

**Coventry City Council
Equality and Consultation Analysis (ECA) Form**

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

Form 1

This part must be completed and before formal consultation is undertaken and must be available during the consultation stage.

Author of this document: Faye Cockayne

Name of ECA and Service: Additional Licensing

Head of Service: Andrew Walster

Date of completion: December 2018

Background to the planned changes

1. What is the background to the planned changes? Why is this change being considered?

The Housing Act 2004 gave Local Housing Authorities the power to introduce Additional Licensing of Houses in Multiple Occupation (HMOs) within part or all of their area.

Coventry is well known nationally and internationally as the city of peace of reconciliation. It has also recently been awarded the City of Culture for 2021. However there have long been serious problems, especially around housing. For thousands of people coming to study the condition of accommodation for rent can be very poor. In addition, due to the problems associated with a lack of housing supply many people are forced to rent privately. This is particularly relevant for young professionals and migrant workers. The large numbers of people looking to rent, and the lack of affordable housing available to buy have conspired to present failures in the operation of the housing market.

For many years the Council has been looking for effective means of assisting and encouraging improvements in the quality of houses in multiple occupation (HMOs) let out in Coventry. The HMO sector is a substantial element of the private rental market.

These informal approaches met with a degree of success but the scope of such intervention is very limited and many wards across the City still present significant problems with HMOs. The other tools available remain an option but prosecution for breaches of Regulations is a cumbersome procedure and one that is essentially negative – albeit appropriate in the right circumstances.

The mandatory licensing of HMOs has been effective in regulating and improving the standard of accommodation offered to let in Coventry. Licensing encourages a

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positive interaction with landlords and allows for the problems presented by each house to be managed on an individual basis through a bespoke set of licence conditions.

Additional licensing spread over the whole of the City will allow for those positive effects to be extended and for the benefits to be available to everybody. The Council believes that licensing all HMOs is essential for bringing about improvements in Coventry's rental stock. There is a very strong commitment from the Council for this development and the licensing of all HMOs is an indispensable element in that work.

HMOs make a considerable contribution to the vibrancy of the City's economy and the Council appreciates the work good landlords do in providing decent living accommodation. It is imperative that all landlords in the City are encouraged to operate minimum standards that anyone should be able to expect when renting such accommodation.

The significance of HMOs in Coventry is only likely to increase. The pressures on the City's housing market are such that house prices are likely to continue to rise restricting further those households who cannot access the property ladder. In turn, this will mean that for a greater number of people who live in the Private Rented Sector (PRS), the only chance of a decent home is in a properly managed and well regulated, licensed house in multiple occupation.

In areas where Additional Licensing applies, landlords must apply for a licence if they want to rent out a HMO that is not currently subject to the Mandatory HMO licensing regime. This means the Council can check whether they are a "fit or proper person" to be a landlord, as well as making other stipulations concerning management of the property and appropriate safety measures.

An additional licensing scheme can be introduced if the Council is 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.

Coventry City Council is proposing to designate the whole of its area as subject to Additional Licensing for HMOs under Part 2 of the Housing Act 2004.

2. Who do you need to consider as part of this ECA?

- Accredited landlords/letting agents
- Cabinet Member
- CABs
- Community Safety
- Council for the disabled/access groups
- Disability Forums
- Existing tenants
- Landlords
- Lead Party Members
- Local media
- Local people
- Members of Parliament

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- National and Regional landlord agencies, Eg. National Landlord Association, Guild of Residential Landlords, Association of Residential Rights, Residential Landlord Association
- Opposition Members
- Public Health
- Registered Social Landlords
- Resident Associations
- Specialist press
- Statutory stakeholders
- Students
- Universities
- Voluntary Action Coventry
- Voluntary/community organisations
- West Midlands Combined Authority
- West Midlands Fire Service
- West Midlands Police

Pre-Consultation Engagement

This section refers to any activities that took place (such as briefings, meetings, workshops, scoping exercises etc) with stakeholders before the formal consultation period.

3. What engagement activities took place prior to formal consultation and what feedback (if any) was received in relation to equality issues?

None yet. A formal stakeholder and public consultation will take place between 9 January 2019 and 20 March 2019.

Analysis of Impact

4. Outline below how this proposal/review could impact on protected groups positively or negatively, and what steps/mitigations (if any) could be taken to reduce any negative impact that has been identified.

The common inequalities in respect of protected characteristic groups are shown below. The proposals recognise that one of the City's strengths is its diversity and to ensure that there is equality and fairness for all. In this regard, we will adopt an inclusive and principally locality driven approach to the implementation of the licensing as well as focusing on the issues faced by protected characteristic groups.

