

Time and Date

2.00 pm on Tuesday, 27th August 2024

Place

Committee Room 3 - Council House, Coventry

Public business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes** (Pages 5 - 12)
 - (a) To agree the minutes from the meeting of Cabinet on 9 July 2024
 - (b) Matters arising
4. **Exclusion of Press and Public**

To consider whether to exclude the press and public for the item(s) of private business for the reasons shown in the report(s).
5. **Proposed Renewal of the City-Wide Public Space Protection Order - Dog Control 2024 - 2027** (Pages 13 - 42)

Report of the Director of City Services and Commercial
6. **Additional HMO Licensing Scheme Renewal 2025-2030** (Pages 43 - 136)

Report of the Director of Law and Governance
7. **2024/25 First Quarter Financial Monitoring Report (to June 2024)** (Pages 137 - 162)

Report of the Director of Finance and Resources
8. **Disposal of Land and Buildings, Burbages Lane, including Land and Buildings formally known as Rowleys Green Working Men's Club** (Pages 163 - 174)

Report of the Director of Property Services and Development

9. **Outstanding Issues**

There are no outstanding issues

10. **Any Other Items of Urgent Public Business**

Private business

11. **Disposal of Land and Buildings, Burbages Lane, including Land and Buildings formally known as Rowleys Green Working Men's Club**
(Pages 175 - 186)

Report of the Director of Property Services and Development

(Listing Officer: P. Beesley email paul.beesley@coventry.gov.uk)

12. **Any Other Items of Urgent Private Business**

Julie Newman, Director of Law and Governance, Council House, Coventry

Friday, 16 August 2024

Note: The person to contact about the agenda and documents for this meeting is Suzanne Bennett, Governance Services, Email: Suzanne.bennett@coventry.gov.uk

Membership:

Cabinet Members:

Councillors L Bigham, R Brown, K Caan, G Duggins (Chair), P Hetherton, A S Khan (Deputy Chair), J O'Boyle, K Sandhu, P Seaman and D Welsh

Non-voting Deputy Cabinet Members:

Councillors P Akhtar, S Agboola, G Hayre, G Lloyd and S Nazir

By invitation:

Councillors S Gray, P Male and G Ridley (Non-voting Opposition representatives)

Public Access

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Suzanne Bennett, Governance Services

Email: suzanne.bennett@coventry.gov.uk

Coventry City Council
Minutes of the Meeting of Cabinet held at 10.00 am on Tuesday, 9 July 2024

Present:

Members: Councillor G Duggins (Chair)
Councillor L Bigham
Councillor R Brown
Councillor K Caan
Councillor J O'Boyle
Councillor K Sandhu
Councillor P Hetherton
Councillor D Welsh

Non-Voting Deputy
Cabinet Members: Councillor G Lloyd
Councillor S Nazir

Non-Voting Opposition
Members: Councillor P Male
Councillor G Ridley

Other Members: Councillor N Akhtar
Councillor R Lakha
Councillor C E Thomas

Employees
(by Service Area):

Chief Executive J Nugent (Chief Executive)

Childrens Services and
Education M Steele, R Sugars

Communications M Burrows (Strategic Lead for Policy and
Communications)

Finance and Resources B Hastie (Director of Finance and Resources), P Helm,
T Pinks

Law and Governance J Adams, D Blackburn, G Carter, L Nagle, M Salmon

Others in attendance: Chief Inspector D Amos, West Midlands Police

Apologies: Councillor F Abbott
Councillor P Akhtar
Councillor G Hayre
Councillor A S Khan (Deputy Chair)
Councillor P Seaman

Public Business

6. Declarations of Interest

There were no disclosable pecuniary interests.

7. Minutes

The minutes of the meeting held on 11th June 2024 were agreed and signed as a true record. There were no matters arising.

8. Revenue and Capital Outturn 2023/24

The Cabinet considered a report of the Director of Finance and Resources that outlined the final revenue and capital outturn position for 2023/24 and reviewed treasury management activity and 2023/24 Prudential Indicators reported under the Prudential Code for Capital Finance. Appendices to the report provided a detailed breakdown of Directorate Revenue Variations, Capital Programme Changes and Analysis of Rescheduling, and Prudential Indicators.

The overall financial position included the following headline items:

- An overspend of £1.8m, balanced by a contribution from unearmarked reserves.
- Capital Programme expenditure of £115.3m
- A reduction in the level of available Council revenue reserves from £128m to £118m

Further detail within the overall position included:

- An overspend of £4.9m in Adults' Social Care reflecting an increased number of high-cost complex cases.
- An overspend of £4.7m within Streetscene and Regulatory Services representing a reduction in income generation in several areas such as planning applications, car parking in parks and bereavement services as well and pressures within urban forestry due to remedial works on trees. A significant proportion of this pressure was within Waste & Fleet services relating to implementation of HSE recommendations, costs of increased tonnages and increased gate fees, and deficits on planned income in both Commercial Waste and Passenger Transport.
- An overspend of £2.8m within Childrens' Services reflecting high placement costs and staffing pressures in Help & Protection (Area Teams) due to high levels of cases which required additional workers and agency staff.
- An overspend of £2.5m on Housing & Homelessness due to an increase in people seeking support and being placed in temporary accommodation (TA), combined with an increase in TA fees.
- An underspend of £1.8m in Education & Skills due to management of vacancies within Customer Services, alongside other efficiencies and the utilisation of grant income and earmarked reserves.
- An overspend of £1.4m on Business, Investment & Culture represented underachievement of sponsorship income and reduced grant from ERDF as well as holding costs for the City Centre Cultural Gateway due to slipped project implementation timescales.

- An overspend of £1.4m on Transport & Highways relates to increased costs in highways maintenance to address highways defects, as well as continuing high costs of energy for street lighting.
- The service had experienced pressures in highways maintenance due to the cost of addressing highways defects and income pressures resulting from sickness and recruitment challenges. In addition, the continuing high cost of energy had resulted in pressures in street lighting. These pressures had been partially offset by a recovery in car park income.
- A net underspend of £12.4m within central budgets, included higher dividend income from Council owned companies, interest income from loans, higher than budgeted investment income, and distribution of Business rates Levy Account Surplus.

The underlying revenue position had improved by £6.7m since Quarter 3 when an overspend of £8.5m was forecast. The majority of the improved position related to increased one-off income within Contingency and Central budgets which were set out in the report.

The prudent management of the Councils financial position throughout the Covid crisis enabled the Council to retain some resources to manage any legacy issues. £1.8m of this had been used to balance the position at the end of 2023/24. Although the Covid crisis was no longer a significant threat to the Councils service delivery and financial position, the cost-of-living crisis and high levels of inflation had had tangible impacts on demand for both Childrens, Adults and Housing services. The complexity of need, support required and sufficiency of the external market to provide for this had directly impacted the Councils financial outturn reported up to 31st March 2024 and would be an ongoing financial challenge in 2024/25.

RESOLVED that the Cabinet:

- 1) Approves the final balanced revenue outturn position after a contribution of £1.8m from reserves.
- 2) Approves the resource switch of £5.9m of capital projects funded by revenue to capital receipts, to create the Financial Risk Contingency within Reserves, referenced in Section 2.2.3 of the report.
- 3) Approves the final capital expenditure and resourcing position (Section 2.3 and Appendix 2 of the report), incorporating expenditure of £115.3m against a final budget of £137.1m; £21.7m expenditure rescheduled into 2024/25 and £0.1m underspend.
- 4) Approves the outturn Prudential Indicators position in Section 2.4.4 and Appendix 3 of the report.
- 5) Recommends that Council approves the reserve contribution of £1.8m for the purposes described in Section 5.1 of the report.

- 6) **Recommends that Council approves the resource switch of £5.9m of capital projects funded by revenue to capital receipts, to create the Financial Risk Contingency within Reserves, referenced in Section 2.2.3 of the report.**

9. **Proposed Consultation and Amendments to the City-Wide Public Space Protection Order**

The Cabinet considered a report of the Director of Law and Governance that sought permission to consult on a new City-wide Public Space Protection Order (PSPO) as the previous Order had now expired. Appendices to the report provided the Proposed Consultation and Engagement Plan, the Timeline of the Order, the Operation Prosperity Police Document, and the Draft Equality Impact Assessment.

The new PSPO had conditions within it to address the unauthorised use of 'off-road' motorbikes and other specific mechanically propelled vehicles in the city. It also sought to control the drinking of alcohol in public spaces.

Under the Anti-Social Behaviour Crime and Policing Act 2014 Local Authorities must carry out a statutory consultation before implementing a PSPO. The report therefor sought permission to carry out a consultation to enable the authority to gain a full understanding of members of the public and key stakeholders that would be affected by the order.

The Cabinet requested that a copy of the Regulatory Services Operational Plan, which included details of the Public Space Protection Orders in operation in the city, be circulated to them.

RESOLVED that the Cabinet:

- 1) **Authorise a 4-week citywide consultation to commence on 19th July 2024 to 16th August 2024.**
- 2) **Request a future report setting out the consultation responses received, and the proposed draft citywide Public Space Protection Order.**

10. **Proposed Consultation for the Community Safety Partnership Plan 2024-2027**

The Cabinet considered a report of the Director of Law and Governance, that had also been considered at the meeting of Scrutiny Co-ordination Committee on 26th June 2024, on proposals to create a Community Safety Plan.

Community Safety Partnerships (CSPs) were the statutory body that brought together local partners to solve shared issues around Crime and Disorder, Anti-Social Behaviour (ASB), Drug and Alcohol misuse and Reoffending. The CSP in Coventry met as the Police and Crime Board (PCB) and was chaired by the Local Authority.

CSPs were required to develop an overarching Community Safety Partnership Plan under the Crime and Disorder Act 1998. The plan provided an overview of the work and priority areas that fell under the responsibility of the CSP.

The Plan was intended to focus upon those issues of most concern to residents that caused the most harm to communities and required a coordinated approach to deliver lasting change.

The Community Safety Plan would be informed by:

- the views of residents, including those who had been affected by crime and/or accessing services;
- analysis of the problem, drawing on data and information from a breadth of partners;
- evidence of “what works” in tackling crime and disorder; and
- the views of professionals and stakeholders working locally.

To help inform the Plan a public consultation would be undertaken and the information together with data from West Midlands Police would be reviewed in workshops by the sub-groups of the PCB. This would be used to develop a Community Safety Partnership Plan which identified how these priorities would be delivered.

When completed the draft Plan would be brought back to Cabinet for approval, anticipated to be submitted to 7th January 2025 meeting.

A Briefing Note was attached to the report that detailed recommendations made by Scrutiny Co-ordination Committee. Having considered the requirements of the Crime and Disorder Act 1998 and the need to create a Community Safety Partnership Plan, Scrutiny Co-ordination Committee:

- 1) Agreed to receive a future report setting out the responses received, and the proposed Community Safety Partnership Plan 2024-2027.
- 2) Identified the following additional recommendations for Cabinet:
 - a) That the Cabinet request officers to use all of the Council's partners' communication channels, including faith groups and housing providers, to ensure as wide consultation as possible.
 - b) That additional bullet points be added to Question 5 of the questionnaire (relating to main priorities for the Community Safety Partnership to focus on) identifying.
 - i) environmental ASB – e.g. fly-tipping and dog fouling, and
 - ii) off-road e-bikes

The Cabinet requested that a letter be sent to the Community Safety Partnership requesting that the speed of traffic be considered as part of the Community Safety Plan.

RESOLVED that the Cabinet, having considered the requirements of the Crime and Disorder Act 1998 and the need to create a Community Safety Partnership Plan:

- 1) Approves the recommendations from the Scrutiny Co-ordination Committee.
- 2) Authorises a citywide 12-week consultation beginning 10th July to 2nd October 2024.
- 3) Requests a future report setting out the responses received, and the proposed Community Safety Partnership Plan 2024-2027.

11. **Acceptance of the Music Education Revenue and Capital Grants for the Strategic Area of Coventry, Warwickshire and Solihull**

The Cabinet considered a report of the Director of Childrens Services and Education that sought acceptance of the Music Education Revenue and Capital Grants for the Strategic Area of Coventry, Warwickshire and Solihull.

On 25 June 2022, the Department for Education and the Department for Digital, Culture, Media, and Sport (DCMS) published a refreshed National Plan for Music Education: the power of music to change lives, setting out government's priorities until 2030 for music education from birth until they leave education". Subsequently the Music Education Hubs Programme was announced as changing from 119 Hubs to 43 larger more strategic Hubs to be in place for September 2024 managed by Arts Council England.

Coventry City Council had been successful in its application to be the Hub Lead Organisation as part of a consortium for the region of Coventry, Solihull and Warwickshire. This was a partnership bid with the three current Music Hub lead organisations (Council based Music Services). The application had been successful to initially lead this consortium with a view to explore future partnership models for the consortium to ensure strategic impact for the region.

The revenue grant for academic year 2024/25, of which the Council had received a conditional offer, would be £1,684,457 to be accepted by 22nd August 2024.

The Council as the Hub Lead Organisation had additionally been awarded a capital grant to spend over the next 2-5 years on musical instruments and adaptive technology of £553,330. This was to be accepted subsequently to accepting the revenue grant after 1st September 2024.

The two grants had ringfenced funding for each Local Authority. For Coventry this was £534,408 revenue and £175,548 capital.

RESOLVED that the Cabinet:

- 1) Approves acceptance of the revenue grant for academic year 2024/25 to the sum of £1,684,457 and by way of such acceptance note Coventry City Council will become the Music Hub Lead for Coventry, Solihull and Warwickshire.
- 2) Approves acceptance of the forthcoming capital grant for academic year 2024/25 to the sum of £553,330.

- 3) Approves passing of the necessary grant funds, derived from recommendations 1) and 2) above, to Solihull Metropolitan Borough Council and Warwickshire County Council.
- 4) Approves entering into the necessary grant arrangements with Coventry City Council's delivery partners in order to deliver upon the requirements of recommendations 1) and 2) above.
- 5) Delegates Authority to the Director of Childrens Services and Education, following consultation with the Director of Law and Governance, to enter into such contractual arrangements to give effect to the above recommendations.

12. **Outstanding Issues**

There were no outstanding issues.

13. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of public business.

(Meeting closed at 11.15am)

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Public report Cabinet

Scrutiny Co-ordination Committee
Cabinet

21 August 2024
27 August 2024

Name of Cabinet Member:

Cabinet Member for Policing and Equalities - Councillor AS Khan

Director approving submission of the report:

Director of City Services and Commercial

Ward(s) affected:

All

Title:

Proposed Renewal of the City-Wide Public Space Protection Order – Dog Control 2024-2027

Is this a key decision?

