters relating to selective licensing

- 13.15 Under section 81(2) of the HA 2004, the Council must ensure that any exercise of the power in relation to a selective licensing designation is consistent with the Council's overall housing strategy.
- 13.16 Under section 81(3) of the HA 2004, the Council, when making its designation, must also seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and ASB affecting the private rented sector, both: (a) As regards combining licensing (under Part 3 of the HA 2004 – selective licensing) with other courses available to them, and (b) As regards combining licensing with measures taken by other persons.
- 13.17 Under section 81(4) of the HA 2004, the Council must not make a particular designation (for selective licensing) under section 80 of the HA 2004 unless -
(a) They have considered whether there are other courses of action available to them (of whatever nature) that might provide an effective method of achieving the objective or objectives that the designation would be intended to achieve; and
(b) They consider that making the designation will significantly assist them to achieve the objective or objectives (whether or not they take any other course of action as well).
- 13.18 As for the Council's general duties regarding selective licensing under Part 3 of the HA 2004, these are set out in section 79(5) of the Housing Act 2004 which states as follows: "every local housing authority has the following general duties:
a) To make such arrangements as are necessary to secure the effective implementation in their district of the licensing regime provided for by this Part (i.e. Part 3 HA 2004 regarding selective licensing);
b) To ensure that all applications for licences and other issues falling to be determined by them under this Part are determined within a reasonable time."
- 13.19 Under section 80(9) of the HA 2004, before making a designation relating to selective licensing, the Council must-
(a) take reasonable steps to consult persons who are likely to be affected by the designation; and;
(b) consider any representations made in accordance with the consultation and not withdrawn (see Appendices 6 & 7).
- 13.20 As soon as a designation regarding additional licensing has made (following approval by the Secretary of State) pursuant to section 83 HA 2004, the Council must publish in the prescribed manner a notice stating — (a) that the designation has been made; (b) whether or not the designation was required to be confirmed by the Secretary of State and that it has been confirmed; (c) the date on which the designation is to come into force; and (d) any other information which may be prescribed.

Licence Fees

- 13.21 Section 63(7) of the HA 2004 states as follows regarding fixing licensing fees for additional licensing:

“When fixing fees under this section, the local housing authority may (subject to any regulations made under subsection (5)) take into account—
(a) all costs incurred by the authority in carrying out their functions under this Part [i.e. Part 2 HA 2004 relating to additional licensing], and
(b) all costs incurred by them in carrying out their functions under Chapter 1 of Part 4 in relation to HMOs (so far as they are not recoverable under or by virtue of any provision of that Chapter).

- 13.22 Section 87(7) of the HA 2004 states as follows regarding fixing licensing fees for selective licensing:

“When fixing fees under this section, the local housing authority may (subject to any regulations made under subsection (5)) take into account—
(a) all costs incurred by the authority in carrying out their functions under this Part [i.e. Part 3 of the HA 2004 relating to selective licensing], and
(b) all costs incurred by them in carrying out their functions under Chapter 1 of Part 4 in relation to Part 3 houses (so far as they are not recoverable under or by virtue of any provision of that Chapter).

- 13.23 However, the EU Directive and the Provision of Services Regulations 2009 was subsequently passed. Regulation 18 of the Provision of Services Regulations 2009, which incorporates Article 13(2) of the 2009 EU Directive, states: “Any charges provided for or by a competent authority which applicants may incur under an authorisation scheme must be reasonable and proportionate to the cost of the procedures and formalities under the scheme and must not exceed the cost of those procedures and formalities.”

- 13.24 When taking legal action against such landlords, legal costs can be recovered when the courts award costs in successful court enforcement actions. However, costs orders for all the legal costs incurred are not always made by the courts and where court enforcement cases are unsuccessful, not only does the Council not recover the legal costs of such cases, they can be liable to pay the costs of the defending parties who successfully defend such enforcement cases.