As part of the license application process, landlords will need to show that when carrying out their business they have not (amongst other things) practised unlawful discrimination and must meet license conditions on how they manage their properties. The licensing scheme should have a positive effect on anti-social behaviour and this may have a positive impact for protected characteristic groups and those who may be persecuted or their race, religion, sexual orientation or

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gender.

Coventry is the second largest city in the region by population, with a population estimated to be in excess of 350,000. The city is also the 9th largest in England, and its population places it as the 12th largest in the UK.¹

Between 2012 and 2013, the city's population increased by over 2%. A significant number of migrants have contributed to the city's population, which is expected to continue into the future as Coventry will see steady population increases.

Census 2011 data suggests that Coventry's population has a much younger age profile than England in general; it is the younger population that is on the increase with a decline in the over 75's.

Age – The English Housing Survey 2016/17 (EHS) reported, that the PRS has now grown to 20%, up from 19% in 2013-14 and 11% in 2003 and that a larger proportion of 25- to 34-year-olds now rent their home.

So the additional licencing will have a positive effect on young people especially as rising house prices have seen many young people priced out of buying a home which is apparent from the results of the EHS which acknowledges that *“While the under 35s have always been overrepresented in the private rented sector, over the last decade or so the increase in the proportion of such households in the private rented sector has been particularly pronounced. In 2006-07, 27% of those aged 25-34 lived in the private rented sector. By 2016-17 this had increased to 46%. Over the same period, the proportion of 25-34 year olds in owner occupation decreased from 57% to 37%. In other words, households aged 25-34 are more likely to be renting privately than buying their own home, a continuation of a trend first identified in 2012-13. As with those aged 35-44, the proportion of 25-34 year olds in the social rented sector did not change”*.

The average age of Coventry's residents is 33 years, notably lower than the England average of 40 years, and is falling. In 2007 when the Coventry population started to grow the average age was 36 years. The young average age is partly because the City is home to two large universities - Coventry is one of the top 20 towns and cities in the UK in terms of the proportion of the population who are students (source: Census 2011).

Disability – The additional licencing will have a positive effect on tenants with disabilities who often face particular problems when renting properties. They may particularly have problems with security of tenure. Landlords are reluctant to facilitate property adaptations. Tenants with health issues are also much more likely to be affected by problems with damp and housing disrepair issues and may face problems with getting repairs done more quickly. Disabled tenants are much more impacted by the cold and issues such as no heating or hot water affect them more. Disabled tenants who have assistance dogs also have more problems renting properties as these are seen as pets.

¹ <https://www.ukpopulation.org/coventry-population/>

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Gender reassignment - Although the proposals are not believed to have adverse impacts on this group, we do know that this is a group that experiences discrimination and this may impact on their ability to rent property

Marriage/Civil Partnership – There is not believed any impact on this group

Pregnancy/Maternity – Although it is not believed there is any significant impact on this group.

Race – Property investment by the Asian community is widespread and often a means to support their families both within the UK and in Pakistan and India. There may be a negative impact on this group as the cost of the scheme may affect their property portfolios.

The Office for National Statistics (ONS) reported in 2014 that overall for the UK as a whole, the proportion of the population born outside of the UK was 13% (8.3 million of 63.7 million). In Coventry the figures for 2014/15 were reported to be 24% non UK born, almost twice the national average.

According to the 2011 Census, Coventry as a local authority has experienced the greatest migration since 2001 - second only to London. (not relevant to this ECA
The additional licencing will have a positive effect on race as the 2011 Census tells us that 1 in every 5 people living in Coventry (21%) were born outside the UK. People move in and out of the city every year, including students studying at the city's two universities from both the UK (37,580) as well as an estimated 19,160 overseas students (2016-2017 figures)². 14,035 students enrolled from Non-EU countries and 5,125 from EU countries. The condition of rented housing will be more suitable for habitation for people from all communities by reducing inequalities within the City and addressing migrant health as a clear priority.

. Not relevant to equalities

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 believed to be any specific impacts on this group. However, if landlords increase rents to cover the cost of the license, this will impact all renters.

Sexual orientation - Although the proposals are not believed to have adverse impacts on this group, we do know that this is a group that experiences discrimination and this may impact on their ability to rent property.

