

Appendix 1: Mayhew Harper Associates Research

The case for extending Selective Licensing in Brent

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Executive Summary

In January 2015 Brent introduced Borough-wide private rented sector Additional Licensing, and, Selective Licensing in three electoral wards Harlesden, Wembley Central and Willesden Green. The purpose of Additional Licensing is to ensure that a larger proportion of rented accommodation in Brent is managed effectively. Selective Licensing is focussed on improving the management and housing standards of privately rented properties in areas where evidence has shown there to be ongoing anti-social behaviour problems.

Brent now wishes to extend Selective Licensing to all or most of the borough to tackle similar problems in other areas. For Selective Licensing to be introduced DCLG guidance stipulates that there should be evidence of a low demand for privately rented housing and/or significant and persistent ASB behaviour. *These criteria were expanded in March 2015*, to include the additional conditions of: poor property conditions, high migration, population churn, and deprivation and crime. ¹

On the one hand the extra conditions widen the criteria for its introduction so making it more flexible. On the other hand, DCLG guidance also requires confirmation from the Secretary of State for any Selective Licensing Scheme (SLS) which will cover more than 20% of the geographical area or will affect more than 20% of privately rented homes. The practical effect of this is that Brent needs to support its aims with the necessary hard evidence.

This research finds that borough wide Selective Licensing is justified and more likely to achieve Brent's housing strategy than a more piecemeal approach. The reasons are:

- Private renting in Brent continues to grow. Based on the Census it grew by 72.1 % to 35k properties between 2001 and 2011 and now accounts for 31.5% of the entire housing stock and 41.5% of the private stock. The results of this research are that it is still increasing in size with closer to 37k properties being privately rented of which 56% are estimated to be HMOs.
- Private renting is spreading outwards from traditional private rented hotspots in the southeast to neighbouring wards. Not only that, private renting is encroaching northwards to previously unaffected and more affluent wards including Barnhill, Fryent, Preston, Queensbury, Alperton and Sudbury.
- Population turnover in Brent is three times higher than in the rest of England with migration a major factor adding significantly to housing pressures. ² Although inflows tend to balance outflows, international migrants are much more likely to remain in Brent than internal migrants thereby increasing the ethnic diversity of Brent but also adding to pressures on Council services.

1

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418551/150327_Guidance_on_selective_licensing_applications_FINAL_updated_isbn.pdf

2

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets/localareamigrationindicatorsunitedkingdom>

- Brent is ranked 39th in England among local authorities in terms of deprivation which exists in concentrated pockets throughout the borough. However, we find that private renting is more highly correlated with housing disrepair and ASB than it is with deprivation and that property disrepair is affecting more affluent as well as deprived wards.

The results since the introduction of Licensing in January 2015 have been mixed.

- Of the estimated 21k HMOs in the borough only 1,653 Mandatory and Additional Licenses have been issued or 8% of the total. The report details some of the reasons which include problems of HMO identification but also the evasive behaviour of landlords. Even with much higher levels of enforcement including more prosecutions it will be difficult to improve compliance.
- Under Selective Licensing any rented property, subject to certain exemptions, is eligible to be licensed and so the level of proof as to whether it is an HMO or not is much less restrictive. Selective Licensing which only applies to three Brent wards currently has led to 3,330 licenses being issued and so has been very successful in terms of take-up. This equates to an estimated 94% of single family eligible properties in those wards but excludes known and potential HMOs.
- For the reasons given in the report the option to extend Selective Licensing borough-wide is stronger than the alternative of limiting its extension to 20% of the private rented stock and 20% of the area. However, the case would need careful presentation because it would mean applying to the Secretary of State. Based on the evidence presented the second option would be too limited in scope.

Accompanying the report is a database of all privately owned properties in Brent each with a Unique Property Reference Number (UPRN) plus aligned ASB data. The database is designed to serve various purposes in taking the strategy forward and includes details such as benefit status, occupancy, housing conditions and ASB incidents. The database includes a risk assessment of every privately owned UPRN to say whether is private rented or not and if more or less likely to be an HMO or single family household.

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1. Introduction

In 2013 Brent Council asked Mayhew Harper Associates to undertake research in connection with the introduction of discretionary licensing of its privately rented sector. On the basis of work undertaken then we identified that roughly a third of all residential properties in Brent were being privately rented. Although estimates are necessarily approximate, of these an estimated 19.3k were HMOs and 16.7k single family rented or 36k in private rented properties in total.

This research informed the decision to introduce borough wide Additional Licensing in Brent and Selective Licensing Schemes in three wards, Harlesden, Willesden Green and Wembley Central, which became effective 1st January 2015. Brent Council now wishes to extend Selective Licensing for all or most of the privately rented properties in its area. It considers that this will address several of its key priorities, including an elimination or significant reduction in anti-social behaviour (ASB), and help to improve overall quality and management of rented accommodation and the socio-economic status of borough residents.

The new research is designed to build on previous work by ascertaining evidence of the link between private renting and the incidence and occurrence of anti-social behaviour, in addition to that of the additional conditions of poor housing etc. Using the expanded criteria which were introduced by the Government in March 2015, the aim is to extend and contextualise the evidence to include poor housing conditions, levels of deprivation, migration and crime which will also be relevant for introducing selective licensing schemes.

The Council's priorities are:

- *A clearer understanding of its private rented sector*
- *An understanding of how ASB, environmental issues and other council enforcement services are linked to individual properties and areas of high private renting*
- *The creation of a database of properties in the borough with a unique property reference number for each and aligned with a risk assessment of whether the property is private rented or not .*

1.1 Background to Brent

Brent is one of the most culturally diverse boroughs in the UK. People from black, Asian and minority ethnic backgrounds make up 64 per cent of the total population, in which there is also a growing Eastern European, Filipino and Somali population presence. It also ranks 39 in the most deprived boroughs in England based on the 2015 Index of Multiple Deprivation.

Brent has the fifth highest level of private renting in London. In addition, there is a greater reliance than in many other places on welfare benefits and social housing. Due to a lack of affordable homes, Brent also has high levels of temporary accommodation especially compared with other London boroughs.

The publication of the Borough Plan 2015-2019 Brent foresees more housing being built in the borough across all tenures, with more shared ownership schemes to help people into home ownership. A key part of the strategy includes taking action to increase the supply of affordable, good quality housing.

Importantly, it also includes raising private rented housing standards throughout the borough following the introduction of Additional and Selective Licensing schemes. The plan aims to cover 90 per cent of eligible privately rented properties coupled with action to enforce and raise standards in non-compliant properties.

All HMOs in Brent are already subject to Mandatory or Additional Licensing. The main purpose of this report is to evaluate the case for extending Selective Licensing from three wards currently to possibly the whole of Brent, but also to evaluate the take up of licensing since the schemes were introduced in January 2015.

1.1 Types of licensing

The generic term 'discretionary licensing' means any licensing of residential property under the Housing Act 2004 (the Act) that goes beyond the national mandatory HMO licensing requirements contained in the Act. Licensing is mandatory for all HMOs which have three or more storeys and are occupied by five or more persons forming two or more households.³

The two types of recognised discretionary licensing are:

- (a) Additional: where a council can impose a licence on other HMOs in its area which are not subject to mandatory licensing, but where the council considers that poor management of the properties is causing problems either for the occupants or the general public (DCLG is consulting on whether to merge this with Mandatory Licensing – see footnote 3).
- (b) Selective: covering all privately rented properties in areas which suffer or are likely to suffer from low housing demand and also to those that suffer from significant and persistent ASB.

For their introduction Councils must consult local landlords before their initiation and the schemes must be widely publicised when they come into force. Additional Licensing means that a Local Authority can specify the maximum number of people who can occupy the house, and attach conditions relating to the management of the building, as well as making sure amenities are kept up to standard. Failure to comply may lead to the withdrawal of a licence or other sanctions including fines.

The Selective Licensing (SLS) is a more general power. For its introduction there should be evidence of a low demand for privately rented housing and significant and persistent ASB behaviour. *Using expanded criteria introduced in March 2015*, the criteria relating to ASB were extended to include areas experiencing low housing demand, poor property conditions, influxes of migration and population churn, high levels of deprivation or crime.

On the one hand the extra conditions widen the criteria for its introduction so making it more flexible. On the other hand, the new guidance also requires confirmation from the Secretary of State for any Selective Licensing scheme (SLS) which will cover more than 20% of the geographical area or will affect

³ The government is currently consulting on modifying this definition to increase the number of properties subject to mandatory licensing in order to streamline the present dual arrangements. They wish to: 1. remove the storey rule so all houses with 5 or more people from 2 or more households regardless of how many floors; 2. Extend mandatory licensing to flats above and below business premises; 3. Set a minimum room size of 6.52sq-m in line with the existing overcrowding standards (Housing Act 1985).
<https://www.gov.uk/government/consultations/houses-in-multiple-occupation-and-residential-property-licensing-reforms>

more than 20% of privately rented homes. In a borough like Brent this could be difficult to achieve as the problems do not fit neatly into wards.

Brent introduced two new schemes in January 2015 sitting alongside a long-standing existing Mandatory HMO scheme for which 380 licences were in force at the time of this research. These were a borough-wide Additional Licensing scheme for which 1,272 licenses had been issued, and a Selective Licensing Scheme in three wards for which 3,330 licences had been issued. At the time of writing, latest data show 538 Mandatory Licenses, 1,451 Additional and 3,756 Selective Licenses in force.

The cost of a licence varies according to whether the property is an HMO or a 'single family' residence. Mandatory and Additional licences cost £540 and last for up to five years and are priced per property rather than per individual. Selective Licences cost £340. Administrative or other surcharges may apply (e.g. depending on the number of rooms). In addition there is a £40.00 discount per application for landlords who are accredited to the London Landlord Accreditation Scheme (UKLAP).

The Mandatory, Additional and Selective schemes are now well embedded in Brent but there are justified concerns that the total number of licenses in force falls short of the total private rented stock which according to the 2011 Census comprised 34,000 properties, and which has grown to an estimated 37,000 properties today.

In the three Selectively Licensed wards an estimated 94% of eligible properties have been licensed. However, the equivalent percentage for HMOs in the same three wards is only 14% and so must be considered disappointing. In this research, we focus mainly on the scope for further extensions to Selective Licensing by analysing the evidence for its wider introduction, but also suggest how Additional Licensing could be improved.

Our approach is based on identifying from administrative data the current size of the PRS and then comparing it with the number of currently licensed properties. We use this to produce evidence of the size of the PRS, but also to substantiate links between PRS and poor housing conditions, crime and ASB, deprivation, migration and overcrowding. Based on our analysis we find that changes to the PRS have been such that Selective Licensing is justifiable on a wide area basis but also that much more enforcement work may be needed to support the extension of Additional Licensing.

The information resulting from all of our analysis is contained in a database in which all properties are assessed for known or probable rental status using a 'risk score' approach. This information will be useful to Brent Council going forward e.g. for identification and enforcement purposes, and will be handed over at the end of the project.

2. Approach and method

2.1 Data sources

The difficulty with private rented properties is that there is only very partial information about whether an individual property is private rented or not i.e. the known PRS is only a fraction of the total PRS. However, thanks to the introduction of Additional and Selective Licensing we now have a much higher confidence that our estimates using administrative data sources are robust.

Although alternative information on the PRS exists at ward level using the 2011 Census, ward level data must be considered a blunt instrument not only since it often contains a wide mix of neighbourhoods covering a large area but also because it is increasingly out of date.

A further complication is that rules on the conditions for introducing Selective Licensing have recently been extended to include areas experiencing poor property conditions, influxes of

migration, a high level of deprivation or crime, and low housing demand. As a result, it is necessary to identify and quantify any links between them.

We adopt these wider criteria where it is appropriate to do so subject to the availability and granularity of data. However, we discounted low housing demand as one of the issues affecting Brent. Currently high property prices are crowding out owner occupiers and effectively encouraging a buy-to-let culture and this looks set to continue.

