



CADENCE  
INNOVA

# Medway Council

## PRSL Feasibility & Options Appraisal Report

May 2025

# Contents

Section	Title
1	Executive Summary
2	Purpose and background
3	Evidence for Selective Licensing
4	Designation Options for Selective Licensing
5	Evidence for Additional HMO Licensing
6	Proposed scheme objectives
7	Strategic alignment
8	Financial modelling
9	Next steps and indicative timeline
10	Conclusions

# Executive Summary

This report provides Medway Council with a robust basis for deciding its approach to private rented sector (PRS) licensing schemes. It aims to give decision makers confidence on how to move forward with selective and additional HMO licensing schemes by ensuring that all legislative key criteria has been considered. It provides justification for the proposed selective licence fee of £840\*, and the proposed additional HMO licence fee of £1 600\* and the resources needed to effectively deliver the schemes. It will also provide the foundation for a robust consultation evidence base.

Thirteen **selective licensing scheme options** were proposed:

- Option 1 - one designations (12 wards) on the criterion of Poor Housing Conditions
- Option 2 - one designation (10 wards) on the criterion of Poor Housing Conditions
- Option 3 – one designation (8 wards) on the criterion of Poor Housing Conditions
- Option 4 – one designation (6 wards) on the criterion of Deprivation
- Option 5 – two designations (12 wards): one on the criteria of Poor Housing Conditions & Deprivation (6 wards); one on the criterion of Poor Housing Conditions (6 wards)
- Option 6 – two designations (10 wards): one on the criteria of Poor Housing Conditions & Deprivation (6 wards); one on the criterion of Poor Housing Conditions (4 wards)

# Executive Summary

- Option 7 – two designations (10 wards): one on the criteria of Poor Housing Conditions & Deprivation (6 wards); one on the criterion of Poor Housing Conditions (4 wards)
- Option 8 - two designations (8 wards): one on the criteria of Poor Housing Conditions & Deprivation (6 wards); one on the criterion of Poor Housing Conditions (2 wards)
- Option 9 - one designation (3 wards) on the criterion of Poor Housing Conditions
- Option 10 - one designation (6 wards) on the criterion of Poor Housing Conditions
- Option 11 - one designation (7 wards) on the criterion of Poor Housing Conditions
- Option 12 – one designation (5 wards) on the criteria of Poor Housing Conditions & Deprivation
- Option 13 – one designation (6 wards) on the criterion of Poor Housing Conditions

**Having considered the evidence and the strengths and weaknesses of the options, it is recommended that Medway proceed with selective licensing scheme option 11**

# Executive Summary

A review of the evidence for introducing **additional HMO licensing** found that it supports a scheme in 6 wards. However, the proposed scheme excludes section 257 HMOs as there is currently insufficient data to support their inclusion.

A section 257 HMO is a building which has been converted, or part converted, into self-contained flats that did not comply with the appropriate building standards, and still does not comply with those standards, and less than two-thirds of the self-contained flats are owner occupied. The current Metastreet Housing Conditions Report does not report on these properties.

It is recommended that Medway continue to review its data around section 257 HMOs periodically in case their inclusion in future schemes is supported.

**Having considered the evidence and the strengths and weaknesses of additional HMO licensing, it is recommended that Medway proceed with a scheme across the following wards; Chatham Central & Brompton, Ford Pitt, Gillingham North, Gillingham South, Luton and Watling (excluding section 257s HMOs).\***

*\*Should a selective licensing scheme be implemented in the same 6 wards, individual privately rented flats within section 257 converted blocks will, unless otherwise exempt, require the relevant individual property licence.*

# Aim of feasibility and options appraisal

**Enable senior stakeholders to agree a Private Rented Sector Licensing (PRSL) approach by:**

- Summarising the evidence
- Determining implications of recommended designations
- Appraising options for implementation
- Suggesting scheme objectives which the licensing schemes will be assessed against
- Identifying any gaps and understanding any barriers in meeting key criteria before moving to consultation phase.

The report's purpose is to gain agreement on proposed selective and additional HMO licensing schemes before undertaking a public consultation.



# Contents

Section	Title
1	Executive Summary
2	Purpose and background
3	Evidence for Selective Licensing
4	Designation Options for Selective Licensing
5	Evidence for Additional HMO Licensing
6	Proposed scheme objectives
7	Strategic alignment
8	Financial modelling
9	Next steps and indicative timeline
10	Conclusions

# Purpose

**This review gives Medway Council a robust basis for deciding its approach to Private Rented Sector (PRS) selective and additional HMO licensing that:**

1. Meets legislative (and MHCLG guidance).
2. Identifies evidence against relevant key criteria for making designations.
3. Assesses how property licensing aligns with Medway Council's strategic housing goals.
4. Explores options for scheme designations, including:
  - Identifying the largest possible coverage (with single or multiple designations) to protect the widest number of renters
  - Identifies wards that should pass public scrutiny by benchmarking evidence and demonstrating robust criteria:
    - a. Against other councils and UK averages
    - b. For criteria that MHCLG have previously approved.
  - Makes designations internally consistent and straightforward to enforce.
5. Supports the Council to agree proposed scheme objectives.
6. Provides justification for the proposed licence fee and resources needed to effectively deliver the scheme.
7. Provides the foundation for a robust consultation evidence base.



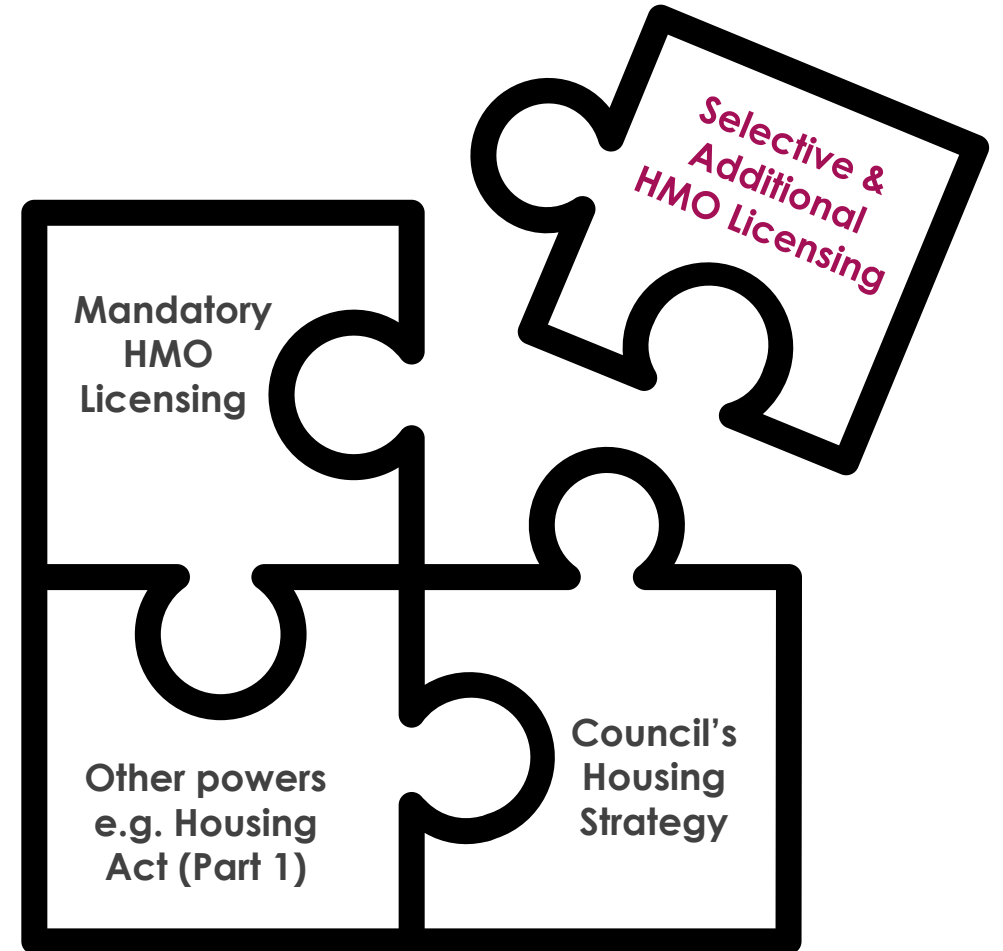
# Overview of Licensing

## Property licensing is one tool to help the council to:

- Effectively support vulnerable residents
- Improve property conditions and management standards in the PRS
- Enforce property standards
- Tackle the most pressing private rented housing issues
- Support and educate landlords and tenants
- Generate revenue to be used to improve the PRS

## Medway's Council's current licensing position

- Medway has a Mandatory HMO licensing scheme in force.
- Medway does not have selective or additional licensing schemes in place



# Background to licensing schemes

There are three different types of property licensing schemes

## Mandatory HMO Licensing

- Applies to large HMOs, let to 5 or more unrelated people, forming 2 or more households who share amenities such as a kitchen or bathroom.
- National scheme



## Additional HMO Licensing

- Applies to HMOs not covered by the Mandatory HMO Licensing scheme
- Applies to houses and flats in multiple occupation (HMOs) let to 3 or 4 unrelated people, forming 2 or more households who share amenities such as a kitchen or bathroom.
- Area designated by the council



## Selective Licensing

- Applies to properties let to single family household or two sharers
- Area designated by the council



# Selective Licensing Legislative Framework

Only where there is no practical and beneficial alternative to a designation should a scheme be made.

1. One of the following conditions must be met:

- Anti Social Behaviour
- Low Housing Demand
- Migration
- Deprivation
- Poor housing conditions
- Crime



2. To meet the conditions for Migration, Deprivation, Poor Housing Conditions or Crime, the area must **also** have **a high proportion of housing in the private rented sector**. More than the national average (19%)



3. Must be satisfied that the scheme will significantly assist the council in achieving its **objectives** and that there are no other courses of action available that would achieve the same objectives



4. Any designation made must be:

- **consistent** with the overall **housing strategy**
- part of a **coordinated** housing approach for dealing with **homelessness, empty homes, regeneration and anti-social behaviour** affecting the PRS when combined with other action taken by the council or action taken by other internal and/or external stakeholders/partners.

# Contents

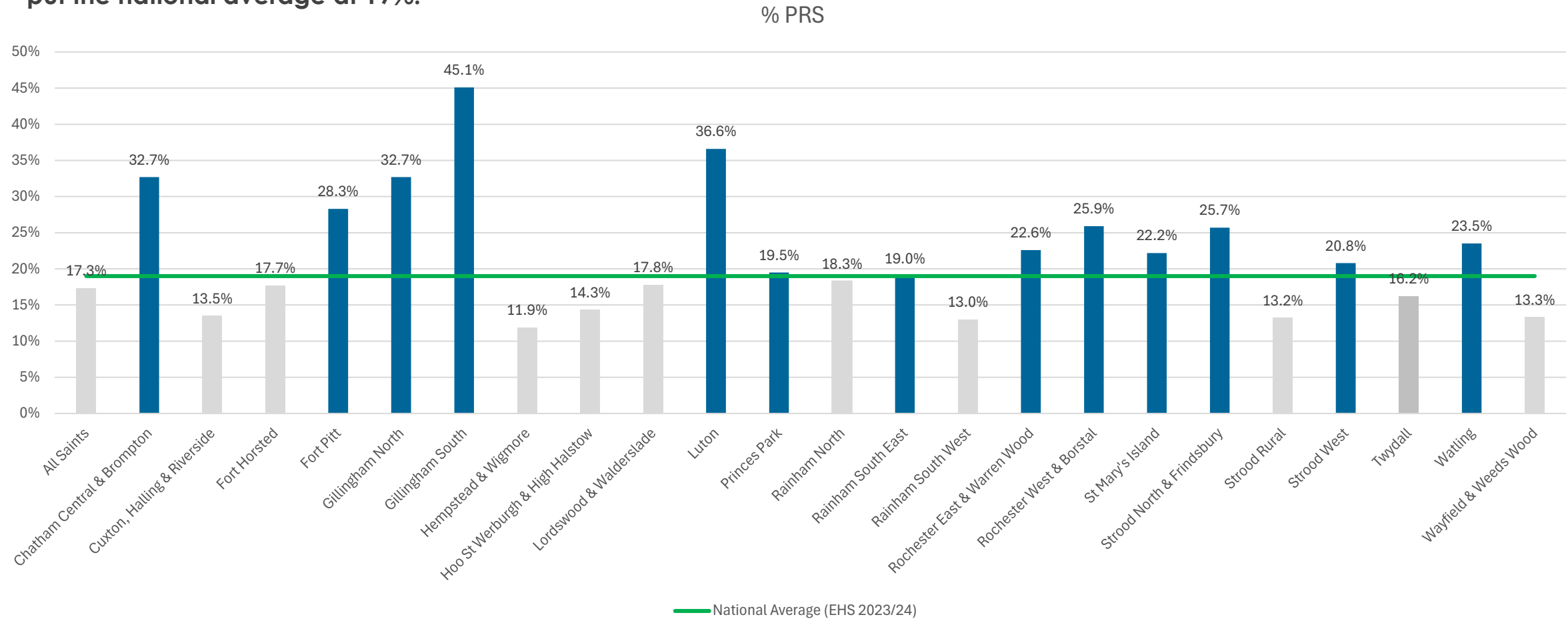
Section	Title
1	Executive Summary
2	Purpose and background
3	Evidence for Selective Licensing
4	Designation Options for Selective Licensing
5	Evidence for Additional HMO Licensing
6	Proposed scheme objectives
7	Strategic alignment
8	Financial modelling
9	Next steps and indicative timeline
10	Conclusions

# Evidence for Selective Licensing



# Overall eligibility for Selective Licensing – percentage of PRS

For an area to be suitable for selective licensing the council has to consider if the area has **a high proportion of housing in the private rented sector**. The MHLCG guidance states that an area can be considered as having a high proportion of PRS if it is **more than the national average**, and states to use the English Housing Survey figure. The **EHS 2023-24 headline report put the national average at 19%**.



**13 out of 24 wards** in Medway are eligible to be considered for selective licensing on % PRS levels

# Reviewing designation criteria

## Possible criteria (Housing Act 2004)

1. Poor housing conditions
2. Anti-Social Behaviour
3. Deprivation
4. Crime
5. Migration
6. Low housing demand.

## Criteria reviewed

1. **Poor housing conditions**
2. **Deprivation.**
3. ASB

Evidence indicates possible designations based on **two criteria** and/or combination thereof.  
The following slides outline how the housing stock has been assessed for these criteria.

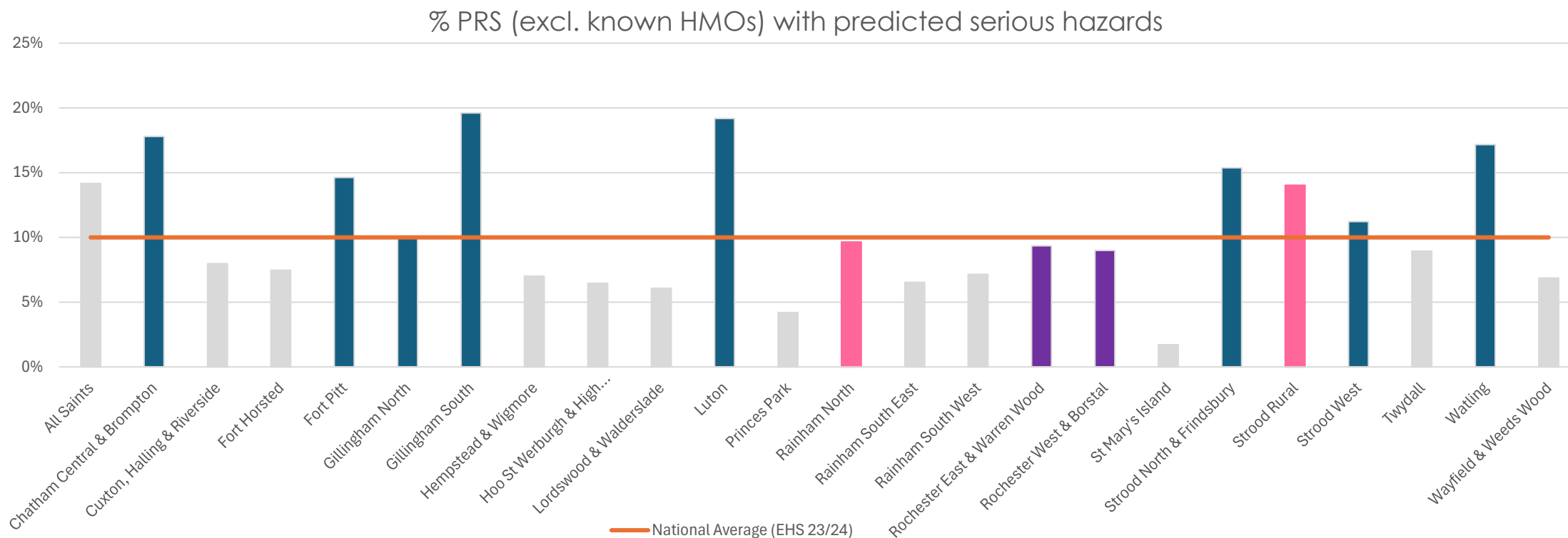


# 1. Evidence for Poor Housing Conditions

According to “Selective licensing in the private rented sector: A Guide for local authorities” (MHCLG, December 2024):

- “Local housing authorities can address Poor Housing Conditions through their powers in Part 1 of the Act, which are extensive...There may, however, be circumstances in which a significant number of properties in the private rented sector are in poor condition and are adversely affecting the character of the area and/ or the health and safety of their occupants. In that case, as part of wider strategy to tackle housing conditions, **the local housing authority may consider introducing a selective licensing scheme so that it can prioritise enforcement action under Part 1 of the Act, whilst ensuring through licence conditions under Part 3 that the properties are properly managed to prevent further deterioration.**”
- It is recommended that local housing authorities consider the following factors to help determine whether there are Poor Housing Conditions in their area:
  - **The age and visual appearance of properties in the area and that a high proportion of those properties are in the private rented sector.**
  - Whether following a review of housing conditions under section 3(1) of the Act, the authority considers **a significant number of properties in the private rented sector need to be inspected in order to determine whether any of those properties contain category 1 or 2 hazards.** In this context “significant” means more than a small number, although it does not have to be a majority of the private rented stock in the sector.”
- Other councils have:
- Provided evidence of the **rate of Category 1 hazards predicted** in PRS properties in the designated area, compared with the national average (**10%**)
- Also submitted the age profile of properties within the designated area.