5. Are there any other vulnerable groups that could be affected?

² <https://www.hesa.ac.uk/news/11-01-2018/sfr247-higher-education-student-statistics/location>

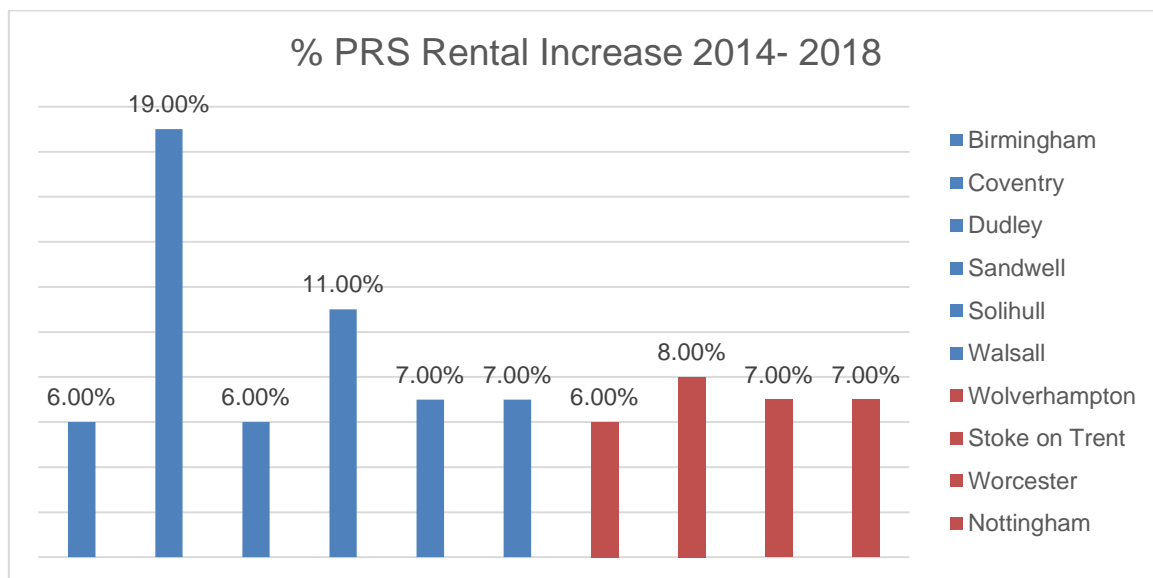
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Socio-economic - people in lower socio-economic groups, those in routine/semi routine jobs and those who are long term unemployed or have never worked are often those most impacted by poor quality accommodation and the additional licencing will have a positive effect in this area They are also more likely to live in private rented accommodation. However, this group will be significantly affected if landlords increase rent to cover the cost of the license or improvements required to comply.

The Council has conducted some research into this area and made a comparison of rents from 2014- 2018 between areas in England that had discretionary licencing schemes and those that did not, in order to establish if there was any evidence to show that discretionary licencing increases rent.

As can be seen from Figure 2 below rental values increased in Coventry, on average by 19% between 2015 and 2018 compared to 11% in the West Midlands and 8% England over the same period. The increases in rent occurred in Coventry without the existence of a licencing scheme whilst lesser increases occurred across areas of the West Midlands where licencing is in operation – those shown in red (Wolverhampton 6%, Stoke 8%, Worcester 7% & Nottingham 7%). The evidence therefore suggests that despite the perception that licencing increase rents it is **not** the main contributing factor.

Figure 2 - Comparison of Rents in Areas with and without Licencing



Health – The additional licencing will have a positive effect on health as it is well reported that poor housing conditions, including overcrowding and homelessness, are associated with an increased health risk, specifically of cardiovascular diseases, respiratory conditions and mental health problems. In Coventry, as of the 2011 census, 61% of homes were owner occupied (69% in 2001) and 17% were rented from the Housing Association or a Social Landlord (18% in 2001). In addition, 9.5% of housing was deemed overcrowded.

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6. What are the gaps in evidence? Can this be addressed during the consultation stage?

There is limited data on inequalities in the private rented sector related to marriage/civil partnership issues. It is unlikely that additional data will be gathered on this during the consultation stage, this will be considered as part of future information gathering exercises.

7. What are the likely impacts of this project/review on staff from protected groups? None (this would relate to staff from the equality groups losing their jobs)

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Form 2

This section should be completed AFTER any consultation has been concluded.

Author of this document:

Date of completion:

Potential Impacts – further information

8. Referring to the information detailed in question 4 of ECA Form 1, state if the potential impacts have been confirmed. Also detail below any additional information about potential impacts that has been highlighted during any consultation.

Outcome of equality impact

9. Indicate which of the following best describes the equality impact of this project/review:

There will be **no** equality impact if the proposed option is implemented

There will be **positive** equality impact if the proposed option is implemented

There will be **negative** equality impact if the proposed option is implemented but this can be objectively justified

There will be both **positive and negative** impacts if the proposed option is implemented

Summary of ECA

Write a paragraph below which summarises the key aspects of this ECA.

This paragraph should be included in the Equalities/EIA section of any Cabinet/Cabinet Member Report.

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Approvals from Director and Cabinet Member

Name of ECA Author

Date

Director:

Cabinet Member:

Please detail below any committees, boards or panels that have considered this analysis.

Name

Date

Chair

Decision taken

Next steps

Please send this completed ECA to the Insight Team as follows:

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