We also find that deprivation as measured by the Index of Multiple Deprivation is variously correlated in areas with high levels of ASB and with a large PRS. We further find that the PRS is even more highly correlated with ASB and poor housing conditions than it is with social deprivation suggesting that landlords and tenants must bear much of the responsibility for this, especially in more affluent areas.

In the eyes of the legislation it is necessary to link cause and effect – for example, it should be possible to identify an event such as noise disturbance to an exact address and to link it whether it is private rented or not. For this reason data available at a household level turns out to be more useful and is more up to date as far as housing conditions and ASB are concerned. However, ward level data is still useful for providing a borough overview e.g. including the spread of renting over time.

Household level data includes reported dilapidations and disrepairs at address level, noise and enviro-crime. However, other data including Police-reported ASB and fly tipping, graffiti etc, was available at ward level only. For these reasons the report distinguishes two types of analysis – one at ward level and the other at property level.

We also benefited from having access to data on benefit households (Housing Benefit and Council Tax Reduction Scheme), Council Tax records, current HMO stock, Electoral Register, and so on. These are used primarily to help inform whether a property is likely to be private rented or not and are useful proxies for low income, occupancy etc.

Our task entailed cleaning all the data sources and geo-referencing them by matching them to the Local Land and Property Gazetteer (LLPG). The end result was a database with one record for each address linked to various different attributes, for example the occurrence of a noise complaint, if it was a benefit household or not and so on.

In the context of Selective Licensing an individual UPRN represents a property or household for this analysis. By linking each administrative dataset to the LLPG at address level, the tenure or likely tenure of each UPRN was established by a process of elimination. For example, non-residential UPRNs and any UPRNs relating to communal establishments or residential institutions were excluded as they are not relevant.

For the same reasons, council stock and housing association stock were removed.

Note, however, that our data on housing association stock is based on information from 2012, and is linked to 14,000 UPRNs on the current LLPG. However, it is known that the size of the housing association stock 2014-2015 was more like 17,000, so up to 3,000 UPRNs in our database may not be identifiable as social housing tenure.

By comparing published data with the Council's own administrative data sources at a household level, we identified 99,397 private sector properties altogether, excluding student accommodation, hostels and care homes, and social housing. Of these, 5,264 are known PRS including 380 Mandatory Licensed HMOs, 1,273 Additional Licensed HMOs (at the time of this analysis).

There were 3,356 Selective Licensed properties based on three wards with Selective schemes, and 255 unlicensed properties receiving student Council Tax discounts. Another 13,632 UPRNs were deemed as 'potential PRS' if they received Housing Benefit, or were a 'Right to Buy' property, or if had made an application for an HMO licence (but not issued).

The remaining 80,501 private tenure UPRNs could be either PRS or owner occupied.

As can be seen, the bulk of these properties are of unknown tenure. We evaluated them using risk factor analysis to determine whether they were likely to be privately rented or single family or HMO. How this was done is described in detail later but is based on using predictors such as benefit status of each property, the number of adult occupants, Council Tax band, housing conditions and ASB.

2.2 Structure of report

The rest of this report is structured as follows:

Section 3 analyses structural changes in the size of the PRS and other tenancy types between Censuses in 2001 and 2011 down to ward level

Section 4 considers trends in housing conditions and ASB using available administrative data and ranks wards by the size of the PRS, housing conditions and ASB

Section 5 profiles private sector properties and identifies risk factors that are highly predictive of single family or HMO status to estimate the size of the PRS and assign 'risk scores' to individual properties

Section 6 reviews Selective Licensing options

Section 7 contains our conclusions

3. Structural changes in tenancy based on the Census

3.1 Census data

Census data on private renting is available but only down to ward level. The Census breaks down households into three main tenure types: owner occupied, social housing or private rented. According to the 2011 Census 49% of the housing stock in Brent is owner occupied, 27% is social housing and 35% is private rented.

The total stock of residential properties is 110k but latest household projections suggest that it is closer to 122k in 2016. Although the 2011 Census must be considered slightly dated, the structural changes in tenancy are an important guide to what has been happening in Brent compared with elsewhere and what is likely to happen in the future.

Table 1 (a) and (b) show important changes in tenure structures in Brent as compared with London as a whole. They show that social housing in Brent rose by 11.3% over the 2001 to 2011 period whereas in London it fell by 0.6%. Meanwhile owner occupation fell by 12.5% and in London by 5.1%.

The biggest changes, however, were in private renting. In London it rose by 65.5% and in Brent by 72.5%. The fact that the changes in Brent are even higher than for London as a whole must be considered synonymous with Brent's position as the borough of choice for many newcomers including migrants.

(a)

London boroughs	2001	2011	Change %
Owner occupied	1,704,719	1,618,315	-5.1
Social housing	790,371	785,993	-0.6
Private rented	520,907	861,865	65.5
Total	3,015,997	3,266,173	8.3

(b)

Brent	2001	2011	Change %
Owner occupied	55,927	48,960	-12.5
Social housing	23,881	26,591	11.3
Private rented	20,183	34,735	72.1
Total	99,991	110,286	10.3

Table 1: Change in Tenancy between 2001 and 2011 in (a) London and (b) Brent

Brent is characterised by higher density housing in the south east corner of the borough and in Wembley and the surrounding area. Further north densities are lower and large areas of green space are common. Here most properties are of inter- or post-war construction – typically semi-detached houses at lower densities.

Southern wards tend to be more socially deprived although there are pockets of more affluent areas such as Queens Park and Brondesbury Park. Over time the quality and appearance of the housing stock has tended to worsen even in more affluent areas and we find that private renting is partly to blame for this.

At ward level, Census data shows significant changes in the PRS over the period. This is seen in Figures 1(a)-(c). These maps are overlaid with a grid (1.0 x 1.0 sq. kms.) for ease of identification of different areas of the borough. For example in 2001, Figure 1(a), the highest percentages of private rental properties are located in Southern wards with the highest (>30%) concentrated in Willesden Green (G6 to H7).

By 2011, Figure 1(b), private renting had intensified in wards already popular for private renters and had also spread northwards into other wards such as neighbouring Preston (C4 and C5) and Dollis Hill (G5 and G6), and also farther afield to wards such as Fryent, Barnhill and Welsh Harp.

Turning to Figure 1(c), which shows the percentage change over the period, there have been significant increases in private renting in most wards over the period but especially in wards such as Tokyngton (D5 to E6), and Kensal Green (G8 to H8). Wards such as Northwick Park (A3 to B5) and Kenton (B2 to C3) are still largely owner-occupied. These and other wards such as Stonebridge in the south (E6 to F8), which is the largest ward by area, consists mainly of Council stock and hence shows little alteration over the period.

Whereas the whole of Brent operates Additional Licensing, Selective Licensing is currently restricted to three wards highlighted in Figure 1(d), Harlesden (F7), Wembley Central (C6 to C7) and Willesden Green (G6 to H7). These wards were selected at the time because they had large private sectors and also scored highly on typical ASB indicator such as noise complaints and fly-tipping.

Annex A gives a table of housing tenure by ward in 2001 and 2011 based on the Census. Post-Census our analysis suggests that private renting has continued to increase and our estimates put the number of privately rented properties in Brent having increased to around 37,000 and that most wards are being affected.

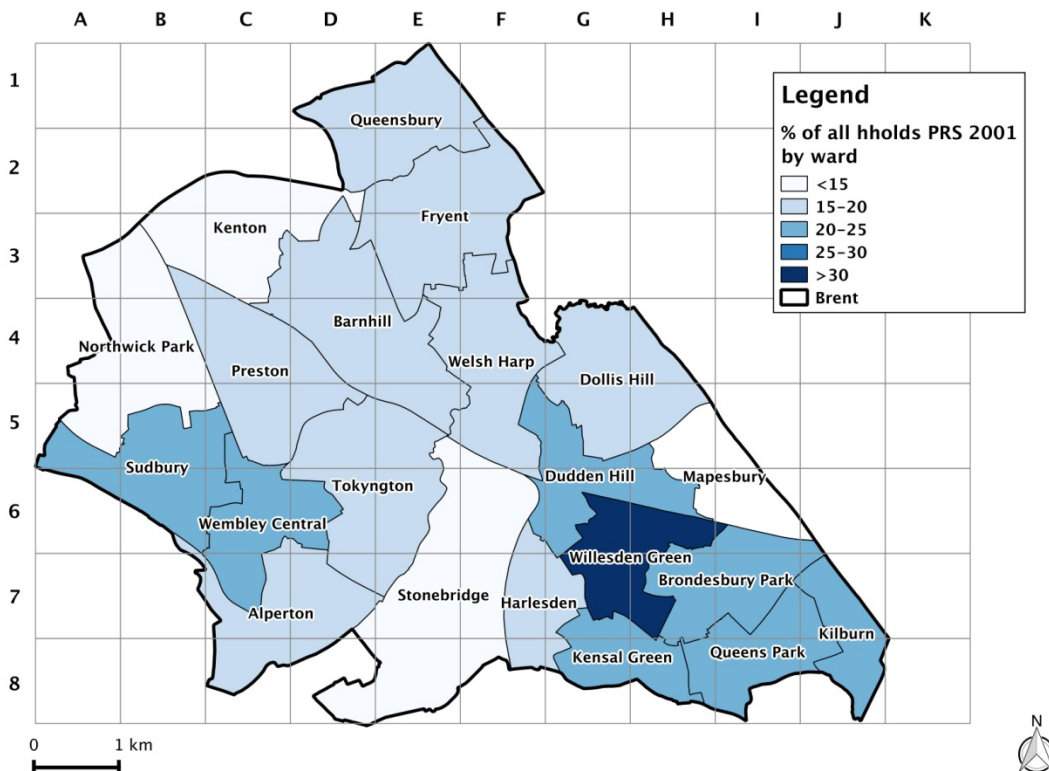


Figure 1(a): The percentage of all households in the private rented sector according to the 2001 Census