# 1. Poor Housing conditions

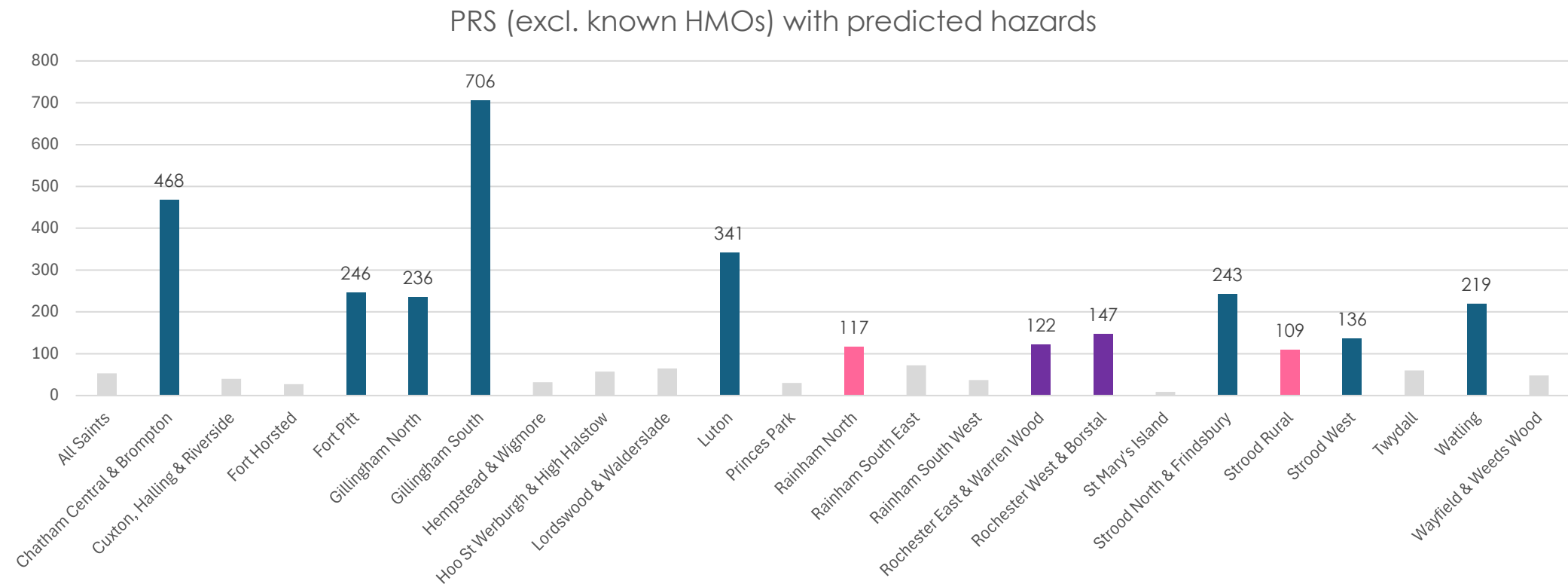


Metastreet defines **serious hazards** as those properties predicted to have **Cat 1 and High Cat 2 hazards**.

- **8** of Medway's 24 **wards are predicted to have at least 10% PRS with serious hazards** and also have a high proportion of PRS (more than 19%) and therefore meet the criteria for Poor Housing Conditions.
- **Rochester East & Warren Wood and Rochester West & Borstal wards are both predicted to have at least 9% PRS with serious hazards**, indicating a significant number of serious hazards in these areas as well. These wards also have a high proportion of PRS (more than 19%).
- Although **Stood Rural** and **Rainham North** wards do not meet the 19% PRS proportion threshold, **they are predicted to have at least 14% and 10% PRS with serious hazards** respectively also indicating a significant number of serious hazards in these areas.
- Although All Saints has a high proportion of PRS predicted to have serious hazards, the actual number of properties is not considered to be 'significant' (see next slide)

# 1. Poor Housing conditions continued

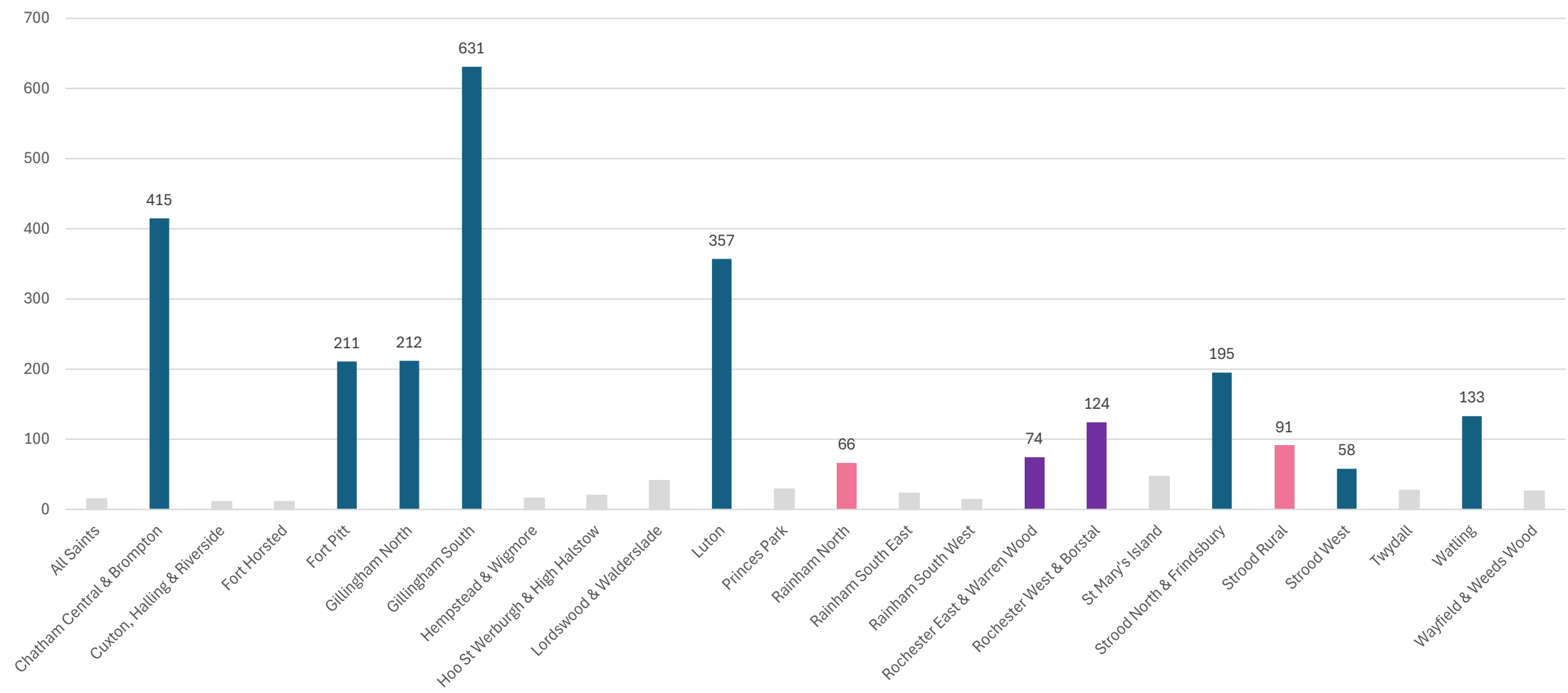
As well as the proportion of serious hazards within a ward, a Local Authority must consider a **significant number** of properties in the PRS need to be inspected in order to determine whether any of those properties contain category 1 or 2 hazards.



- Although **Rochester West & Borstal, Rochester East & Warren Wood and Rainham North** are below the benchmark of 10%, they are 8th, 10th and 12th respectively out of 24 in terms of absolute number of PRS properties with serious hazards (**Strood Rural** is above 10% PRS with hazards and is 13th).
- These wards all have in excess of 100 PRS properties predicted to have serious hazards.
- Although All Saints has a high proportion of PRS predicted to have serious hazards, the actual number of properties is not considered to be 'significant'.

# 1. Poor Housing conditions continued - complaints

Private Housing complaints in PRS dwellings (excluding known HMOs)



Private Housing Complaints provide further evidence of poor housing conditions and poorly managed properties in the PRS

## 2. Evidence for Deprivation

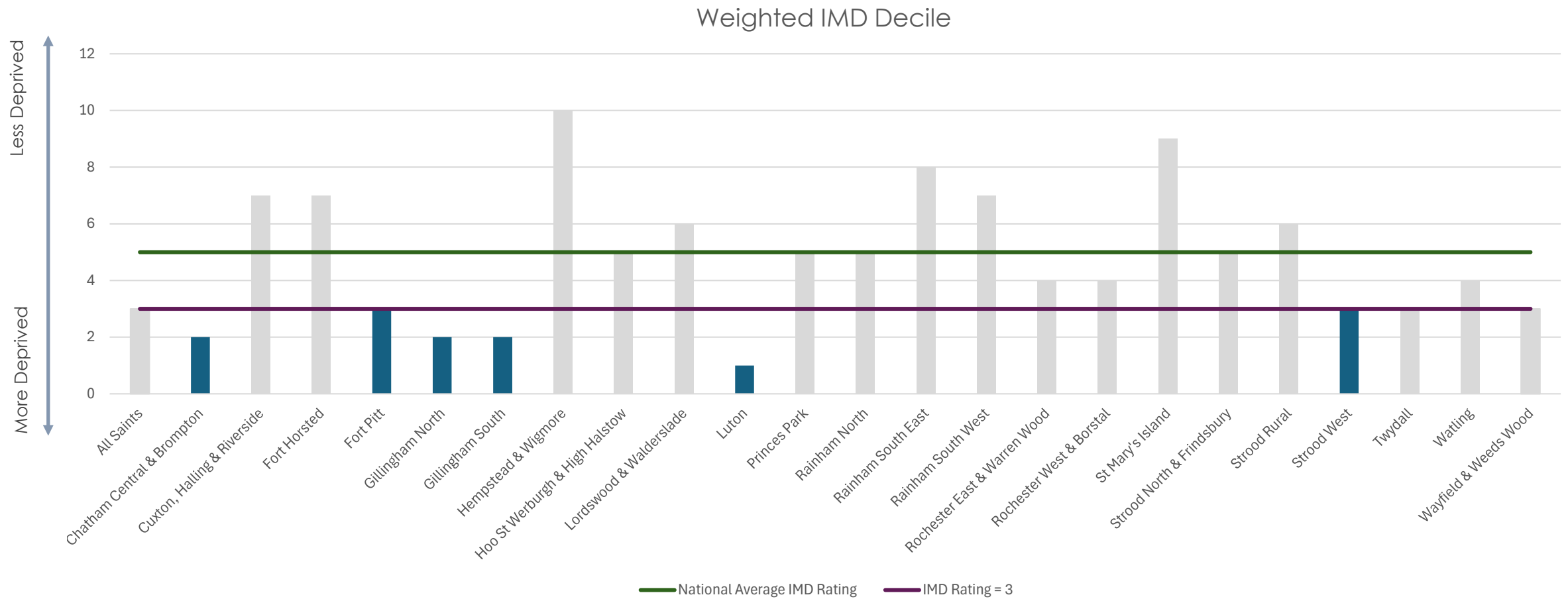
According to “Selective licensing in the private rented sector: A Guide for local authorities” (MHCLG, December 2024):

- In deciding whether to make a designation because the local authority considers the area suffers from a high level of deprivation, we recommend that the local housing authority considers the following factors when compared to other similar neighbourhoods in the local authority area or within the region:
  - **the employment status of adults;**
  - **the average income of households;**
  - **the health of households;**
  - **the availability and ease of access to education, training and other services for households;**
  - **housing conditions;**
  - **the physical environment;**
  - **levels of crime.**
- Although it is a matter for the local housing authority to determine, whether having regard to the above factors, the area is one that is suffering from a high level of deprivation, the local housing authority may only make a designation if a high proportion of housing in the area is in the private rented sector.

Other councils have provided **IMD rankings, rates of unemployment, average household income, rates of childhood obesity, numbers of notices issued for overcrowding, fuel poverty and crime rates** as evidence of deprivation.

## 2. Evidence for Deprivation

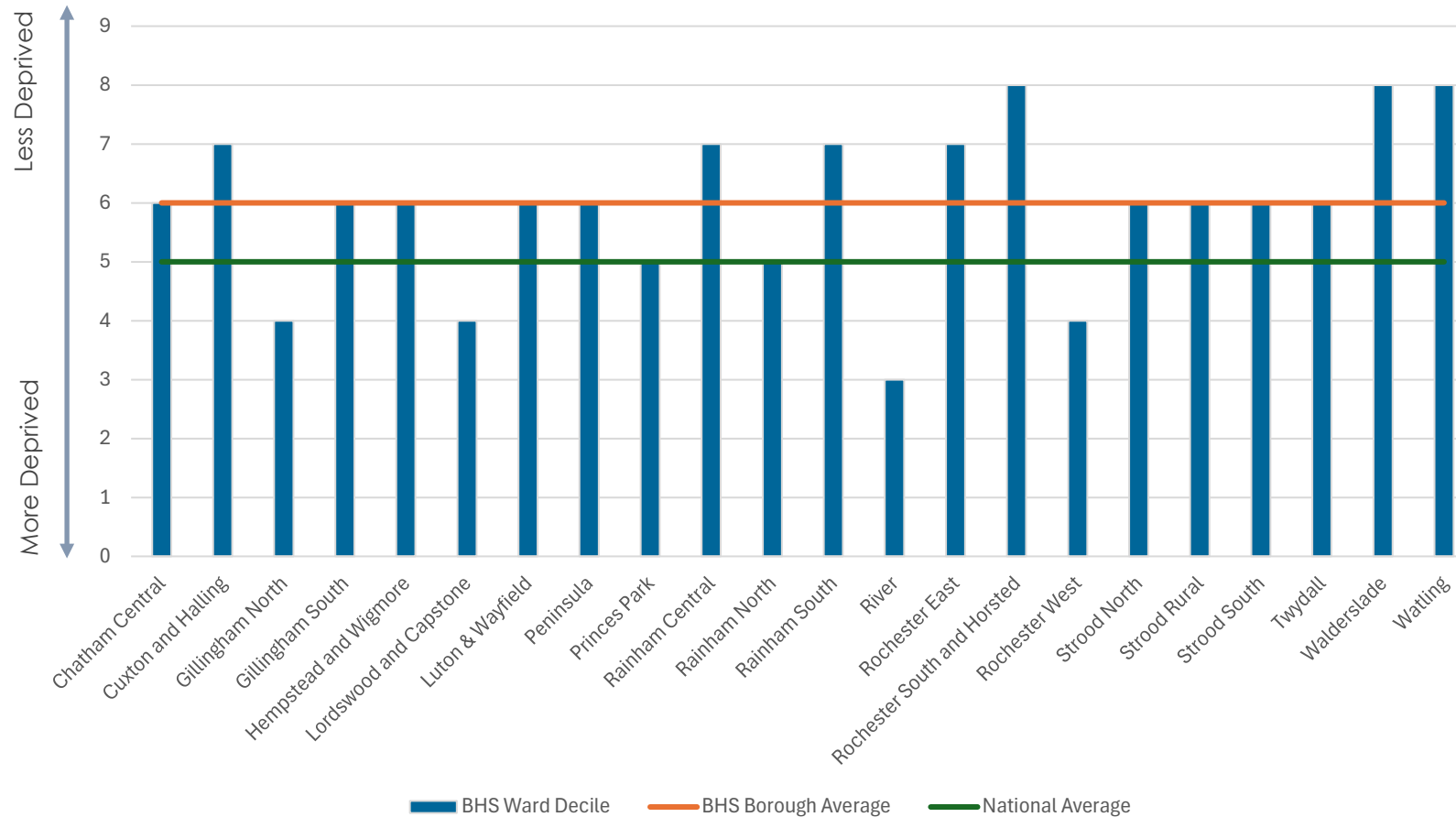
The Indices of Deprivation (the official measure of relative deprivation in England,) is comprised of seven distinct domains of deprivation which, when combined and appropriately weighted, form the Indices of Multiple Deprivation 2019. They are:- Income, Employment, Health Deprivation and Disability, Education & Skills Training, Crime, Barriers to Housing and Services, and Living Environment



6 of Medway's 24 wards meet both the **PRS percentage eligibility criteria** and are in the **30% most deprived** in the country.

## 2. Evidence for Deprivation continued

Weighted Barriers to Housing & Services Decile  
Ward boundaries prior to 2013



The Council can also consider the Indices of Deprivation score for Barriers to Housing and Services, which is most related to housing. The decile shows areas where there are the biggest barriers to housing and services nationally, where 1 is the most deprived decile and 10 is the least deprived. The national and borough average is 5.

Although this data is applied to pre-2023 ward boundaries, across the Medway the average decile is 6 against a national average of 5.



### 3. Evidence for Anti-Social Behaviour

According to “Selective licensing in the private rented sector: A Guide for local authorities” (MHCLG, December 2024):

- In deciding whether an area suffers from anti-social behaviour, it is recommended that local housing authorities consider whether private sector landlords in the designated area are effectively managing their properties or not. This would aid in combatting incidences of anti-social behaviour caused by their tenants or people visiting their properties. An area that suffers from anti-social behaviour as a result of a landlord’s failure to manage their property effectively would significantly contribute to that problem.