Yes - The proposals are likely to have a significant impact on residents or businesses in two or more electoral wards in the city.

Executive summary:

This report seeks permission to renew the Dog related Public Space Protection Order (PSPO) that was last approved in 2021.

The Order is required to assist with the enforcement of dog fouling offences, but also to specify where dogs should be kept on leads, where dogs are prohibited, the maximum number of dogs that can be walked by one person and enabling officers to request that a dog be put on a lead if problems are ensuing.

Recommendations:

Scrutiny Co-ordination Committee is recommended to consider the report and make any comments/recommendations to Cabinet for consideration at their meeting on 27 August 2024

Cabinet is recommended to:

1. Consider any comments/recommendations received from Scrutiny Co-ordination Committee
2. Approve the renewal of the Public Space Protection Order – Dog Control for a further three years and to make this order effective on 28th August 2024.

List of Appendices included:

The following appendices are attached to the report:

Appendix 1 – PSPO Dog Control Order
Appendix 2 – Maps of the relevant areas.
Appendix 3 - Impact statements.
Appendix 4 - EIA

Background papers:

None

Other useful documents

None

Has it or will it be considered by Scrutiny?

Yes, Scrutiny Co-ordination Committee – 21 August 2024

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Proposed Renewal of the City-Wide Public Space Protection Order – Dog Control 2024-2027

1. Context (or background)

- 1.1 The renewal of the City-Wide Public Space Protection Order (PSPO) was first introduced in 2016 and provides for the continued use of powers to address matters pertaining to the control and management of dogs in the city and with a particular focus within parks.
- 1.2 The Order in its current format was devised following extensive consultation and collaboration with a number of stakeholders in the City.
- 1.3 The Council believes that the Order is currently working very well, is fit for purpose and enables people to enjoy parks and public spaces whilst providing clear guidance as to when it is and isn't appropriate to allow dogs to exercise off leads or when they need to be under the direct control of their owner.
- 1.4 There is a high level of compliance with the Order, this can be seen by reference to the relatively low levels of enforcement Council officers have had to use.

2. Options considered and recommended proposal

2.1 Option 1 (Not recommended)

The Council could decide to let the Order lapse, and then address any issues that may then occur in a reactive manner and in a localised fashion. This isn't recommended, as it would cause confusion and could lead to dog owners and other greenspace users coming into conflict and disagreements. It could also lead to inconsistencies as different officers may have differing views as to what is acceptable.

2.2 Option 2 (Recommended)

Renew the existing Order. It is recommended that the Council renews the existing PSPO under the Anti-Social Behaviour, Crime and Policing Act 2014 to control the management of dogs in parks and greenspaces. As the current Order has been working well, it is not possible to point to direct evidence as to how things would worsen if the Order was not renewed, however, the legislation only requires the Council to be satisfied that without controls it is "likely" that issues would occur if the controls were not in place. It is therefore recommended that these powers are renewed in the proposed new Order.

2.3 Cabinet is therefore recommended to

1. Consider any comments/recommendations received from Scrutiny Co-ordination Committee

2. Approve the renewal of the Public Space Protection Order – Dog Control for a further three years and to make this order effective on 28th August 2024.

3. Results of consultation undertaken

- 3.1 We have consulted with our key partners, Police, friends of parks, dog in Coventry Group, Vets, Parks all of those who responded supported the renewal of the existing Order.

4. Timetable for implementing this decision.

- 4.1 Once approved the Order it is proposed that the Order will be renewed immediately

5. Results of consultation undertaken

- 5.1. We consulted with all our key partners, the Police, Friends of the Memorial Park, Friends of Allesley Park, Vets, Dogs in Coventry Group, Parks Staff, these are all groups that have a lot of dealings with dogs in our public spaces, all were in agreement with the renewal of the current PSPO with no amendments.

6. Comments from Director of Finance and Resources and Director of Law and Governance

- 6.1. The costs of enforcing this legislation will be met from within existing resources

6.2. Legal Implications

Under sections 59-75 of the Anti-social Behaviour, Crime and Policing Act 2014, local authorities have powers to make PSPOs.

The Council can only extend a PSPO when it is satisfied on reasonable grounds that doing so is necessary to prevent the occurrence or recurrence of activities identified in the order or an increase in the frequency and seriousness of those activities.

Should anyone object to the granting of a PSPO they would have to make a High Court application within 6 weeks of the order being granted.

For that appeal to be successful they would have to show that the Council did not have the power to make the Order, as the issue covered has not been demonstrated, usually by empirical evidence, to be a significant enough issue to justify the restriction. The other grounds for the appeal would be to demonstrate that the consultation process was inadequate.

PSPOs can only apply to public places. This means any place to which the public, or and sections of the public, on payment or otherwise, have access to as of right or by virtue of express or implied permission.

The Council must comply with the Anti-Social Behaviour, Crime and Policing Act 2014 (Publication of Public Spaces Protection Orders) Regulations 2014 by publishing the extended order on its website and by erecting notices on or near the affected land sufficient to draw the attention of the public to the fact that the order has been extended and the effect of this.

The Council will decide whether it is appropriate to issue a fixed penalty notice for any breach of the PSPO witnessed by an enforcing officer. In line with other PSPOs in Coventry, any Fixed Penalty Notice for non-compliance with a PSPO will be set at £100 reduced to £60 if paid within 14 days. If the Fixed Penalty Notice is not paid, court proceedings can be initiated to prosecute for the offence of failing to comply with the PSPO where the maximum fine is currently £1000 (level 3 on the standard scale). Following conviction, the Council could apply for a Criminal Behaviour Order which can contain both prohibitions and positive requirements.

7. Other implications

7.1. How will this contribute to the One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

This will help bring the park users, parks staff and our enforcement officers working together to tackle any dog related issues in the designated areas and make our parks and open spaces a more enjoyable place to visit.

7.2. How is risk being managed?

No risks identified.

7.3. What is the impact on the organisation?

N/A

7.4. Equalities / EIA?

EIA is completed ref number 633321040.

7.5. Implications for (or impact on) climate change and the environment?

The purpose of taking action to address adverse behaviours in the city should increase usage of public spaces for legitimate purposes, to improve the environment and wellbeing of the community.

7.6. Implications for partner organisations?

None

Report author(s):

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Service Area:

City Services and Commercial

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Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Michelle Salmon	Governance Services Officer	Law and Governance	12/07/24	12/07/24
Sarah Elliot	Strategic Lead Environmental Services	City Services	12/07/24	12/07/24
Davina Blackburn	Strategic Lead Regulation Services		12/07/24	12/07/24
Kate Eales	HR Business Partner	Human Resources	12/07/24	12/07/24
Names of approvers for submission: (officers and members)				
Cath Crosby	Finance	City Services	12/07/24	24/07/24
Gill Carter	Legal	Law and Governance	12/07/24	12/07/24
Andrew Walster	Director	City Services and Commercial	12/07/24	15/07/24
Councillor A S Khan	Cabinet Member for Policing and Equalities	-	12/07/24	24/07/24

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Anti-social Behaviour, Crime & Policing Act 2014
s.59-75 Public Space Protection Order (Coventry Dog Control)

The Council of the City of Coventry ("the Council") hereby makes the following Public Space Protection Order (Coventry Dog Control) under s.59-75 Anti-social Behaviour, Crime & Policing Act 2014:

The Public Space Protection Order (PSPO) covers five areas of dog control:

- A. Dog fouling of land
- B. Dogs on leads
- C. Dogs on leads by direction
- D. Dogs exclusion
- E. Dogs (specified maximum)

A. Dog fouling of land

1. This relates to the offence of fouling of land by dogs. The public health implications of dog foul are well documented.
2. If a dog defecates at any time on land to which this order applies, and the person who is in charge of the dog at that time fails to remove the faeces from the land forthwith, that person shall be guilty of an offence unless;
 - a. he has a reasonable excuse for failing to do so; or
 - b. the owner, occupier, or other person or authority having control of the land has consented (generally or specifically) to his failing to do so;
3. This Order applies to land described in the Schedule A below, being land in the area of the Council.
4. For the purpose of this article:
 - a. placing the faeces in a receptacle on the land which is provided for this purpose, or for the disposal of waste, shall be a sufficient removal from the land;
 - b. being unaware of the defecation (whether by reason of not being in the vicinity or otherwise), or not having a device for or other suitable means of removing the faeces, shall not be a reasonable excuse for failing to remove the faeces;

Schedule A: Dog fouling of land

Land Designated by Description

1. Any land, which is open to the air, and to which the public are entitled or permitted to have access (with or without payment).
2. Any land which is covered is to be treated as land which is "open to the air" if it is open on at least one side.

B. Dogs on leads

1. Dogs whilst not on a lead and poorly supervised, or startled, have a greater potential to cause road traffic accidents, or to cause injury to pedestrians and other dogs. The restrictions in this Order are designed to facilitate a sharing of our public spaces, whilst recognising that dogs do need to be exercised off lead.
2. A person in charge of a dog shall be guilty of an offence, if at any time, they fail to keep their dog on a lead not longer than 2.0 metres, unless:
 - a. he has a reasonable excuse for failing to do so, or
 - b. the owner, occupier, or other person, or other authority having control of the land has given consent (generally or specifically);
3. This part of the Order applies to land described in the Schedule B below being land in the area of the Council.

Schedule B: Dogs on leads

Land Designated by Description

1. A highway, carriageway, cycle lane, footway or footpath, maintainable at the public expense, or any grass verge managed by the local authority and which is adjacent to the carriageway or footway of a highway, including gutters and adjoining footpaths;
2. clearly specified and signed areas in the city's parks;
3. all churchyards and graveyards, including green burial areas;
4. all car park areas shopping centres and precincts that are:
 - a. open to the air (which includes land that is covered but open to the air on at least one side) and
 - b. areas to which the public are entitled or permitted to have access (with or without payment), irrespective of ownership
5. all sports grounds, fields, parks, and pitches, which are maintained by the local authority and are not subject to 'Dog Exclusion', but only when in use for officiated sporting matches;

C. Dogs on leads by direction

1. In parts of the City where dogs are permitted off leads, a minority of irresponsible dog owners allow their dogs to cause damage to property, and cause problems for pedestrians and other dog owners. This part of the Order is designed to enable authorised Council Officers to direct that the owner put their dog on a lead.
2. A person in charge of a dog will be guilty of an offence if at any time, on land to which this Part applies, they fail to comply with a direction given them by an authorised officer of the Council to put and keep the dog on a lead of not more than 2 metres in length, unless:
 - a. he has a reasonable excuse for failing to do so; or
 - b. the owner, occupier, or other person or authority having control of the land, has given consent (generally or specifically);

3. For the purposes of this request an authorised officer of the Council may only direct a person to put and keep a dog on a lead if such restraint is reasonably necessary to prevent either a nuisance, or behaviour by the dog likely to cause annoyance or disturbance to any other person, or the worrying of other animals on designated land to which this order applies.
4. This Part of the Order applies to land described in Schedule C below being land in the area of the Council.

Schedule C: Dogs on leads by direction

Land Designated by Description

1. Any land within the City boundaries, which is open to the air, and to which the public are entitled or permitted to have access (with or without payment).
2. Any land which is covered is to be treated as land which is "open to the air" if it is open on at least one side.

D. Dogs exclusion

1. There are specific parts of the City from which dogs should be excluded for their safety and that of pedestrians, and for public health and aesthetic reasons. This part of the Order states the relatively few places from where dogs will be excluded.
2. A person in charge of a dog will be guilty of an offence if at any time he takes the dog onto, or permits the dog to enter or remain on, any land specified in the Order, unless;
 - a. he has a reasonable excuse for failing to do so; or
 - b. the owner, occupier, or other person or authority having control of the land, has given consent (generally or specifically);
3. This Part of the Order applies to the land described in Schedule D below being land in the area of the Council.

Schedule D: Dogs exclusion

Land Designated by Description

1. children's play areas (which are clearly signed);
2. multi-use games areas (which are clearly signed);
3. sport and recreational facilities i.e. courts and pitches (which are enclosed and clearly signed);
4. sensitive nature areas, or specific horticultural areas within parks (which are enclosed and clearly signed)

E. Dogs (specified maximum)

1. There has been an increase in the number of persons and businesses walking numbers of dogs together, and some of these have exercised poor control over these dogs. This has caused problems for other dog owners and has also resulted in dog foul not being picked up. This part of the Order seeks to place limits on the number of dogs which may be walked together to enable greater control.
2. A person shall be guilty of an offence if they take on to any land in respect of which this Order applies more than the maximum number of dogs specified in point 3 of this Order, unless;
 - a. they have a reasonable excuse for failing to do so; or
 - b. the owner, occupier, or other person or authority having control of the land, has given consent (generally or specifically);
3. On land to which this Order applies, the maximum number of dogs which a person may take onto that land is six.
4. This Part of the Order applies to land described in Schedule E below being land in the area of the Council.

Schedule E: Dogs (specified maximum)

Land Designated by Description within the City of Coventry

1. Any land within the City boundaries, which is open to the air, and to which the public are entitled or permitted to have access (with or without payment).
2. Any land which is covered is to be treated as land which is "open to the air" if it is open on at least one side.

General Point

For the purpose of parts A, B, C, and D of this Public Space Protection Order:

1. Nothing in this Public Space Protection Order applies to a person who:
 - a. is registered as a blind person in a register compiled under section 29 of the National Assistance Act 1948, or "severely sight impaired", or "sight impaired" under the Care Act 2014; or
 - b. has a disability which affects his mobility, manual dexterity, physical co-ordination, or ability to lift, carry, or otherwise move everyday objects, in respect of a dog trained by a "prescribed charity" and upon which he relies for assistance;
 - c. each of the following is a "prescribed charity"
 - i) Dogs for the Disabled (registered charity number 700454)
 - ii) Support Dogs (registered charity number 1088281)
 - iii) Canine Partners for Independence (registered charity number 803680)
 - iv) Hearing dogs for deaf people (registered charity number 293358)

- v) Any charity created subsequent to this Order, which covers the issues detailed in point 1.b. above.

- 3. For the purpose of this article, a person who habitually has a dog in his possession shall be taken to be in charge of the dog at any time unless at that time some other person is in charge of the dog.