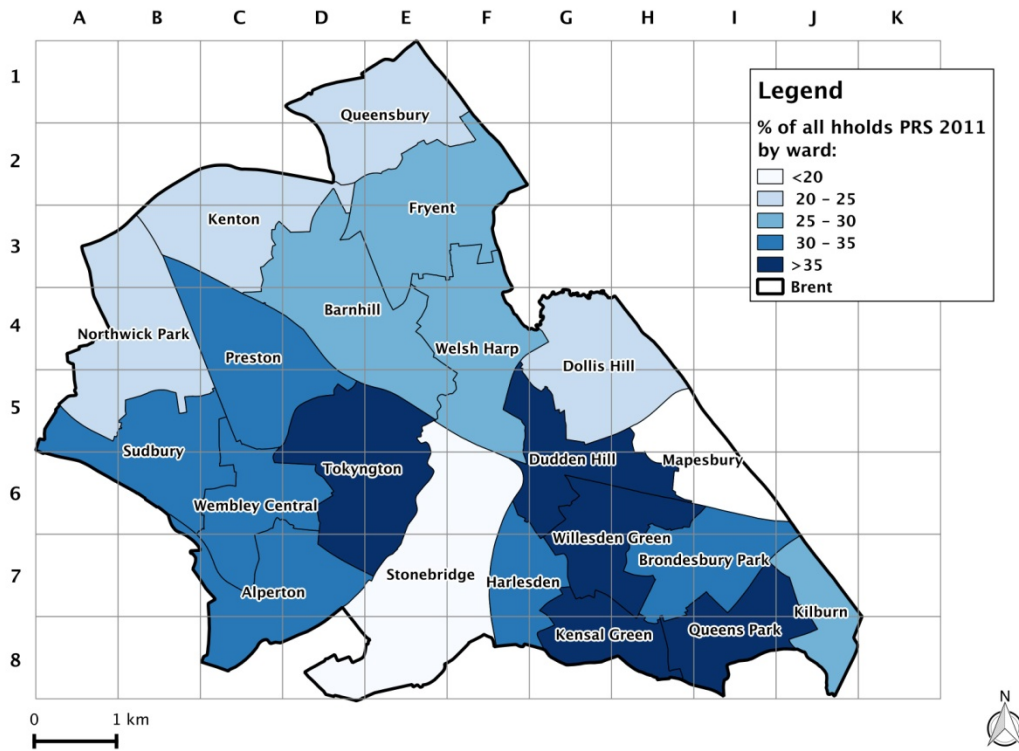
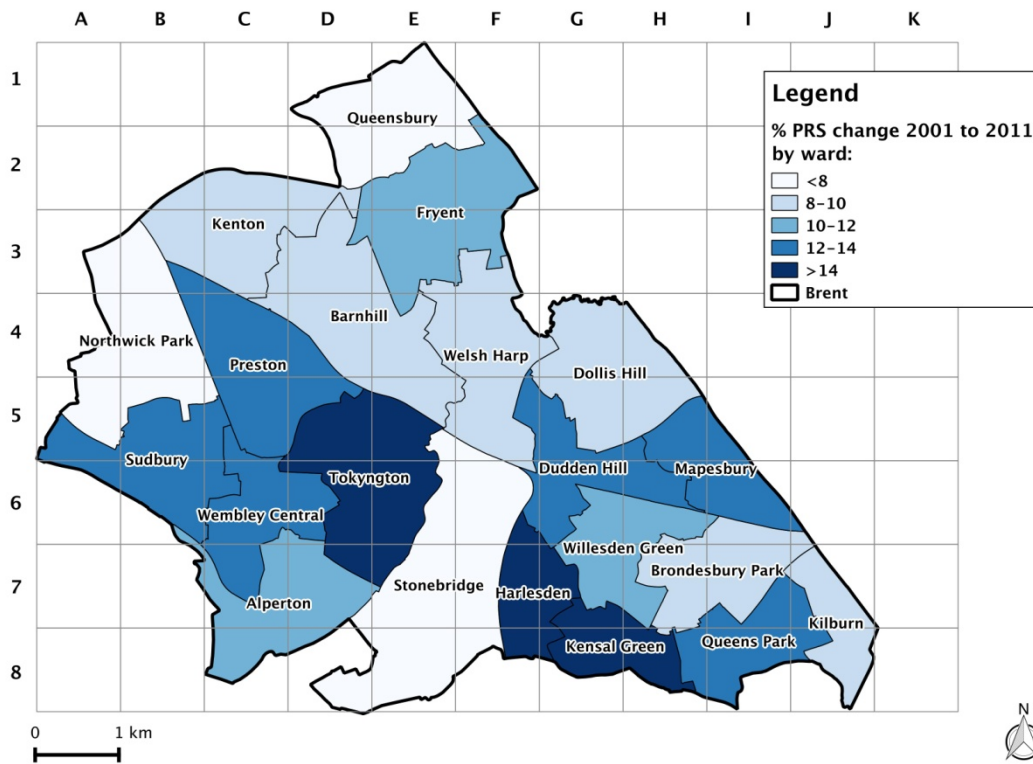


Figure 1(b): The percentage of all households in the private rented sector according to the 2011



Census

Figure 1(c): The percentage change in the size of the private rented sector between 2001 and 2011

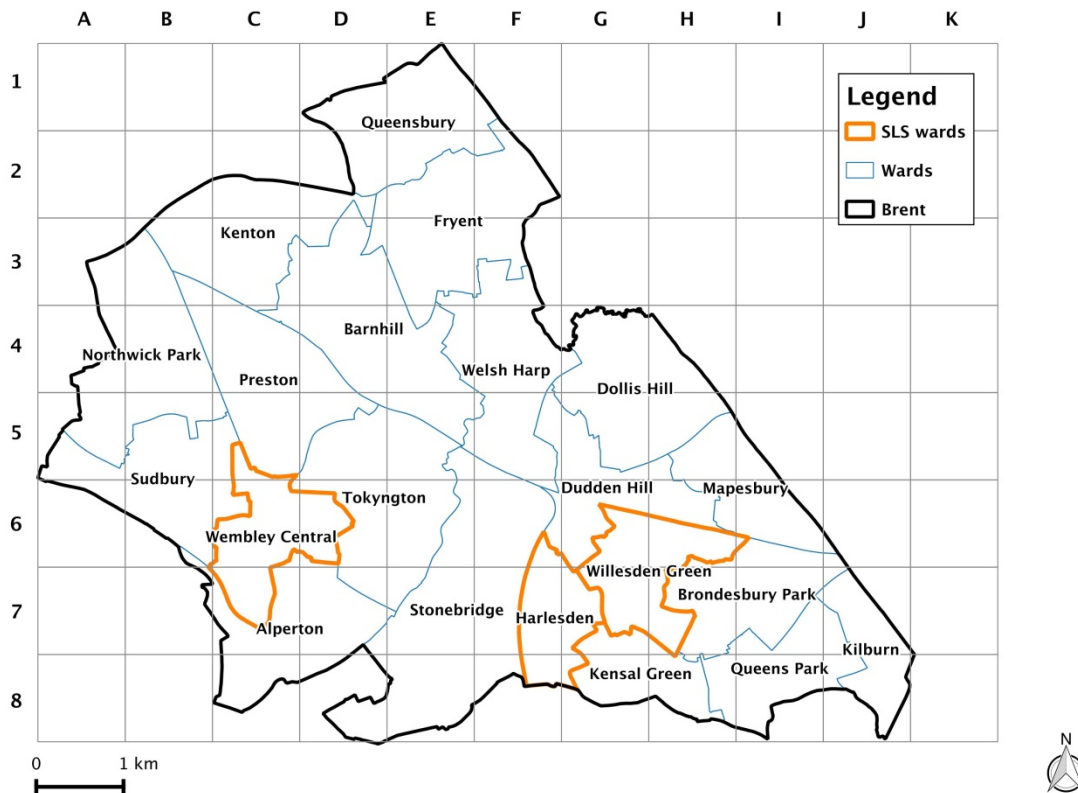


Figure 1(d): Wards covered by Selective Licensing as of January 2015

4. Housing conditions, anti-social behaviour and private renting

This section analyses patterns and trends in ASB and poor housing conditions and considers to what extent they are correlated with private renting at ward level. Brent wards are ranked on six different ASB, crime, and housing indicators to determine which wards are most/least affected and which indicators are most/least correlated with private renting.

4.1 Data availability

According to DCLG guidance ASB is deemed to occur when it falls into one of three categories⁴:

- **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

⁴ Approval steps for additional and selective licensing designations in England (page 10): <http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/documents/housing/pdf/154091.pdf>

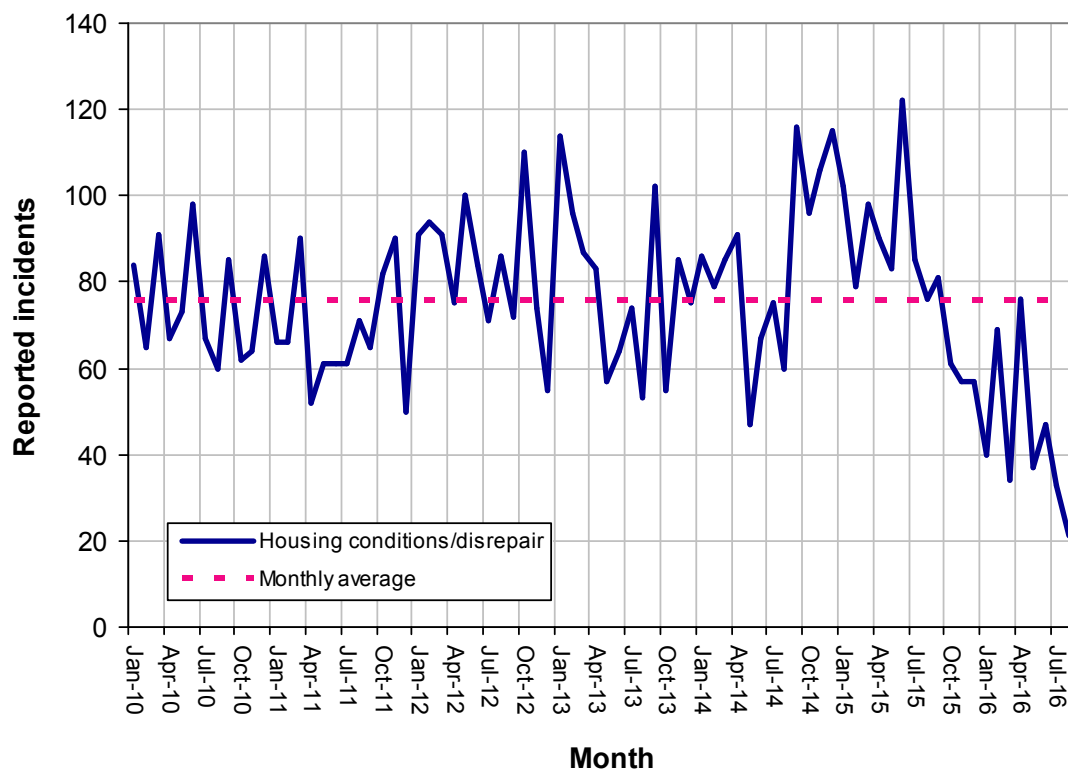
Data sets provided included:

- Environmental crime at household (property and other levels) for the period January 2013 to October 2016. This included reports of noise related incidents and other categories of ASB ranging from pest infestations to pollution incidents.
- Property conditions and disrepairs at address level data spanning the period January 2010 to August 2016, which include a range of different problems including drainage, overcrowding and HMO enforcement.
- Police reported ASB at ward level by financial year from 2013/14 to 2015/16. The data were not broken down by type of ASB but the number of reports totalled 27,729 over the period.
- Data on over 14,000 fly- tipping incidents at ward level between September 2015 and September 2016
- Data on council reported ASB incidents. However, this was limited in size and contained incomplete location references or other details (e.g. type of complaint). Because ASB may be communicated in more than one way to the responsible authorities (e.g. the police), we were satisfied that any gaps would be covered by other sources above.

4.2 Patterns through time

An analysis of incident patterns over time is helpful for showing seasonality or trends. Good examples are variations in notifications of poor property conditions and enviro-crime.

(a) Property conditions



(b)

Figure 2: Monthly notifications of housing disrepair and other property conditions from January 2010 to August 2016.

Figure 2 shows the patterns of incidents from January 2010 to August 2016 which are running at 960 incidents each year or 80 notifications a month; however, these can fluctuate two-fold month on month. We also note a tendency for the incidents to peak in the first quarter of each calendar year which is probably indicative of adverse weather events.

The general trend is upwards until July 2015 but there appears to have been a fall off in activity from then until the present which might be due to a reporting lag in the recording system or possibly the result of conditions improving due to the granting of licences. Of the incidents reported almost 88.9% are housing disrepairs and the remainder chiefly HMO enforcement related (4.3%) with 'other' accounting for the remainder.