In considering whether the area is suffering from anti-social behaviour which a landlord should address, regard should be had as to whether the behaviour is being conducted within the curtilage of the rented housing or in its immediate vicinity and includes acts of (but not limited to)

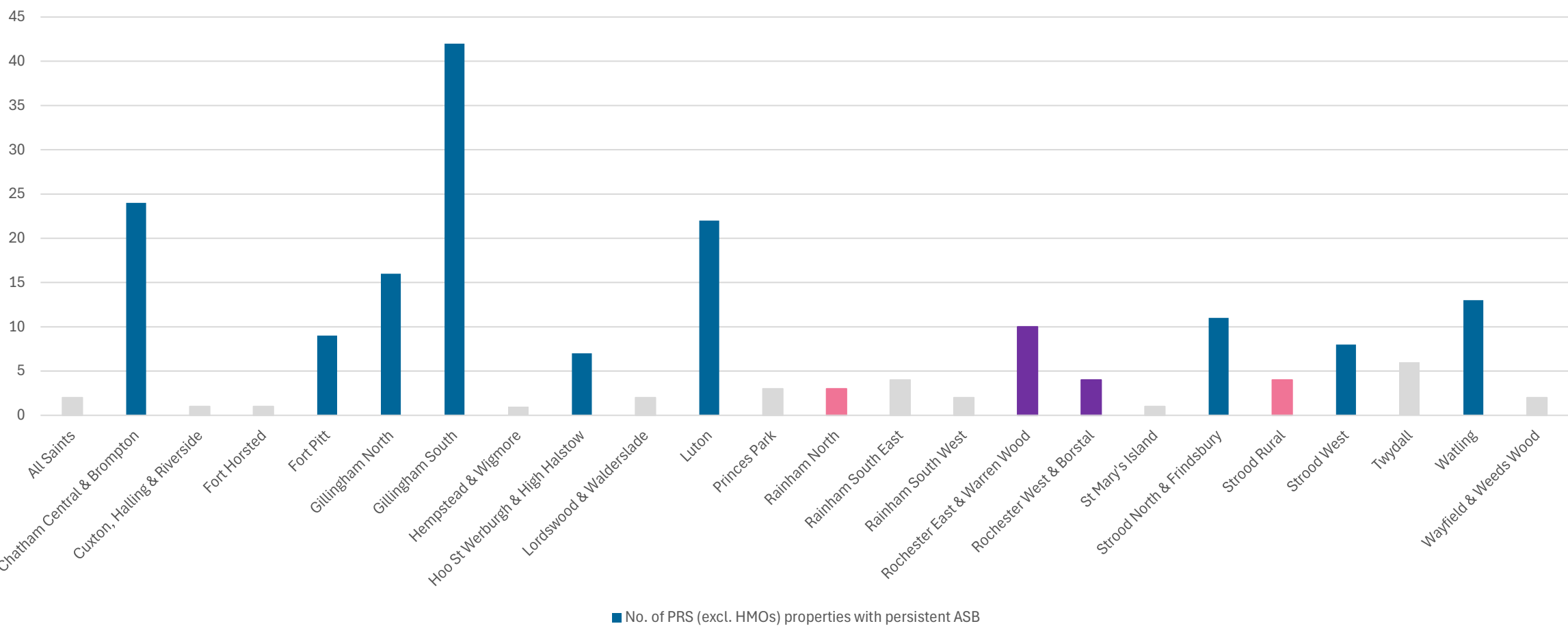
- **intimidation and harassment of tenants or neighbours;**
- **noise, rowdy and nuisance behaviour affecting persons living in or visiting the vicinity;**
- **animal related problems;**
- **vehicle related nuisance;**
- **anti-social drinking or prostitution;**
- **illegal drug taking or dealing;**
- **graffiti and fly posting;**
- **and litter and waste within the curtilage of the property.**

Other councils have provided the **numbers of untidy front gardens, nuisance pets complaints, graffiti, fly boarding, domestic noise, rates of ASB and repeat ASB, and comparisons with local rates.**

# Anti-Social Behaviour

To be included, the proposed selective licensing area must suffer from significant and persistent ASB, therefore we have looked at the number of repeat instances of ASB

ASB Incidents & Persistent ASB by Ward



Across all Medway wards the rates of repeat ASB are low

# Evidence Summary for Selective Licensing



# Evidence Summary

Ward	Selective Licensing Eligibility	Poor Housing Conditions	Deprivation	Persistent ASB	Criteria Met (Poor Housing Conditions, Deprivation or ASB)
All Saints	✗	✓	✓	✗	NA
<b>Chatham Central &amp; Brompton</b>	✓	✓	✓	✗	Housing & Dep
Cuxton, Halling & Riverside	✗	✗	✗	✗	NA
Fort Horsted	✗	✗	✗	✗	NA
<b>Fort Pitt</b>	✓	✓	✓	✗	Housing & Dep
<b>Gillingham North</b>	✓	✓	✓	✗	Housing & Dep
<b>Gillingham South</b>	✓	✓	✓	✗	Housing & Dep
Hempstead & Wigmore	✗	✗	✗	✗	NA
Hoo St Werburgh & High Halstow	✗	✗	✗	✗	NA
Lordswood & Walderslade	✗	✗	✗	✗	NA
<b>Luton</b>	✓	✓	✓	✗	Housing & Dep
Princes Park	✓	✗	✗	✗	NA
<b>Rainham North*</b>	✗	✓	✗	✗	Housing
Rainham South East	✓	✗	✗	✗	NA
Rainham South West	✗	✗	✗	✗	NA
<b>Rochester East &amp; Warren Wood*</b>	✓	✗	✗	✗	Housing
<b>Rochester West &amp; Borstal*</b>	✓	✗	✗	✗	Housing
St Mary's Island	✓	✗	✗	✗	NA
<b>Strood North &amp; Frindsbury</b>	✓	✓	✗	✗	Housing
<b>Strood Rural*</b>	✗	✓	✗	✗	Housing
<b>Strood West</b>	✓	✓	✓	✗	Housing & Dep
Twydall	✗	✗	✓	✗	NA
<b>Watling</b>	✓	✓	✗	✗	Housing
Wayfield & Weeds Wood	✗	✗	✓	✗	NA

# Contents

Section	Title
1	Executive Summary
2	Purpose and background
3	Evidence for Selective Licensing
4	Designation Options for Selective Licensing
5	Evidence for Additional HMO Licensing
6	Proposed scheme objectives
7	Strategic alignment
8	Financial modelling
9	Next steps and indicative timeline
10	Conclusions



# Designation Options for Selective Licensing



# Options 1 - 3

	Options	No. wards	Wards	% Total PRS	Strengths	Risks
1	One designation on the criteria of <b>Poor Housing Conditions</b>	12	<ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Fort Pitt</li> <li>Gillingham North</li> <li>Gillingham South</li> <li>Luton</li> <li>Rainham North*</li> <li>Rochester East &amp; Warren Wood*</li> <li>Rochester West &amp; Borstal*</li> <li>Strood North &amp; Frindsbury</li> <li>Strood Rural*</li> <li>Strood West</li> <li>Watling</li> </ul>	<ul style="list-style-type: none"> <li><b>21,050</b> properties</li> <li><b>73%</b> of PRS (excluding known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Covers a large proportion of the PRS focusing on all wards with just below or more than 10% predicted serious hazards.</li> <li>Consistent and easy to communicate scheme</li> <li>Easier to measure the improvements and demonstrate progress when reporting to MHCLG.</li> </ul>	<ul style="list-style-type: none"> <li>Such a large scheme could be contentious, leading to greater risk of challenge</li> <li>Will require substantial resource to implement</li> <li>Does not account for time to upscale</li> <li>*Inclusion of <b>Rochester East &amp; Warren Wood</b> and <b>Rochester West &amp; Borstal</b> will need to be justified as below the benchmark of 10% PRS with hazards.</li> <li>*Inclusion of <b>Rainham North &amp; Strood Rural</b> will need to be justified as do not meet 19% PRS threshold</li> </ul>
2	One designation on the criteria of <b>Poor Housing Conditions</b>	10	<ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Fort Pitt</li> <li>Gillingham North</li> <li>Gillingham South</li> <li>Luton</li> <li>Rochester East &amp; Warren Wood*</li> <li>Rochester West &amp; Borstal*</li> <li>Strood North &amp; Frindsbury</li> <li>Strood West</li> <li>Watling</li> </ul>	<ul style="list-style-type: none"> <li><b>19,060</b> properties</li> <li><b>66%</b> of PRS (excluding known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Covers a large proportion of the PRS focusing on wards with <math>\geq 19\%</math> PRS and just below or more than 10% predicted serious hazards</li> <li>Consistent and easy to communicate scheme</li> <li>Easier to measure the improvements and demonstrate progress when reporting to MHCLG.</li> </ul>	<ul style="list-style-type: none"> <li>Such a large scheme could be contentious, leading to greater risk of challenge</li> <li>Will require substantial resource to implement</li> <li>Does not account for time to upscale</li> <li>*Inclusion of <b>Rochester East &amp; Warren Wood</b> and <b>Rochester West &amp; Borstal</b> will need to be justified as below the benchmark of 10% PRS with hazards.</li> </ul>
3	One designation on the criteria of <b>Poor Housing Conditions</b>	8	<ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Fort Pitt</li> <li>Gillingham North</li> <li>Gillingham South</li> <li>Luton</li> <li>Strood North &amp; Frindsbury</li> <li>Strood West</li> <li>Watling</li> </ul>	<ul style="list-style-type: none"> <li><b>16,120</b> properties</li> <li><b>56%</b> of PRS (excluding known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Covers a smaller proportion of the PRS focusing on wards with <math>\geq 10\%</math> predicted serious hazards</li> <li>Consistent and easy to communicate scheme</li> <li>Easier to measure the improvements and demonstrate progress when reporting to MHCLG.</li> </ul>	<ul style="list-style-type: none"> <li>Smaller scheme; issues in other wards not included in the designations may be exacerbated</li> </ul>



# Options 4 & 5

	Options	No. wards	Wards	% Total PRS	Strengths	Risks
4	One designation on the criteria of <b>Deprivation</b>	6	<ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Fort Pitt</li> <li>Gillingham North</li> <li>Gillingham South</li> <li>Luton</li> <li>Strood West</li> </ul>	<ul style="list-style-type: none"> <li><b>13,263</b> properties</li> <li><b>46%</b> of PRS (excluding known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Small scheme focussing on wards with high levels of deprivation</li> <li>Consistent and easy to communicate scheme</li> </ul>	<ul style="list-style-type: none"> <li>Small scheme; issues in other wards not included in the designations may be exacerbated</li> <li>Difficult to obtain evidence to demonstrate how you have used licensing to improve deprivation; could be contentious</li> </ul>
5	<p>Two designations</p> <p>One designation on the criteria of <b>Poor Housing Conditions &amp; Deprivation</b></p> <p>One designation on the criteria of <b>Poor Housing Conditions</b></p>	12	<p>First designation (poor housing conditions and deprivation) in 6 wards of</p> <ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Fort Pitt</li> <li>Gillingham North</li> <li>Gillingham South</li> <li>Luton</li> <li>Strood West</li> </ul> <p>Second designation (poor housing conditions) in 6 wards of</p> <ul style="list-style-type: none"> <li>Rainham North*</li> <li>Rochester East &amp; Warren Wood*</li> <li>Rochester West &amp; Borstal*</li> <li>Strood North &amp; Frindsbury</li> <li>Strood Rural*</li> <li>Watling</li> </ul>	<ul style="list-style-type: none"> <li><b>21,050</b> properties</li> <li><b>73%</b> of PRS (excluding known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Covers a large proportion of the PRS focusing on all wards with just below or more than 10% predicted serious hazards and for first designation wards with high levels of deprivation</li> <li>Still relatively easy to communicate scheme</li> </ul>	<ul style="list-style-type: none"> <li>Such a large scheme could be contentious, leading to greater risk of challenge</li> <li>Will require substantial resource to implement</li> <li>Does not account for time to upscale</li> <li>Difficult to obtain evidence to demonstrate how you have used licensing to improve deprivation; could be contentious</li> <li>*Inclusion of <b>Rochester East &amp; Warren Wood</b> and Rochester West &amp; Borstal would need to be justified as below the benchmark of 10% PRS with hazards.</li> <li>*Inclusion of <b>Rainham North &amp; Strood Rural</b> would need to be justified as do not meet 19% PRS threshold</li> </ul>

# Options 6

	Options	No. wards	Wards	% Total PRS	Strengths	Risks
6	<p>Two designations</p> <p>One designation on the criteria of <b>Poor Housing Conditions &amp; Deprivation</b></p> <p>One designation on the criteria of <b>Poor Housing Conditions</b></p>	10	<p>First designation (poor housing conditions and deprivation) in 6 wards of</p> <ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Fort Pitt</li> <li>Gillingham North</li> <li>Gillingham South</li> <li>Luton</li> <li>Strood West</li> </ul> <p>Second designation (poor housing conditions) in 4 wards of</p> <ul style="list-style-type: none"> <li>Rochester East &amp; Warren Wood*</li> <li>Rochester West &amp; Borstal*</li> <li>Strood North &amp; Frindsbury</li> <li>Watling</li> </ul>	<ul style="list-style-type: none"> <li><b>19,060</b> properties</li> <li><b>66%</b> of PRS (excluding known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Covers a large proportion of the PRS focusing on wards with <math>\geq 19\%</math> PRS, just below or more than 10% predicted serious hazards and for first designation wards with high levels of deprivation</li> <li>Still relatively easy to communicate scheme</li> </ul>	<ul style="list-style-type: none"> <li>Such a large scheme could be contentious, leading to greater risk of challenge</li> <li>Will require substantial resource to implement</li> <li>Does not account for time to upscale</li> <li>Difficult to obtain evidence to demonstrate how you have used licensing to improve deprivation; could be contentious</li> <li>*Inclusion of <b>Rochester East &amp; Warren Wood</b> and <b>Rochester West &amp; Borstal</b> would need to be justified as below the benchmark of 10% PRS with hazards.</li> </ul>

# Options 7

	Options	No. wards	Wards	% Total PRS	Strengths	Risks
7	<p>Two designations</p> <p>One designation on the criteria of <b>Poor Housing Conditions &amp; Deprivation</b></p> <p>One designation on the criteria of <b>Poor Housing Conditions</b></p>	10	<p>First designation (poor housing conditions and deprivation) in 6 wards of</p> <ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Fort Pitt</li> <li>Gillingham North</li> <li>Gillingham South</li> <li>Luton</li> <li>Strood West</li> </ul> <p>Second designation (poor housing conditions) in 4 wards of</p> <ul style="list-style-type: none"> <li>Rainham North*</li> <li>Strood North &amp; Frindsbury</li> <li>Strood Rural*</li> <li>Watling</li> </ul>	<ul style="list-style-type: none"> <li><b>18,110</b> properties</li> <li>63% of PRS (excluding known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Covers a large proportion of the PRS focussing on wards with <math>\geq 10\%</math> predicted serious hazards and for first designation wards with high levels of deprivation</li> <li>Still relatively easy to communicate scheme</li> </ul>	<ul style="list-style-type: none"> <li>Such a large scheme could be contentious, leading to greater risk of challenge</li> <li>Will require substantial resource to implement</li> <li>Does not account for time to upscale</li> <li>Difficult to obtain evidence to demonstrate how you have used licensing to improve deprivation; could be contentious</li> <li>*Inclusion of <b>Rainham North &amp; Strood Rural</b> would need to be justified as do not meet 19% PRS threshold</li> </ul>

# Options 8

	Options	No. wards	Wards	% Total PRS	Strengths	Risks
8	<p>Two designations</p> <p>One designation on the criteria of <b>Poor Housing Conditions &amp; Deprivation</b></p> <p>One designation on the criteria of <b>Poor Housing Conditions</b></p>	8	<p>First designation (poor housing conditions and deprivation) in 6 wards of</p> <ul style="list-style-type: none"> <li>• Chatham Central &amp; Brompton</li> <li>• Fort Pitt</li> <li>• Gillingham North</li> <li>• Gillingham South</li> <li>• Luton</li> <li>• Strood West</li> </ul> <p>Second designation (poor housing conditions) in 2 wards of</p> <ul style="list-style-type: none"> <li>• Strood North &amp; Frindsbury</li> <li>• Watling</li> </ul>	<ul style="list-style-type: none"> <li>• <b>16,120</b> properties</li> <li>• <b>56%</b> of PRS (excluding known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>• Covers a smaller proportion of the PRS focusing on wards with <math>\geq 10\%</math> predicted serious hazards and for first designation wards with high levels of deprivation</li> <li>• Still consistent and easy to communicate scheme</li> </ul>	<ul style="list-style-type: none"> <li>• Smaller scheme; issues in other wards not included in the designations may be exacerbated</li> <li>• Difficult to obtain evidence to demonstrate how you have used licensing to improve deprivation; could be contentious</li> </ul>

# Option 9

	Options	No. wards	Wards	% Total PRS	Strengths	Risks
9	One designation on the criteria of <b>Poor Housing Conditions</b>	3	<ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Gillingham South</li> <li>Luton</li> </ul>	<ul style="list-style-type: none"> <li><b>8009</b> properties</li> <li><b>28%</b> of PRS (excl. known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Focuses on the <b>top 3</b> wards for % of PRS with predicted hazards <b>and</b> number of properties with predicted hazards</li> <li>Small scheme: reduced risk of challenge</li> <li>Will not require the substantial resource and time to upscale as larger scheme would.</li> <li>Consistent and easy to communicate scheme</li> <li>Easier to measure the improvements and demonstrate progress when reporting to MHCLG.</li> </ul>	<ul style="list-style-type: none"> <li>Excludes <b>Fort Pitt, Gillingham North, Strood North and Finsbury and Watling</b> all of which have at least 10% of PRS with predicted hazards as well as a significant number of properties with predicted hazards (&gt; 200) number of wards that sit above 10%</li> <li>Also excludes <b>Strood West and Strood Rural</b> which have at least 10% PRS with predicted hazards and over 100 properties with predicted hazards</li> <li>Small scheme; issues in other wards not included in the designations may be exacerbated</li> <li>Small scheme; other wards with similar levels of hazards may leave the council open to challenge</li> <li>So small that scheme effectiveness may be fundamentally compromised; income derived from licence fees may be insufficient to employ extra staff for administration and inspection purposes, which may impose significant extra work on existing staff.</li> <li>Difficult to achieve economies of scale</li> </ul>

# Option 10

	Options	No. wards	Wards	% Total PRS	Strengths	Risks
10	One designation on the criteria of <b>Poor Housing Conditions</b>	6	<ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Fort Pitt</li> <li>Gillingham South</li> <li>Luton</li> <li>Strood North &amp; Frindsbury</li> <li>Watling</li> </ul>	<ul style="list-style-type: none"> <li><b>12,548</b> properties</li> <li><b>43%</b> of PRS (excl. known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Focuses on the top <b>6</b> wards for % of PRS with predicted hazards <b>and</b> each ward has a significant number of properties with predicted hazards (&gt;200)</li> <li>Still small scheme: reduced risk of challenge</li> <li>Will not require the substantial resource and time to upscale as larger scheme would</li> <li>Although still small scheme size more likely to be economically viable with potential opportunity for economies of scale</li> <li>Consistent and easy to communicate scheme</li> <li>Easier to measure the improvements and demonstrate progress when reporting to MHCLG</li> <li>Location of wards provides geographical coherence</li> </ul>	<ul style="list-style-type: none"> <li>Excludes <b>Gillingham North</b> which has 10% PRS with predicted hazards and has a significant number of PRS with predicted hazards (&gt;200)</li> <li>Also excludes <b>Strood West and Strood Rural</b> which have at least 10% PRS with predicted hazards and over 100 properties with predicted hazards</li> <li>Small scheme; issues in other wards not included in the designations may be exacerbated</li> <li>Small scheme; other wards with similar levels of hazards may leave the council open to challenge</li> </ul>