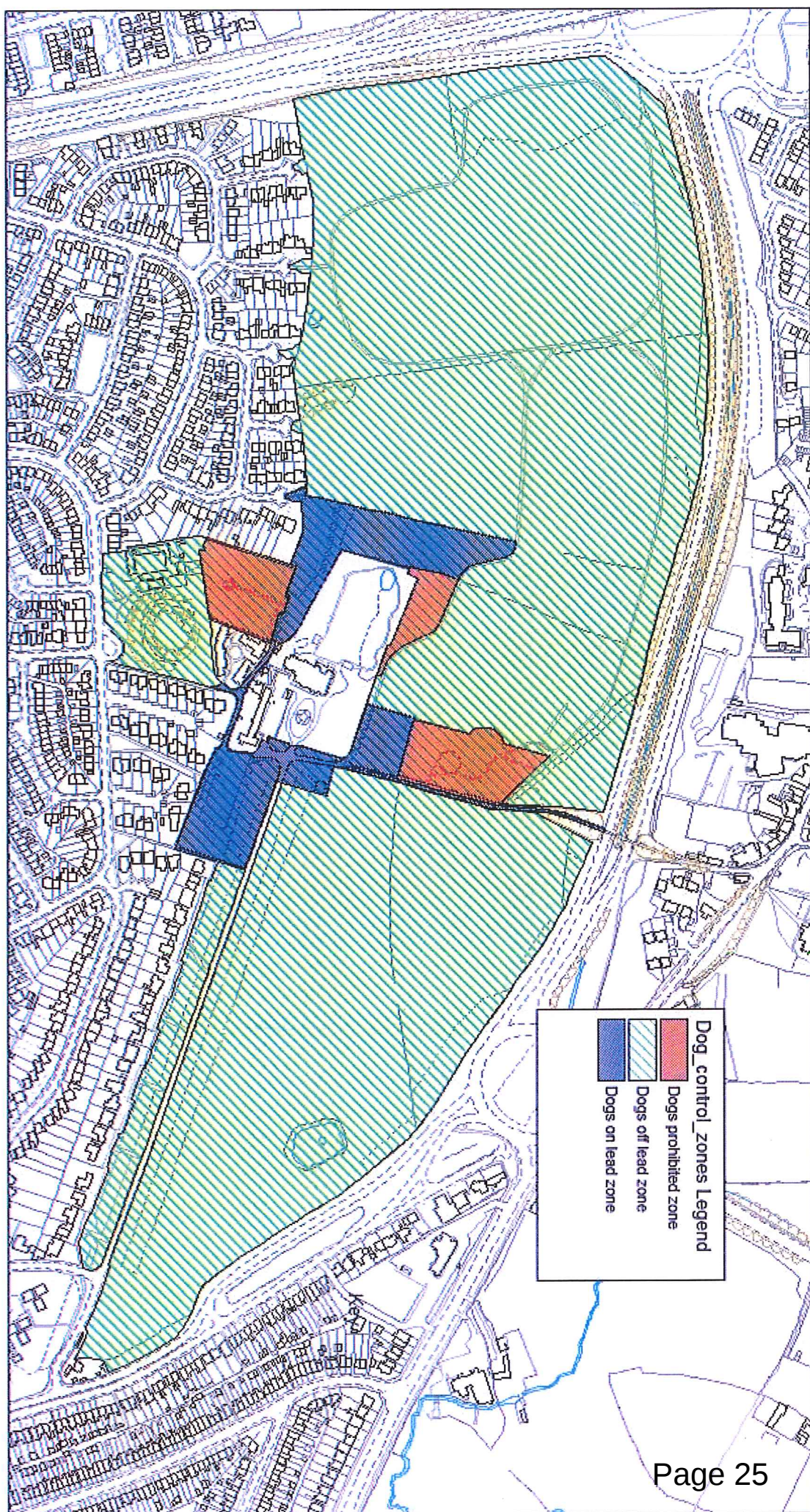
Offences under this Public Space Protection Order

A person who is guilty of an offence shall on summary conviction be liable to a fine not exceeding level 3 on the standard scale

A Fixed Penalty Notice of £100.00 will be issued to offenders to be paid within 20 days (reduced to £60.00 if paid within 14 days) which would discharge any liability to conviction for an offence under Section 67(1) of the Act.

This order may be cited as 'The Public Space Protection Order (Coventry Dog Control)' and shall come into force on 28th August 2024 and remain in force for a period of three years.

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Drawing Title:
Allesley Park
Dog Control Zones



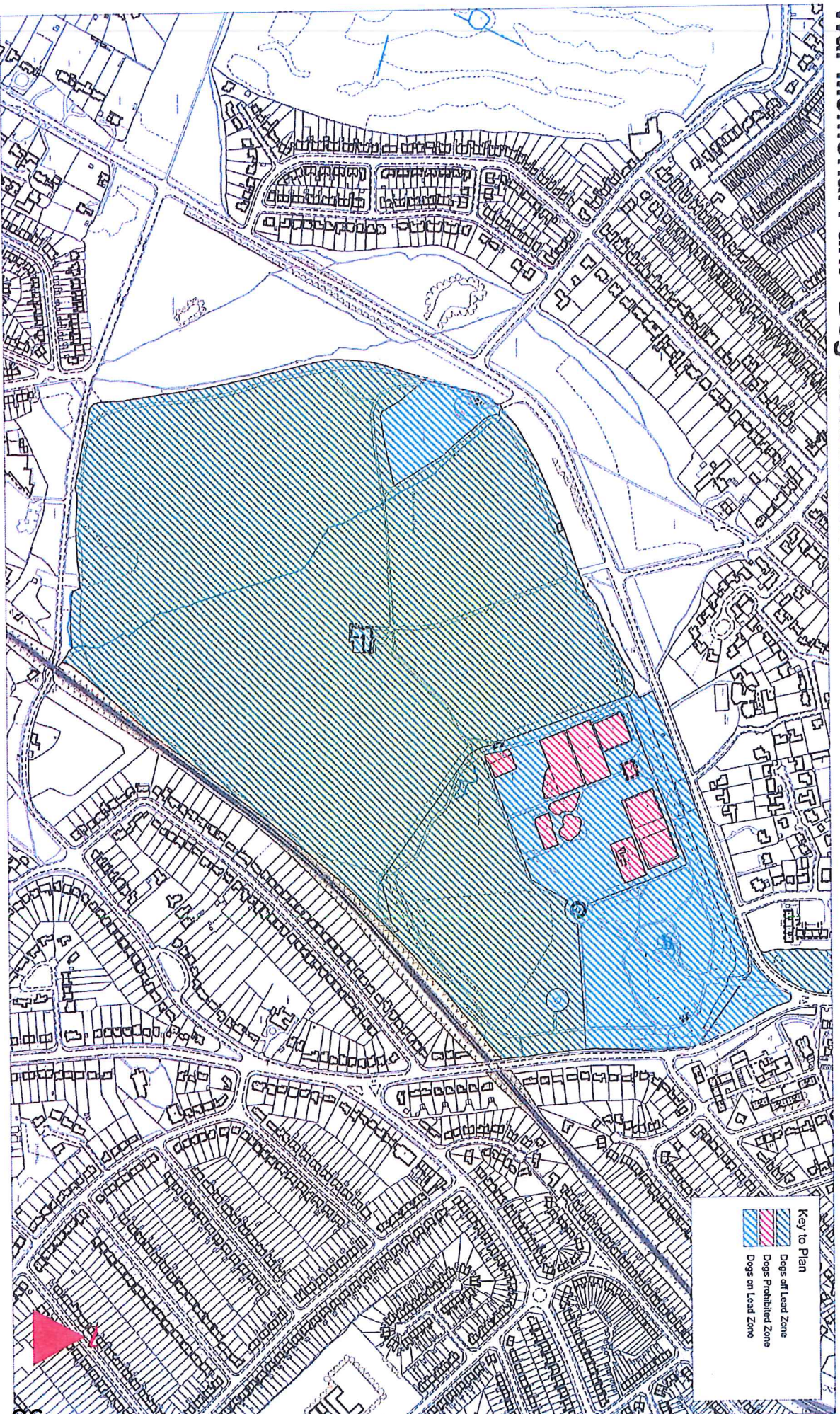
Scale: NTS

Prepared by Mark Yates, Parks Services, 02476 832349

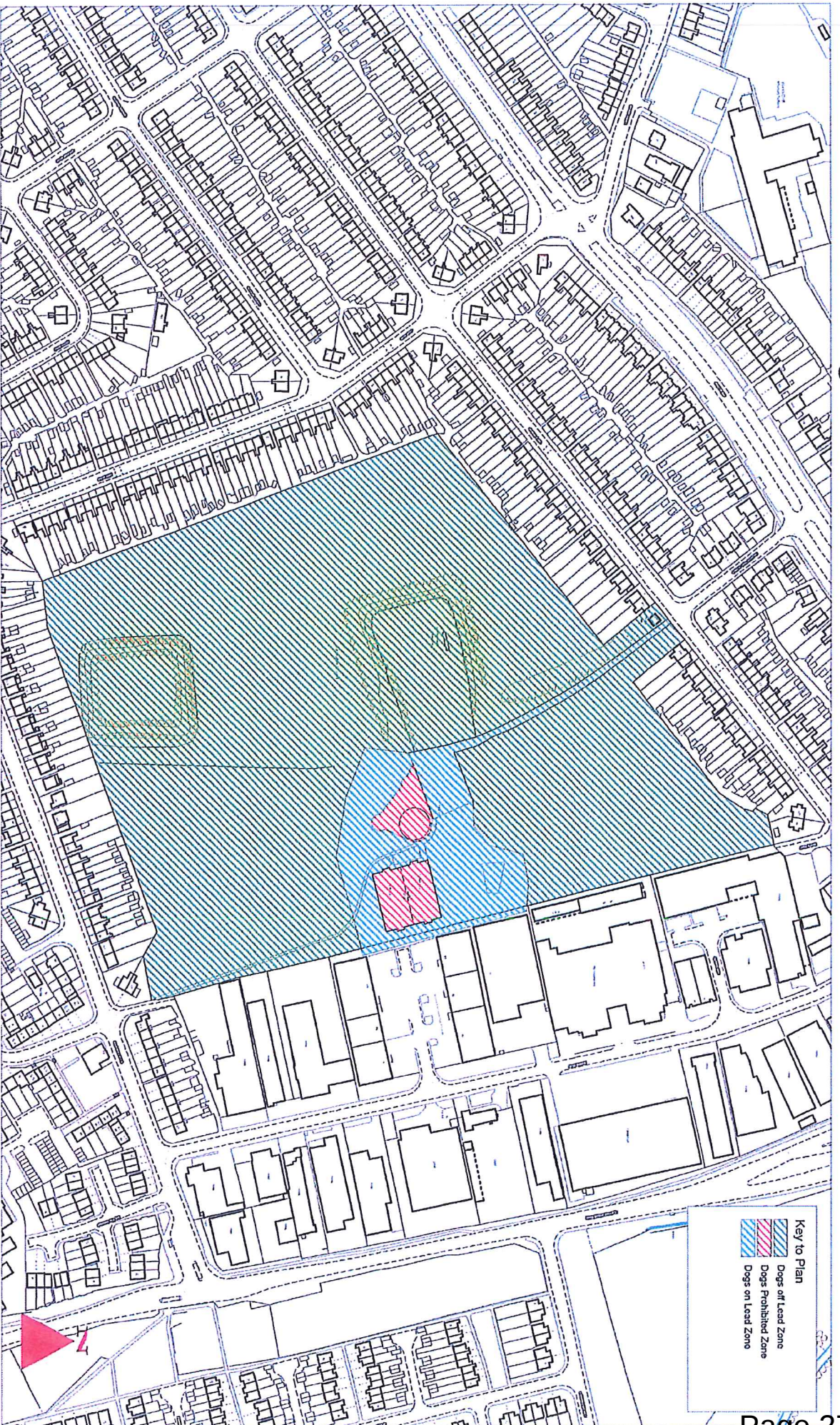
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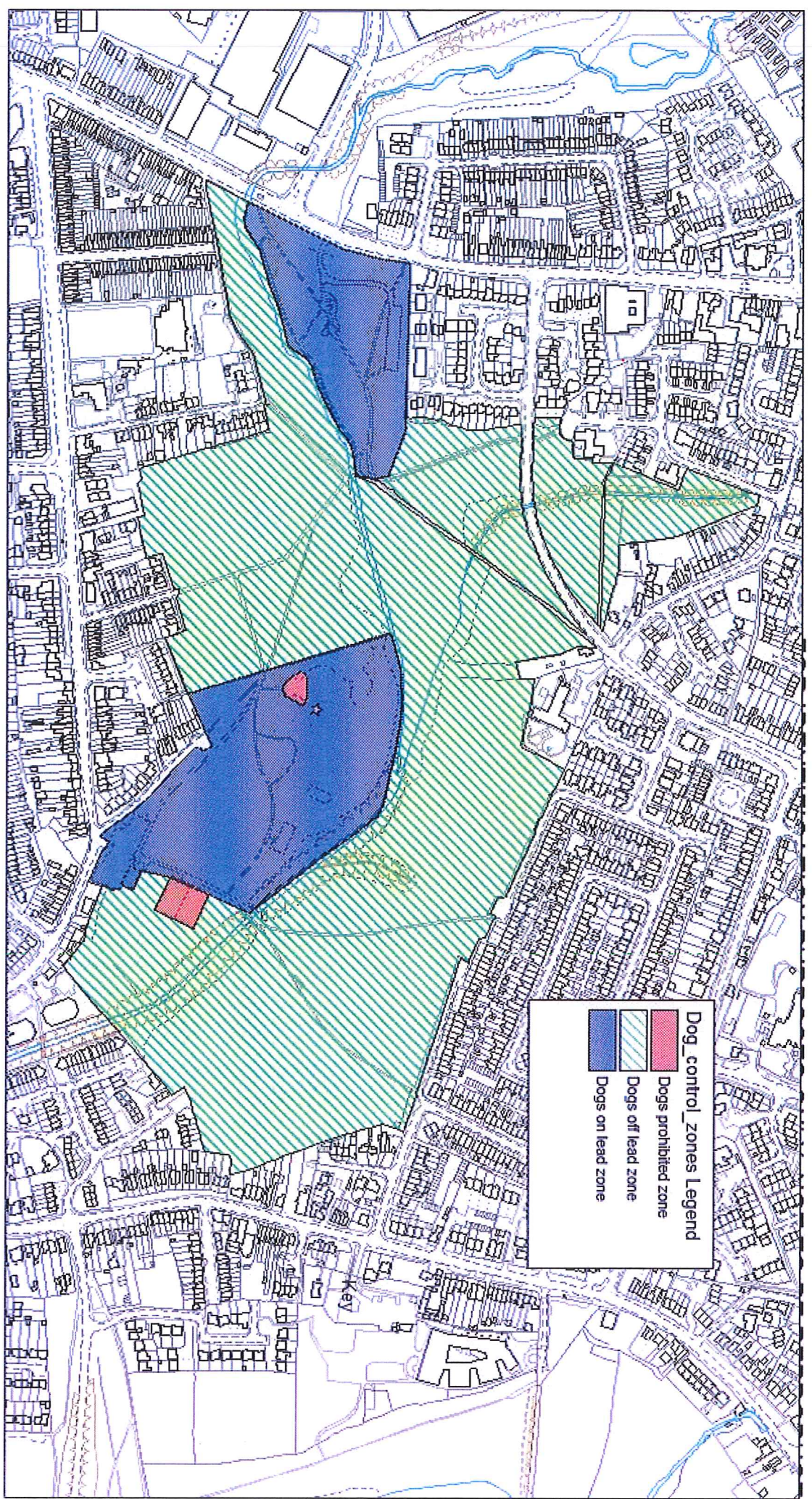
War Memorial Park - Dog Control Zones



Caludon Castle Park - Dog Control Zones



Drawing Title:
Longford Park
Dog Control Zones



Scale: NTS

Prepared by Mark Yates, Parks Services, 02476 832349

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APPENDIX 3

Impact Statements

Thank you for your message about renewing the PSPO (Dog Control). I agree with all that you say and support your approach of renewing the order as is.