(c) Enviro-crime

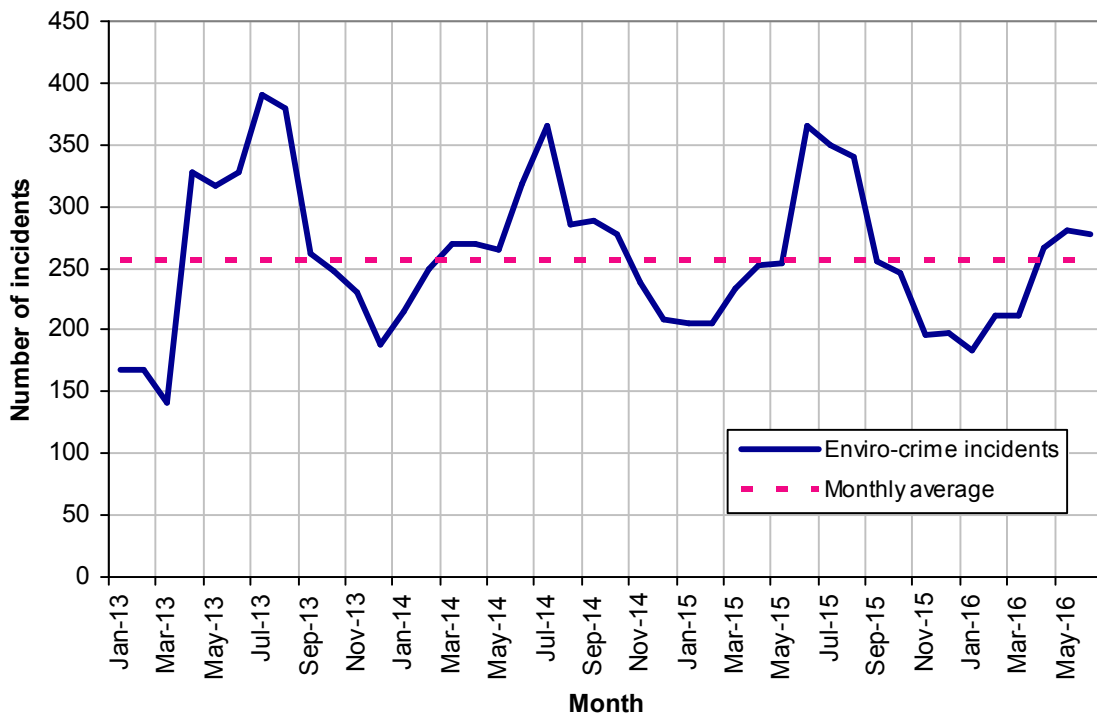


Figure 3: Monthly reported Enviro-crime incidents January 2013 to October 2016

Figure 3 shows the pattern of enviro-crime from January 2013 to October 2016 of which there were almost 12,000 incidents. Periodicity is clearly seasonal with peaks occurring around July each year with an average incidence of over 250 reports per month.

Almost 50% of incidents are noise related, with ‘pollution’ and ‘rubbish’ accounting for 24% of incidents. Pollution here covers a range of types from smoke discharges, to noxious fumes and miscellaneous occurrences caused by poor drainage etc.

4.3 Property conditions and all forms of ASB at ward level

In this section we compare each of the indicators of ASB levels of private renting at ward level. However, we repeat the earlier caution that because there is a correlation between private tenure and ASB at a ward level it does not necessarily imply cause and effect, only association.

Table 2 ranks each ward according to the size of the PRS (column 1) from high to low (1 being the highest ranked ward and 21 the lowest). Each of the ensuing six indicators is ranked similarly by ward. For example, the penultimate column shows that Police reported ASB is highest in Wembley Central and lowest in Kenton and Northwick Park.

A final column provides an overall ranking based on all six indicators in order to derive an overall assessment of conditions in each ward. Note that some wards are tied in which case they are given the same ranking. Shaded rows are wards in which Selective Licensing is in force. These are Harlesden, Wembley Central and Willesden Green.

The two bottom rows of Table 2 are correlation measures that range from -1 (negatively correlated) to +1 (positively correlated) which indicate the degree of association between the ranked information based on the risk factors with the size of the PRS in each ward.⁵

For example, it finds that there is a positive +0.68 correlation between poor property conditions and private renting indicating strong association.

The following additional points can be made:

- Based on the 'rank of ranks' (see final column) there is a +0.76 correlation between the concentration of private renting and the six indicators used indicating a high level of association throughout the borough.
- The wards currently subjected to 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 scores lower on almost every indicator. By contrast Kilburn and Mapesbury with the highest concentrations of private renting are ranked joint third.
- The most correlated indicators with private renting are enviro-crime (+0.79), fly-tipping (+0.74), and property conditions (0.68). The lowest correlated indicators 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].

4.4 Relationship between deprivation, ASB and the PRS

The previous section established a strong association between PRS, ASB and housing conditions at ward level. However, DCLG guidance states that a Selective Licensing designation may be made if, in addition to the ASB criterion, an area is subject to high levels of deprivation. Annex B is map of Brent showing high levels of deprivation in south central parts but also scattered pockets of deprivation interspersed with areas of relative affluence.

We tested the correlation between private renting and deprivation using the Index of Multiple Deprivation (2015) and comparing it to the association between private renting and ASB.⁶ We found that wards experiencing higher deprivation were indeed correlated with private renting (correlation +0.41) but it was not a perfect match i.e. private renting occurred in both deprived and more affluent areas.

Previously, we showed that private renting is highly correlated with ASB including poor property conditions (+0.76) which is much higher than the correlation with deprivation. In our view, so long as ASB and poor property conditions as well as deprivation are associated with private renting all

⁵ The correlation coefficient used is based on Spearman's rank coefficient which is designed for use with ranked data. $\rho = 1 - \frac{6D}{n(n^2 - 1)}$, where D is the sum of the squared differences in ranks between x and y and n is the number of wards.

⁶ The IMD combines information from seven domains including employment, income and health to produce a relative measure with which areas in England may be compared. For Brent we created a weighted average of LSAO IMD scores that applied at ward level.

three criteria are persuasive arguments for an extension to Selective Licensing either alone or in combination.

In other words, this means for example that an area does not have to be deprived for Selective Licensing to be justified because more affluent areas are also affected by poor property conditions and/or ASB. Examples include overgrown front gardens, dilapidated exteriors or over-flowing dustbins. Landlords and tenants must bear much of the responsibility for this.

Ward	PRS rank ⁽¹⁾	Council ASB	Property condition	Enviro-crime all	Enviro-crime Noise	Fly-tipping	Police ASB	Ranks of ranks ⁽²⁾
Alperton	15	7	11	15	18	19	14	13
Barnhill	13	15	9	12	9	8	11	10
Brondesbury Park	8	17	18	18	10	15	16	19
Dollis Hill	18	10	16	20	17	14	15	17
Dudden Hill	7	12	3	9	7	5	13	8
Fryent	16	12	17	13	15	17	19	18
Harlesden	6	8	1	5	4	1	3	2
Kensal Green	5	5	6	7	6	2	6	5
Kenton	21	20	21	17	20	20	21	21
Kilburn	3	5	7	3	2	9	4	3
Mapesbury	1	2	4	8	5	4	7	3
Northwick Park	20	20	20	21	21	16	20	20
Preston	11	18	15	14	10	12	18	15
Queens Park	4	12	14	1	1	6	8	7
Queensbury	17	9	19	10	12	13	10	12
Stonebridge	19	4	9	11	8	18	5	9
Sudbury	10	16	8	19	19	7	17	14

Tokyngton	9	11	11	6	13	21	9	11
Welsh Harp	14	19	13	16	16	11	12	15
Wembley Central	12	3	4	2	14	10	1	6
Willesden Green	2	1	2	4	3	3	2	1
	Correlation coefficient	0.47	0.68	0.66	0.79	0.74	0.58	0.76

Table 2: Ward table comparing the size of the PRS with housing conditions and ASB based on rank: Note (1) PRS ranking based on 2011 Census (1 = most, 21=least); (2) Combines ranks across all indicators (1= most affected, 21=least affected)

5. Identification of the private rented sector

5.1 The concept of a risk ladder

Previously we argued that because there is a correlation at ward level between, say, poor housing conditions and private renting, it does not necessarily mean that private renting is to blame. To ascertain this we need to show that the privately rented properties are more exposed to ASB and poor housing conditions than owner-occupied properties.

There are no complete data at a household to say whether a property is rented or not unless a property is visited or it currently holds a licence. However, it is possible to assign a 'score' to each property to identify whether it is 'high risk' or otherwise and to test whether privately rented stock is poorly maintained or the source of ASB (such as noise complaints).

To help with this we introduce the concept of a risk ladder to quantify the association between specific risk factors and housing conditions at an individual property level in order to identify if private renting is culpable. This is a more accurate approach since it avoids averaging across highly differentiated areas of mixed tenancy at ward level. However, we need to test this hypothesis for each type of licence.

A risk ladder is a table that enumerates all possible combinations of risk factors, and quantifies the number of households exposed to each risk factor combination. It means we are able to profile properties that have applied for licences and use that information to identify properties that have *not* applied for licences but which share the same risk profiles.

How predictive these risk factors are of housing conditions depends on how many properties share these characteristics. Risk factor selection involves testing different combinations of property level risk factors to find out which are most predictive of different categories of private renting – in this case either an HMO or single family rented property.

We are relatively fortunate since discretionary licensing has been in place in Brent since January 2015. This means that we can test the predictive power of different risk factors against known licensed properties to then identify non-licensed private rented properties which are not covered by a scheme or have yet to apply for a licence from the Council. Currently, there are just over 5,000 licences in force covering both discretionary and mandatory licensing which is only around 13% of the potential total PRS.

Of the two discretionary schemes, Selective Licensing covering just three wards is proportionately the most successful in take up terms to date. Our analysis below suggests that 94% of possible single family private rented properties in the three wards are licensed but only 14% of the estimated number of HMOs.

If selective licensing is extended borough-wide this will make a large difference and help to close the gap between licensed and unlicensed single family rented properties but it is unlikely to close the gap between licensed and unlicensed HMOs where a different approach may be needed. In this regard, there may be scope to learn from other boroughs such as Newham, Waltham Forest or Barking and Dagenham.

This section identifies specific characteristics of each type of tenancy that are helpful for assigning risk scores to every property based on probable rental status. Such information is valuable because it can be used to follow up probable non-compliant households, but also because the same information can also be used to justify whether a local scheme meets statutory criteria for its introduction (e.g. the association with poor housing conditions or ASB).

5.2 Risk factor profiling of the private rented sector

At a property level we found that a small group of risk factors are highly predictive of private tenure type. These include the benefit status of the property (i.e. eligibility for Housing Benefit or Council Tax Reduction both of which are a proxy for low income), the number of adults at an address (based on the Electoral Register), the presence or history of housing dilapidations or noise complaints (using household level data).

Also useful were Council Tax bands which are also available at address level. These vary on a scale from A to H from smaller properties (A) to large properties (H). We found for example that single family private rented properties were much more likely to range from band A to C whereas HMOs were more likely to be larger properties ranging from band D to H.

The use of these risk factors resulted in clear differences depending on tenure type. For example, in the case of single family rented properties eligibility for Housing Benefit was much more predictive than was the case for HMOs. For HMOs, the absence of eligibility for help with paying for Council Tax was more predictive than Housing Benefit.

(a) Single Family private rented properties

We begin with private rented single family rented properties. The term 'single family' is a misnomer since it refers to any rented property in which occupants share facilities such as a kitchen as would a family household, but in which occupants are not necessarily related.

Excluding hostels, homes and student accommodation (but not student rented properties) located in the three wards covered by Selective Schemes, Harlesden, Wembley Central and Willesden Green, we identified 14,131 privately owned properties altogether. Table 3 segments each of these properties according to any one of four risk factors giving 16 possible combinations.

Column one shows the number of properties exposed in each risk category and column two the number currently licensed. The next four columns show whether or not a risk factor applies in that risk category (denoted by 'Y'). The risk factors are: whether Housing Benefit is claimed; there are two or more adults living at the address; the presence or history of dilapidations or noise complaints, and last whether it is Council Tax band A-C.

The final two columns give the actual and predicted percentages of properties that have been licensed in each risk category in which the predicted values have been determined using regression analysis. Values range from 75.3% in the highest risk category (row 1) in the presence of all four risk factors to 7.2% in the lowest risk category (row 16) in which none of the risk factors applies.

Of the 14,131 properties in these three wards, 23.6% (bottom cell of penultimate row) are licensed and the remainder unlicensed. The figures at the foot of each column are the number of occurrences of each variable of risk factor. For example 3,330 properties are Selectively Licensed, 3,085 are eligible for Housing Benefit, 6,851 contain two or more adults, and 1,297 are attributed with ASB including poor housing disrepairs.

