

## **Warwick District Council**

### **Equality and Consultation Analysis**

In line with the principles of decision making in the Council's Constitution, the Council will ensure its decision making is open and transparent and that due regard is given to the Public Sector Equality Duty and the Council's desire to promote equality of opportunity and equal treatment.

#### **Background**

The Housing Act 2004 gave local housing authorities the power to introduce Additional Licensing of Houses in Multiple Occupation ('HMO') within part or all of their area.

It is well recognised that houses in multiple occupation can contain some of the poorest standards in the private rented sector and the large demand for such accommodation in Warwick district is driven by a large student population and a shortage of affordable accommodation to buy and rent, leaving shared house and bedsit accommodation as the only option for many professionals.

Mandatory Licensing has made a significant impact in terms of raising standards of health, safety and welfare since its introduction in 2006. Many landlords who hold HMO licences enjoy a positive relationship with the Council's Private Sector Housing team and better communication has assisted them in meeting their legal obligations to provide decent quality accommodation.

Additional Licensing will enable the same benefits to be extended across all houses in multiple occupation across the district and tenants will have the reassurance that all HMOs will have been independently inspected and licensed for a set occupancy level.

Increased pressures on the housing market with increasing rents and the cost-of-living crisis are only likely to increase demand for HMOs as the only affordable option for some. When taken in context of the Article 4 Direction which seeks to control further HMO growth in Leamington Spa, further expansion is likely outside of the Article 4 Direction area.

The Council must be satisfied that a significant proportion of the HMOs in its area are being poorly managed and are giving rise to, or likely to give rise to problems affecting the occupiers or members of the public.

Warwick District Council is proposing to designate the whole of its area as subject to Additional Licensing under Part 2 of the Housing Act 2004.

#### **Who needs to be considered under this Equality and Consultation Analysis?**

- Citizens Advice Bureau
- Elected Members

- Landlords
- Landlord Steering Group
- Letting Agents
- Local Businesses
- Local Media
- Local Residents
- Members of Parliament
- National Residential Landlord Association
- Neighbouring Local Authorities
- Private tenants inc. students
- Residents Associations
- University of Warwick representatives
- Warwickshire College representatives
- Warwickshire Fire Service
- Warwickshire Police
- Warwickshire Trading Standards

### **Pre-Consultation Engagement**

No formal consultation engagement activities regarding Additional Licensing took place with stakeholders prior to public consultation.

### **Analysis of Impact – How the process/review could impact on protected groups and what steps/mitigations could reduce any negative impacts?**

The common inequalities in respect of protected characteristics groups are shown below. The proposals recognise that the district has wide diversity and seek to ensure there is equality and fairness for all. In this regard, an inclusive and principally locality driven approach will be applied to the introduction of Additional Licensing, focussing on the issues faced by protected characteristic groups.

Landlords will have to demonstrate as part of the licensing process that they have not practised unlawful discrimination and meet licence conditions to show effective management. Landlords are required as a licence condition to deal effectively with anti-social behaviour which reinforces a positive impact for protected characteristic groups as well as others who may be persecuted because of their age, race, religion, sexual orientation, gender or disability.

**Age** - Additional Licensing will have a positive effect on young people especially as the private rented sector continues to grow. There are approximately 6000 Warwick University students (predominantly aged 19-22) who live in Leamington Spa many of whom will rent HMOs which would become subject to Additional Licensing. Many of these are international students who may not have the same level of support from friends and family to deal with any accommodation issues.

**Disability** – Additional Licensing is expected to benefit tenants with disabilities who may face particular issues with property adaptations. Some may have health conditions which could be exacerbated by poor housing such as excess

cold or damp and mould. Licensing would seek to identify and tackle such conditions following inspections.

**Gender reassignment** – It is recognised that this group may experience discrimination when seeking rented accommodation. However, Additional Licensing is not expected to have any adverse effect on this group.

**Marriage/Civil Partnership** – There is not thought to be any impact on this group.

**Pregnancy/Maternity** – This is not thought to be any significant impact on this group, although landlords will be mindful that HMO licences do set occupancy limits based on the number of persons being accommodated.

**Race** – Leamington Spa already has a diverse racial population and Additional Licensing is not expected to have any adverse impacts. Landlords will be aware that the Private Sector Housing team investigate allegations of harassment, and this will have a positive impact.