I am sure that you and yours have plenty to do, but if you could direct your staff to visit the Earlsdon / War Memorial Park area a bit more frequently, we do seem to have a bit of an increase in people (deliberately) not picking up after their dogs – whether on lead or not. As you say, these are not people who would respond to further restrictions – they need to see enforcement.

Thank you for all your work

All the best

Mike Konrad

On behalf of the Dogs In Coventry Group

Hi Phil,

I continue to be supportive of the PSPO. Dog related ASB continues to be a key issue for the communities of Cov and this PSPO supports our collective response to this.

Kind regards,

Paul



Paul Drover

Chief Superintendent

Coventry LPA

West Midlands Police

M: 07867166176 T: 101

W: [westmidlands.police.uk](https://www.westmidlands.police.uk)

Working in partnership, making communities safer



The Friends of the War Memorial Park discussed this draft order today and are happy to support its renewal for a further three years. We appreciate its significance

within the War Memorial Park. Our support is conditional on there being no material changes to the lead/ non-lead areas, which have worked fairly well over the recent years. We feel that the Order could be backed up by renewal of the (now worn) painted signs on the footways in the Park and by the occasional presence on busy days by the your dog wardens.

Regards

Trevor Cornfoot

Chair, Friends of The War Memorial Park.

My Name is Phil Hibberd I am employed by Coventry City Council as the Pest Control and Dog Enforcement Manager.

I manage a number of officers that are responsible for enforcing the Public Spaces Protection Order, along with police colleagues. The majority of our role is to raise awareness amongst dog owners and members of the community when we are made aware of issues.

On the whole, dog behaviour within parks is very good, parks are usually busy locations with lots of people around, including other dog owners and as such it is largely self-regulating once we make people aware of the rules, which are set out in the order.

We find the majority of our enforcement and awareness raising is elsewhere in the City, in suburbs and built up areas where people may report increased amounts of dog fouling or they may report a particular owner that is regularly seen not clearing their dogs waste or allowing them continually to run off the lead in an inappropriate manner.

Our enforcement statistics are as follows for the duration of the existing order ;

- Dog Fouling – 28 fixed penalty notices issued.
- Dogs (not) on Leads – 10 fixed penalty notices issued.
- Too many dogs being walked at the same time – 2 warning given.

Whilst some may believe that the figures should be higher, we believe we strike the right balance between enforcement where appropriate and awareness raising, whilst ensuring our priority of keeping people and animals safe.

Without the order I believe it would make the job of my team significantly more difficult as the officers wouldn't have the powers currently available to them, and therefore the implied authority that gives them to do their job and to command the respect of dog owners would be diminished.

I support the renewal of the existing Public Spaces Protection Order.



Equality Impact Assessment

EIA-633284596 - Public Space Protection Order (Dog Control)

Details

Title	Public Space Protection Order (Dog Control)
Author	Sarah Elliot (Manager Pest Control & Dog Enforcement)
Head of service	Sarah Elliot (Strategic Lead Environmental Services)
Cabinet member	Cllr Abdul Khan (Cabinet Member for Policing and Equalities)

Context and background

EIA carried out on	Review of policy or strategy
Background	This is a renewal of the current PSPO Dog Control first introduced 2016, we are not making any changes to the existing order.
Stakeholders	Directly impacted by this order will be all dog owners who walk or exercise their dogs in a public space. No one should be indirectly impacted by this order. We have consulted with key partners including Police, Parks staff, Friends of Parks, dogs in Coventry group, local vets. General public will be interested in the order as it affects all public areas
Responsibility	Phil Hibberd/Sarah Elliot + the Dog Enforcement Team

Consideration of impact

Baseline data and information

This Section receives from the public and park users around 350 Complaints about dog fouling per year, 100 complaints regarding dangerous and aggressive dogs, 50 complaints regarding nuisance dogs which could be dogs in parks off leads not under control.

since this order was last renewed we have issued:

- 28 Fixed Penalty Tickets for Dog Fouling
- 10 Fixed Penalty Tickets for not having a dog on a lead in in 'dogs on lead' area
- 2 warnings for walking more than 6 dogs

Protected groups**Age 0-18**

Both positive and negative impacts - Positive impact our public spaces will be cleaner and healthier from less dog fouling less likely for children playing in those areas coming in to contact with dog foul, negative if walking or exercising their dog there be certain restrictions they will have to abide by.

Age 19-64

Both positive and negative impacts - Positive impact our public spaces will be cleaner and healthier from less dog fouling, negative if walking or exercising their dog there be certain restrictions they will have to abide by.

Age 65+

Both positive and negative impacts - Positive impact our public spaces will be cleaner and healthier from less dog fouling, negative if walking or exercising their dog there be certain restrictions they will have to abide by.

Disability

Both positive and negative impacts - Positive impact our public spaces will be cleaner and healthier from less dog fouling, negative if walking or exercising their dog there be certain restrictions they will have to abide by.

Gender reassignment

Both positive and negative impacts - Positive impact our public spaces will be cleaner and healthier from less dog fouling, negative if walking or exercising their dog there be certain restrictions they will have to abide by.

Marriage and civil partnership

Both positive and negative impacts - Positive impact our public spaces will be cleaner and healthier from less dog fouling, negative if walking or exercising their dog there be certain restrictions they will have to abide by.

Pregnancy and maternity	Both positive and negative impacts - Positive impact our public spaces will be cleaner and healthier from less dog fouling, negative if walking or exercising their dog there be certain restrictions they will have to abide by.
Race	Both positive and negative impacts - Positive impact our public spaces will be cleaner and healthier from less dog fouling, negative if walking or exercising their dog there be certain restrictions they will have to abide by. our warning signs are all done in both written and picture format making it clearer to understand.
Religion and belief	Both positive and negative impacts - Positive impact our public spaces will be cleaner and healthier from less dog fouling, negative if walking or exercising their dog there be certain restrictions they will have to abide by.
Sex	Both positive and negative impacts - Positive impact our public spaces will be cleaner and healthier from less dog fouling, negative if walking or exercising their dog there be certain restrictions they will have to abide by.
Sexual orientation	Both positive and negative impacts - Positive impact our public spaces will be cleaner and healthier from less dog fouling, negative if walking or exercising their dog there be certain restrictions they will have to abide by.

Health inequalities (HI)

How HI will be reduced	It will make are parks and public spaces a cleaner safer and healthy place by reducing the amount of dog fouling and dogs causing a nuisance.
Evidence showing how HI will be reduced	We will be gathering information going forward
Groups of people who face HI	It affects all much the same
How to improve HI for groups identified	N/A

Impact to DI	It should have no impact
---------------------	--------------------------

Opportunities to reduce DI	N/A
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Next steps

Inequality	Action	Owner	Timescale

Monitor and evaluation	We will be collecting and analysing data over the next 3 years
-------------------------------	--

Impact on Council staff

Will there be an impact?	Yes
---------------------------------	-----

Nature of impact and any mitigation required	It will affect those involved in monitoring parks and the enforcement officers who will be enforcing and educating dog owners
---	---

Impact on Council staff - Sex

Female	0
---------------	---

Male	0
-------------	---

Impact on Council staff - Disability

Disabled	0
-----------------	---

Not disabled	0
Prefer not to state	
Unknown	

Impact on Council staff - Ethnicity

White	0
Black, Asian, minority ethnic	0
Prefer not to state	
Unknown	

Impact on Council staff - Sexual orientation

Heterosexual	
LGBT+	
Prefer not to state	
Unknown	

Impact on Council staff - Age

16-24	0
25-34	0
35-44	0
45-54	0
55-64	-1
65+	0

Impact on Council staff - Religion

Any other	0
Buddhist	0
Christian	0
Hindu	0
Jewish	0
Muslim	00
No religion	0
Sikh	0
Prefer not to state	
Unknown	

Completion statement

Potential equality impact	Both positive and negative impact has been identified for one or more protected groups
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To: Cabinet

Date: 27th August 2024

Subject: Proposed Renewal of the City-Wide Public Space Protection Order – Dog Control 2024-2027

1 Purpose of the Note

- 1.1 To inform Cabinet of the recommendations from Scrutiny Co-ordination Committee on their consideration of a report on the Proposed Renewal of the City-Wide Public Space Protection Order – Dog Control 2024-2027

2 Recommendations

- 2.1 Scrutiny Co-ordination Committee recommend that:
- 1) Cabinet approves the renewal of the Public Space Protection Order – Dog Control for a further three years and to make this order effective on 28th August 2024
 - 2) Cabinet identifies ways to raise the public's awareness of how to report their concerns about dog behaviour, such as signage on site with QR codes.

3 Information and Background

- 3.1 At their meeting on the 21st August 2024 Scrutiny Co-ordination Committee considered a report on the Proposed Renewal of the City-Wide Public Space Protection Order – Dog Control 2024-2027.
- 3.2 The Committee considered the report and asked questions of the officers. The areas of discussion included:
- The fact that enforcement powers are held by Council officers not the police.
 - That officers are able to issue immediate fines if they see dog fouling which is zero tolerance. The dogs on lead requirements are often initiated by a warning before a ticket is issued.
 - The use of surveillance information, including that from the public and whether CCTV could be a deterrent.
 - All parks are covered by the order, the five premier parks have designated areas, which is why the maps are included in the report.

- That responsibility for dogs' behaviour and adherence to the orders are the responsibility of the dog owners.

4 Health Inequalities Impact

- 4.1 A full EIA has been completed as part of the Cabinet Report appendix 4, including health inequalities.

Gennie Holmes
Scrutiny Co-ordinator
Law and Governance
gennie.holmes@coventry.gov.uk



Public report Cabinet Report

Scrutiny Co-ordination Committee
Cabinet
Council

21 August 2024
27 August 2024
3 September 2024

Name of Cabinet Member:

Cabinet Member for Policing and Equalities – Councillor A S Khan
Cabinet Member for Housing and Communities – Councillor D Welsh

Director Approving Submission of the report:

Director of Law and Governance

Ward(s) affected:

All

Title: Additional HMO Licensing Scheme 2025 – 2030

Is this a key decision?

Yes – The proposals impact on more than two Wards in the City

Executive Summary:

This report provides the results of a statutory consultation carried out in relation to the future of additional licensing in Coventry and seeks approval to designate the whole of the City as subject to additional licensing under section 56(1)(a) of the Housing Act 2004 in relation to the size and type of HMO specified in the recommendations of this report for a period of 5 years commencing on the 4th May 2025.

The Council designated the whole of the city subject to additional licensing scheme from the 4th May 2020 and any such scheme can only last for a period of 5 years.

Section 60 of the Housing Act 2004 provides that a designation must from ‘time to time’ be reviewed and can be revoked following a review, but in any case, must end 5 years after it has been made.

On the 13th June 2023 a report was submitted to Cabinet seeking authority to conduct a 12-week consultation as part of the review of the additional licensing scheme in operation.

The review was completed in December 2023 and a report was submitted to Cabinet on the 12th December 2023 setting out the results in relation to the additional licensing scheme in operation.

A further report was submitted to Cabinet on the 13th February 2024 seeking approval to carry out a statutory consultation beginning on the 26th of February 2024 and ending on the 17th of May 2024 on the future of additional licensing in Coventry.

This report provides the results of the statutory consultation and proposals to implement an additional licensing scheme commencing on the 4th May 2025 for a period of no longer than 5 years. The results of the statutory consultation are provided at Appendix 1.

Recommendations:

Scrutiny Co-ordination Committee is recommended to consider the report and submit any comments/recommendations to Cabinet for consideration at their meeting on 27 August, 2024

Cabinet is requested to recommend that Council:-

1. Consider any comments/recommendations received from Scrutiny Co-ordination Committee
2. Consider the results of the statutory consultation and approve the following:
 - I. Designate the whole of Coventry City as subject to Additional Licensing under Section 56(1)(a) of the Housing Act 2004 for all Houses in Multiple Occupation (HMOs), irrespective of the number of storeys, that contain three or four occupiers;
 - II. Designate the whole of Coventry City as subject to Additional Licensing under Section 56(1)(a) of the Housing Act 2004 for all HMOs as defined under Section 257 of that Act where those HMOs are mainly or wholly tenanted, including those with resident landlords, unless if it is either:
 - a. a section 257 HMO consisting solely of two flats where neither of the flats is situated above or below commercial premises; or
 - b. a section 257 HMO where the flats share no internal or external common parts, and which are no more than two storeys high;
 - III. That the designations in paragraphs I and II above come into force on the 4th May 2025 for a period of 5 years;
 - IV. Delegate authority to the Director of Law and Governance to sign the Coventry City Council Designation of an Area for Additional Licensing of Houses in Multiple Occupation 2025 as attached at Appendix 2;
 - V. Resolve to adopt the HMO Licensing Policy 2025 as attached at Appendix 3 and review fees periodically to ensure they remain reasonable and proportionate and address any issues relating to surpluses or deficits in accordance with case law and the EU Services Directive.

Council is recommended to:-

1. Consider any comments/recommendations from Scrutiny Co-ordination

Committee

2. Consider the results of the statutory consultation and approve the following:
 - I. Designate the whole of Coventry City as subject to Additional Licensing under Section 56(1)(a) of the Housing Act 2004 for all Houses in Multiple Occupation (HMOs), irrespective of the number of storeys, that contain three or four occupiers;
 - II. Designate the whole of Coventry City as subject to Additional Licensing under Section 56(1)(a) of the Housing Act 2004 for all HMOs as defined under Section 257 of that Act where those HMOs are mainly or wholly tenanted, including those with resident landlords, unless if it is either:
 - a. a section 257 HMO consisting solely of two flats where neither of the flats is situated above or below commercial premises; or
 - b. a section 257 HMO where the flats share no internal or external common parts, and which are no more than two storeys high;
 - III. That the designations in paragraphs I and II above come into force on the 4th May 2025 for a period of 5 years;
 - IV. Delegate authority to the Director of Law and Governance to sign the Coventry City Council Designation of an Area for Additional Licensing of Houses in Multiple Occupation 2025 as attached at Appendix 2;
 - V. Resolve to adopt the HMO Licensing Policy 2025 as attached at Appendix 3 and review fees periodically to ensure they remain reasonable and proportionate and address any issues relating to surpluses or deficits in accordance with case law and the EU Services Directive.