Further analysis shows that properties receiving housing benefit are 4.9 times more likely to be private rented, 2.4 times more likely if there are dilapidations or noise complaints, 3.1 times more likely if the property is in tax band A-C and 1.1 times more likely if there are two or more adults at the address. These factors are multiplicative so that if all four risk factors apply then the odds of the property being private rented are $4.9 \times 2.4 \times 3.1 \times 1.1 = 39.3$ times more likely relative to a property exposed to none of these risk factors.

Figure 4 plots the predicted percentage of private renting against the observed percentage based on Table 3. As can be seen the correspondence is high with the four risk factors accounting for 92.4% of the variance in licensed properties suggesting a good 'fit' i.e. a property is more likely to be private rented as more of these risk factors apply. With other household level data such as number of rooms or storeys, it might have been possible to improve on this but we consider the results sufficient to identify the scope for licensing in other wards across the borough especially if they are allied with local information and visual inspections (e.g. for enforcement purposes).

Category	Number in category	Occurrences	Housing Benefit at address	2 or more adults at address	Dilapidations or noise	CT band A-C	Known SLS	Predicted %
1	106	69	Y	Y	Y	Y	65.1	75.3
2	273	204	Y		Y	Y	74.7	74.2
3	713	388	Y	Y		Y	54.4	56.0
4	1,582	834	Y			Y	52.7	54.6
5	37	19	Y	Y	Y		51.4	49.4
6	22	11	Y		Y		50.0	48.0
7	203	77		Y	Y	Y	37.9	38.0
8	266	102			Y	Y	38.3	36.7
9	196	77	Y	Y			39.3	28.9
10	156	72	Y				46.2	27.8
11	2,222	489		Y		Y	22.0	20.4
12	3,093	613				Y	19.8	19.5
13	238	40		Y	Y		16.8	16.4
14	152	27			Y		17.8	15.7
15	3,136	202		Y			6.4	7.6
16	1,736	106					6.1	7.2

total	14,131	3,330	3,085	6,851	1,297	8,458	23.6	
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Table 3: Risk ladder showing the percentage of Selectively Licensed properties according to the risk factors given in the three Brent wards subject to Selective Licensing

Scope for Selective Licensing Brent-wide

As we move down Table 3 it is less likely that a property will be private rented. For example, below row ten the probability of being a single family private rented property drops by more than half. Up to row ten all but two rows claims Housing Benefit and the two rows that do not are associated with dilapidations or noise.

If we define this group as properties at 'highest risk' of being single family private rented then apply to the whole of Brent then it suggests there are around 16k similar properties across the whole of Brent which would be similarly at risk, which gives us a reasonable measure of the total number of possible licenses if Selective Licensing was extended borough-wide.

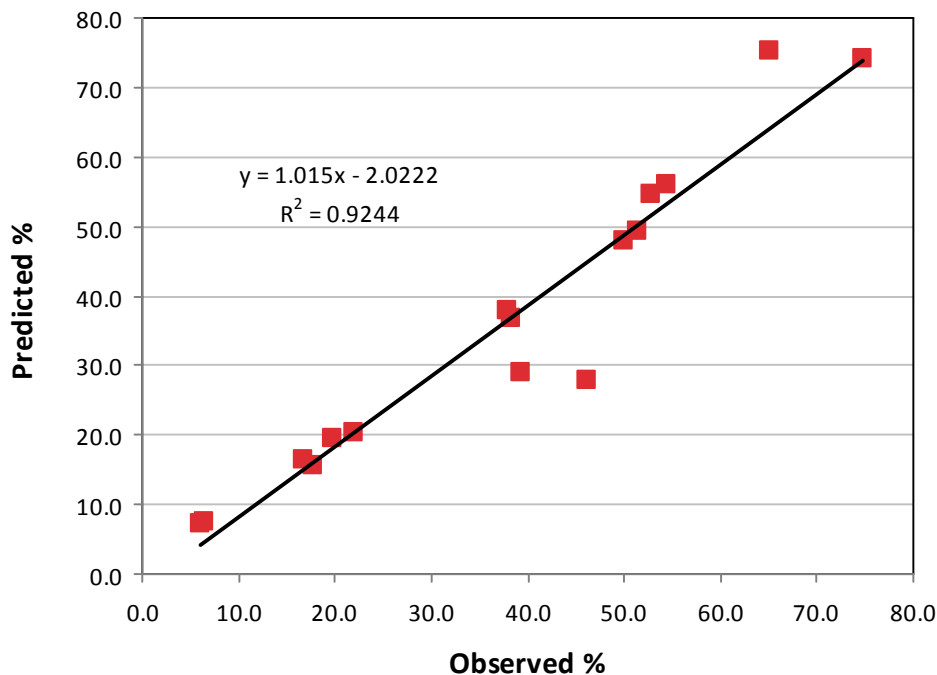


Figure 4: Chart showing the correspondence between the actual percentages of licensed properties and the predicted percentages based on the risk factors in Table 3

Our presumption is that the same risk factors would apply not only in the three already Selectively Licensed wards but throughout Brent. However, for its wider introduction there should be evidence of persistent ASB behaviour and include areas experiencing poor property conditions, deprivation or high levels of crime.

To show that this is the case, Figure 5 is a hotspot map based on the top ten risk categories in rows 1-10 of Table 3. Overlaid on the map are contours showing the concentration of disrepairs and noise complaints. Although Selective Licensing is currently only implemented in three wards, it is clear that its introduction would be justifiable in many other areas.

Several other points are noteworthy:

- The highest densities of high risk single family private rented residences are located in the south east corner of Brent (cells F5 to J8) and generally south of row 4. These hotspots strongly correlate with the incidence of poor housing conditions and property attributable ASB.
- The main wards affected are Welsh Harp, Dudden Hill, Mapesbury Harlesden, Willesden Green, Kensal Green and Kilburn. Other wards in this corner of Brent are less affected but there are signs of encroachment (e.g. in Queens Park). Of these Willesden Green and Harlesden are already Selectively Licensed and this map strongly justifies their inclusion as part of the earlier scheme.
- North of row 5 the effect is diluted because of large areas of green space and lower residential densities. However, emergent hotspots of private renting are visible in Fryent (E2) and Barnhill (D4) where building densities are lower but there is also green space. The contours affirm some local evidence of links to ASB including disrepairs e.g. cell E2 and F2.

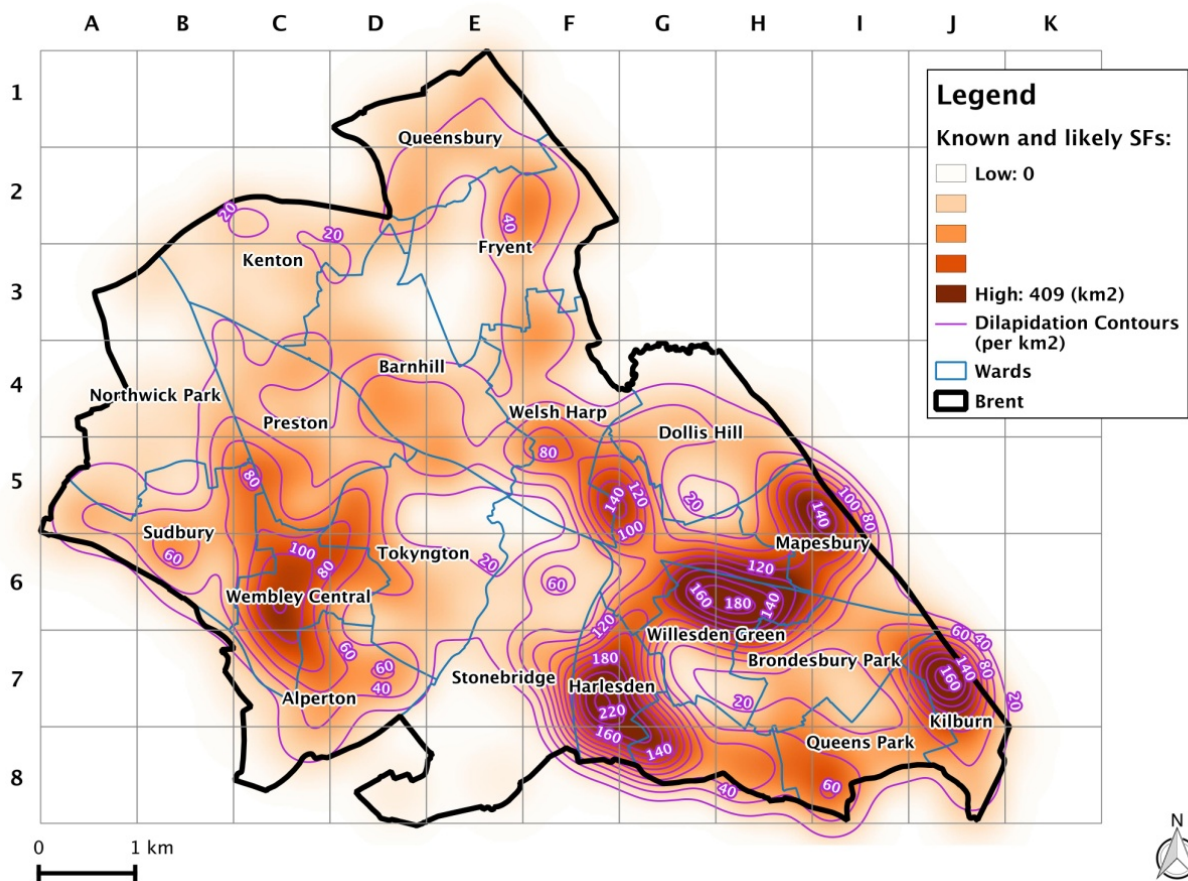


Figure 5: Hotspot map showing concentrations of high risk single family rented properties and contours of poor housing conditions and noise complaints.

(b) Mandatory and additional licensing

Mandatory and additional licensing applies to HMOs on a borough-wide basis. We combine them because although properties are defined differently under the legislation our analysis finds that they

share the same risk factors. By combining them we increase the sample size of licensed properties, thereby strengthening our ability to predict which other properties are at high risk of being HMOs.

We found that the most predictive risk factors of HMO status are: whether *no* Council Tax reduction is claimed at an address; there are *three* or more adults living at the address; the presence or history of dilapidations or noise complaints, and last whether it is Council Tax band D-H. The reason for this is that HMOs tend to locate in larger properties as opposed to single family private rented properties.

Table 4, based on 99, 397 privately owned properties, shows the corresponding risk ladder for HMOs. As before, there are 16 risk sub-categories altogether as defined by the presence or absence of each risk factor. Column one shows the number of properties exposed in each risk category and column the number of those which are currently licensed. The next four columns show whether or not a risk factor applies in that risk category (denoted by 'Y').

Although the scheme is borough-wide, the number of licenses issued is far fewer than in the Selective case, and so the percentages are uniformly smaller. This is seen in the final two columns which give the actual and predicted percentages of properties licensed. They now range from 16.3% in the highest risk category (row one) to 0.1% in the lowest risk category (row 16) in which none of the risk factors applies.

In further analysis, we find that a property receiving no help with Council Tax is 7.6 times more likely to be an HMO, 1.7 times more likely if there are three or more adults at the address, 6.7 times more likely if there are reported disrepairs or noise complaints at the address, and 2.3 times more likely if the property is in tax band D-H. Since risk factors are multiplicative, it means that if all four risk factors apply then the odds of the property being an HMO are $7.6 \times 1.7 \times 6.7 \times 2.3 = 202$ times more likely relative to a property exposed to none of these risk factors.

Figure 6 plots the predicted percentage of private renting against the observed percentages in Table 4. As can be seen the correspondence is high with the four risk factors accounting for 98% of the variance in licensed HMOs properties suggesting a good 'fit' between the risk factors and HMO status. The problem is that the actual number of additional licenses issued is very low compared with the total number of HMOs believed to exist altogether.