# Option 11

	Options	No. wards	Wards	% Total PRS	Strengths	Risks
11	One designation on the criteria of <b>Poor Housing Conditions</b>	7	<ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Fort Pitt</li> <li>Gillingham North</li> <li>Gillingham South</li> <li>Luton</li> <li>Strood North &amp; Frindsbury</li> <li>Watling</li> </ul>	<ul style="list-style-type: none"> <li><b>14,908</b> properties</li> <li><b>52%</b> of PRS (excl. known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Focuses on <b>7</b> wards all of which have at least 10% PRS with predicted hazards and a significant number of properties with predicted hazards (&gt;200)</li> <li>Mid size scheme: reduced risk of challenge</li> <li>Will not require the substantial resource and time to upscale as larger scheme would</li> <li>Scheme size more likely to be economically viable with potential opportunity for economies of scale</li> <li>Consistent and easy to communicate scheme</li> <li>Easier to measure the improvements and demonstrate progress when reporting to MHCLG</li> <li>Location of 6 of the wards provides geographical coherence</li> <li>Closely aligns with HMO additional scheme proposal</li> </ul>	<ul style="list-style-type: none"> <li>Excludes <b>Strood West and Strood Rural</b> which have at least 10% PRS with predicted hazards and over 100 properties with predicted hazards</li> <li>Issues in wards not included in the designations may be exacerbated</li> <li>Other wards with similar levels of hazards may leave the council open to challenge</li> </ul>



# Option 12

	Options	No. wards	Wards	% Total PRS	Strengths	Risks
12	One designation on the criteria of <b>Poor Housing Conditions &amp; Deprivation</b>	5	<ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Fort Pitt</li> <li>Gillingham North</li> <li>Gillingham South</li> <li>Luton</li> </ul>	<ul style="list-style-type: none"> <li><b>12,051</b> properties</li> <li><b>42%</b> of PRS (excl. known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Focuses on <b>5</b> wards which have at least 10% PRS with predicted hazards, a significant number of properties with hazards (&gt; 200) and are in the 30% most deprived in England.</li> <li>Still small scheme: reduced risk of challenge</li> <li>Will not require the substantial resource and time to upscale as larger scheme would</li> <li>Although still small scheme size more likely to be economically viable with potential opportunity for economies of scale</li> <li>Still consistent and easy to communicate scheme</li> <li>Location of wards provides geographical coherence</li> <li>Closely aligns with HMO additional scheme proposal</li> </ul>	<ul style="list-style-type: none"> <li>Excludes <b>Strood West</b> which is also within 30% most deprived, has more than 10% PRS with predicted hazards and over 100 properties with predicted hazards</li> <li>None of the 5 wards show deprivation in terms of barriers to housing based on 2019 borough average of 6</li> <li>Excludes <b>Strood North &amp; Frindsbury and Watling</b> which have over 10% PRS with predicted hazards and have a significant number of PRS with predicted hazards (&gt;200)</li> <li>Also excludes <b>Strood Rural</b> which has at least 10% PRS with predicted hazards and over 100 properties with predicted hazards</li> <li>Small scheme; issues in other wards not included in the designations may be exacerbated</li> <li>Small scheme; other wards with similar levels of hazards may leave the council open to challenge</li> <li>Difficult to obtain evidence to demonstrate how you have used licensing to improve deprivation; could be contentious</li> </ul>

# Option 13

	Options	No. wards	Wards	% Total PRS	Strengths	Risks
13	One designation on the criteria of <b>Poor Housing Conditions</b>	6	<ul style="list-style-type: none"> <li>Chatham Central &amp; Brompton</li> <li>Fort Pitt</li> <li>Gillingham North</li> <li>Gillingham South</li> <li>Luton</li> <li>Watling</li> </ul>	<ul style="list-style-type: none"> <li><b>13,327</b> properties</li> <li><b>46%</b> of PRS (excl. known HMOs)</li> </ul>	<ul style="list-style-type: none"> <li>Focuses on <b>6</b> wards which align with the HMO additional scheme proposal</li> <li>All <b>6</b> wards have at least 10% hazards and a significant number of properties with hazards (above 200)</li> <li>Still small scheme: reduced risk of challenge</li> <li>Will not require the substantial resource and time to upscale as larger scheme would</li> <li>Although still small scheme size more likely to be economically viable with potential opportunity for economies of scale</li> <li>Consistent and easy to communicate scheme</li> <li>Easier to measure the improvements and demonstrate progress when reporting to MHCLG</li> <li>Location of wards provides geographical coherence</li> </ul>	<ul style="list-style-type: none"> <li>Excludes <b>Strood North &amp; Frindsbury</b> which has over 10% PRS with predicted hazards and has a significant number of PRS with predicted hazards (&gt;200)</li> <li>Also excludes <b>Strood West and Strood Rural</b> which have at least 10% PRS with hazards and over 100 properties with serious hazards</li> <li>Small scheme; issues in other wards not included in the designations may be exacerbated</li> <li>Small scheme; other wards with similar levels of hazards may leave the council open to challenge</li> </ul>

# MHCLG's Independent Review of the Use and Effectiveness of Selective Licensing, 2019

## Common characteristics of effective schemes:

- **Focused** – The designation should be as small as possible whilst still covering the area that evidence indicates would benefit from the scheme. This is because the problems that can arise in selective licensing schemes are almost always rendered more serious the larger the designation in question is. As a consequence, district wide licensing should be considered only in particular circumstances, i.e. where there is evidence that the problems that selective licensing is being introduced to address are sufficiently severe and diffuse to warrant such action across the entire authority. Local authorities (especially those without previous experience of licensing) considering larger schemes should consider smaller pilot schemes in the first instance to identify potential issues and inform planning for the larger scheme.
- **Targeted** – The scheme should have a clear idea of what it is intended to achieve and how it proposes to realise these goals. However, target setting needs to be flexible, as it likely that the reality of the private rented sector does not match the best intelligence available prior to designation, and that the sector is likely to change over the five-year designation period.

MHCLG's [Independent Review of the Use and Effectiveness of Selective Licensing, 2019](#)

***It is important to note that a scheme can be so small that its effectiveness can be fundamentally compromised. If the number of licensed properties is such that the income derived from licence fees is insufficient to employ extra staff for administration and inspection purposes, this has the effect of imposing significant extra work on existing staff. Authorities must be mindful of this issue when setting fees and/or deciding on the designation boundary.***

# Contents

Section	Title
1	Executive Summary
2	Purpose and background
3	Evidence for Selective Licensing
4	Designation Options for Selective Licensing
5	Evidence for Additional HMO Licensing
6	Proposed scheme objectives
7	Strategic alignment
8	Financial modelling
9	Next steps and indicative timeline
10	Conclusions

# Additional Licensing Legislative Framework



To introduce Additional HMO licensing the council must be satisfied that:

- a **significant proportion of the HMOs are being poorly managed and** are giving rise, or likely to give rise, to problems affecting the occupiers or members of the public.
- decision to implement an additional licensing scheme must be **consistent** with the council's **housing strategy**
- is part of a **coordinated approach** for dealing with homelessness, empty homes and other related policies.
- there are **no other courses of action** that might provide an effective remedy
- the introduction of a licensing scheme will significantly assist in dealing with the problem.

The Council should also consider whether the proposed Additional HMO scheme includes '**section 257 HMOs**'. These are buildings that:

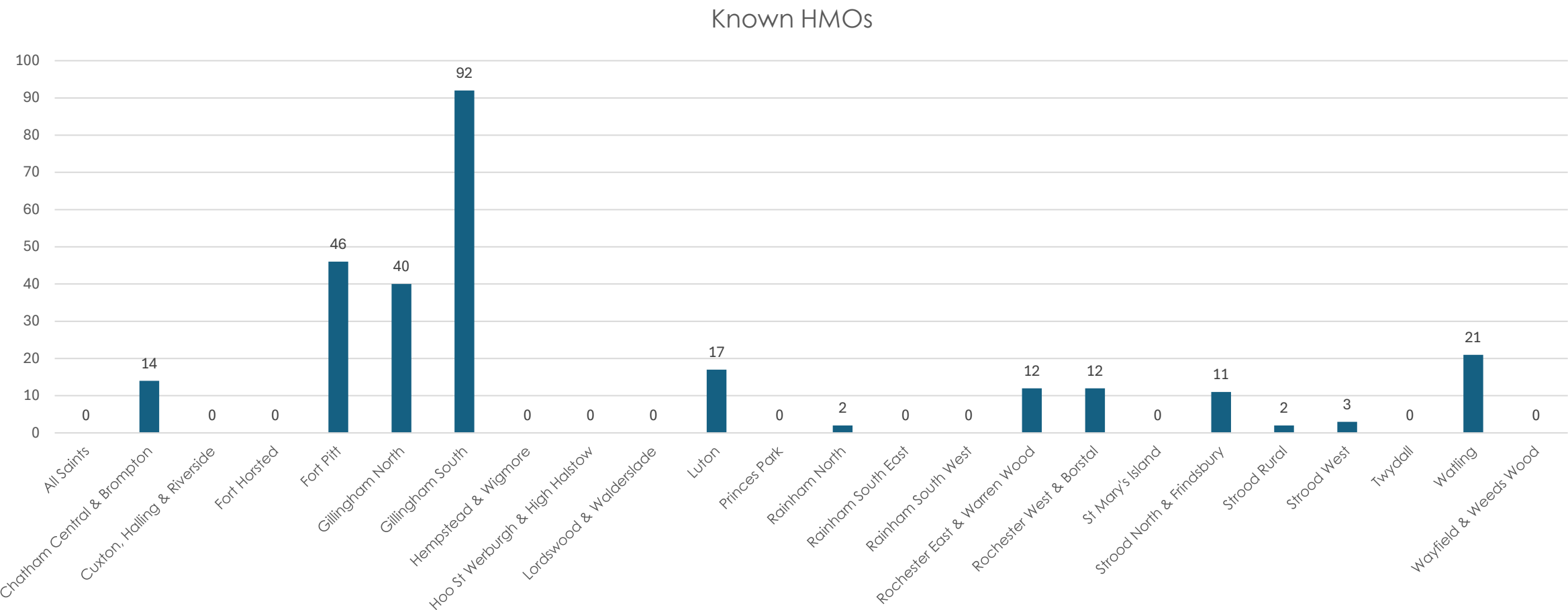
- have been converted into self-contained flats; and
- the conversion did not comply with the relevant Building Regulations in force at that time and still does not comply; and
- less than two-thirds of the flats are owner-occupied

The council **must consult** with everyone affected by the designation for a minimum of 10 weeks. Depending on local circumstances, or the time of year when the consultation is held, a longer consultation may be advised



# Distribution of known HMOs across Medway

This slide shows the distribution of known HMOs. These are HMOs which are licensed under the council's current mandatory licensing scheme.



The known HMO tenure (Mandatory) is distributed across 12 of Medway's wards

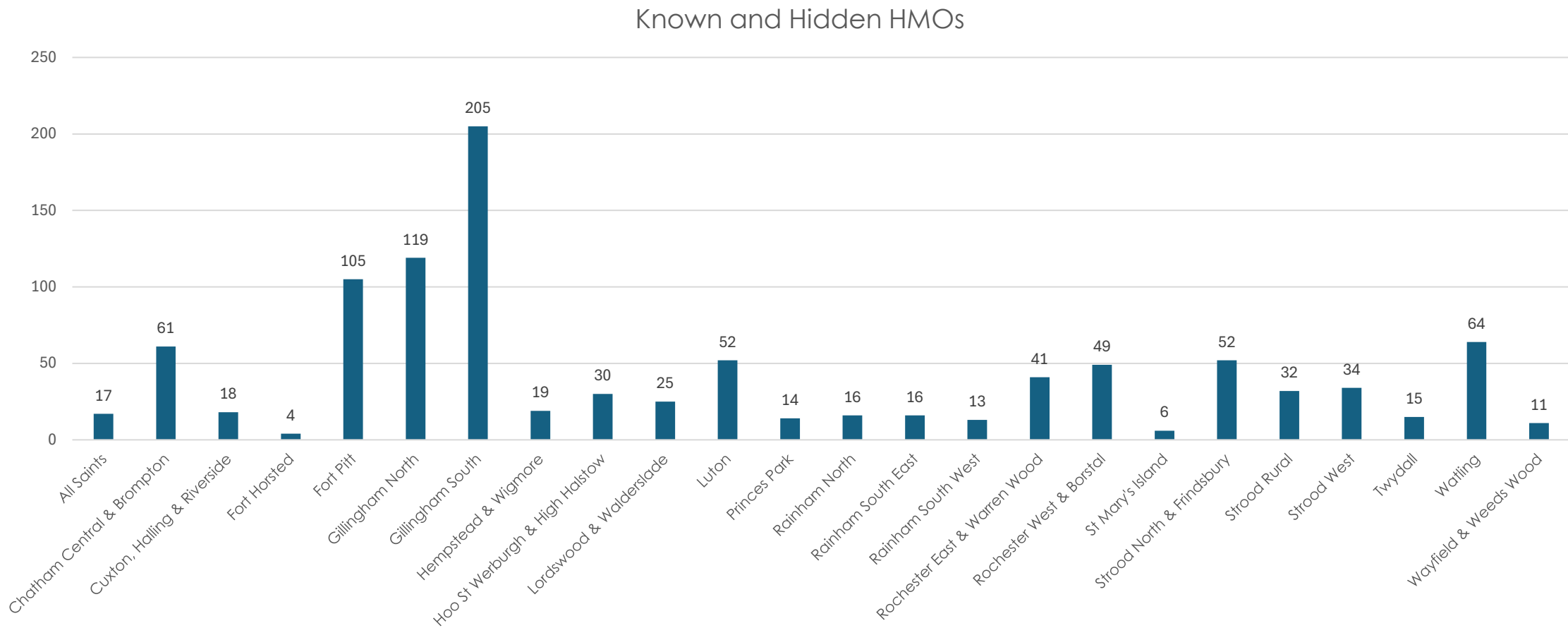


# Analysis of data for HMOs

The following slides provide a review of the data for HMOs within the borough. This includes:

- 1. Known HMOs** – These are HMOs which are *either* licensed or where a licence application has been received under the council's current mandatory HMO licensing scheme
- 2. Predicted HMOs** – Properties that are not currently licensed, but Metastreet tenure intelligence modelling predicts to be a shared amenity HMO (s.254)