List of Appendices included:

Appendix 1 – Results of statutory consultation
Appendix 2 – Additional Licensing Designation 2025
Appendix 3 – HMO Licensing Policy 2025
Appendix 4 – Option appraisal
Appendix 5 – Timeline for Implementation
Appendix 6 – Equality and Impact Assessment

Background papers:

None

Other useful documents:

Cabinet report of the 13th June 2023
Communities and Neighbourhoods Scrutiny Board (4) report of 7th December 2023
Cabinet report of the 12th December 2023
Cabinet report of the 13th February 2024
Housing & Homelessness Strategy 2019 - 2024
Housing Act 2004.

Additional and Selective Licensing in the Private Rented Sector - A Guide for Local Authorities, published by the MHCLG in March 2015.
General Approval April 2015

Has it been or will it be considered by Scrutiny?

Yes – 21 August, 2024

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No.

Will this report go to Council?

Yes – 3 September, 2024

Report title: Additional HMO Licensing Scheme 2025 – 2030.

1. Context (or background)

- 1.1. HMOs are properties that are occupied by a least 3 people in two or more households who share at least one basic amenity i.e. a kitchen, bathroom or toilet. The definition of a HMO includes bedsits, shared houses, flats, lettings with their own facilities and some types of poorly converted self-contained flats.
- 1.2. The Housing Act 2004 provides a power to the Council to introduce an Additional Licensing Scheme in its area. The power was intended to address the impact of poor-quality HMOs that fall outside of the mandatory licensing HMO definition and address management issues and poor property conditions.
- 1.3. On the 4th May 2020 the Council introduced a citywide Additional Licensing Scheme which required all HMOs in Coventry to be licensed. The scheme runs for a period of 5 years and as such will cease on the 4th May 2025.
- 1.4. Within the Act there is a legal requirement to review the scheme “from time to time”. To fulfil this requirement a consultation exercise was undertaken between July and October 2023 to seek views from all stakeholders on the progress of the scheme so far.
- 1.5. The review showed that the licensing scheme has made good progress in improving standards in a large number of HMOs, for example, the Council has added around 11,598 conditions to licences that has resulted in approx. £1.6m being invested into improving conditions. This investment would not have happened without the scheme, but there are still a significant number of properties that remain unlicensed and there continues to be issues with non-compliance and poor management.
- 1.6. The Council has been proactive in its approach to enforcement of unlicensed HMOs and non-compliance, so much so that this was recognised by the National Residential Landlord Association (NRLA) in their paper - the Enforcement Lottery: civil penalty usage by local authorities, which acknowledged that Coventry ranked first for issuing the most civil penalties for HMO offences in England.
- 1.7. It is clear however, that more needs to be done as a significant proportion of HMOs in the Council's area are still being managed ineffectively, and unlicensed properties are still present.
- 1.8. The focus of this scheme will therefore be to proactively target those unlicensed and non-compliant properties whilst ensuring that those properties that are already licensed continue to provide the standards required under the requirements of the licensing regulatory framework.
- 1.9. Cabinet considered a report on the 13th February 2024 and approved recommendations to proceed with a statutory consultation on the designation of a further scheme from the 4th May 2025 to the 4th May 2030. The city-wide consultation ran for 12 weeks from the 26th of February 2024 to the 17th of May 2024.

- 1.10. This report provides Cabinet with the results of this statutory consultation and seeks a decision from Cabinet to consider the designation of the whole of Coventry as subject to additional HMO licensing for a further five years following the expiry of the existing scheme.

2. Options considered and recommended proposal

- 2.1. A number of options have been considered in relation to the future of the HMO licensing scheme, these options were to a) renew the scheme in its entirety, b) renew the scheme in parts of the city or c) not renew the scheme.
- 2.2. The preferred option is to a) renew the scheme in its entirety.
- 2.3. HMOs are a major concern in Coventry. It is estimated that Coventry has the 14th highest number of HMOs in England and Wales. Only the large metropolitan and unitary authorities and some London Boroughs contain more. They form a high percentage of houses in the City which is attributed to high numbers of students attending both Coventry and Warwick University.
- 2.4. High house prices create a situation that puts the home ownership market beyond a large number of residents and places a burden on the private rented sector. Sharing accommodation is the only viable option for a large proportion of young and low-income households. Licensing ensures that the Council has a comprehensive toolkit to deal with poor conditions and issues around anti-social behaviour in all HMOs, thereby improving the living conditions for those residents in occupation and those who are affected by HMOs in the neighbourhood.
- 2.5. Planning policy has been developed by the Council to create 'mixed and balanced communities', which looks to limit the levels of HMOs in the sector so that there is a spread of sustainable and viable options for accommodation but despite all this the Council still have large numbers of HMOs in the PRS.
- 2.6. The problems associated with living in a HMO have been well documented over the years and are known to professionals working in the sector and the current spread of HMOs is not concentrated in one particular area and therefore the issues regarding this type of accommodation are widespread.
- 2.7. Partial licensing of HMOs would likely result in an increase of HMOs in areas which were not subject to licensing or covered by the Council's Article 4 direction and leave the Council with limited options for regulating these properties.
- 2.8. The full option appraisal document is provided at Appendix 4.

3. Consultation Approach and Strategy

- 3.1. The approach to consultation is primarily governed by the provisions of the Housing Act 2004 and Government guidance (revised April 2010 & March 2015) which contains a statutory requirement to consult for a minimum period of 10 weeks on any proposals to designate an area subject to Additional Licensing.

- 3.2. A city-wide 12-week consultation commenced on 26th February 2024 and ended on 17th May 2024, which demonstrates that the Council has satisfied the legal requirement to take reasonable steps to consult with those people who may be affected by the designation. This included neighbouring areas outside of the City boundary.
- 3.3. A detailed consultation plan was provided in the Cabinet report approved on the 13th February 2024 setting out how the Council met these requirements. The consultation adopted a mix of communication channels. In summary these included:
- A dedicated Let's Talk page containing an online questionnaire tailored to gauge cross section of views on the proposals;
 - Focus groups with key stakeholder groups;
 - Drop-in sessions in various parts of the City;
 - E-communications through social media and the Council's website; and
 - Workshops with Landlords and Agents to present the proposals.
- 3.4. In total, the consultation generated 183 survey responses on the Council's Let's Talk page and a further 160 responses from the charity Acorn, who carried out their own independent case work. 214 people attended the various consultation event/workshops. 4 stakeholders were interviewed and 6 individuals or organisations responded with formal written submissions to the consultation.
- 3.5. Of the 160 responses to the online survey; 24 were from landlords and managing agents, 124 were from members of the public living in Coventry, 12 were from tenants of HMO's, with the remainder made up of other stakeholders.
- 3.6. Overall, 137 respondents either strongly agreed or agreed (105 strongly agreed and 32 agreed) that the Council should renew the Additional Licensing Scheme.

4. Timetable for implementing this decision

- 4.1. The proposed timetable for implementing the recommendations of this report is set out at Appendix 5.
- 4.2. As any Additional Licensing Scheme can only run for a period of 5 years this is in effect a new designation and as such the process is being implemented to ensure the continuous delivery of the first scheme. Once this designation comes into force it will also be subject to a statutory review and can only last a maximum of five years.

5. Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1. Financial implications

Section 63 of the Housing Act 2004 permits the Council to require any application for a licence under Part 2 is accompanied by a licence fee and that this fee may properly cover all costs incurred by the Council in carrying out its functions.

When setting the fees and charges structure for the licensing scheme the Council can take account of the staff costs, training, administration and publicity, it is however not permitted to use licensing fees to raise revenue for other projects or areas of work.

The financial structure of the scheme has been designed to be 'cost neutral' to cover the costs mentioned above and to ensure that no General Fund Revenue is required to support the delivery of the scheme.

The European Union Services Directive 2006 changed the basis upon which fees for certain licences and permissions could be charged by the issuing authorities. In particular licensing authorities may not set fees that are dissuasive, and any fees must be reasonable and proportionate to the cost of the licensing process and the issuing of the licence. These provisions have been taken into account in setting the fees.

In addition, a judgement, in the Supreme Court (Hemming v Westminster case UKSC 2013/0146), has provided further clarification of the type of costs which may be taken into account when setting fees, and when fees may be payable. The council will continue to follow this decision and therefore fees will be payable in two parts to meet with the European Directive requirements.

The fees and charges structure will be reviewed periodically and published in advance of each change during the year. If there is a need to increase fees to cover any potential shortfall then this will be recommended and reported through the budget setting process.

The Council will aim to continue to structure the scheme in such a way that benefits those landlords and agents that are compliant and provides incentives to improve compliance, whilst managing the opportunities for the non-compliant through higher fees and shorter licences. This will be reflected in the fees and charges structure and the eligibility and length of licences.

5.2. Legal implications

In April 2015, the then, Secretary of State for Communities and Local Government gave local authorities general approval regarding the approval steps for additional and selective licensing designations in England. When considering the introduction of an Additional Licensing Scheme the Council must proceed through the statutory process as laid out in Section 56 and 57 and the guidance issued under the Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2015.

Section 56 of the Act places requirements upon the Council when considering a designation for additional licensing of HMOs, in that the Council must:

- Consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or likely to

give rise, to one or more particular problems either for those occupying the HMOs or for members of the public;

- Take reasonable steps to consult with persons who are likely to be affected and consider any representations made in accordance with the consultation and not withdrawn; and
- Have regard to any information regarding the extent to which any codes of practice approved under section 233 have been complied with by persons managing HMOs in the area (these codes relate to University managed accommodation).

Section 57 provides further considerations for the local authority in that they should ensure that:

- Exercising the designation is consistent with the authority's overall housing strategy;
- Seek to adopt a coordinated approach in connection with dealing with homelessness, empty properties and anti-social behavior affecting the private rented sector as regards combining licensing with other action taken by them or others;
- Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question; and
- Making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well).

The General Approval provides the condition that any consultation period for the proposed designation should not be less than 10 weeks.

The guidance for the General Approval also provides examples of properties being managed "sufficiently ineffectively" including:

- Those whose external condition and curtilage (including yards and gardens) adversely impact upon the general character and amenity of the area in which they are located;
- Those whose internal condition, such as poor amenities, overcrowding etc. adversely impact upon the health, safety and welfare of the occupiers and the landlords of these properties are failing to take appropriate steps to address the issues;
- Those where there is a significant and persistent problem of anti-social behavior affecting other residents and/or the local community and the landlords of the HMOs are not taking reasonable and lawful steps to eliminate or reduce the problems; and

- Those where the lack of management or poor management skills or practices are otherwise adversely impacting upon the welfare, health and safety of residents and/or impacting upon the wider community.

Part 2 of the Housing Act 2004 sets out the scheme for licensing HMOs in a local housing authority area. Under section 56(1) of the Act a local housing authority can designate the whole or any part or parts of its area subject to additional licensing. Where an additional licensing designation is made it applies to all HMOs specified in the designation.

6. Other implications

6.1. How will this contribute to achievement of the One Coventry Plan? <https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

The One Coventry Plan 2022 - 2030 takes forward the main themes agreed by the Council in recent years. It reaffirms the Council's ambition of "Working together to improve our city and the lives of those who live, work and study here".

This ambition is driven through three corporate priorities which directly address the needs of the city:

- Improving outcomes and tackling inequalities within our communities
- Improving the economic prosperity of the city and regions
- Tackling the causes and consequences of climate change

The Health and Wellbeing Strategy 2023 - 2026 recognises that where we live can have a significant impact on our wellbeing. Despite improving local housing systems, the city still has high levels of homelessness; highlighting a need to work together with partners to improve the use of existing homes and empty dwellings. Household overcrowding is more prevalent in Coventry than national and regional averages. Census 2021 counts 10,196 Coventry households as overcrowded, having fewer rooms than a minimum standard for the number of occupants. This amounts to 7.7% of all households, so overcrowding rates in Coventry are higher than West Midlands (5.4%) and England overall (6.4%). However, overcrowding has reduced since 2011 when it was at 9.5% of households.

Housing & Homelessness Strategy 2019 - 2024 affirms the Council's view that housing is fundamental to the wellbeing of people, their families and their communities. Decent housing provides a stable base on which people can build their lives and build successful communities. Poor or unsuitable housing, however, can have negative impacts on many other areas of personal and community life as well as physical and mental health and wellbeing. If you do not have decent housing, everything else becomes much more difficult. Improving housing options, conditions and neighbourhoods within the City via delivery of this strategy is essential for economic growth, improving outcomes for children including their educational attainment, health and wellbeing, and community cohesion. The strategy plays a crucial role in ensuring decent homes, housing choice and support for Coventry citizens through various themes including:

Support for people and communities - Some communities are experiencing the impact of an increasing proportion of housing that is converted to multiple occupation, especially (but not exclusively) for student housing. Where HMOs are well managed and maintained, they provide an important housing option. However, where there is poor management and poor standards, this can have a detrimental effect on the occupiers and adversely impact on the local community.

Improving the use of existing homes - It is important to increase the number of homes to meet the City's growth needs, but the majority of housing available in the City is already in existence. There are approximately 142,000 existing homes in the City, compared to 24,600 additional homes to be provided over the life of the Local Plan (to 2031). The condition of the existing housing stock is important to ensure that residents are living in decent, safe accommodation which is suited to their needs. Rented homes must be well managed by landlords who meet their responsibilities, and tenants should understand their rights and their own responsibilities too.

Improving outcomes and tackling inequalities within our communities

Additional Licensing will together with other agencies, make communities safer and reduce crime and anti-social behaviour.

It will improve health and wellbeing by providing safer and healthier rented accommodation that is well managed with reduced overcrowding and will reduce health inequalities and protect the most vulnerable by improving the standard of poorly managed homes without the need to report problems. It will help prevent homelessness due to poorly managed or rogue landlord actions.

6.2 How is risk being managed?

6.3 A statutory consultation has been undertaken in accordance with section 56(3) of the 2004 Act. The consultation satisfied the requirements of the 2004 Act and the Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2015.

6.4 What is the impact on the organisation?

6.5 The approval of the recommendations has human resource and ICT implications. A restructuring exercise has been factored into the timeline for implementation to ensure that resources are in place should the recommendations of this report be approved.