It means that it is difficult to estimate how many unlicensed HMOs there are altogether other than by extrapolation – and more difficult than it is to estimate the number of single family private rented households. Previous work using a different methodology estimated that there were approximately 19k HMOs in Brent but our current estimates suggest that this has grown to around 21k properties.

Risk category	No of households	Number of licenses issued in category	No Council Tax Reduction at address	3 or more adults at address	Reported dilapidations or noise	Council Tax Band D to H	Observed HMOs as % of risk category	Predicted HMOs %
1	931	148	Y	Y	Y	Y	15.9	16.3
2	1,513	165	Y		Y	Y	10.9	10.1
3	398	35	Y	Y	Y		8.8	7.9
4	1,912	77	Y		Y		4.0	4.7

5	16,237	442	Y	Y		Y	2.7	2.8
6	118	79		Y	Y	Y	0.8	2.5
7	28,319	475	Y			Y	1.7	1.6
8	276	4			Y	Y	1.4	1.4
9	4,706	8	Y	Y			1.7	1.3
10	49	1		Y	Y		0.0	1.1
11	28,193	191	Y				0.7	0.7
12	935	6			Y		0.9	0.6
13	2,065	11		Y		Y	0.3	0.4
14	5,057	1				Y	0.2	0.2
15	588	10		Y			0.2	0.2
16	8,100	0					0.1	0.1
Total	99,397	1,653	82,209	25,092	6,132	54,516	1.7	

Table 4: Risk ladder showing the percentage of HMOs segmented according to the risk factors given across the whole of Brent

If it is accepted their true number is much higher than the number of licenses issued it must also be presumed that the great majority are below the 'radar' from an enforcement standpoint. However, the predictive strength of the risk factors would suggest that through a systematic use of the database accompanying this research it should be possible to uncover any of them especially if coupled with street surveys and home visits.

Take for example high risk rows one to four in Table 4. None receive help with paying Council Tax, all four are associated with poor housing conditions or noise, two contain three or more adults and two are tax bands D to H. Of the 4,754 properties shown only 425 or 8.9% are licensed currently which means that 4,329 are unlicensed and so ought to be easy to trace through the database.

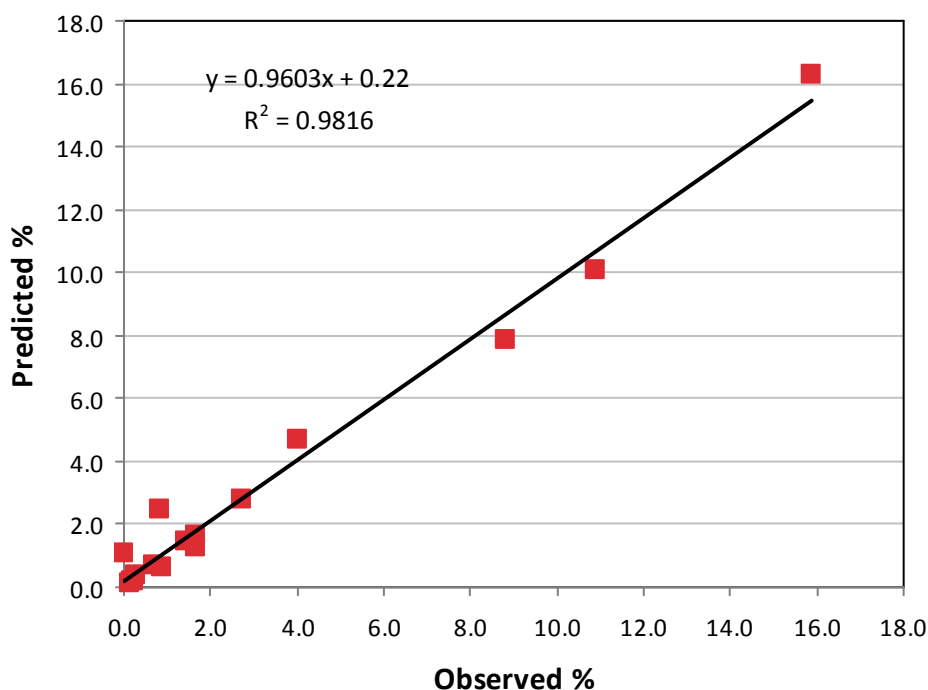


Figure 6: Chart showing the correspondence between the actual percentages of Mandatory and Additional licensed properties and the predicted percentages based on the risk factors in Table 4

Scope for increasing take up of Additional Licensing Brent-wide

Clearly our results imply that the take up of licences under the Selective scheme has been more successful than under the Additional scheme. Reasons for this are necessarily speculative but could be due to the greater difficulty of tracing and engaging landlords including:

- Failure among tenants to forward Council correspondence to non-resident landlords
- A high turnover of tenants relative to tenants in Selectively Licensed properties
- The higher complexity of the license application process for HMOs (e.g. in deciding what kind of licence to apply for and additional form filling)
- A deliberate desire to avoid paying the licences among certain landlords though lack of engagement with the Council
- The higher cost of HMO licences as compared with Selective Licences

Figure 7 (a) is an HMO hotspot map based on all properties exposed to risk factors in the first five rows of Table 4. As previously, overlaid on the map are contours showing the concentration of dilapidations and noise complaints across the borough.

The following points are noteworthy:

- HMOs are geographically more diffuse as well as more numerous than single family rented properties with most areas of the borough affected. The strongest hotspots occur in wards such as Wembley Central and Tokyngton (C6 to D7) where concentrations correlate very well with the incidence of poor housing conditions.

- Numbers of issued HMO licences, although very low, are proportionately higher in the south of the borough. However, there are northern HMO hotspots like Queensbury, Northwick Park, and Kenton where the number of licences issued to date is much fewer than elsewhere suggesting complacency among landlords.

A joint map showing the distribution of the whole PRS is given at Annex C

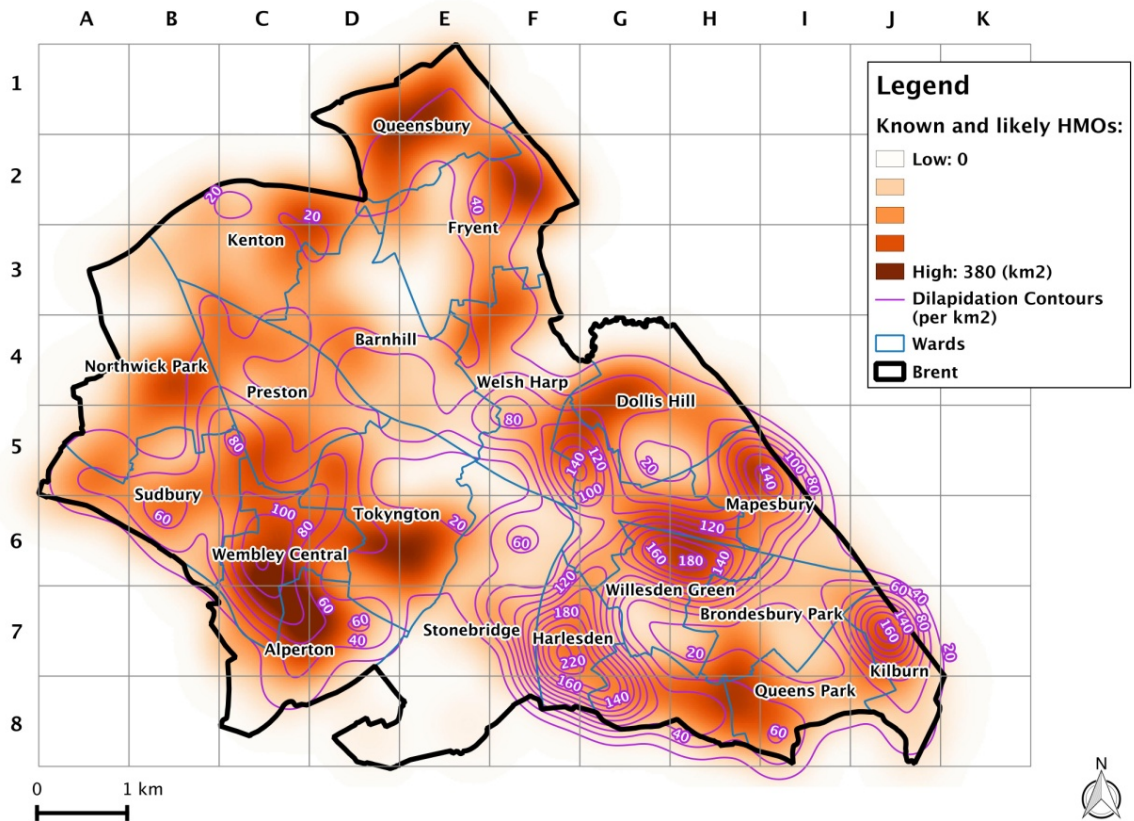


Figure 7: Hotspot and contour map showing concentrations of high risk HMOs, attributable ASB and poor housing conditions

5.3 Migration, population turnover and overcrowding

DCLG local authority guidance states that a Selective licensing designation may be made if an area is also experiencing high levels of ‘migration’. This turns out to be a very strong argument for extending Selective Licensing in Brent’s case as is shown below.

According to ONS, 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.

Taking one year with another outflows tend to balance inflows but it is noteworthy that inflows of international migrants exceed outflows by over 2 to 1. By contrast outflows of internal migrants exceed inflows i.e. the other way around indicating a build-up of international migrants over time.

This finding 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 its increasingly diverse black and minority ethnic population, high rents and the lack of affordable housing.

Migration is strongly associated with private renting because new arrivals to Brent will tend to gravitate towards private renting rather than other tenures including social housing. At a property level this therefore provides another tool for identifying privately rented concentrations including overcrowding to bolster the case for Selective Licensing.

These points are highlighted in Figure 8 which is a map produced from property level data in 2016, based on the density of adults per square kilometre. The map has been overlaid with contours showing adult population churn between 2014 and 2016 which is also measured in persons per square kilometre using the Electoral Register.

The darker the hotspots the more adults there are and the steeper the contours the higher the rate of population turnover. The map confirms that turnover and overcrowding are localised and correspond with already identified private rental hotspots especially in areas such as Kilburn (J7 and J8) but Kilburn is not alone.

Other wards similarly affected include 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.

It is especially noteworthy that both density and churn is high in areas such as Queensbury (see cell E1), Sudbury (B5), Fryent (E2) and parts of Kenton (C2), suggesting that private renting is impacting over a wide area and not just in the traditional hotspots.

A more detailed analysis enables us to determine whether properties experiencing churn or overcrowding is 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 HMOs⁷, we found that:

- 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, findings which are also consistent with earlier analysis.
- 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 in Figure 7.
- 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 but this is only a guide as the HMO map in Figure 5 shows

⁷ Any HMO is a property rented out by at least 3 people who are not from 1 'household' (e.g. a family) but share facilities like the bathroom and kitchen. A large HMO is one rented to 5 or more people who form more than 1 household and is at least 3 storeys high.

- Stonebridge (E7, E8 and F7), the largest Brent ward, which despite ranking low on both occupancy and turnover, is a special case since it comprises mainly Council stock and does not therefore contribute greatly to the PRS.