# Distribution of known and hidden HMOs across Medway

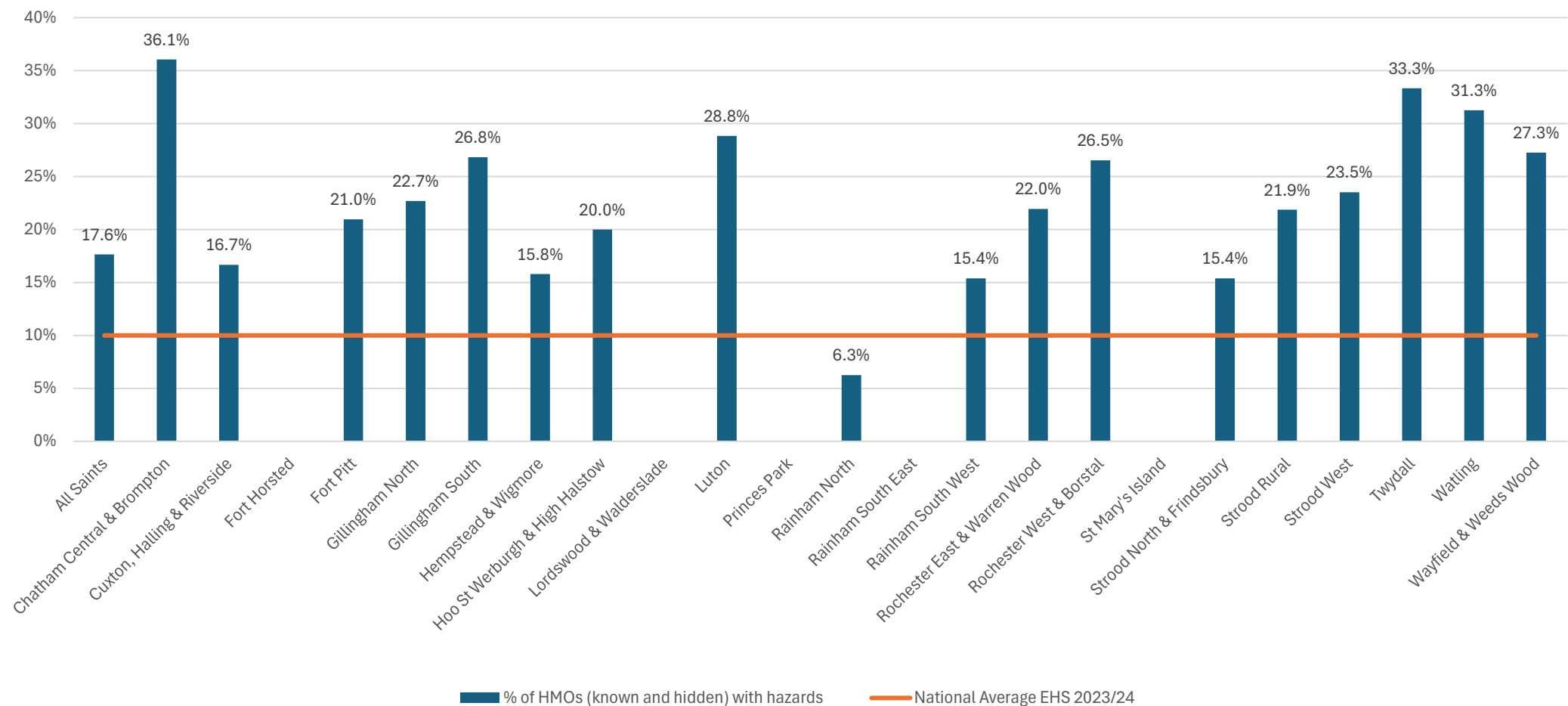


The HMO tenure is distributed across all 24 of Medway's wards

# HMOs - Poor Housing Conditions & ASB

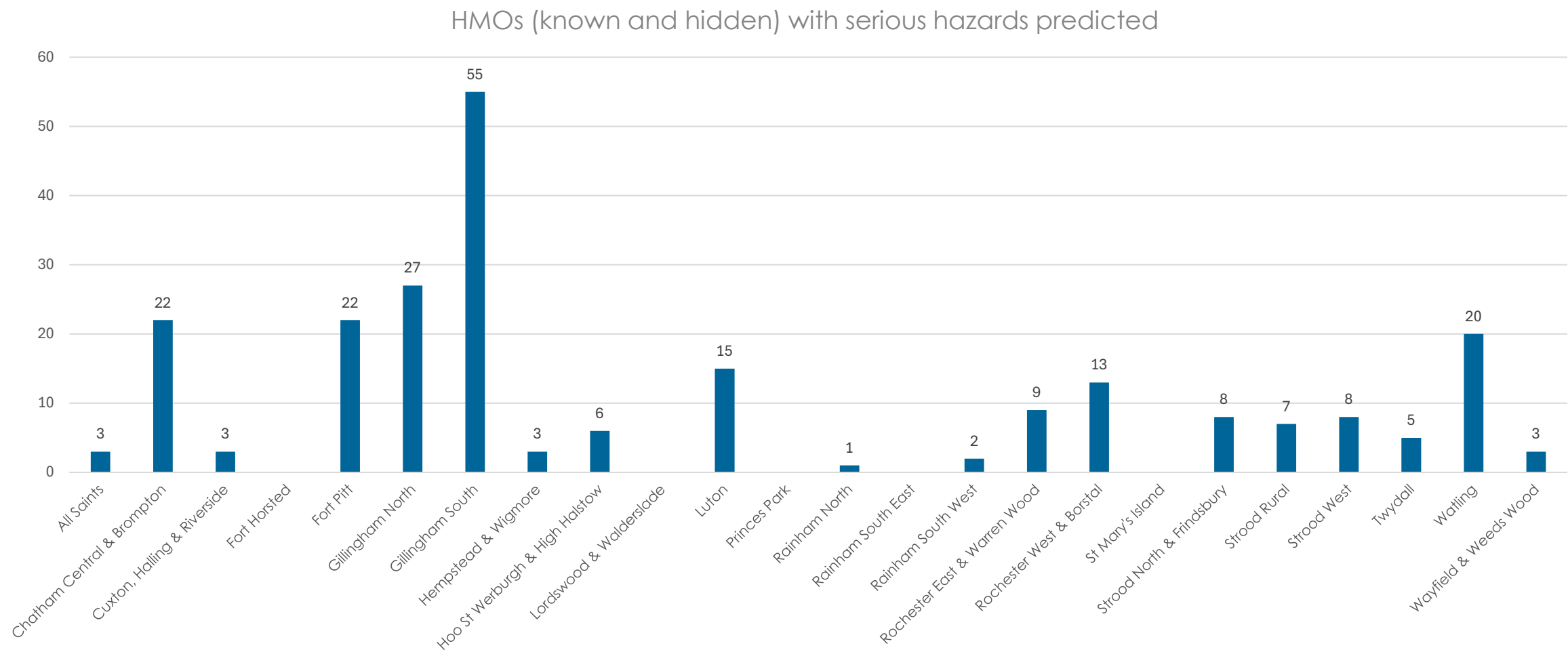


# Percentage of HMOs predicted to have Serious Hazards



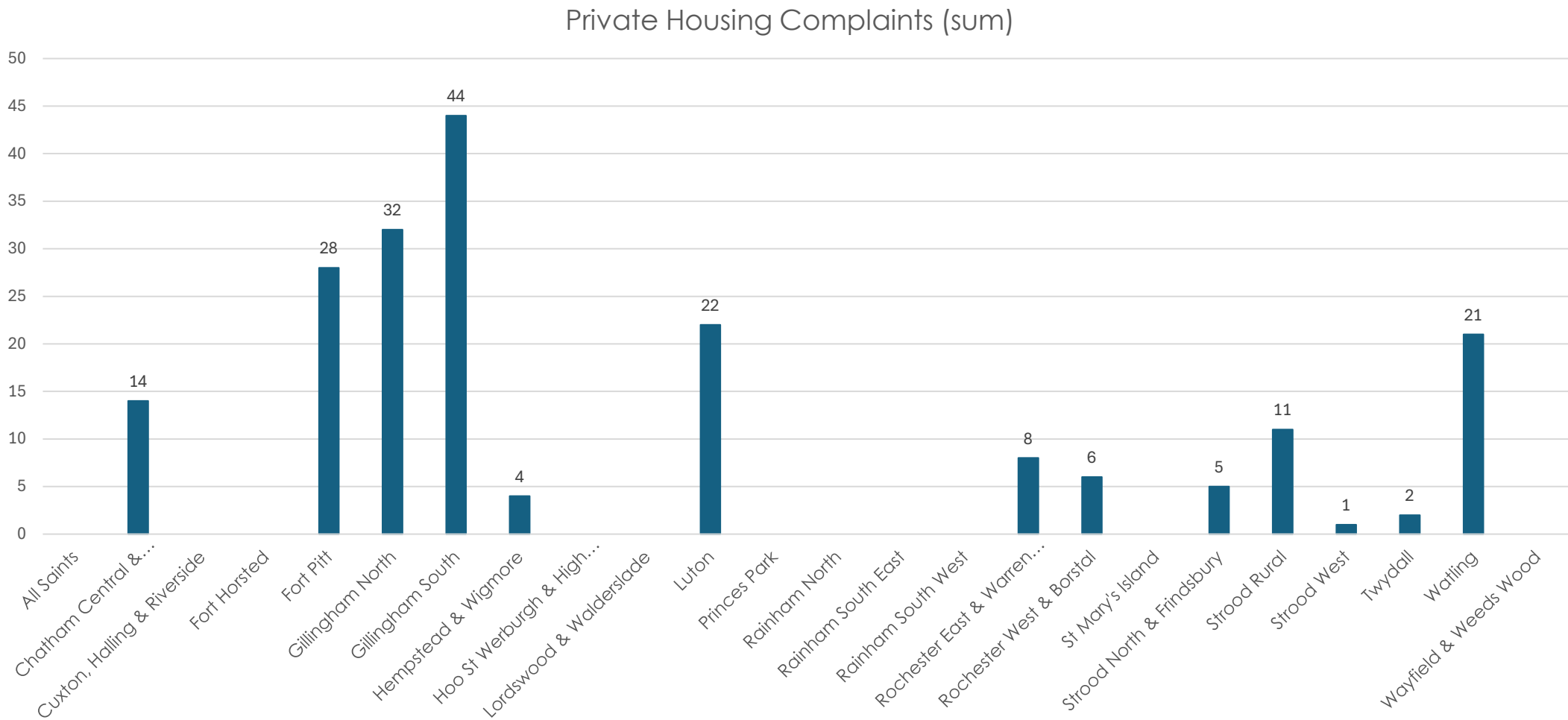
Metastreet defines **serious hazards** as those properties predicted to have **Cat 1 and High Cat 2 hazards**. The EHS 2023 – 2024 puts the national average in the PRS at 10%. The HMO tenure across **18 of Medway's 24 wards** shows a high (at least double in most wards) the national PRS average percentage of serious hazards predicted

# Number of HMOs predicted to have Serious Hazards



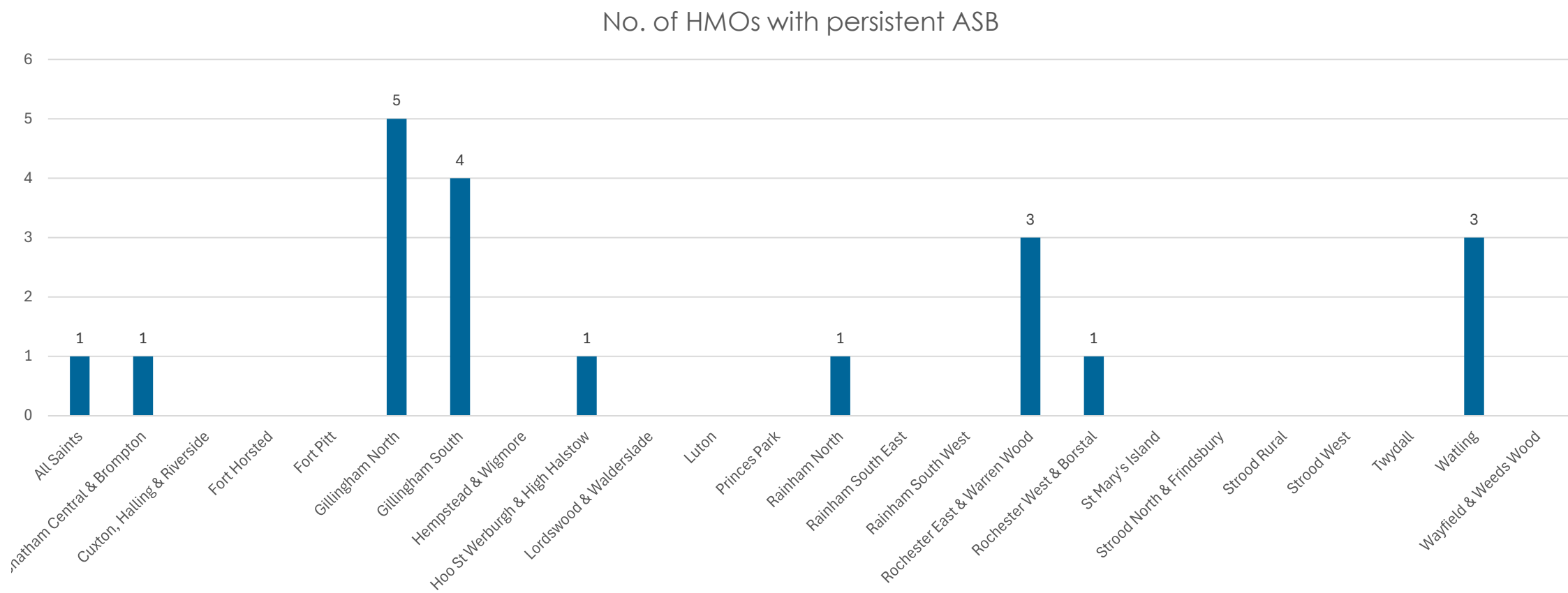
Metastreet defines **serious hazards** as those properties predicted to have **Cat 1 and High Cat 2 hazards**.  
**19 of Medway's 24 wards** contain HMOs with serious hazards predicted

# Number of Complaints Received about HMOs



Complaints about HMOs have been received across **13 wards** in the borough.

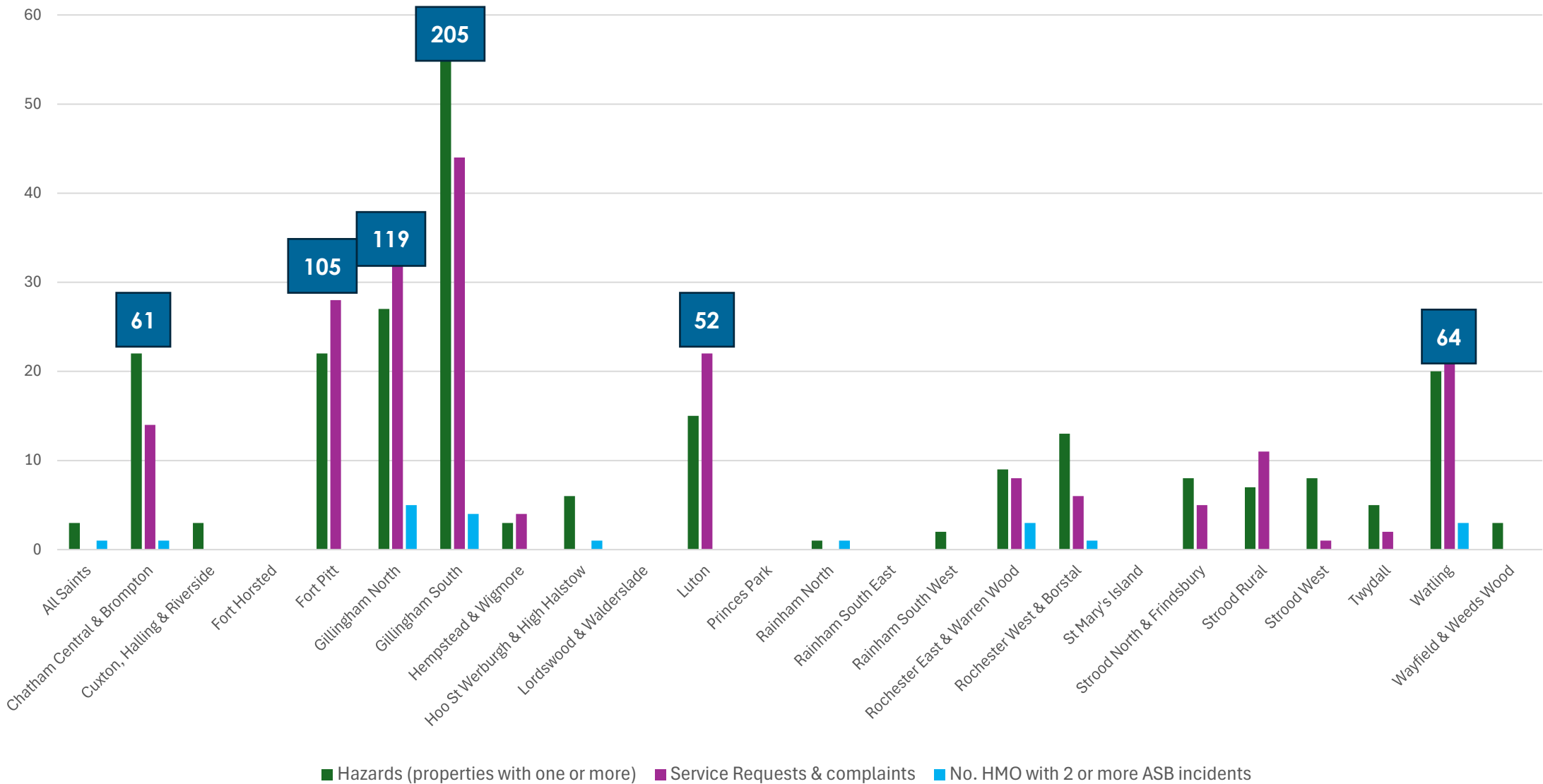
# Number of HMOs with persistent ASB



Persistent is defined as two or more incidents. Across Medway the repeat ASB data for HMOs is not significant.



# Summary Evidence



No. of known & hidden HMOs

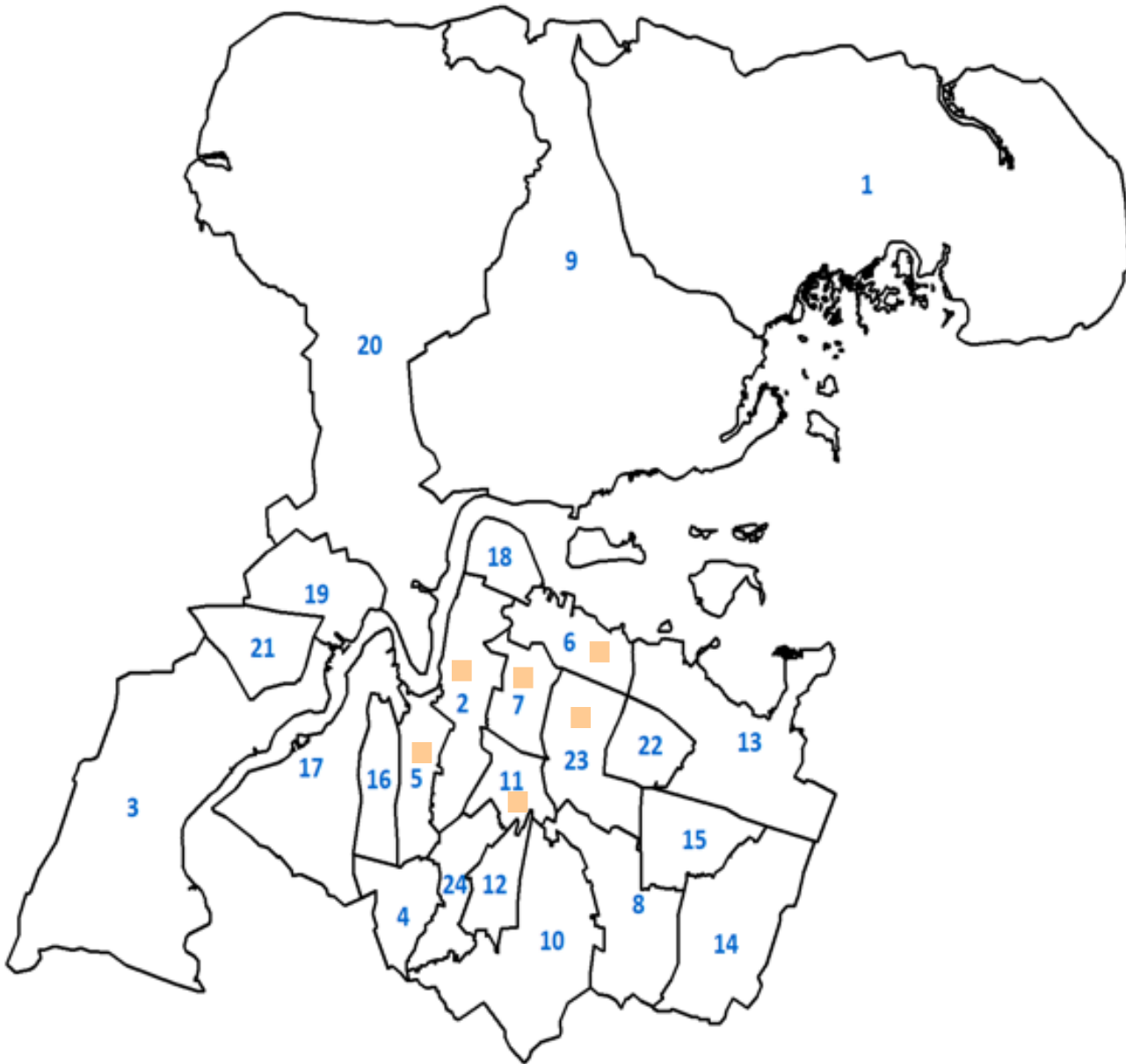
# Summary Evidence

Ward	Number of known & hidden HMOs	Greater than 10% of HMOs predicted to have hazards	Complaints	Repeat ASB
All Saints	17	17.6%	0	1
Chatham Central & Brompton	61	36.1%	14	1
Cuxton, Halling & Riverside	18	16.7%	0	0
Fort Horsted	4	0.0%	0	0
Fort Pitt	105	21.0%	28	0
Gillingham North	119	22.7%	32	5
Gillingham South	205	26.8%	44	4
Hempstead & Wigmore	19	15.8%	4	0
Hoo St Werburgh & High Halstow	30	20.0%	0	1
Lordswood & Walderslade	25	0.0%	0	0
Luton	52	28.8%	22	0
Princes Park	14	0.0%	0	0
Rainham North	16	6.3%	0	1
Rainham South East	16	0.0%	0	0
Rainham South West	13	15.4%	0	0
Rochester East & Warren Wood*	41	22.0%	8	3
Rochester West & Borstal*	49	26.5%	6	1
St Mary's Island	6	0.0%	0	0
Strood North & Frindsbury	52	15.4%	5	0
Strood Rural	32	21.9%	11	0
Strood West	34	23.5%	1	0
Twydall	15	33.3%	2	0
Watling	64	31.3%	21	3
Wayfield & Weeds Wood	11	27.3%	0	0

The cumulative evidence of poor housing conditions, complaints and repeat ASB incidents support an additional licensing scheme in the following **6 wards**:

- Chatham Central & Brompton
- Ford Pitt
- Gillingham North
- Gillingham South
- Luton
- Watling

# Summary Evidence Continued



ID	Ward Name	ID	Ward Name
1	All Saints	13	Rainham North
2	Chatham Central & Brompton	14	Rainham South East
3	Cuxton, Halling & Riverside	15	Rainham South West
4	Fort Horsted	16	Rochester East & Warren Wood*
5	Fort Pitt	17	Rochester West & Borstal*
6	Gillingham North	18	St Mary's Island
7	Gillingham South	19	Strood North & Frindsbury
8	Hempstead & Wigmore	20	Strood Rural
9	Hoo St Werburgh & High Halstow	21	Strood West
10	Lordswood & Walderslade	22	Twydall
11	Luton	23	Watling
12	Princes Park	24	Wayfield & Weeds Wood

# Contents

Section	Title
1	Executive Summary
2	Purpose and background
3	Evidence for Selective Licensing
4	Designation Options for Selective Licensing
5	Evidence for Additional HMO Licensing
6	Proposed scheme objectives
7	Strategic alignment
8	Financial modelling
9	Next steps and indicative timeline
10	Conclusions

# Framing objectives

Objectives need to:

1. Match criteria and evidence
2. Link to overall strategic goals – golden thread
3. Show a coordinated approach – outlined in council Housing Strategy.