6.4 Equalities / EIA

The report makes links to the Council's Equality and Diversity Policies and a specific Equalities Assessment has been completed for this report and is attached at Appendix 6.

6.5 Implications for (or impact on) climate change and the environment?

The option of “do nothing” considered in the option appraisal is likely to result in significant impacts particularly when the Council will otherwise have very limited ability to maintain and improve HMO conditions, for example: energy efficiency and thermal performance, waste management and household waste recycling.

6.6 Implications for partner organisations?

The effective operation of the consultation has enabled the Council to make clear and informed decisions about the future structure of the Additional Licensing Scheme in the City which will directly impact on the quality and management of HMOs in the PRS and on the co-existence of HMOs with local residents and communities.

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This report is published on the council's website: www.coventry.gov.uk/councilmeetings

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Coventry City Council Consultation on Additional Licensing of HMOs



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Executive Summary

This report presents the findings of the statutory consultation carried out by Coventry City Council's in relation proposals to introduce a new city-wide additional licensing scheme requiring all Houses in Multiple Occupation (HMOs) in Coventry to be licensed.

The consultation ran for 12 weeks from 26th February 2024 to 17th May 2024 and sought to gather views on the proposals, including the proposed licensing conditions, fee structure, and alternatives that the Council could consider.

The consultation also looked at respondents' experiences of HMOs, accommodation and maintenance of private rented properties in the city.

A variety of consultation methods were used to allow interested parties to share their views on the proposals. These included an online survey, a dedicated landlord's forum a landlord's focus group and an agent's focus group and 18 ward drop-in sessions throughout the city.

The Council promoted the consultation extensively through various communication channels, both within Coventry and beyond, to encourage landlords, tenants, agents, residents, businesses, and other interested parties to get involved.

In total, the consultation generated 183 survey responses. 150 people attended the landlord's forum, 12 people attended the landlord /agent's focus group and 3 individual organisations responded with written submissions to the consultation.

Background

The increase in the size of the Private Rented Sector (PRS) has been the most significant change in Coventry's housing market in the last ten years. A number of market factors such as house prices, high demand and an increased population have resulted in an increased growth of HMOs with the current predictions suggesting there are now circa 6,800 HMOs. Alongside this growth, Coventry has noted an increase in the prevalence of problems such as poor property conditions and poor management, with correlations to smaller HMOs that do not fall under the statutory mandatory licensing scheme.

Coventry Council is considering introducing a new city-wide additional licensing scheme, which will cover smaller HMOs, which do not fall under the existing Mandatory licensing scheme as well as those HMOs known as s.257 HMOs (converted blocks of flats)

Before making any decision, the Council undertook a consultation exercise to gather views, in particular from landlords, private tenants, agents, residents, businesses and organisations.

Proposals

Coventry City Council is proposing to introduce a new city-wide additional licensing scheme of HMO properties that are privately rented, where 3 or 4 non-related tenants share an amenity, such as a bathroom or kitchen. The proposal also covers Section 257 HMOs, which is a house that is converted into block of self-contained flats where the standard of the conversion does not meet the relevant building standards (Building Regulations 1991) and where fewer than two-thirds of the flats are owner-occupied. Finally, the scheme will also include purpose-built student accommodation run by private providers where students live in “cluster” flats where the accommodation is not managed and controlled by educational establishments.

Under the scheme, landlords of HMOs that fall under the remit of the scheme will be required to obtain a licence to rent out their property (excluding properties falling within certain exemption criteria). Landlords will be charged an associated fee for registration and the scheme will run for a five-year period.

The consultation focused on the degree to which respondents agreed or disagreed with the proposal to introduce the additional licensing scheme, as well as views on the proposed licence fee structure, and conditions. It also looked at respondents’ views of HMOs in the city and experiences of issues in their accommodation.

Public consultation

The approach is primarily governed by the provisions of the Housing Act 2004 and Government guidance (revised April 2010 & March 2015) and contains a statutory requirement to consult for a minimum period of 10 weeks on any proposals to designate an area subject to Additional Licensing. The public consultation took place over a 12-week period starting on 26th of February 2024 and concluding on the 17th of May 2024. This included neighboring areas outside of the city boundary. An online survey was used as the principal method of consultation, and an email address was also provided to gather any written comments or feedback. In summary the consultation methods included the following:

- A dedicated Let’s Talk page containing an online questionnaire tailored to gauge cross section of views on the proposals;
- Consultation with key stakeholder groups i.e. Landlords, Agents, Tenant, Residents and other key organisations such as the Police;
- Drop-in sessions in various parts of the city;
- E-communications through social media and the Council’s website; and
- Workshops with Landlords and Agents to present the proposals.

Communication channels

The survey was promoted by the Council to interested parties within the city, such as landlords, agents, tenants, residents, local businesses and third sector organisations. It was also promoted to parties in neighbouring Local Authorities. The Council sent out emails to all its accredited landlords to help spread the word far and wide and collaborated with local partner organisations and other internal departments to promote the consultation.

A full list of all activities taken to promote the consultation is below:

Table 2: Communications activities (within Coventry)

Communications	
Direct marketing	• Leaflet advertising consultation distributed to tenant's properties which were being inspected as part of current additional HMO licensing scheme. • Email to 22 residents' groups - 1st March 2024 • Email to 5,217 landlords - 21st February 2024 & 11th April 2024. • Email to 128 managing agents - 21st February 2024 & 4th April 2024. • Email to the local Citizens' Advice Bureau via the frontline network - 15th March 2024 & 29th April 2024, who agreed to promote to their clients, which equates to 300 people and over 60 agencies. • Email to Acorn Community Union - 21st March 2024 • Email to surrounding Local Authorities – 19th March 2024 • Coventry Landlord Forum held - 13th March 2024 in conjunction with the NRLA. • Internal stakeholders focus group – 3rd April 2024 • Landlord seminar and focus group – 15th April 2024 • Agent seminar and focus group – 24th of April 2024
Press & Media	Press release was distributed on 6th February 2024 to Local, and National press. Media coverage received: https://www.coventry.gov.uk/news/article/4884/improving-the-way-houses-in-multiple-occupation-are-managed-in-coventry https://btinsider.co.uk/article/19608/coventry-city-council-aiming-to-launch-consultation-to-renew-additional-licensing-scheme-for-hmos https://www.coventrytelegraph.net/news/coventry-news/coventry-hmo-consultation-set-launched-28580562 https://coventryobserver.co.uk/news/coventry-news-have-your-say-in-bid-to-tackle-issues-with-coventry-hmos/ https://www.coventrysociety.org.uk/2024/02/23/consultation-on-extended-hmo-licensing-scheme/

	https://thenegotiator.co.uk/news/boom-in-licencing-schemes-to-continue-as-councils-crackdown-on-rogue-landlords/ https://www.landlordzone.co.uk/news/big-city-reveals-details-of-huge-landlord-licencing-plans https://www.nrla.org.uk/events/meetings/6160
Digital	• Information made available on the Council's website for the entire consultation period through a dedicated webpage "Let's Talk". • Four digital newsletters dedicated to the consultation sent to landlords and agents between 21st February 2024 & 4th April 2024 • Promotions on 30 screens in three Council buildings • Promoted for 11 weeks using digital screens and social media • Social messages published to 120,000 followers • 11,000 reach on social posts • 14,000 impressions on social posts • Advertisement on the council's staff intranet news board • Email signatures containing a banner publishing the consultation and containing a QR code link to the survey.

The promotional work undertaken in relation to the scheme can be seen in appendix 1.

Views from the public meetings

Feedback was also gathered via public meetings. Many of the participants were landlords or came from this perspective. Some of the key points from these sections within the report are summarised here.

- Several landlords felt that not enough was being done to tackle rogue landlords and wanted to the Council to take more action against those who break the law.
- Many landlords felt that the compliance checks were very helpful to them and asked for more detailed feedback be given, for example in why they had passed their checks or further improvements that they may want to consider.
- Some landlords felt there were inconsistencies in the inspections between the different EHO's, with one landlord stating that different EHO's asked for different things within the property.
- A common concern raised by landlords was that it takes too long to receive their licence.
- Several landlords stated that they were confused about the Council's Article 4 direction and that they had not been provided with enough information.
- Can the Council consider the pricing for the HMO licenses for more than 1 house.

For example, I have 10+ houses, if you assigned us to one inspector, we could do all the houses in one go and that would save numerous different appointments and meetings.

- Disappointed with licence time as property currently empty and was penalised for applying late.
- Expensive, takes a long time
- Representatives from residence association very supportive of scheme

Stakeholder views

A landlord's focus group was held on the 15th of April 2024 in which a presentation was delivered on the proposed scheme, followed by a questionnaire aimed at seeking the attendees' views on certain aspects of the scheme as follows:

To what extent do you agree or disagree that the current licensing scheme has been effective in improving the condition and management of privately rented properties in Coventry?

Agree – 38%

Disagree – 0%

Not sure – 62%

Additional comments:

“Helps improve rental homes”

“The Licensing scheme can better regulate housing standards and help improve housing safety”

“Not aware of the impact that the current scheme has had”

As part of the HMO licensing process one of our Environmental Health Officers will carry out an inspection of your property to ensure it is suitable to be occupied as an HMO and inform you of any improvements needed - As a landlord or Agent does this give you peace of mind of knowing that the property is safe and suitable for your tenants and that you comply with legislation?

Yes – 100%

No – 0%

Additional comments:

“This is great, the issue from time to time is the delay in being able to get an inspection”

If the current licensing scheme ended after the current 5-year term and was NOT continued do you think this would have any impact on your local area?

Yes – 100%

No – 0%

“It would encourage unscrupulous landlords”

licence scheme”

Are there any other things you think the Council should consider to improve the condition and management of privately rented properties in Coventry?

Comments:

Several commented “no”

“How are the Council intending to find and deal with offenders who are not licensed? Sometimes it feels as though it is the ones trying to maintain compliance are negatively affected and the non-compliant landlords go under the radar”

“Don’t have enough experience as a landlord in Coventry to comment”

“I think the Council should provide more bins to HMO’s”

“Training and education should be mandatory”

If the current licensing scheme ended after the current 5-year term and was not continued, do you think this would impact on your local area?

The Council is seeking views as to whether it should renew the additional licensing scheme in 2025, which again would include all HMOs within the city - are you in favor of renewing the scheme?

Yes – 88%

No – 12%

“This would be good for honest landlords and will drive out the rogues”

“Licensing is very worthwhile, so long as it is used to assist those landlords who are working to be compliant and pushing only those who are not. It is important not to just charge landlords who are being compliant and missing those that hide from the system and give us all a bad reputation”

“A licence provides standards which will be a positive in the long run. I would like the Council to be understanding of the constraints that landlords have such as size of rooms etc”

Written responses

In total, 6 written responses were provided from various stakeholders, namely landlords, the university, a tenant support group, tenants and a landlord representative association. The verbatim responses can be seen in appendix 2.

Tenant - I think the service is excellent, I live in a HMO and the officer that inspected my room was very professional and friendly. Because of the licensing scheme my landlord has had to make some improvements to the house we live in so it’s better to live in now.

Landlord - I am wondering if you can consider the pricing for the HMO licences for more than 1 house. For example, I have 10 houses, If you assigned us to one inspector, we could do all the houses in one go and that would save 11 different appointments and meetings. It would guarantee consistency across the houses and it could be one report. This would be a great saving for you and hence it could be reflected in my price.

As you can appreciate my costs have gone up considerably – finding tenants, utility bills, moving-out-cleaning bills, gardening, monthly inspections (which includes cleaning the really dirty areas such as toilets, sorting out drains, trying to encourage tidiness and looking after rubbish, checking the use of the beds, checking for wedged doors, the usual alarm and CO monitor checks etc) as well as the usual maintenance costs of all houses like replacing washing machines etc, repairs, painting and more.

Landlord - Due to the arduous requirements of the HMO licensing scheme, and additional costs, landlords like myself have moved from 3 or 4 person student lets, to 2 person family lets. This shift means Coventry would require 100 - 200% more homes in order to accommodate the same number of people. Regulation such as the licensing scheme increases compliance costs for compliant landlords, and offers no consequence to non-compliant landlords, who will continue to overcrowd houses and take payment in cash. This scheme does not achieve the objective of improving housing. Currently HMO enforcement is not working. Someone was murdered on the doorstep of one of my properties. They were murdered by a tenant of the HMO next door. Despite reporting this, Coventry council have allowed the HMO and those who occupy it to continue ruining the neighbourhood. This demonstrates that despite unfairly targeting the wrong people to raise funds, the problem is still not being solved. Consider differentiating between Student Lets and those undesirable HMOs types where drug addicts and criminals fester. Regulation already exists such as gas safety checks and electrical checks that can be used to ensure good quality housing without the need for licensing schemes. A cynic would suspect this is in fact a cash-grab due to the systemic underfunding of local councils, but that discussion is outside the scope of this email.

Landlord association – In summary, the landlord association recognises the need for a healthy private rented sector to compliment other housing in the area but feels that their members lack the experience to tackle some of the burdens placed upon them via the conditions of their licences, such as anti-social behaviour and waste management They specifically request that the Council consider a free low cost service for waste removal, which would help deal with excess waste at the end of tenancies. The association believes the Council already has a wealth of enforcement powers to tackle poor standards in private rented sector and therefore does not agree that the renewal of the additional licensing scheme is the most effective approach to tackling the problems within the sector.

University – The university is fully supportive of Coventry's Additional Licensing Scheme and believes that high quality housing is fundamental to the success of the city. They have welcomed the Additional Licensing scheme's contribution to supporting their students. They recognize the part that Additional Licensing has played in ensuring HMOs are managed properly, with basic standards of safety and provision and that without it, hundreds more properties would not have achieved minimum standards nor had engagement with the Council to ensure property managers are 'fit and proper'. As a result of the scheme, the university have noted a reduction in neighbor complaints about students involving noise, rubbish, housing disrepair and other anti-social behaviour.

Acorn Tenant support group – The group feel that the scheme could be better and has not yet achieved its goal of ensuring that properties are sufficiently efficient. The

group have suggested that whilst the private-rented sector remains as large as it is, is to apply landlord licensing regulations equally to all private landlords instead of only HMO landlords. They believe the Council has proven it can operate a city-wide HMO landlord licensing scheme and now call on the Council to operate a city-wide licensing scheme for all landlords. However, they would like to see more pro-active enforcement of the licence conditions, more inspections after the licence has been issued. On the whole the group have stated their support for wider licensing for all landlords and would also suggest that there should be clearer paths to redress for tenants who find themselves in dispute with their landlord, in particular access to reporting on landlords and access to legal aid should they find themselves in dispute and/or mediation.