- 13.25 In the case of *Hemming v Westminster CC*, the Supreme Court stated that the fee relating to the administration of the application can be charged when the application is submitted and is non-returnable if the application is refused and is compatible with the EU Directive. The Supreme Court also stated that the fee to cover the costs of managing and enforcing the licensing regime can be charged and is compatible with the 2009 EU Directive if the application for a license is successful. However, as for the costs of managing and enforcing the licensing regime if the application for a license is unsuccessful, the European Court of Justice stated that charging in advance for costs other than those directly related to the authorisation process, even if the payment is refundable where the application for a license is refused.

Public Sector Equality Duty

- 13.26 The public sector equality duty, as set out in section 149 of the 2010 Act, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic

- 13.27 The “protected characteristics” are: age, disability, race (including ethnic or national origins, colour or nationality), religion or belief, sex, sexual orientation, pregnancy and maternity, and gender reassignment. Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.
- 13.28 Having “due regard” to the need to “advance equality of opportunity” between those who share a protected characteristic and those who do not includes having due regard to the need to remove or minimise disadvantages suffered by them. Due regard must also be had to the need to take steps to meet the needs of such persons where those needs are different from persons who do not have that characteristic, and to encourage those who have a protected characteristic to participate in public life. The steps involved in meeting the needs of disabled persons include steps to take account of the persons’ disabilities. Having due regard to “fostering good relations” involves having due regard to the need to tackle prejudice and promote understanding.
- 13.29 The Council’s duty under section 149 of the Equality Act 2010 is to have “due regard” to the matters set out in relation to equalities when considering and making decisions on the introduction of additional licensing for the area of Brent and the introduction of selective licensing. Due regard to the need to eliminate discrimination, advance equality and foster good relations must form an integral part of the decision making process. When the decision comes before the Executive, Members of the Executive must consider the effect that implementing a particular policy will have in relation to equality before making a decision. An Equality Impact Assessment will assist with this.
- 13.30 There is no prescribed manner in which the equality duty must be exercised, though producing an Equality Impact Assessment is the most usual method. The Council must have an adequate evidence base for its decision making. This can be achieved by means including engagement with the public and interest groups and by gathering relevant detail and statistics.
- 13.31 The Equality Impact Assessment is set out in Appendix 3 to this report.

14. Financial Implications

- 14.1 The administration of the scheme is such that it is intended to be self-financing over a five year period with higher levels of income from years 1 and 2 funding expenditure over the full 5 years. A fee of £340 relating to the Selective Licensing scheme will be charged per application and is set at a level where the total revenue from the fee is intended to cover the total costs incurred.
- 14.2 It is estimated that 14,000 license’s will be issue in the 5 year period, generating total funding of £6.86m over 5 years from the additional selective licenses. This assumes 25% of licenses being provided with the discounted fee for early take
- 14.3 The income will be closely monitored and a team proportionate to the demand for the service will be employed. The costs of the scheme exclude the cost of any enforcement action on non-licensed properties but will cover the cost of processing the license application and of compliance monitoring and enforcement against an applicant who is given a license.

15 Equalities Implications

- 15.1 The proposal to introduce selective licensing is intended to enhance housing management practices in the private rented sector (PRS), in compliance with the Housing Health and Safety Rating System (HHSRS) standards. It is anticipated that

this will have positive outcomes for tenants across all protected characteristics, particularly those who are currently over-represented in the PRS.