Key strategic themes that could shape objectives:

- Improvements in property standards in the PRS and better protection of private renters
- Making the council one of the safest boroughs in England/ London - reducing ASB incidents
- Sustainability – improving the energy efficiency of PRS properties and links to government green policy
- Reducing homelessness – working with landlords to sustain tenancies
- Reducing levels of poverty and fuel deprivation

*Any designation made must: ensure that the exercise of the power is consistent with their overall housing strategy; and seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties, regeneration and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others.*

# Example scheme objectives





# Example selective and additional licensing scheme objective 1

The following slides outline example licensing objectives that could be used where the criteria of **Poor Housing Conditions and ASB** are used. These draft objectives can be further developed in consultation with key council stakeholders before being approved in principle and taken forward for consultation.

Objective	*Measure	*Suggested targets	*Baseline	Outcomes and Benefits
1. <b>Improve housing conditions</b> in the PRS by eliminating poor property standards	<ul style="list-style-type: none"><li>• Number of properties licensed</li><li>• Number of properties inspected</li><li>• Number of PRS properties improved</li><li>• Number of Category 1 hazards resolved following inspection</li><li>• Number of Category 2 hazards resolved following inspection</li><li>• X% of identified issues enforced and addressed</li></ul>	<ul style="list-style-type: none"><li>• Ensure that at least 80% of licensable properties are licensed over the 5-year scheme</li><li>• 100% of all licence applications desk-based risk assessed</li><li>• 50% of all licensed properties inspected at least once during the duration of the licence, informed by a data-led risk assessment and licence conditions enforced</li><li>• Improve property standards in at least 75% of properties where improvements are required</li><li>• Reduction in Cat 1 hazards found in licensable dwellings by e.g., 25% over 5 years</li><li>• Bring at least 50% of identified properties up from F and G rated EPCs to a minimum of an E rating</li></ul>	<ul style="list-style-type: none"><li>• Predicted number of properties with Cat 1 and high scoring Cat 2 hazards</li></ul>	<ul style="list-style-type: none"><li>• Licensed properties are monitored, and licence conditions robustly enforced and complied with.</li><li>• Poor Housing Conditions are improved with category 1 &amp; 2 hazards resolved (including issues such as damp and mould)</li><li>• PRS properties meet a minimum E EPC rating (unless an exemption applies)</li><li>• Improved health, safety and welfare of tenants in the PRS</li><li>• The Council will gain increased knowledge of the private rented sector in the borough. This will enable targeted enforcement and support for landlords</li></ul>

**\*Performance Indicators (targets) are suggestions and need to be confirmed and developed as part of the next phase.**



# Example selective and additional licensing scheme objective 2

Objective	*Measure	*Suggested targets	*Baseline	Outcomes and Benefits
2 <b>Improve management standards</b> in PRS properties	<ul style="list-style-type: none"> <li>• X% of identified issues enforced and addressed</li> <li>• Number of accredited landlords</li> <li>• Number of landlord forums held per annum</li> <li>• Number of newsletters sent to licensed landlords per annum.</li> </ul>	<ul style="list-style-type: none"> <li>• Take appropriate enforcement action against those landlords who fail to license or breach licence conditions</li> <li>• Proactively target high risk properties within the designation and carry out audit and compliance checks as per enforcement plan</li> <li>• Be in the top 10 of London Council's whose landlords are accredited to the LLAS</li> <li>• 2 landlord forums held per year</li> <li>• 4 newsletters sent per year to licensed landlords.</li> </ul>	<ul style="list-style-type: none"> <li>• Current number of accredited landlords in borough</li> </ul>	<ul style="list-style-type: none"> <li>• Landlords actively manage their properties or be enforced against</li> <li>• Absentee or unfit landlords employ an agent to actively manage their properties to ensure compliance</li> <li>• Prevention of overcrowding through better management of property occupancy</li> <li>• Greater number of landlords become accredited improving the professionalism of landlords in the PRS</li> <li>• Engagement with landlords improved</li> <li>• Landlords are kept informed of latest legislation and good practice</li> <li>• Responsible landlords will become more involved in Council licensing schemes and receive information and support</li> <li>• Irresponsible landlords will be forced to improve their properties or be enforced against.</li> </ul>

\*Performance Indicators (targets) are suggestions and need to be confirmed and developed as part of the next phase.

# Example selective and additional licensing scheme objective 3

Objective	*Measure	*Suggested targets	*Baseline	Outcomes and Benefits
3 <b>Reduction of ASB and repeat ASB incidents</b> in single family dwellings and HMOs	<ul style="list-style-type: none"> <li>Implementation of the private sector licensing and housing enforcement team's ASB-handling protocol.</li> </ul>	<ul style="list-style-type: none"> <li>Proactively target nuisance areas and enforce ASB licence conditions by taking statutory enforcement where necessary</li> <li>Respond to all complaints of fly tipping and environmental nuisance connected to the PRS</li> <li>Support landlords to manage ASB more effectively in their properties by providing a model ASB policy for landlords to implement</li> <li>Enforce ASB licence conditions, by taking statutory enforcement where necessary</li> <li>Build links with local police to ensure cases are handled in a joined-up manner</li> <li>Joint enforcement with partners such as Safer Communities, , Adult and Children's/young people's social services, Community Mental Health, Revenues and Benefits, the Fire Brigade and others.</li> </ul>	<ul style="list-style-type: none"> <li>Predicted number of properties with repeat ASB incidents</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of ASB through better management of properties</li> <li>Reduction in fly tipping and other forms of environmental nuisance</li> <li>Reduction of ASB will improve problem areas, making these areas safer and more desirable places to live in.</li> </ul>

# Example selective and additional licensing scheme objective 4

Objective	*Measure	*Suggested targets	*Baseline	Outcomes and Benefits
4 Increased awareness for tenants of the minimum standards to be expected in rented accommodation and what their other rights are when renting in the PRS	<ul style="list-style-type: none"> <li>Number of educational forums delivered.</li> <li>Number of referrals for support made to third parties</li> <li>Number of joint working/partnership activities undertaken</li> </ul>	<ul style="list-style-type: none"> <li>Deliver an education campaign to make renters aware of licensing, as well as their tenancy rights and responsibilities and also services available to them</li> <li>Work with third parties to provide additional advice and support with tenancy rights (e.g. referrals made to Justice for Tenants and/or Cambridge House)</li> <li>Joint working with internal and external partners to support tenants in fuel poverty to get the support they need (Green Doctor Services and Grants )</li> </ul>		<ul style="list-style-type: none"> <li>Information for tenants on the local licensing scheme advertised and third-party support for tenants made available</li> <li>Dedicated tenants' advice section created on web site.</li> <li>Officers to provide tenants with information and sign posting to support their housing and wider needs.</li> <li>Improved tenants' support through work with third parties.</li> <li>Renters know their rights and responsibilities and have greater awareness of and access to council services that can support them.</li> <li>Tenants will see economic benefits such as reduced heating costs, bringing them out of fuel poverty.</li> </ul>

**\*Performance Indicators (targets) are suggestions and need to be confirmed and developed as part of the next phase.**

# KPIs and data to be provided to MHCLG



# Reviewing scheme progress

- The Housing Act 2004 requires local authorities to review their licensing schemes from time to time and to revoke the scheme if they consider this to be the most appropriate action.
- As part of the best practice guidance included in the selective licensing General Approval 2024, local authorities are requested to publish the outcome of any reviews that they undertake in respect of the selective licensing scheme in a timely manner on their website.
- Once objectives have been agreed the council must consider what data they will need to routinely collate to assess the effectiveness of the scheme designations and whether objectives are being met.
- Performance monitoring and management and analysis of this data is key to assess service improvements and resource requirements.
- The following slides provide examples of measurable key performance indicators that may be used to facilitate formal scheme reviews and assess scheme effectiveness.

A process for review must be developed to inform strategic direction of the licensing scheme

# Key Performance Indicators

Category	Metric / Number	
<b>General</b>	<ul style="list-style-type: none"> <li>• Applications received</li> <li>• Licences granted</li> </ul>	<ul style="list-style-type: none"> <li>• Licences refused</li> <li>• Reduced term licences granted</li> </ul>
<b>Poor property conditions</b>	<ul style="list-style-type: none"> <li>• Complaints received</li> <li>• Complaints responded to</li> <li>• HHSRS inspection carried out</li> <li>• Cat 1 hazard identified</li> <li>• Cat 1 hazard resolved</li> <li>• Cat 2 hazard identified</li> <li>• Cat 2 hazard resolved</li> </ul>	<ul style="list-style-type: none"> <li>• HA Statutory Notices served</li> <li>• Other Statutory Notices served (PDPA/EPA/BA/PHA etc)</li> <li>• Licence compliance inspection carried out</li> <li>• Licence conditions complied with (relevant to poor property conditions)</li> <li>• Licence conditions breached (relevant to poor property conditions)</li> <li>• Any MEES related audits/work carried</li> </ul>
<b>Anti-Social Behaviour</b>	<ul style="list-style-type: none"> <li>• Reported ASB incidents</li> <li>• Properties with repeat ASB incidents (2 or more)</li> <li>• ASB actions taken (need to clarify what action does this include?)</li> <li>• Repeat ASB cases resolved</li> </ul>	<ul style="list-style-type: none"> <li>• Properties visited/inspected where ASB reported</li> <li>• Properties visited/inspections where repeat ASB (2 or more) reported</li> <li>• ASB licence conditions complied with</li> <li>• ASB licence conditions breached</li> <li>• ASB related enforcement notices served (PDPA/EPA etc)</li> </ul>
<b>Enforcement / Compliance</b>	<ul style="list-style-type: none"> <li>• Desktop audits and compliance checks completed</li> <li>• Licence compliance checks undertaken</li> <li>• Warning Letters sent</li> <li>• Street Surveys/Tasking Days undertaken</li> </ul>	<ul style="list-style-type: none"> <li>• Prosecutions</li> <li>• Proceeds of Crime Confiscation Awards</li> <li>• Rent Repayment Orders (RRO) – taken or assisted tenants with</li> </ul>
<b>Civil Penalties (Notices of Intent and Final Notice)</b>	<ul style="list-style-type: none"> <li>• Failure to licence</li> <li>• Failure to comply with an Improvement Notice</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to comply with Overcrowding Notice</li> </ul>
<b>Landlord &amp; Tenant Engagement</b>	<ul style="list-style-type: none"> <li>• Accredited Landlords (consider scheme breakdown if possible)</li> <li>• Landlord forums held</li> </ul>	<ul style="list-style-type: none"> <li>• Landlord newsletters (frequency circulated and circulation numbers)</li> <li>• Tenants' forums held</li> <li>• Any other tenant engagement exercise</li> </ul>



# Providing data to MHCLG

- As part of the best practice guidance included in the selective licensing General Approval 2024 local authorities are required to provide data to MHCLG on their scheme(s)
  - (a) upon commencement of the scheme and
  - (b) on the scheme end date or within 12 weeks of scheme end date
- The following slides outline the data that will need to be submitted to MHCLG.

The council will need to establish procedures for the regular collection and documentation of data, which they will later be required to submit to MHCLG.



# Data to be provided to MHCLG

## Scheme Start

- dates of the scheme
- location of the scheme (postcodes or wards)
- whether the scheme is new / a renewal / part renewal
- number of PRS properties and as a % of total housing stock within the designation
- what proportion of the authority's PRS stock or area will be covered by licensing once the scheme is in place
- the criteria the designation has been made under
- details of the licensing fee(s)

## Scheme End (or within 12 weeks of scheme end date)

- total number of licenses issued; and as a % of eligible properties
- total value of licensing fees
- total costs associated with the scheme
- details of how the scheme has addressed the issues it was designed to address. This can include details of performance against KPIs, case studies, or outcomes of any review

# Contents

Section	Title
1	Executive Summary
2	Purpose and background
3	Evidence for Selective Licensing
4	Designation Options for Selective Licensing
5	Evidence for Additional HMO Licensing
6	Proposed scheme objectives
7	Strategic alignment
8	Financial modelling
9	Next steps and indicative timeline
10	Conclusions

# Adopting a consistent and coordinated approach

- The Housing Act 2004 sets out the scheme for licensing private rented properties in a local housing authority area.
- Any licensing designation made must:
  1. Be **consistent** with the local authority's overall **housing strategy** and
  2. Seek to adopt a **co-ordinated approach** in dealing **with homelessness, empty properties, and anti-social behaviour** affecting the private rented sector regarding both:
    - combining selective licensing with other courses of action available to them, and
    - combining selective licensing with measures taken by others i.e., other organisations working
- In accordance with the selective licensing General Approval Order 2023, any selective licensing scheme must also seek to adopt a coordinated approach in relation to show how such a designation **aligns with their overall strategic local authority wide approach**, and how it fits with existing policies **on Regeneration**

# Demonstrating a consistent and coordinated approach

The Local authority must be able to demonstrate that:

1. The making of the designation is **consistent** with the authority's overall **housing strategy**.
2. Within the Housing Strategy selective **licensing plays an intrinsic role** in helping the council to achieve its priorities.
3. They are taking a **joined up approach** to tackling **homelessness, empty properties, regeneration** and **anti social behaviour** and licensing is intrinsic to this by:
  - combining selective licensing with other courses of action available to them, and
  - combining selective licensing with measures taken by others i.e., other organisations working in the area
4. There is a **golden thread** running through **other strategies and policies** showing how licensing can be used to support council wide objectives for example, those linked to climate change, fuel poverty reduction etc.
5. Licensing is **working in conjunction** with **existing initiatives** (e.g. landlord accreditation, rogue landlord task force) and **partnerships** (e.g. Justice for Tenants, Cambridge House)

# Strategic Alignment: key policy review



# Strategic Alignment – Policy Review

Key strategy/policy documents (where possible) have been reviewed using the following assessment criteria.

Assessment criteria

- a **Goals** – relates to PRS residents, e.g., a statement of policy intent for this group
- b **Links** - sets out clear principles and objectives for Private Sector Licensing, linking Additional, Selective and Mandatory where relevant
- c **Governance** – sets out how governance (decision-making) links to PRSL
- d **Relevance** – policy exists and is still within stated policy life and has been updated

No further work	Update	Formal review
Green – clearly sets out PRS to support goals	Amber - Mentions PRS	Red – Not met
Green – clearly links to PRSL	Amber -Infers links	Red – Not met
Green – shows how regulation will be delivered	Amber -Infers how regulation could be met	Red – Not met
Green – up to date policy	Amber -About to expire	Red – Out of date

Seven ‘key’ council strategies/policies and one ‘supporting’ strategy have been reviewed to assess alignment with selective licensing criteria and whether a consistent and coordinated approach has been adopted.

# Strategic Alignment – Policy Review

Key Strategy/Policy documents	Assessment RAG
1 One Medway Council Plan 2024	
2 Housing Strategy	
3 Homelessness and Rough Sleeping Strategy	Draft
4 Community Safety Partnership Plan (ASB)	
5 Empty Properties Strategy	
6 Private Rented Sector Housing Enforcement Policy	
7 Medway 2035 (regeneration)	

Supporting Strategies/Policies	Assessment RAG
8 Kent and Medway Energy & Low Emissions Strategy	
10 Manifesto – Medway Labour	

## Key Actions

- The policy team must be made aware of the intention to expand licensing schemes and where possible licensing should be woven into any policies that are scheduled for review/update.
- Where possible strategies should provide
  - clear links to discretionary licensing and how this will help the Council to achieve its overarching goals and key priorities
  - a statement of intent for the PRS or set out any clear principles or objectives for Private Sector Licensing.
- ASB Policy:** no current ASB policy exists. The Council must review if there is a need for a separate plan/policy detailing how existing ASB measures are being used to combat ASB in the PRS.
- Empty Properties Strategy:** Currently the strategy does not mention private sector licensing explicitly as a tool which could support the identification of empty properties and any enforcement. Where possible, the Council must try to link licensing as an additional tool and which is part of a holistic approach to tackling empty properties.