In addition to providing an organizational response Acorn also undertook their own outreach work to gauge opinion on Additional HMO Licensing Scheme in Coventry. To do so they set up four public stalls, carried out a door knocking exercise and undertook outreach work with community groups. This resulted in 160 responses from residents in Coventry who were very supportive of the Council's proposal to renew the Additional Licensing Scheme. Of those surveyed 32 were tenants of HMO's and had experienced various issues, such as difficulties getting repairs undertaken and in some instances fear of eviction for reporting such repairs. The majority of the respondents were residents living close to HMO's, 140 in total, and they experienced issues relating to general poor management from landlords, such as waste in gardens and general poor maintenance.

Let's Talk Online Survey

An online survey was hosted on the Council's Let's Talk Coventry webpage for 3 months, which was visited by 799 people with over 360 people downloading at least one document. As well as this drop in sessions were held across the whole city, at least 1 session held in each of the 18 wards.

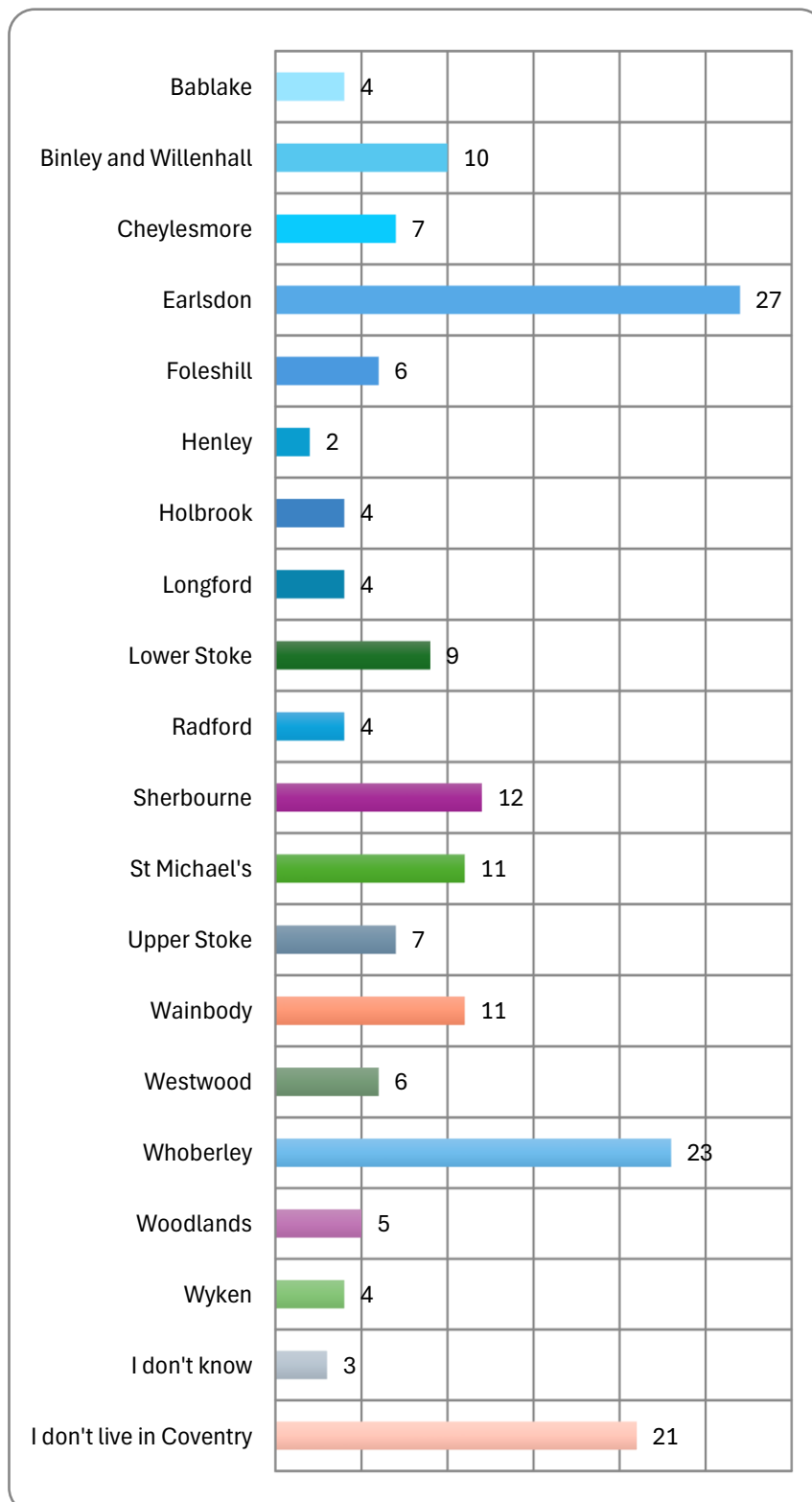
The survey elicited over 200 comments which are summarised as follows, with full list of comments and the Council's response to each being contained in appendix 3:

- The majority of responses were received from respondents who live in Coventry.
- Most responses were received from Earlsdon and Whoberley.
- Respondents who did not live in Coventry, lived in various locations, Warwickshire County Council area and areas around London.
- The majority of respondents were responding as members of the public (77%), followed by landlords (15%)
- 78% of respondents were aware that Coventry has introduced an Additional Licensing Scheme
- Difficulties getting repairs done and lack of contact with the landlord/agency were the most cited issues of people who lived in a HMO although numbers were small.

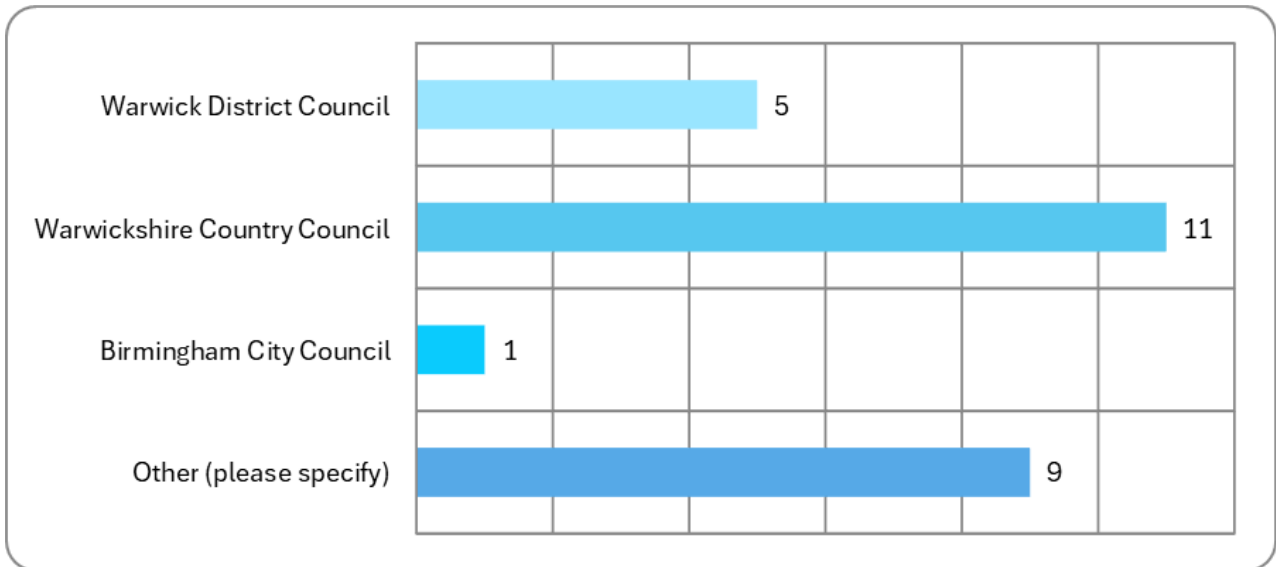
- People that live in Coventry have experienced issues from HMOs mainly being poorly managed refuse, overgrown gardens and poor external appearances of properties.
- The statements that received most disagreement were that additional licensing in Coventry has dealt with the problems associated with HMOS or helped reduced anti-social behaviour.
- 48% agree that the current licensing scheme has been effective in improving the condition and management of privately rented properties in Coventry. 32% disagreed that the scheme has had an improving effect with a further 1 on 5 (20%) not sure.
- 70% of respondents felt that if the scheme was not recommissioned it would have a negative impact on their local area, compared to 10% of respondents thinking it would have a positive impact.
- Three quarters of respondents 75% agreed with the renewal of this scheme (58% strongly agreeing).
- 17% were in disagreement with the renewal of this scheme (13% strongly disagreeing)
- Those that were in disagreement with the renewal felt that the Council does not punish rogue landlords enough and that the process is too bureaucratic and that good landlords are not recognised
- There was overall agreement with both the proposed licence length and the licence conditions.
- In the open ended comments a number of respondents felt that the same standards should apply for all length of licenses, poor landlords should incur penalties and there should be a cap in the number of HMOs in any one area.
- Also there was a strong feeling that all landlords should be regulated not just HMOs.
- Just over a third 34%) of respondents were aged 44 and under. 48% were female.
- 67% were White British. 18% stated they were disabled.

Survey findings

Looking at respondents from Coventry, most were from Earlsdon (27), followed by Whoberley (23)



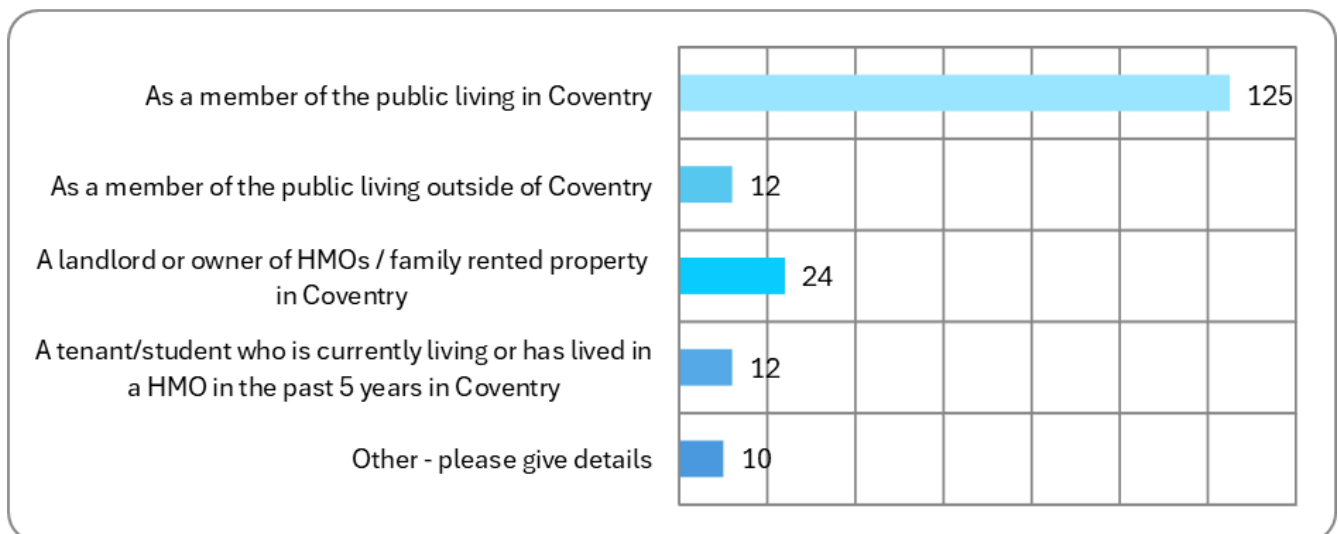
The following revealed that some of the respondents did not live in Coventry and the majority of respondents who stated other location were from London and the surrounding area. Other areas stated were Leicestershire, Nottingham and Wakefield.



Who was responding to the survey?

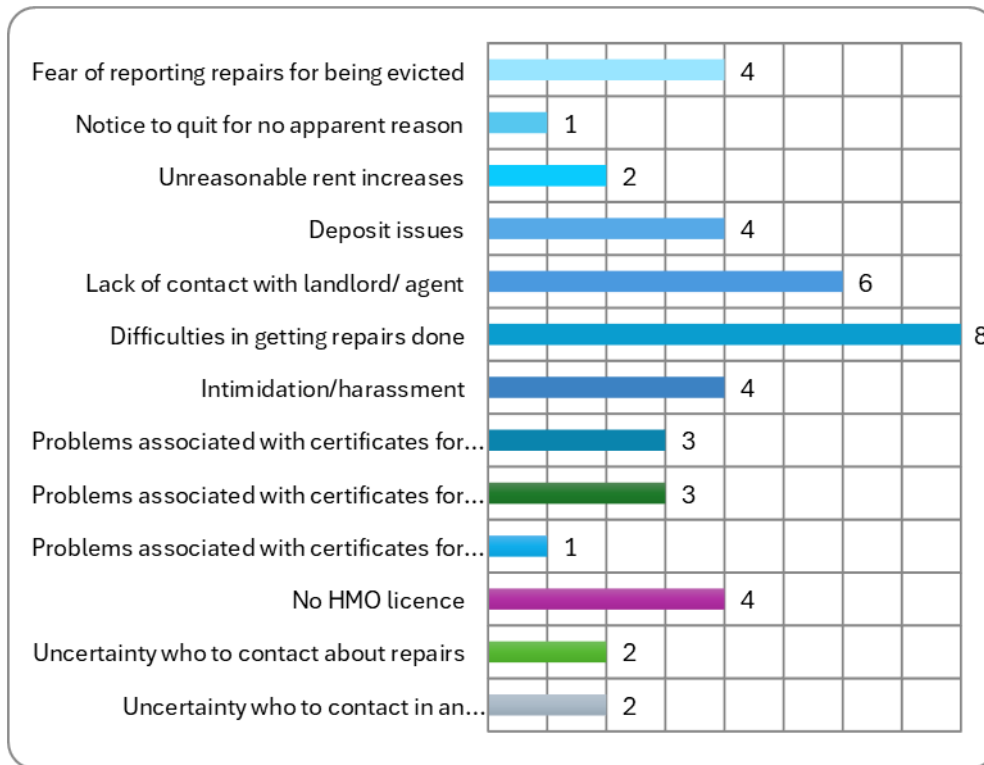
The majority of respondents are responding as members of the public that live in Coventry (125), that is 77%. The next largest category is landlords (24) at 15%.

Those that stated other were predominantly representatives of charities that work in relation to housing, as well as a consultant on fire risk assessment.