**Religion /belief** – Some religions are unable to receive interest from investments and this proposal may impact on members of those religions.

**Sex** – There are not thought to be any impacts on this group.

**Sexual Orientation** – The proposal is not believed to have adverse impacts on this group, although discrimination may occur when seeking any form of rented accommodation.

### **Other Vulnerable Groups**

**Socio-economic** – Those in lower socio-economic groups and those who are unemployed or in part time or low paid work may experience positive and negative impacts. People in this group typically live in some of the worst private rentals properties and could expect to gain from enhanced conditions being enforced by licence conditions. On the other hand, there may be landlords who seek to increase rents, or worse, evict such tenants due to the costs associated with licensing.

Evidence from other discretionary licensing schemes does not support the view that rental increases are significantly driven by licensing fees.

In Warwick district, there was no appreciable loss of HMOs arising from the implementation of the Mandatory HMO Licensing scheme in 2006 and numbers of licensed HMOs have shown a gradual increase since that time.

**Students** – Students are known to occupy the majority of HMOs, including those which would fall under an Additional Licensing scheme. There are greater rental returns on student HMOs in comparison to rental returns for single family properties when taken in the context of the costs of HMO licence fees.

**Health** – Additional Licensing will have a positive effect as hazards identified during inspections will be dealt with as part of the licensing process (or separately under Part 1 of the Housing Act 2004).

**What are the gaps in evidence? Was this addressed during the consultation process.**

There is limited data on inequalities in the private rented sector related to marriage/civil partnership issues. This was not addressed during the public consultation but could be reviewed at a later date, for example if Additional Licensing is considered for renewal in 2029. However, there is not thought to be any significant impact on this group.

**What are the likely impacts of this project/review on staff from protected groups?**

None (this would likely relate to staff from the equality groups losing their jobs).

**Potential Impacts- Further Information**

**Were any potential impacts on protected groups confirmed from the public consultation and what other potential impacts were identified?**

A public consultation ran from 10<sup>th</sup> January to 22 March 2023. This resulted in

- the completion of 137 questionnaires
- a series of drop-in sessions at Riverside House
- a public face to face meeting
- a public Microsoft Teams meeting
- press releases publicising the consultation.
- a dedicated web page with FAQ section.
- Postcard drops to areas with larger numbers of HMOs.

No specific equalities issues were raised during the consultation. The Landlord Steering Group, landlords and letting agents raised concerns about possible impacts:

- The loss of some HMOs, particularly those in Leamington Spa (covered by the Article 4 Direction) which may switch between HMO and single household use from one year to another, thus losing their planning status for HMO use.
- Increase in rents as a direct consequence of paying HMO licence fees.
- Growth of 1 and 2 bed units of accommodation to avoid the complexity of issues with HMOs.
- Traditional HMOs being replaced with 'exempt' accommodation, which may generate similar issues.
- Absence of discounted licence fees for members of an accreditation scheme (this could be held to be discriminatory as only 'existing' scheme

members could apply for a discount). Instead, the Council is proposing an 'early bird' discount, potentially open to all landlords.

Although it is possible that some HMOs may revert to single household occupation and some tenants may experience rental increases, these are not regarded to be so significant when balanced against the benefits that additional licensing can bring.

Overall, there was widespread support for the Additional Licensing Scheme, albeit the questionnaire responses were more prevalent from the owner-occupier respondents.

### **Outcome of Equality Impact**

Overall, there will be positive equality impact if the proposed Additional Licensing scheme is implemented.

The Housing Act 2004 gave local housing authorities the power to introduce Additional Licensing of houses in multiple occupation within part of or all of their area.

The private rented sector and in particular HMOs can give rise to some of the worst conditions in the sector. A large proportion of HMOs which would be subject to licensing are students and those in the lower socio-economic group and may be less likely to report poor conditions to their landlord or the local authority.

The common inequalities in respect of protected characteristic groups have been analysed in this report. The proposals recognise that the district contains wide diversity and seek to ensure equality and fairness for all.

Landlords will need to demonstrate they have not practised unlawful discrimination and must meet licence conditions to demonstrate fair and effective management.

A consultation questionnaire showed 81.75% of those who responded were in favour of the proposal.