# Strategic Alignment – Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
1	<b>One Medway Council Plan 2024</b>  <a href="#">One_Medway_Council_Plan.pdf</a>					<p><b>Medway's plan's vision to create</b> 'a place where people are proud to live, work, learn, and visit, with opportunities for all to thrive' is set out through 5 priorities;</p> <ol style="list-style-type: none"> <li>1. Delivering Quality Social Care and Community Services</li> <li>2. Benefitting from Good Education, Quality Jobs, and a Growing Economy</li> <li>3. Enjoying Clean, Green, Safe, and Connected Communities</li> <li>4. Improving Health and Wellbeing for All</li> <li>5. Living in Good-Quality, Affordable Homes</li> </ol> <p>The Council Plan does not mention private sector licensing explicitly although it does mention the increase in the percentage of PRS to 20.3% and the heavy reliance on the private rented sector and the importance of good-quality, affordable homes through Priority 5</p> <p><b>Priority 5</b></p> <p><b>Living in Good-Quality, Affordable Homes</b></p> <ul style="list-style-type: none"> <li>• Increase the supply of energy-efficient and sustainable homes.</li> <li>• Improve the quality of council housing stock.</li> <li>• Support people with specific accommodation needs.</li> </ul>	<p>In the next re-fresh of One Medway Plan it is important to show the role of the private rented sector in achieving Medway's priorities.</p> <p>The strategy must demonstrate how the private rented sector with licencing forms part of a holistic approach to improve Medway for its residents.</p> <p><b>Under Priority 5:</b></p> <ul style="list-style-type: none"> <li>• Include the role of, and importance of, the private rented sector in providing good homes</li> <li>• Introduce licencing as a route to drive up standards on the way to achieving your goals.</li> <li>• Include licensing as a route to achieve better enforcement with mandatory HMOs</li> </ul> <p>The outcome of the feasibility study should be included in the next Corporate Plan refresh</p>

# Strategic Alignment – Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
2	<b>Housing Strategy</b>  <a href="#">Housing Strategy to 2030.docx</a>					<p>The Medway Housing Strategy to 2030 sets out its plan through four overarching commitments:</p> <ol style="list-style-type: none"> <li><b>1. Supply</b> – increase affordable housing supply.</li> <li><b>2. Quality</b> – Driving up housing standards</li> <li><b>3. Participation</b> – involving Medway Housing Tenants and other residents so they have a say.</li> <li><b>4. Independence</b> – helping people to stay living in their own homes.</li> </ol> <p>Within commitment 2 <b>Quality – Driving up housing standards</b> Selective and additional licensing are explicitly talked about and are clearly seen as potential vehicles to achieve their vision in improving housing conditions.</p> <ul style="list-style-type: none"> <li>Provide support to tenants through Medway's Private Sector Housing work in determining the need for <b>Selective Licensing</b>, or similar additional licensing, with an ambition to improve the standards in private rented accommodation.</li> <li>Mandatory HMO licensing is in place for large HMOs, Medway will look to <b>additional licensing</b> would include all HMOs.</li> </ul> <p>The strategy also commits to</p> <ul style="list-style-type: none"> <li>responding 'to concerns raised by tenants about the standards of private rented properties they are living in' and</li> <li>visiting 'properties as a result of referrals/complaints and follow up completed with residents, including any required enforcement should that become necessary'.</li> <li>working in partnership with groups to help tenants understand their rights, 'Work with our partners across Medway Taskforce, Community Safety Partnership, Adult Social Care, Libraries and Community Hubs to increase understanding of the rights and responsibilities of residents across all tenures of housing'</li> <li>'Make sure we listen to Medway Landlords across all types of housing, to understand what is important for them, and wider services role in terms of making tenancies successful' .... through 'forums and direct communications'</li> </ul>	<p>Councils are required to demonstrate support for landlords and tenants and also that you are working in a coordinated way to tackle empty properties, ASB and other council priorities i.e. climate change/poverty reduction, etc.</p> <p>Where possible try to <b>link licensing as the driver</b>, for example:</p> <ul style="list-style-type: none"> <li>We will <b>use property licensing</b> to improve the management of privately rented homes so that issues are dealt with proactively and tenancies sustained.</li> <li><b>Through property licensing</b>, we will identify eligible (licensable) private rented properties and ensure they meet the required energy efficiency standards (via licence conditions) which should reduce fuel poverty.</li> <li>We will <b>support landlords</b> in order to improve standards of management in the private sector <b>through property licensing</b>, providing online information, a quarterly newsletter and an annual landlords forum.</li> <li>We will run a <b>campaign with tenants</b> in the private sector to promote a greater awareness of their rights, where to go for support and advice, and how to hold bad landlords to account.</li> <li>We will <b>work collaboratively</b> with partners to reduce ASB and other forms of environmental nuisance.</li> </ul>

# Strategic Alignment – Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
3	<b>Draft Medway Homelessness and Rough Sleeping Strategy to 2030</b>  <a href="#">Draft Medway Homelessness and Rough Sleeping Strategy consultation September 2024.docx</a>					<p>This draft strategy was created after Medway completed a homelessness review in 2024 which highlighted a number of challenges faced by Medway Housing Services, and after consulting with multiple stakeholders through a Participatory Democracy Event and a Stakeholder Event both in 2024.</p> <p>Private sector licensing is not mentioned explicitly although its aims include improving private sector standards through building relationships with landlords and ensuring the security of tenure and lowering the risk of evictions.</p> <p>Other aims include:</p> <p><b>Upstream Prevention:</b> Identify at-risk groups early, such as families in rent arrears and individuals experiencing domestic abuse. Use data to understand homelessness causes.</p> <p><b>Collaboration:</b> Work with partners for a unified approach. Share expertise and resources.</p> <p><b>Solution-Focused Support:</b> Provide tailored support to individual needs. Ensure compassionate and respectful service delivery.</p> <p><b>Increase Affordable Housing:</b> Develop a Medway lettings agency. Enhance supported housing options.</p> <p><b>Education:</b> Educate residents on housing rights. Engage with community groups and forums.</p>	<p>When introducing a selective licensing scheme, the guidance states that the local authority will have to show how such a designation aligns with their overall strategic wide approach, and how it fits with existing policies on <b>homelessness</b>, empty homes, regeneration and anti-social behaviour associated with privately renting tenants.</p> <p>For a licensing scheme focused on quality and the reduction of serious hazards, it is good that the strategy clearly identifies that improving private sector standards and working with landlords is integral to the sustainment of tenancies and reducing homelessness.</p> <p>However, where possible try to link licensing as an additional driver and mechanism to address homelessness</p> <p>The licencing must be part of a co-ordinated approach.</p> <ol style="list-style-type: none"> <li>1. Make specific mention of the PRSL schemes and the importance and impact they have e.g. how schemes provide additional protection to households living in PRS, schemes support landlords and private sector tenants to improve the quality and energy efficiency of homes in PRS and how this links to homelessness and the quality of private rented sector accommodation</li> <li>2. State that the council has lack of management control of the private rented sector and therefore cannot help transition people from supported accommodation</li> <li>3. Include licensing as an important mechanism to improve quality.</li> </ol>

# Strategic Alignment – Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
4	<p><b>Community Safety Partnership Plan 2024 – 27 (ASB)</b></p> <p><b>Community Safety Action Plan 2024 - 25</b></p> <p><a href="#">Community Safety Partnership Plan 2024 27.pdf</a></p>					<p>The Community Safety Partnership Plan 2024-2027 aims to enhance safety in Medway through collaboration among key partners like Medway Council, Kent Police, and others. The strategy focuses on four priorities:</p> <ol style="list-style-type: none"> <li>1. Violence Against Women and Girls (VAWG)</li> <li>2. Tackle Anti-Social Behaviour (ASB)</li> <li>3. Tackle Drugs and Alcohol</li> <li>4. Reduce Reoffending</li> </ol> <p>The Plan refers to an evidence-based strategic assessment carried out in 2023 which highlighted issues such as drug use, careless driving and littering. It also refers to the Community Safety Action Plan 2024-25 which provides more detail for each of the priorities above.</p> <p>In tackling anti-social behaviour, the action plan's key deliverables include:</p> <ul style="list-style-type: none"> <li>• targeting town centre ASB</li> <li>• supporting victims</li> <li>• reducing deliberate fires</li> <li>• tackling environmental crime</li> <li>• reviewing CCTV</li> <li>• challenging extremism through Channel support.</li> </ul> <p><b>There is however no clear link to the role that discretionary licensing plays within the priority areas and specifically ASB.</b></p>	<p>When introducing a selective licensing scheme, the guidance states that the local authority will have to show how such a designation aligns with their overall strategic wide approach, and how it fits with existing policies on homelessness, empty homes, regeneration and <b>anti-social behaviour associated with privately renting tenants</b>.</p> <ul style="list-style-type: none"> <li>• The Council must review if there is a need for a separate plan/policy detailing how existing ASB measures are being used to combat ASB in the PRS.</li> <li>• Must also consider how licensing fits in with the approach taken to tackle ASB.</li> <li>• The Council should make clear links with their other policies which seek to address ASB e.g. Housing Strategy. Enforcement Policy, One Medway etc</li> </ul>

# Strategic Alignment – Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
5	<b>Medway Council Derelict and Empty Properties Strategy 2022-2026</b>  <a href="#">Empty Properties Strategy and Action Plan 2022-2026.docx</a>					<p>The Medway Council Derelict and Empty Properties Strategy 2022-2026 aims to reduce the number of derelict and empty properties in Medway. It seeks to provide homes for residents and lessen the adverse effects of empty homes on communities.</p> <p>The main objectives are:</p> <p><b>Identification:</b> Locate long-term empty properties and create a database.</p> <p><b>Support and Advice:</b> Offer support and advice to property owners to bring properties back into use.</p> <p><b>Enforcement:</b> Use enforcement powers and compulsory purchase orders when necessary.</p> <p><b>Partnership Working:</b> Collaborate with other agencies to secure funding and bring properties back into use.</p> <p>Currently the strategy does not mention private sector licensing explicitly as a tool which could support the identification of empty properties and any enforcement.</p>	<p>When introducing a selective licensing scheme, the guidance states that the local authority will have to show how such a designation aligns with their overall strategic wide approach, and how it fits with existing policies on homelessness, <b>empty homes</b>, regeneration and anti-social behaviour associated with privately renting tenants.</p> <ul style="list-style-type: none"> <li>Where possible try to link licensing as an additional tool and which is part of a holistic approach to tackling empty properties.</li> </ul>

# Strategic Alignment – Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
6	<b>Medway Council's Housing Enforcement and Licencing Policy</b>  <a href="#">Housing Enforcement Policy July 2024 v2.docx</a>					<p>Medway Council's Housing Enforcement and Licensing Policy outlines the regulatory framework, enforcement principles, and procedures for ensuring housing standards in the private rented sector. It covers all relevant housing and related legislation, inspection protocols, enforcement actions, penalties, and tenant-landlord engagement to promote safe, well-maintained housing and protect tenant rights.</p> <p>The policy explicitly mentions both <b>selective</b> and <b>additional</b> licensing acknowledging that they do not currently run these schemes but that they are under constant review as well as outlining potential benefits</p> <p><b>Selective Licensing:</b></p> <ul style="list-style-type: none"> <li>"The Council currently does not have an active Selective Licensing scheme; however, this will be kept under review."</li> <li>"The aim of a Selective Licensing area or scheme is to promote good management of privately rented properties within a designated area."</li> </ul> <p><b>Additional HMO Licensing:</b></p> <ul style="list-style-type: none"> <li>"The Council has not implemented an additional HMO licensing scheme, however, the case for additional licensing will be reviewed regularly."</li> <li>"If the council, at some time in the future, forms the opinion that there are particular problems with other types of HMOs, we may decide to consult on a proposed additional HMO licensing scheme."</li> </ul>	<p>Policy should be reviewed and updated where necessary, in particular where there have been legislative changes.</p> <p>Outcome of feasibility study for selective and additional licensing should also be mentioned in next refresh.</p>

# Strategic Alignment – Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
7	<b>Medway 2035 (Regeneration)</b>  <a href="#">Medway_2035.pdf</a>					<p>The Medway 2035 strategy is aligned with the Local Plan as well as being underpinned by the Medway Regeneration Delivery Plan. It has been created around 6 key principles aimed at transforming various areas within the borough to enhance community living, infrastructure and economic vitality. Key components of the regeneration programme include:</p> <ul style="list-style-type: none"> <li>• building modern, energy-efficient homes and well-connected neighbourhoods that are right for our borough</li> <li>• providing infrastructure to support new homes</li> <li>• supporting healthy communities, fit for future generations</li> <li>• supporting and investing in the local economy to create a thriving place</li> <li>• protecting and celebrating our history and heritage</li> </ul> <p><i>As an overarching borough wide regeneration strategy, it does not mention either the PRS or licensing specifically however the strategy aims to meet the housing needs of Medway's growing population, which may include various types of housing to cater to different income levels and community needs.</i></p>	<p>When introducing a selective licensing scheme, the guidance states that the local authority will have to show how such a designation aligns with their overall strategic wide approach, and how it fits with existing policies on homelessness, empty homes, <b>regeneration</b> and anti-social behaviour associated with privately renting tenants.</p> <ul style="list-style-type: none"> <li>• The Council should seek to show how private property licensing schemes will act as a regulatory tool to ensure that landlords in regenerating areas maintain high property standards, supporting regeneration goals of creating more sustainable, inclusive, and well-maintained communities.</li> </ul>



# Strategic Alignment – Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
8	<b>Kent and Medway Energy &amp; Low Emissions Strategy</b>  <a href="#">Kent and Medway Energy and Low Emissions Strategy.pdf</a>					<p>This strategy outlines Kent's overarching aim of achieving net-zero emissions and a resilient low carbon economy with no deaths linked to poor air quality by 2050.</p> <p>The strategy focuses on 3 main themes:</p> <ol style="list-style-type: none"> <li><b>Building Foundations:</b> Evidence-based decision-making.</li> <li><b>Resource Efficiency:</b> Improve energy efficiency, reduce emissions.</li> <li><b>Sustainable Future:</b> Promote clean growth, renewable energy.</li> </ol> <p>Although licensing and its link with improving energy efficiency is not explicitly mentioned, private sector homes are referenced in Theme 2 focusing on:</p> <ul style="list-style-type: none"> <li><b>Support Vulnerable Residents:</b> Continue to support vulnerable and fuel-poor residents through home energy efficiency and fuel poverty initiatives.</li> <li><b>Public Sector Energy Programme:</b> Develop a Cross Kent and Medway Public Sector Energy and Emissions Programme to take joint action at scale.</li> <li><b>Building Design Guidance:</b> Create tailored design guidance for new builds, refurbishments, and ongoing maintenance of public sector buildings.</li> <li><b>Warm Homes Programme:</b> Review and develop targeted actions to support improvements in the domestic housing sector, especially for difficult-to-treat, private rented, and fuel-poor homes.</li> </ul>	<p>This policy should include PRS in the vision and needs to specifically reference how licensing can enhance progress towards limiting the housing carbon footprint.</p> <ol style="list-style-type: none"> <li>1. Include link between PRS quality and energy efficiency / carbon footprint.</li> <li>2. State how better management through licensing will increase overall quality</li> <li>3. Further actions could be included such as: <ul style="list-style-type: none"> <li>• Maximise the use of the Minimum Energy Efficiency Standard Regulations (MEES) to improve energy efficiency in private sector properties.</li> <li>• Use intelligence gathered through private property licensing schemes to identify properties with an E, F or G EPC rating and provide interventions to improve the overall energy efficiency of properties.</li> <li>• Use the private property licensing database to communicate information and support to licensed landlords on how to improve EPC ratings</li> </ul> </li> </ol>

# Strategic Alignment – Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
10	<b>Manifesto – Medway Labour</b> <a href="#">Medway Labour</a>					<p>Within the Housing and Planning section of the manifesto there is a strong commitment to ensuring Private-Sector Housing Works for Residents and discretionary licensing is clearly recognised as a tool to improve the condition of PRS properties and protect residents.</p> <p><b>Review the rental sector in Medway and create better protections against unscrupulous landlords and bad tenants by:</b></p> <ul style="list-style-type: none"> <li>• <i>Setting up a Medway letting agency so that landlords can avoid the high charges from private lettings agencies and tenants can get a fairer deal</i></li> <li>• <i>Creating a landlord licensing scheme to review and improve Medway landlord and tenant accreditation schemes</i></li> <li>• <i>Influencing national policy to drive forward private rented sector reform</i></li> <li>• <i>Introducing a new private renters' charter, setting out renters' rights and responsibilities, as well as Medway Council's powers to intervene</i></li> <li>• <i>Setting up a new housing advice hotline and online service to improve support for private renters and those at risk of homelessness</i></li> </ul>	<p>None.</p> <p>Licensing is clearly mentioned and is recognised as a tool to improve the condition of PRS properties and protect residents.</p>

# Partnerships and joint working



# Initiatives and Partnerships

- Medway Council must demonstrate that licensing will **work in conjunction** with other **initiatives** and **partnerships**.
- Licensing can enable a **joined-up approach** to a range of single address issues.
- Below are **examples** of partnerships that can be built on.

Internal Partnerships	External Partnerships
Empty Properties team	Home Office
Housing Needs	Police
Council Tax	LFB
Legal Services	HMRC
Temporary Accommodation team	National probation Service
Tenancy Relation Service	Community rehabilitation Company
Direct Lettings Schemes	Voluntary Services
Planning Enforcement	Victim Support
Trading Standards	Safer Neighbourhood Board (SNB)
Community Safety/ASB teams	DWP
Housing Solutions/Homelessness Prevention teams	Justice for Tenants
Adult Social Care	

# Contents

Section	Title
1	Executive Summary
2	Purpose and background
3	Evidence for Selective Licensing
4	Designation Options for Selective Licensing
5	Evidence for Additional HMO Licensing
6	Proposed scheme objectives
7	Strategic alignment
8	Financial modelling
9	Next steps and indicative timeline
10	Conclusions

# Financial Model

The Council should have **regard to the Provision of Service Regulations 2009 and sections 63(7) and 87(7)** of the Housing Act 2004 which confirms that "when fixing fees, the local authority **may take into account all costs incurred by the authority in carrying out their functions.**"

- The Regulatory Impact Assessment on licensing makes it clear, authorities should **not use fee income to raise additional revenue**
- The proposed licence **fees should be sufficient to cover the estimated costs of establishing and administering the schemes** and the undertaking of any enforcement action
- Include a **clear fee breakdown** for Part A (application) and Part B (inspection and enforcement)

## **Model lifecycle, should:**

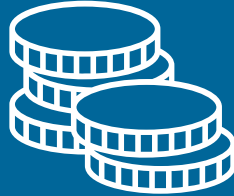
- Be cost neutral

## **Income and expenditure, should be based on activity-based-costing for each step in the end-to end process, and include:**

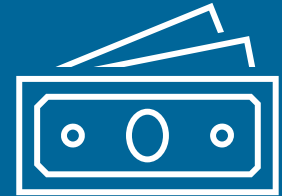
- Additional staff to process applications and to carry out inspections of premises (including recruitment and training)
- Promoting and ensuring scheme compliance, including appeals against licensing decisions
- Other non-staff costs could include:
  - Purchasing new hardware or software, including ongoing licence subscription commitments
  - Share of building costs
  - Communications, advertising and printing and postage.
- Include discounts in forecast income profile and forecast expenditure
- Align with corporate finance assumptions on inflation and pay uplifts over lifecycle of the model
- Include a clear and transparent set of assumptions upon which the model is built for traceability.

# Example of cost categories used by other councils

- Staff (including oncosts and future pay uplifts)
- Future redundancy payments
- Recruitment
- Training
- Clothing and uniforms
- Agency fees
- Agency staff expenses
- Recharge of other council support staff (e.g., communications, legal, HR etc)
- New IT applications (initial costs and annual maintenance & support)
- IT licence costs (new applications and existing council applications)
- Hardware and devices (laptops, mobiles)
- Building costs (corporate recharge and / or hire of new office space)
- Vehicle costs
- Vehicle repair and maintenance.