- 15.2 It should be stressed that data relating to the protected groups among both tenants and landlords is limited, partly due to the unregulated nature of the sector. Although Census data provides a breakdown of tenure by ethnicity and age, analysis relevant to other issues such as disability has not yet been completed by ONS. Overall, the size of the sector and the estimated number of landlords suggests that there will be members of all protected groups among both tenants and landlords. The sector also contains a mix of household and income types that ranges across the spectrum.
- 15.3 In order to inform the final licensing proposals, officers have carried out an extensive consultation and research available in Appendix 2 and a full Equality Analysis available in Appendix 3. The findings of the analysis show that the groups that are over-represented in PRS are ethnic minority groups (including White: Other groups), older adults, people under 35, households with children (including single parent households), as well as people with disabilities and long term health conditions, socio-economic and other vulnerable groups.
- 15.4 If Selective Licensing is introduced, all equality groups are likely to benefit from improvements in engagement, communication and signposting information between the council, landlords and tenants and other service providers. Information would relate to such matters as changes in the law affecting the PRS, energy efficiency measures and grants availability, information on local organisations and agencies which may be able to provide support. One of the intended outcomes of licensing is that landlords will be more aware of their duties under the Equality Act 2010 and of the support and funding available to them and their tenants such as the Disabled Facilities Grant for reasonable adaptations. This will further enhance the equality outcomes for people with disabilities and long term health conditions, older adults and their carers, as well as other vulnerable groups.
- 15.5 One of the key aims of Selective licensing is to reduce antisocial behaviour, including hate crime and homophobic incidents. This will benefit all protected characteristics, including sexual orientation, gender identity, disability, race and religion.
- 15.6 The Equality Analysis, however, has also identified some potential negative consequences for over-represented equality groups in the affected landlord, agent and tenant cohorts. Black, Asian and minority ethnic (BAME) landlords are overrepresented in Brent, and as such it is recognised that the introduction of the scheme is likely to have a greater impact on them in relation to increased business costs and potential financial penalties.
- 15.7 The main identified risk of negative impact at this stage is the possibility that the introduction of licensing may lead some landlords – particularly those likely to struggle to comply with licensing conditions – to withdraw from the market and evict their tenants. It is not possible to assess the scale of this risk accurately, although experience elsewhere has not demonstrated any significant withdrawal from the market. The findings of the study by Future of London noted earlier in this report bear directly on this point and will be taken into account in the implementation of any scheme. Any impact, in this or other areas, will be monitored closely and will inform regular reviews of the operation of licensing.
- 15.8 It is likely that tenants most impacted by these proposals will be among the lower income groups in the sector, living in the poorest quality housing and, similarly, that the landlords of these properties will experience the greatest impact from their perspective. In particular, there may be issues relating to people under 35 who are

affected by the single room rate for Housing Benefit and are therefore more likely to be living in HMOs.

- 15.9 In addition, data indicates that Black and Asian tenants are over-represented in the private rented sector. The most striking finding from the equality analysis is the over-representation of the Other White ethnic group among private tenants. Although further research is required, it may be that this is due to the presence of high numbers of European migrants in the sector. Again, it is likely that many of these are living in HMOs or property in the cheaper end of the market.
- 15.10 Some landlords may seek to pass on costs arising from the scheme to tenants, which may result in cases of tenant displacement and landlords' claims for possession through both legal and illegal actions. If landlords decide to increase rents, tenants from over-represented equality groups such as people under 35, migrants, single parent households may be particularly affected by this. However, based on the PRS team's experience of licensing over the past two years and that of other Councils who have introduced selective licensing, it is believed that this unintended outcome is very unlikely to materialise.
- 15.11 Tenants may also potentially be affected by enforcement actions against landlords of overcrowded properties. The findings from the PRS team's licensing visits indicate that a growing number of tenants are White: Other groups, particularly Eastern European groups or other emerging communities (e.g. Latin American groups). Wherever possible the Council will work with landlords to make properties fit for the number of tenants. In cases when tenants have been unlawfully displaced or evicted, every effort will be made to effectively support and signpost them to available information and support.
- 15.12 In the longer term, licensing will, among its other benefits, provide an opportunity to obtain a more complete picture of the sector and its operation that will assist in identifying issues relevant to protected groups. At the same time, closer partnership working with landlords should support promotion of good practice on equalities in the sector. The Equality Analysis includes a detailed action plan available in Appendix 3.

16. Staffing and Accommodation Implications

- 16.1 With the introduction of Selective and Additional licensing in January 2015 Private Housing Services already has a dedicated and experienced team of officers employed to both process applications and inspect properties as well as carry out and required enforcement activities. If the predicted number of applications is received, further license application and administration officers will be employed on a temporary contract basis to deal with the demand. It is thought that the vast majority of license applications will be received in the first year of the scheme and there will therefore need to be more officers employed in year one of the scheme than in years two to five. It is also possible that addition Licence Enforcement Officers will also need to be employed to further enforce standards within the private rented sector. Detailed staffing and resourcing plans will be developed and will be subject to any necessary staff consultation.
- 16.2 As stated above, all staffing and other required activities will be funded from the income generated by the license fee.