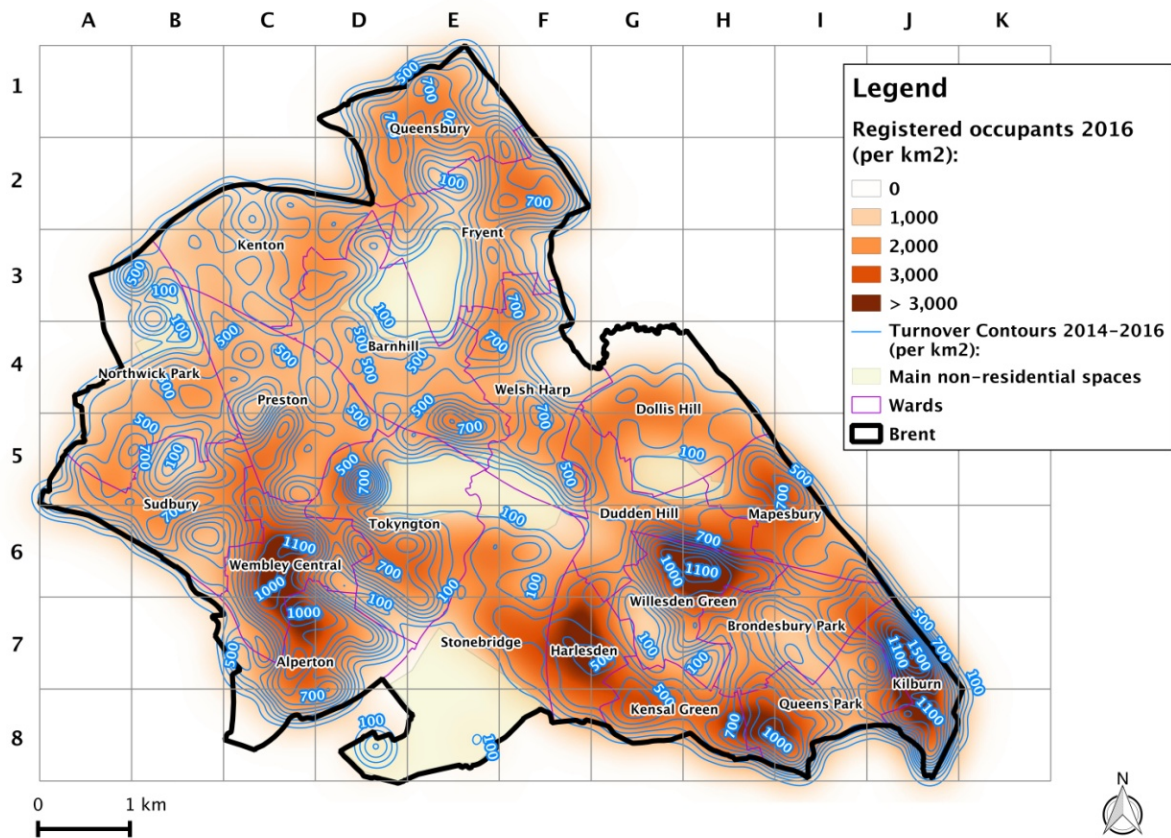


Figure 8: Hotspot and contour map of Brent showing adult population density in 2016 and churn between 2014 and 2016

6. Discretionary Licensing options

6.1 Discretionary Licensing to date

As we have seen, Brent’s experience of discretionary licensing to date has been mixed. The introduction of borough-wide Additional Licensing has not been a resounding success. The number of licences issued to date falls far short of the expected number even based on more conservative estimates of the number of HMOs.

Reasons given earlier for the low take-up include the higher complexity of the licence application process for HMOs and the difficulty of identifying and engaging with landlords. The way forward in this sector is likely to include a combination of better local intelligence at an address level using all the information resources of the Council backed up by stronger enforcement including prosecutions.

In contrast, the introduction of Selective Licensing appears to have been more successful. Table 3 showed that 23.6% of all residential private and over 90% of eligible properties UPRNs had applied for licences in the wards affected, Harlesden, Willesden Green and Wembley Central. If this experience is extended borough wide less enforcement will be required than would be the case with increasing Additional Licenses. This in turn will generate a stronger stream which could be allocated to enforcement.

6.2 Case for borough wide Selective Licensing

For these reasons our research suggests that in the immediate term Brent is more likely to achieve its housing strategy if it widens the introduction of Selective Licensing, especially as the evidence strongly suggest that it is both easier to target and compliance is better.

There are essentially two options which are given below. Of these the second is likely to be too limited for Brent's needs given the growth and spread of the PRS and the experience of licensing to date.

- Option one is to make Selective Licensing borough-wide. The case would need careful presentation because it would mean applying to the Secretary of State. For example, it would mean including parts of the borough where the evidence for private renting and the link with for example to deprivation is not strong as in other areas. The key point here is that ASB is not confined to only the more deprived wards.
- Option 2 is to restrict its extension only to areas most affected by poor housing conditions and ASB in order to comply with Government guidance covering 20% or less of the PRS and 20% or less of the borough area. The reason why this is attractive is because rental hotspots clearly bunch in some wards more than others. The match is imperfect however and ignores the steady march of private renting northwards and eastwards (Annex D critiques this option in more detail).

There are eight key reasons why borough-wide Selective Licensing is more suitable:

1. Private renting in Brent continues to grow. Based on the Census it grew by 72.1 % to 35k properties between 2001 and 2011 and now accounts for 31.5% of the entire housing stock and 41.5% of the private stock. The results of this research are that it is still increasing in size with closer to 37k properties being privately rented.
2. Traditionally private renting has congregated in certain areas of the borough especially in the southeast in wards comprising Kilburn, Harlesden and Willesden Green and but also in Wembley Central. However, this is changing as private renting spreads to neighbouring wards like Mapesbury, Welsh Harp, Dudden Hill and Tokyngton.
3. Not only that, private renting has spread northwards to previously unaffected wards including Barnhill, Fryent, Preston, and Queensbury, and eastwards to Alperton and Sudbury. Only Northwick Park and Kenton remain relatively unaffected, although this is bound to change given the high cost of owner occupancy and increasing population pressures.
4. Population turnover in Brent is three times higher than in the rest of England with migration a major factor adding significantly to housing pressures. Although inflows tend to balance outflows, international migrants are much more likely to remain in Brent than internal migrants thereby increasing the ethnic diversity of Brent but also adding to pressures on Council services.

5. Brent is ranked 39th in England among local authorities in terms of deprivation which exists in concentrated pockets throughout the borough. However, we find that property disrepair is even more highly correlated with private renting than with deprivation and that property disrepair is affecting more affluent as well as less affluent wards. This argues for a borough-wide rather than ward-based approach to Selective Licensing.
6. In 2015 Brent implemented Additional Licensing borough-wide in order to deal with the increasing number of un-regulated HMOs. It also introduced Selective Licensing in three wards, Harlesden, Wembley Central and Willesden Green. The results however, have been mixed and in the case of Additional Licensing this has not led to reductions in disrepairs.
7. Despite there being an estimated 21k HMOs in the borough only 1,653 Mandatory and Additional Licences have been issued or 8% of the total. The report details some of the reasons for this which includes problems of HMO identification but also the evasive behaviour of landlords. Even with much higher levels of enforcement including more prosecutions it is unlikely that this can be significantly improved upon.
8. Under Selective Licensing any rented property is eligible to be licensed and so the level of proof as to whether it is an HMO or not is much less restrictive. Selective Licensing which only applies to three Brent wards has led to 3,330 licenses being issued. This equates to an estimated 94% of single family eligible properties in those wards and equates to 23.6% of all private sector properties.

7. Conclusions

The research finds that case for an extension to borough-wide Selective Licensing is very strong. The private rented sector continues to grow in size with an estimated 37k private rented properties in 2016 as compared with 34k in the 2011 Census. Single family private rented properties are more numerous in the south of the borough with particular concentrations in southeast wards, but they are also rapidly spreading elsewhere which are not currently covered by the existing licensing scheme.

Selective Licensing introduced in three wards in 2015 appears to have been considerably more successful in terms of the number of licences issued as compared with Additional Licensing even though this scheme is borough wide and covers more properties. This suggests that if Selective Licensing is widened the take-up of licenses should be as least as good in already Selectively Licensed wards and better than they have been in the Additional Licensing sector.

Although HMOs are more numerous than single family rented properties, and despite the fact that Additional Licensing is borough-wide, there are still problems to be addressed in this sector. Licence take up has slowed due to several reasons including the greater difficulty in identifying and contacting landlords, extra complexity and the cost of licence requirements. Problems include a lack of cooperation from tenants, high occupant turnover and evasive behaviour of some landlords, all of which combine to frustrate enforcement activity.

The report also finds that overcrowding and population churn is strongly associated with private rental hotspots. This occurs more so with HMOs which add to the weight of evidence for the need to increase borough-wide HMO enforcement. Overcrowding and population churn increases the cost of providing services in the areas affected also to general overheads without necessarily generating

additional income for the Council or other services. This is evidenced for example by the increasing number of new NHS migrant registrations currently running at 23k a year.

Of the criteria required for the introduction of Selective Licensing the research finds a strong association between private sector renting and ASB including housing disrepair and also a strong association with a range of ASB indicators at property and ward level regardless of private rental type. It is noteworthy that this association applies whether or not a privately rented property is located in a deprived or more affluent ward, suggesting that both landlords and tenants are responsible.

Because Selective Licensing has only been in place in three wards since 2015, it is too early to show whether it has led to improved housing conditions generally. However, among wards such as Kensal Rise, Kilburn, Tokyngton and Queens Park which are not Selectively Licensed, it is noteworthy that the rankings have worsened on indicators such as noise and enviro-crime. A digest of the arguments for a borough-wide extension to Selective Licensing is shown in Table 5.

Evidence	Comment
The PRS has grown significantly	According to the Census PRS grew by 72.1% between 2001 and 2011 accounting for 35.5% of housing stock. Updated figures in this report suggest that it is closer to 37k today as compared with 35k in 2011. Of the total around 56% are estimated to be HMOs.
Private renting has spread to most areas of Brent	Whereas traditionally it was concentrated in the south around Kilburn, Willesden Green and Harlesden, private renting is now commonplace throughout Brent and spreading even to previously unaffected wards in the north such as Barnhill, Fryent, Preston, and Queensbury.
Population turnover is three times higher than in the rest of England	Although migrant inflows tend to balance outflows, international migrants are much more likely to remain in Brent than internal migrants thereby increasing the ethnic diversity of Brent over time, thus adding to housing and other pressures on Council services.
Property disrepairs and poor housing maintenance is an ever- growing problem	Although Brent is noted for its pockets of deprivation, property disrepair and other negative manifestations of private renting is becoming widespread even in less deprived areas This impacts negatively on the visual appearance of neighbourhoods, blighting the quality of life as well as adding to the cost of Council services.
Additional Licensing introduced in 2015 is still bedding in	Although borough-wide Additional Licensing was introduced in 2015 in order to deal with the increasing number of un-regulated HMO, the take-up of licenses remains below the believed number of HMOs in the borough.
Selective Licensing also introduced in 2015 has been relatively successful to date	The number of unregulated single family private rented properties in Brent is almost as high as the estimated number of HMOs. In the three Brent wards with SLS, take up of licences has been very high and much higher than the number of Additional licences.

Table 5: A digest of the main arguments for borough-wide Selective Licensing

Accompanying this report is a database of all privately owned properties in Brent each with a unique property reference number plus aligned ASB data. The database is designed to serve various purposes in taking the strategy forward which will include details such as benefit status, occupancy, housing conditions and ASB incidents. The database includes a risk assessment of every privately owned UPRN to say whether is private rented or not and more or less likely to be an HMO or single family household.