- Staff parking permits
- Travel and subsistence
- Other transport related expenses
- Advertising
- Hire of halls (consultation)
- Refreshments (consultation)
- Legal
- Bank fees
- Subscriptions
- Criminal records bureau checks
- Printing and postage
- Stationery
- Data archiving
- Contractors
- Specialist external advice
- Other internal recharges
- Inflation
- Discounts.





# Proposed Fees & Benchmarking



# Selective Licence Fee – benchmarking

Borough	Part A (Admin)	Part B (Enforce)	% Split	Total fee	Discounts offered
Middlesborough	£499	£499	50/50	<b>£998</b>	Early bird
Barking and Dagenham	£650	£300	68/32	<b>£950</b>	Silver compliance Award (satisfactory rating from compliance audit inspection - Part B reduced by £200  Gold compliance award (landlords accredited and satisfactory rating from compliance audit inspection) - Part B reduced by £250
Lambeth	£650	£273	70/30	<b>£923</b>	£75 discount on Part B for accredited landlords
Peterborough	£538	£370	60/40	<b>£908</b>	£300 Early bird (must apply within 30 days of scheme go live)
Newcastle	£250	£650	30/70	<b>£900</b>	£100 accredited landlords £50 new property £100 EPC of C or above
Havering	£450	£450	50/50	<b>£900</b>	50% Early Bird £35 discount on Part B for accredited landlords
Southwark	£630	£270	70/30	<b>£900</b>	30% Early Bird 50% on Part B for Gold Standard 100% on Part B for Gold Standard Plus
Waltham Forest	£300	£595	34/66	<b>£895</b>	Multi dwelling discount - Part A fee reduced by £125 in respect of applications relating to the 2nd, 3rd etc. £295 EPC of B or above from Part B payment

# Selective Licence Fee – benchmarking

\* These figures are based on option 11 modelling and requires confirmation and sign-off from Medway finance.

Borough	Part A (Admin)	Part B (Enforce)	% Split	Total fee	Discounts offered
Gateshead	£510	£340	60/40	<b>£850</b>	Accredited Landlord Early bird Multi-property discount
Medway (proposed)*	£436	£404	52/48	<b>£840</b>	Accredited Landlord Early bird Multi-property discount Charity
Bexley	£340	£460	40/60	<b>£800</b>	£300 early bird £50 accredited landlord
Newham	£400	£350	53/47	<b>£750</b>	£50 discount for accredited landlords £50 discount for accredited landlords and property has EPC of C or above £350 discount for new build properties that have never been lived in and property has EPC of C or above
Ealing	£225	£525	30/70	<b>£750</b>	25% Early Bird £75 discount for accredited landlords £50 EPC of C or above Bock' or 'multiple flat' application – reduced by £75 per flat
Birmingham	£375	£325	54/46	<b>£700</b>	None
Brent	£300	£340	47/53	<b>£640</b>	£40 discount to LLAS accredited landlords £40 discount on renewal
Lewisham	£160	£480	25/75	<b>£640</b>	£128 Early Bird £128 accredited landlords £320 eligible charities

# Additional HMO Licence Fee - benchmarking

\* These figures are based on option 11 modelling and requires confirmation and sign-off from Medway finance.

London Borough	Part A (Admin)	Part B (Enforce)	Total Fee	% Split	Discount Offered
Redbridge	2 Households £600	2 Households £1008	2 Households <b>£1608</b>	40/60	Part A reduced by £35 for Landlord Accreditation
	3 Households £600	3 Households £1098	3 Households <b>£1698</b>	35/65	
	4 Households £600	4 Households £1200	4 Households <b>£1800</b>	35/65	
Medway (Proposed)*	£830	£770	<b>£1600</b>	52/48	Accredited Landlord Early bird Multi-property discount Charity
Enfield	£870	£580	<b>£1450</b>	60/40	50 Landlord Accreditation £100 Multi Dwelling £100 EPC of C or above
Westminster	£805	£645	<b>£1450</b>	55/45	10% discount for accredited landlords and agents
Barking & Dagenham	£1000	£400	<b>£1400</b>	70/20	Part B reduced by £200 for Silver compliance Award (satisfactory rating from compliance audit inspection)
					Part B reduced by £250 for Gold compliance award (landlords accredited <u>and</u> satisfactory rating from compliance audit inspection)
Hackney (proposed)	£840	£560	<b>£1400</b>	60/40	£100 EPC A/B; £50 EPC C £100 Multi-dwelling £100 Accredited Landlord
Camden	£1178	£214	<b>£1,392</b>	85/15	£100 accredited landlord discount

# Additional HMO Licence Fee - benchmarking

London Borough	Part A (Admin)	Part B (Enforce)	Total Fee	% Split	Discount Offered
Southwark	£923	£377	£1300	70/30	<ul style="list-style-type: none"><li>30% early bird discount</li><li>50% of Part B fee discounted for Gold Standard Charter landlords Gold Standard Charter landlords who have also signed up to the council's Finders' Fee scheme will not be charged the 'Part B' fee</li></ul>
Kensington & Chelsea	£890	£400	£1290	70/30	£200 discount for accredited landlords, or if the landlord employs a managing agents who is Safeagent or Propertymark approved and holds a Level 3 Award in Residential Letting and Property Management.
Newham	£400	£850	£1250	30/70	<ul style="list-style-type: none"><li>£50 accredited landlord discount</li><li>£450 discount on new builds with EPC rating of c or above which have not been previously lived in by PRS tenants</li><li>Multi dwelling discounts also available</li></ul>
Haringey	£550	£660	£1210	45/55	Early bird discount: Part A: £500 Part B: No fee
	NB: Any property which has over 10 units within its dwelling will be charged an additional £50 per unit (part A).				Part A reduced by £50 for Landlord Accreditation
	The licensing fee for a property will be capped regardless of the number of units (part A and part B fees together) at £6,000.				
Waltham Forest	£600	£600	£1200	50/50	No

# Additional HMO Licence Fee - benchmarking

London Borough	Part A (Admin)	Part B (Enforce)	Total Fee	% Split	Discount Offered
Tower Hamlets	£312	£398	<b>£659</b>	45/55	
Lewisham	£250	£250	<b>£500</b>	50/50	<ul style="list-style-type: none"> <li>• £100 early bird discount</li> <li>• £100 accredited landlord discount</li> <li>• £250 discount if transferring from an existing additional licence</li> <li>• £250 discount for eligible charities</li> <li>• £80 Accredited Landlord discount</li> </ul>
Hammersmith & Fulham	£280	£280	<b>£560</b>	50/50	
Islington	£162 per bedroom	£126 per bedroom	<b>£288</b> per letting, defined as a bedsit or bedroom in a shared house.	55/45	£43 per letting for accredited landlords Multi block discount – full licence fee is £703
Lambeth			<b>£506</b> per habitable room		<ul style="list-style-type: none"> <li>• 50% discount for charity organisations.</li> <li>• 20% discount for accredited landlords</li> </ul>
Ealing			<b>£1,100</b> plus £50 per habitable room		<ul style="list-style-type: none"> <li>• £75 accreditation discount</li> <li>• £50 discount if the property is EPC rating of C or above</li> </ul>

# Resources

Successful administration and enforcement of licensing schemes requires additional staffing for licensing:

- Administration
- Compliance
- Enforcement/legal activities.

Recognised *long-term* challenges:

- A lack of resources within teams
- Tightening budgets
- Market shortages, difficulties with recruitment of experienced and qualified practitioners.

[Chartered Institute of Environmental Health workforce survey report, April 2021](#)

The following recruitment risks could impact successful implementation of a large-scale licensing scheme.



# Recruitment and retention risks

	Risk	Impact	Mitigations
1	<b>Lack of available officers in the market</b> , the Service may not be able to recruit the required number or calibre of enforcement officers.	<p>Reduces the services ability to work effectively in administering the increased number of licence applications and carrying out inspections and enforcement activity.</p> <p>Insufficient resources to process applications will result in significant delays in issuing licences and therefore the collection of licence fees (Part B enforcement fee).</p> <p>May lead to a reliance on short-term contract and agency staff.</p>	<p>The service should:</p> <ul style="list-style-type: none"> <li>• explore internal secondment opportunities.</li> <li>• career graded role profiles which will enable the recruitment of candidates with requisite competences enabling the Council to 'grow its own talent.'</li> <li>• consider a mix of fixed term contracts (FTC) and agency staff to cover hard to recruit to roles</li> <li>• explore apprenticeships and graduate students.</li> </ul>
2	<b>Uncompetitive salary packages</b> , the Service may not be able to recruit the required number or calibre of enforcement officers.	The service will be less effective in key areas, at a time when there will be increased demand on the service.	<p>The Council should:</p> <ul style="list-style-type: none"> <li>• offer market scarcity payments and other incentives, as part of any financial package.</li> <li>• consider a mix of FTC and agency staff to cover hard to recruit to roles.</li> </ul>
3	<b>Management time spent on recruitment negatively impacts</b> on managers day to day duties.	Service delivery may be impacted as 'business as usual tasks' cannot be undertaken.	<p>The service should:</p> <ul style="list-style-type: none"> <li>• plan all recruitment activity in advance.</li> <li>• consider outsourcing parts of recruitment.</li> <li>• look at ways of freeing up management time.</li> </ul>
4	The service is unable to <b>recruit to key roles in a timely manner</b> .	Reduces the services ability to work effectively in administering the increased number of licence applications and carrying out inspections and enforcement activity.	<p>The service should:</p> <ul style="list-style-type: none"> <li>• explore internal secondment opportunities.</li> <li>• career graded role profiles which will enable the recruitment of candidates with requisite competences enabling the Council to 'grow its own talent'.</li> <li>• consider a mix of FTC and agency staff to cover hard to recruit to roles,</li> <li>• explore apprenticeships and graduate students.</li> <li>• Ensure performance reporting is in place for early sight of potential issue.</li> </ul>

# Contents

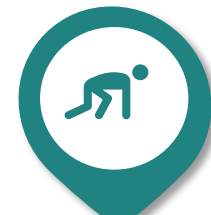
Section	Title
1	Executive Summary
2	Purpose and background
3	Evidence for Selective Licensing
4	Designation Options for Selective Licensing
5	Evidence for Additional HMO Licensing
6	Proposed scheme objectives
7	Strategic alignment
8	Financial modelling
9	Next steps and indicative timeline
10	Conclusions

# Moving to the next phase

Next steps following Feasibility Study

1. Agree designation (preferred option)
2. Agree scheme objectives, in preparation for consultation
3. Begin to shape scheme licence conditions
4. Begin to collate example case studies that demonstrate why discretionary licensing schemes are required.
5. Develop consultation plan, including an accessible evidence pack to support the consultation
6. Re-baseline project plan and mobilise project team for following phases.

# Moving to the next phase of the PRS licensing journey



## Feasibility

- Gather robust evidence against relevant criteria for designations
- Benchmark to ensure designations withstand public scrutiny.

Develop compelling evidence-based approach that shows how to support renters & landlords to improve standards.

## Consultation

- Development of accessible evidence pack
- Carry out consultation
- Preparation of consultation report and supporting preparation of cabinet report.

Engage stakeholders to consult on approach and develop a robust business case.

## Approval process

- Cabinet report and compliance submission
- Good working relationship with Government
- Support and response
- IT procurement.

Engage internal stakeholders and consult on developing the service. Understand what is needed in terms of investing in the service.

## Scheme Implementation

- Full scheme implementation including training, processes and IT
- Manage transition to new service
- Manage go-live including marketing
- Post go-live support.

Design and develop the service. Implement processes, systems and recruit the capability and capacity; with a view to how the service adapts with maturity.

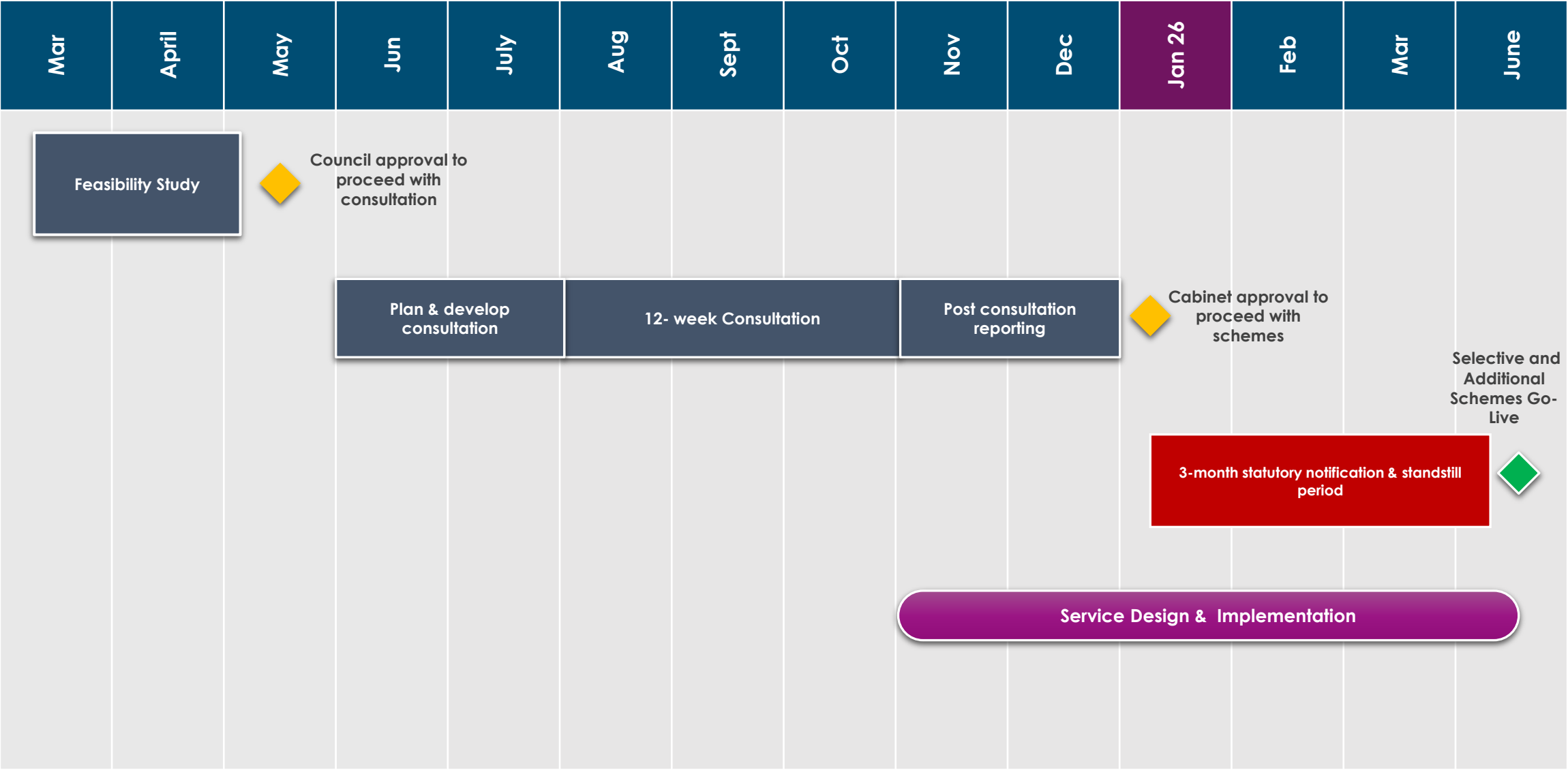
Set the council's ambition, so that a powerful guiding coalition signs up to the licensing journey.

Show how ambition will be implemented and lessons have been learnt. Demonstrate that you have listened to stakeholders.

Manage the application through Cabinet approval whilst preparing to implement the infrastructure to deliver PRSL.

Implement infrastructure to deliver PRSL benefits. Handover to the council team for 'go-live' and support early stages.

# Indicative High Level PRSL Timeline



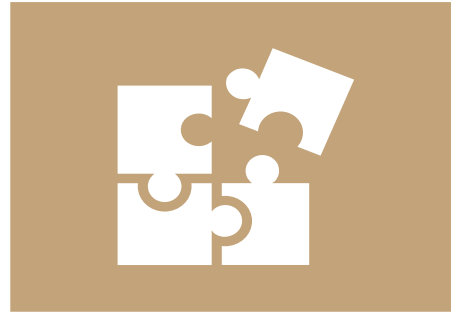
# Contents

Section	Title
1	Executive Summary
2	Purpose and background
3	Evidence for Selective Licensing
4	Designation Options for Selective Licensing
5	Evidence for Additional HMO Licensing
6	Proposed scheme objectives
7	Strategic alignment
8	Financial modelling
9	Next steps and indicative timeline
10	Conclusions

# Conclusions



PRS is growing and increasingly important to meet housing need for many groups



Licensing is only one tool and needs to be part of a strategic approach



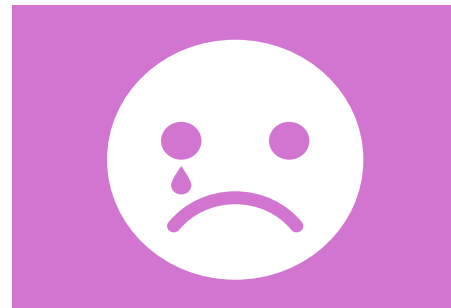
Licensing should be self-funding in terms of administrative costs



Licensing should be planned for as a 12 month journey



Needs robust, triangulated and benchmarked evidence



There will be landlords who will oppose and challenge



The cost of getting it wrong is extremely high in terms of reputation, resources, time and money



Complex and long process



A diverse group of approximately 12 office professionals are posed in a modern, bright workspace with large windows and white brick walls. Some are sitting at desks, while others are standing or sitting on the edges of the desks. They are all smiling and looking towards the camera. The image has a blue overlay.

Need a problem solved in a different way? Get in touch:

## Talk To Us.

+44 (0)20 3858 0086

Email: [challenge.us@cadenceinnova.com](mailto:challenge.us@cadenceinnova.com)  
[www.cadenceinnova.com](http://www.cadenceinnova.com)

### Disclaimer:

This document contains general information only and Cadence Innova Ltd, by means of this publication, is not rendering professional advice or services. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser. Cadence Innova Ltd shall not be responsible for any loss whatsoever sustained by any person or entity who relies on this publication.

Cadence Innova Ltd. is a company registered in England with number 10594707 whose registered office is 1 Northumberland Avenue, Trafalgar Square, London WC2N 5BW. © 2017. Cadence Innova Limited.