Annex A: Census breakdown of tenure by ward in 2011

Ward name	All Households	Owner-occupied	Social housing	Private rented sector (PRS)	% PRS of all tenures	% difference in PRS compared with 2001
Alperton	4,156	2,358	504	1,294	31.1	11.9
Barnhill	5,407	2,475	1,440	1,492	27.6	9.6
Brondesbury Park	5,338	2,392	1,147	1,799	33.7	9.4
Dollis Hill	4,264	2,267	944	1,053	24.7	9.0
Dudden Hill	5,198	2,324	1,035	1,839	35.4	12.0
Fryent	4,374	2,532	606	1,236	28.3	10.3
Harlesden	6,654	1,566	2,931	2,157	32.4	15.3
Kensal Green	6,063	2,263	1,619	2,181	36.0	15.0
Kenton	3,866	2,849	217	800	20.7	8.1
Kilburn	7,658	1,929	3,445	2,284	29.8	8.0
Mapesbury	6,307	2,212	1,210	2,885	45.7	12.1
Northwick Park	4,139	2,615	670	854	20.6	6.8
Preston	4,995	2,828	631	1,536	30.8	12.8
Queens Park	6,274	2,812	1,249	2,213	35.3	13.3
Queensbury	4,727	2,911	721	1,095	23.2	7.9
Stonebridge	5,903	1,228	3,678	997	16.9	6.9
Sudbury	4,843	2,474	728	1,641	33.9	13.6
Tokington	4,864	2,570	584	1,710	35.2	15.6
Welsh Harp	4,809	2,471	923	1,415	29.4	9.6
Wembley Central	4,380	2,165	684	1,531	35.0	13.4
Willesden Green	6,067	1,719	1,625	2,723	44.9	11.5
Total	110,286	48,960	26,591	34,735	31.5	11.3

Table A1: Breakdown in tenure by Brent ward: Source 2011 Census

Annex B: Map of deprivation in Brent

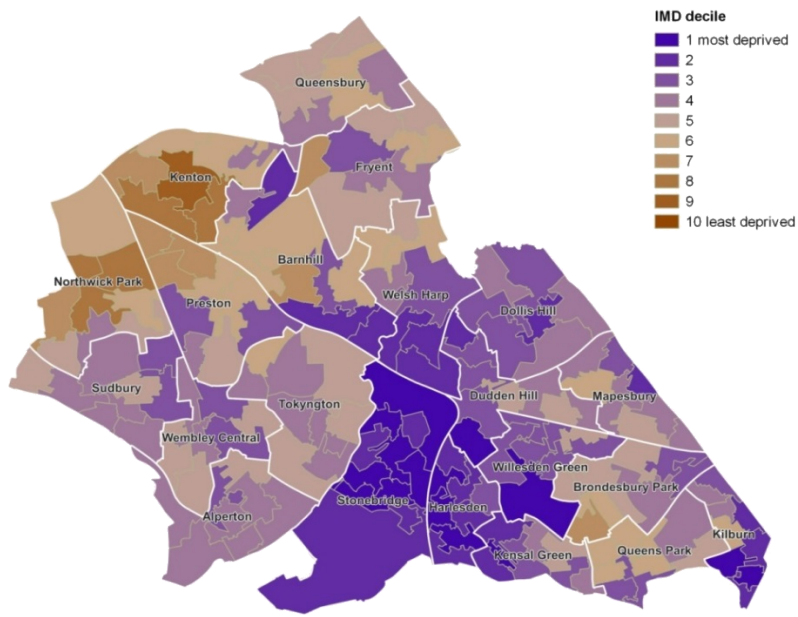


Figure 1B: Map showing deprivation in Brent based on the 2015 Index of Multiple Deprivation (IMD)

Annex C: Hot spot and dilapidation map of Brent PRS

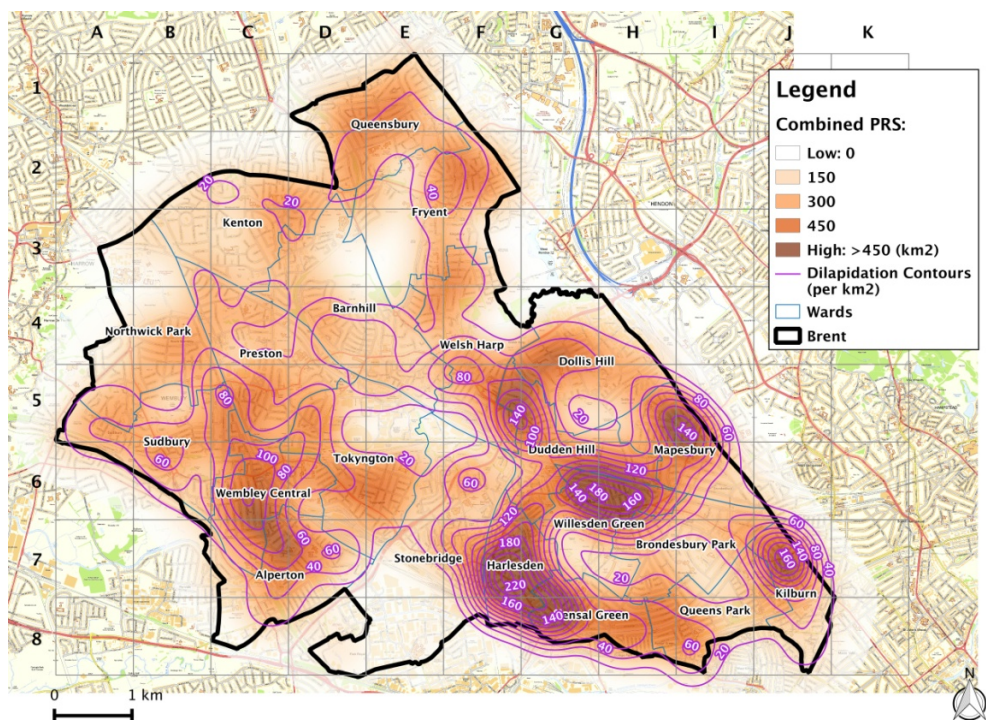


Figure 1C: Map showing concentrations of all private renting

Annex D: Scope for partial extension of Selective Licensing

There are essentially two options for an extension of Selective Licensing in Brent. The main recommendation of this report is to make Selective Licensing borough-wide; however, will also be interested in the implications of opting for a more limited scheme that falls within the parameters set out by DCLG and which does not require referral to the Secretary of State.

This is to restrict its jurisdiction to areas most affected by poor housing conditions and ASB in order to comply with Government guidance covering 20% or less of the PRS and 20% or less of the borough area. It can be argued that the reason why this might work is that rental hotspots clearly bunch in some wards more than others.

The match is imperfect however and some final tuning may be needed to remain with the guidance. The following two sub-options suggests how this could work in terms of remaining within the 20% constraints; of these sub-option 2 is closest to fulfilling Brent's aims but requires legal opinion.

Sub-option 1

Table D1 is a list wards which are ranked in order of poor housing conditions and ASB based on Table 2 in the main report. The third column shows our modelled estimates of the number of single family private rented properties in each ward. ⁸ We exclude HMOs from this count as they are theoretically subject to Mandatory or Additional Licensing.

The next two columns show the percentage of the PRS covered in each and the percentage of the total Brent area based on ward size measured in square kilometres. A final column shows wards in which Selective Licensing currently operates.

⁸ Note that all figures in this column should be treated carefully as they are invalidated modelled estimates

Applying the 20% rule shows that Brent Council would be able cover the first six wards on the list before it hits the 20% of the borough area limit and first seven wards based on 20% of PRS stock. The wards included comprise three wards that are already subject to Selective Licensing (Willesden Green, Harlesden and Wembley Central) and three that are not (Kilburn, Mapesbury, Kensal Green and Queens Park).

These wards are located in the south of Brent and not include wards such as Dudden Hill or Tokyngton which also have high concentrations of private renting. However, this option seems un-ambitious for this reason. It would not address single family private rented hotspots or spill-overs into other affected wards such as Dudden Hill or Alperton.

Rank by ASB and housing conditions	Ward name	Single Family Rented properties ⁽¹⁾	% of estimated PRS	% 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
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			

Table D1: Option 1. Brent wards ranked by ASB and poor housing conditions showing the cumulative percentage of estimated single family private rented properties and the percentage of area of Brent occupied. Note (1): modelled estimates by ward.

(a) Option two

Under the second option we suggest that the three operating Selective Schemes can be ignored for these purposes since, like HMOs, they are already covered by an existing licensing scheme. We also make the further suggestion that Stonebridge Park which is the largest in area of all Brent wards is excluded on the grounds that the housing stock is largely Council-owned and maintained with its own housing enforcement arrangements. If these wards are excluded for purposes of remaining within the 20% rule then it would be possible to extend the scheme as shown in Table D2.

The results show the theoretical possibility of extending Selective Licensing in up to eleven more Brent wards based on the property rule and seven more wards based on the area rule.⁹ However, the fewer number of wards meeting the area rule is concerning especially as large areas of Brent are used for non-residential purposes (this includes for example Barnhill and Tokyngton).

Brent is 43.2 sq. kms. in area of which 4.64 square kilometres or 10.7% is used for non-residential purposes (mainly green space, industrial use or railway yards). If the few wards affected wards such as Tokyngton are re-calculated net of non-residential land, we would expect some lee-way as is easily confirmed in further analysis.

For example, 22.4% of land in Tokyngton and 17.1% in Barnhill is deemed to be non-residential (Table D3).

Note that these are only suggestions and other permutations are possible, but we would strongly recommend that legal advice is sought on this approach before proceeding further. If followed through this option would leave three unlicensed wards in south Brent (Brondesbury Park, Dollis Hill and Welsh Harp) and four in the north (Preston, Fryent, Northwick Park and Kenton). A staged introduction of Selective Licensing could be extended to these wards at a later date.

Rank by ASB and housing conditions	Ward name	Number of high risk Single Family Rented properties (est.)	Cumulative percent of estimated PRS	Cumulative percent of Brent area	SLS in place
1	Willesden Green	0	0.0	0.0	Y

⁹ In fact the percentages are slightly over 20% which is arguably within the margin of error based on the percentage of the PRS covered. The jump in the percentage of the area covered from 15.3% to 22.2% with the including of Barnhill could be addressed by switching a smaller ward from Barnhill on or excluding non-residential green space.

2	Harlesden	0	0.0	0.0	Y
3	Kilburn	693	1.9	2.2	
3	Mapesbury	1,012	4.6	5.4	
5	Kensal Green	1,105	7.5	8.0	
6	Wembley Central	0	7.5	8.0	Y
7	Queens Park	469	8.8	11.4	
8	Dudden Hill	1,081	11.7	15.3	
9	Stonebridge	0	11.7	15.3	
10	Barnhill	752	13.7	22.2	
11	Tokington	698	15.6	28.6	
12	Queensbury	502	17.0	33.3	
13	Alperton	650	18.7	38.1	
14	Sudbury	816	20.9	43.0	
15	Preston	696	22.8	48.5	
15	Welsh Harp	867	25.1	53.9	
17	Dollis Hill	770	27.2	59.2	
18	Fryent	620	28.8	65.4	
19	Brondesbury Park	503	30.2	69.4	
20	Northwick Park	345	31.1	75.6	
21	Kenton	331	32.0	80.8	
Total		11,910			

Table D2: Option 2. Brent wards ranked by ASB and poor housing conditions showing the cumulative percentage of estimated single family private rented properties and the percentage of area of Brent occupied. Note (1): modelled estimates by ward.

Ward	Total area km ²	Area non-residential land	% non-residential land
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Alperton	2.06	0.00	0.0
Barnhill	2.98	0.51	17.1
Brondesbury Park	1.73	0.00	0.0
Dollis Hill	2.3	0.26	11.4
Dudden Hill	1.68	0.07	4.3
Fryent	2.66	0.60	22.5
Harlesden	1.11	0.00	0.0
Kensal Green	1.12	0.00	0.0
Kenton	2.24	0.00	0.0
Kilburn	0.94	0.00	0.0
Mapesbury	1.39	0.04	2.8
Northwick Park	2.68	0.32	11.8
Preston	2.39	0.00	0.0
Queens Park	1.49	0.00	0.0
Queensbury	2.05	0.00	0.0
Stonebridge	4.05	1.99	49.1
Sudbury	2.12	0.00	0.0
Tokyngton	2.76	0.62	22.4
Welsh Harp	2.32	0.23	9.9
Wembley Central	1.6	0.00	0.0
Willesden Green	1.55	0.00	0.0
Total	43.22	4.64	10.7

Table D3: Brent wards by area and the amount of non-residential land