Issues experienced by people who have lived in HMOs in Coventry

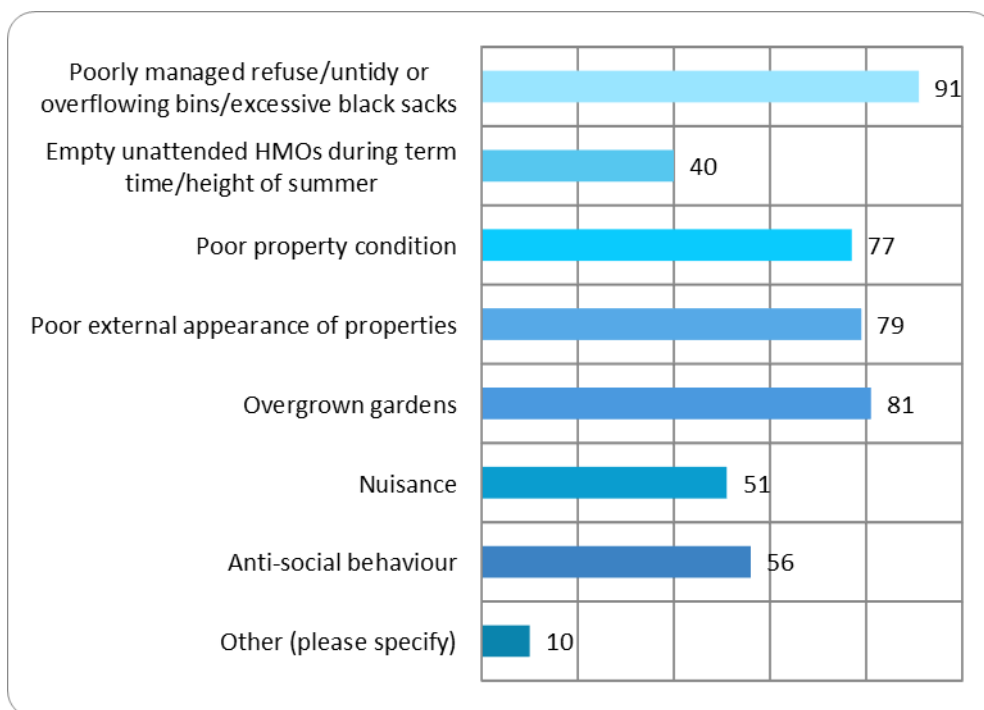
Only 12 respondents stated that they are living or have lived in a HMO. So, the numbers are small but the main issue appears to be difficulties in getting repairs done.



Issues experienced by people who have live in Coventry relating to HMOs

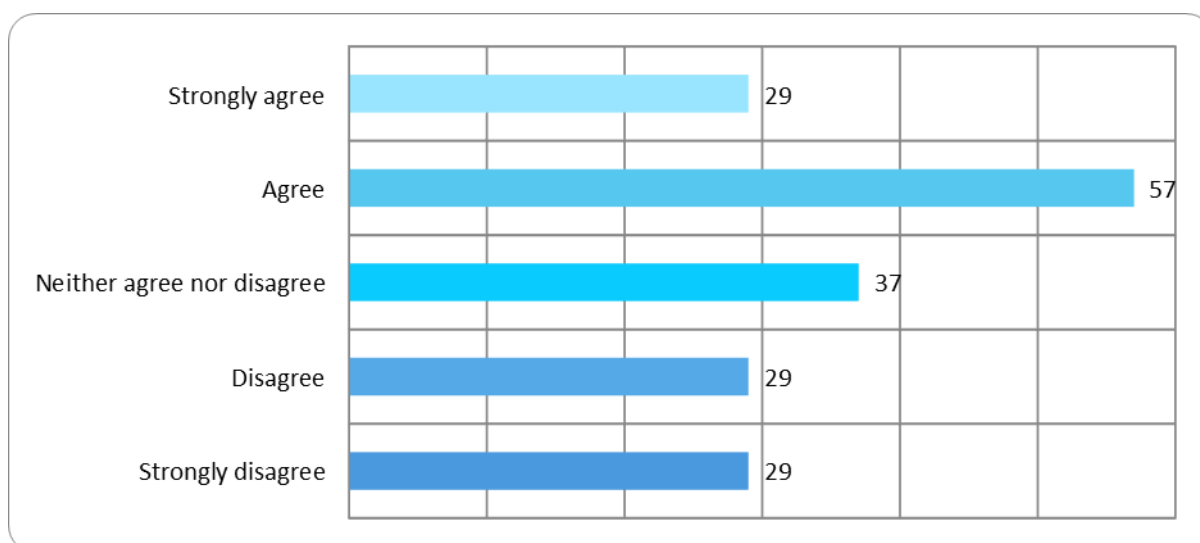
- The main issues were poorly managed refuse, overgrown gardens and general poor appearance and property conditions.
- Other problems stated were:
- Dangerous and un-maintained wiring.
- Excessive parking, complete drain on resources with "families" living in them paying no council tax claiming they are students.
- Damage to my own property by poorly executed property maintenance on the adjacent HMO
- Nothing at present
- Residents or visitors of HMO's obstructing our driveway
- So much crack
- Conversion to HMOs without or with inaccurate planning permission.
- Leaving glass bottles on 2 of our luxury cars (range Rover autobiography's)
- Too many cars

- Aggressive and threatening behaviour from landlord - reported to police



Views on whether the scheme been effective in improving the conditions and management of properties in Coventry

48% of people agree that the current licensing scheme has been effective in improving the condition and management of privately rented properties in Coventry. 32% disagreed that the scheme has had an improving effect with a further 1 on 5 (20%) not sure.



If the current licensing scheme ended after the current 5-year term and was NOT continued or the scheme was reduced to only operate in certain areas of the City, do you think this would have any impact on your local area?

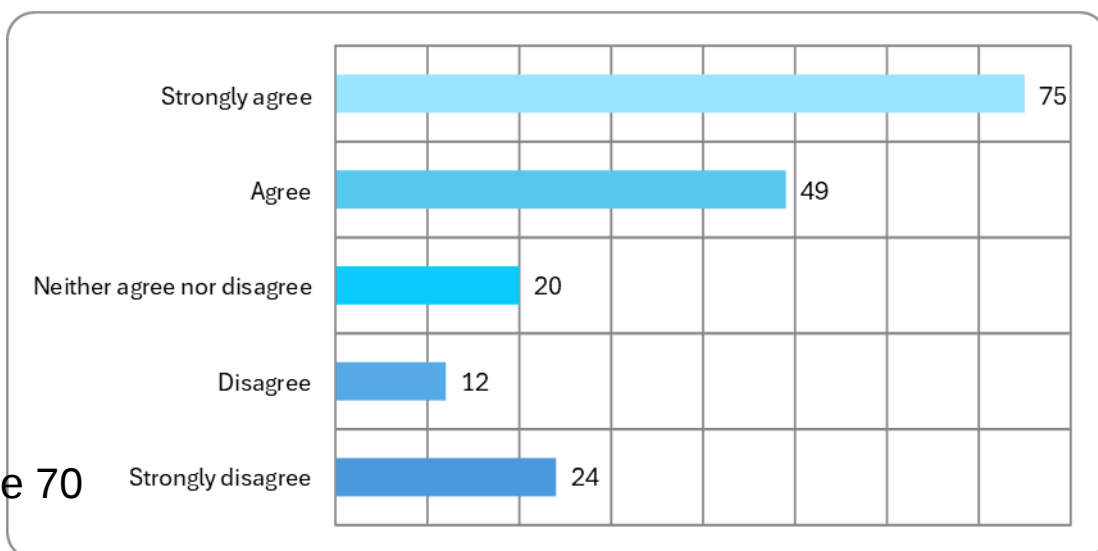
70% of respondents felt that if the scheme was not recommissioned it would have a negative impact on their local area, compared to 10% of respondents thinking it would have a positive impact.

Statement	Number	%
There would be a negative impact on my local area	125	70%
There would be a positive impact on my local area	18	10%
There would be no impact	19	11%
Don't know	17	9%

Respondents were asked if they agree or disagree that the continuation of the Additional Licensing would improve or further improve the condition and management of private tented properties in Coventry

69% of respondents were in agreement that continuing the licensing scheme would improve conditions of rented properties.

20% were not in agreement and a further 11% were not sure.



Respondents were asked if they think there were any alternatives to HMO licensing that would enable the Council to address the issues identified earlier that they might consider instead, or together with a licensing scheme.

The open comments were themed:

Theme	Number
Stricter Licensing/Needs continual review	35
Too many HMOs	15
Need more affordable housing	10
Council does not support landlords/ too bureaucratic	8
Need to have contact details/compulsory register	7
Students	6
Landlords need to be accountable	4

The majority of comments were around the need for the licensing process to be properly enforced. There was also a large number of respondents who felt that the licensing scheme should be applied to all private landlords.

- General inspections of rental properties rather than concentrating on just HMOs would be preferable
- I am a HMO landlord and I have licensed my properties now and I am grateful for the help and support the licensing officers have provided. My property wasn't perfect but I know what I need to do now they have completed the inspection. I think the Council should also look at privately rented properties that are not HMOs as there are a number of these in the streets where I have my HMOs that are not being looked after by the landlords and nothing is being done about it.
- As a community union representing working-class voices we believe all housing providers – especially private, for-profit landlords – should be regulated and held accountable for failures in housing standards. From this position, we naturally agree with the council's stated purpose of the scheme: to "alleviate the housing situation by setting and maintaining minimum standards across the city in the most vulnerable sector of Coventry's private rental market".

There was agreement that there are too many HMOs in Coventry

- There should be a limit on the number of HMOs in any one street or any one area so that there is a fair distribution throughout the city.
- Inner city areas should be banned from HMOs, we have under utilised student accom blocks that need filling.

The need for more affordable housing was raised.

- HMO's are just a means for landlords to make more money. Why charge £850 per month for a house when you can get four times that amount! The council

need to wise up and ban HMO's in Coventry as they are a blight on the surrounding area. What people need is affordable social housing not thousands of new 4 bedroom houses on green fields.

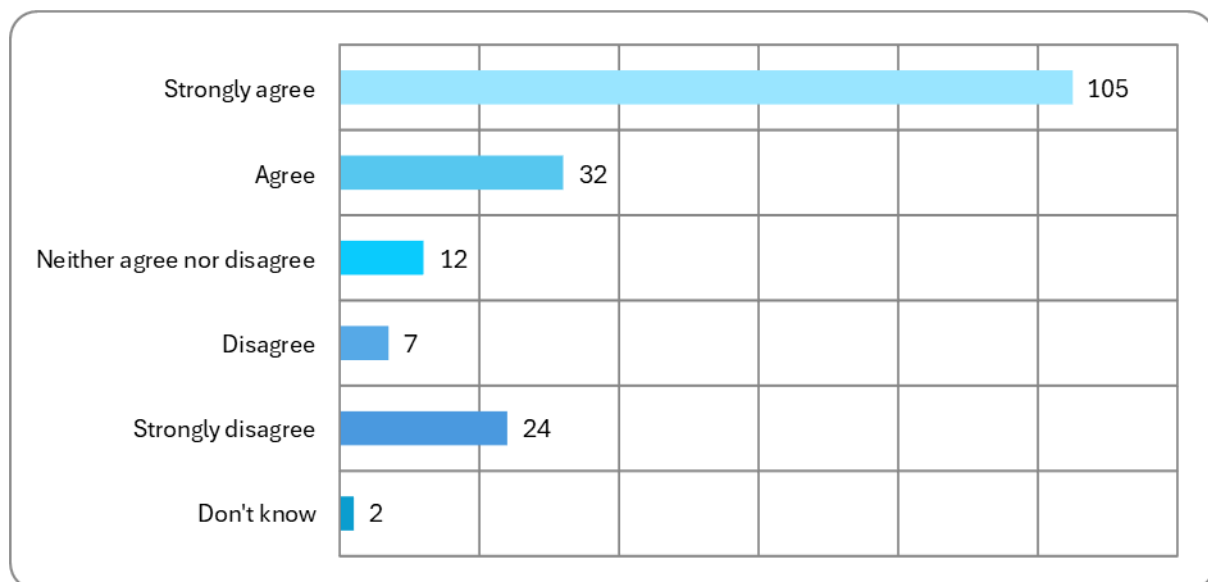
Other issues were the bureaucracy and waiting lists that are involved with the licensing process and a number of respondents suggested the need for an openly available register.

- The solution to tackle rogue landlords is more resources for enforcement, and judging by the 3 years it takes for an application to be approved, the council clearly does not have enough officers to carry out enforcement action.
- Compulsory register of all properties that are rented out.

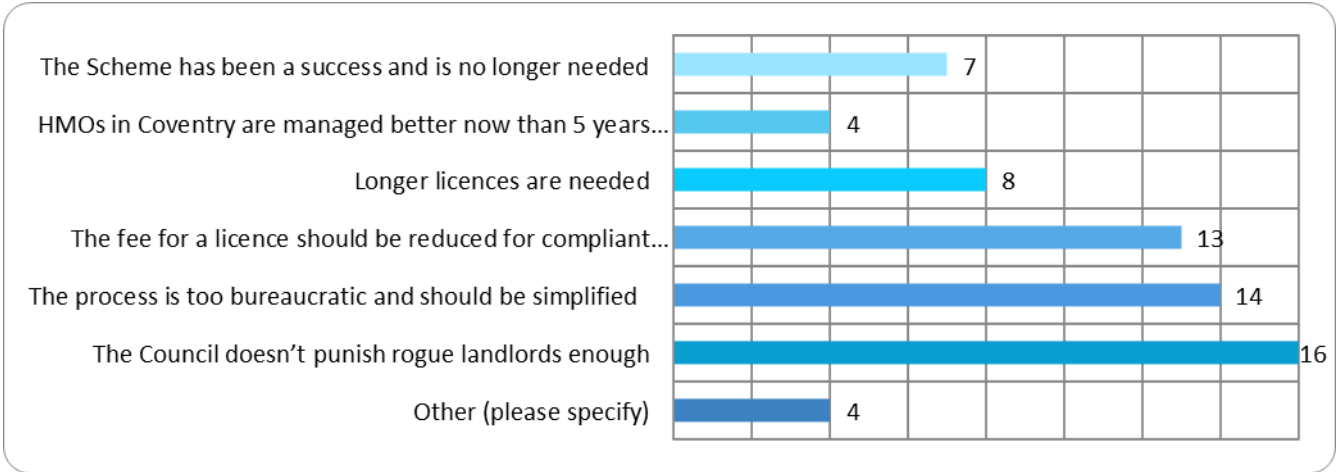
The survey asked respondents whether it should renew the Additional Licensing Scheme in 2025 and again include all HMO's within the city.

Three quarters of respondents 75% agreed with the renewal of this scheme (58% strongly agreeing).

17% were in disagreement with the renewal of this scheme (13% strongly disagreeing)

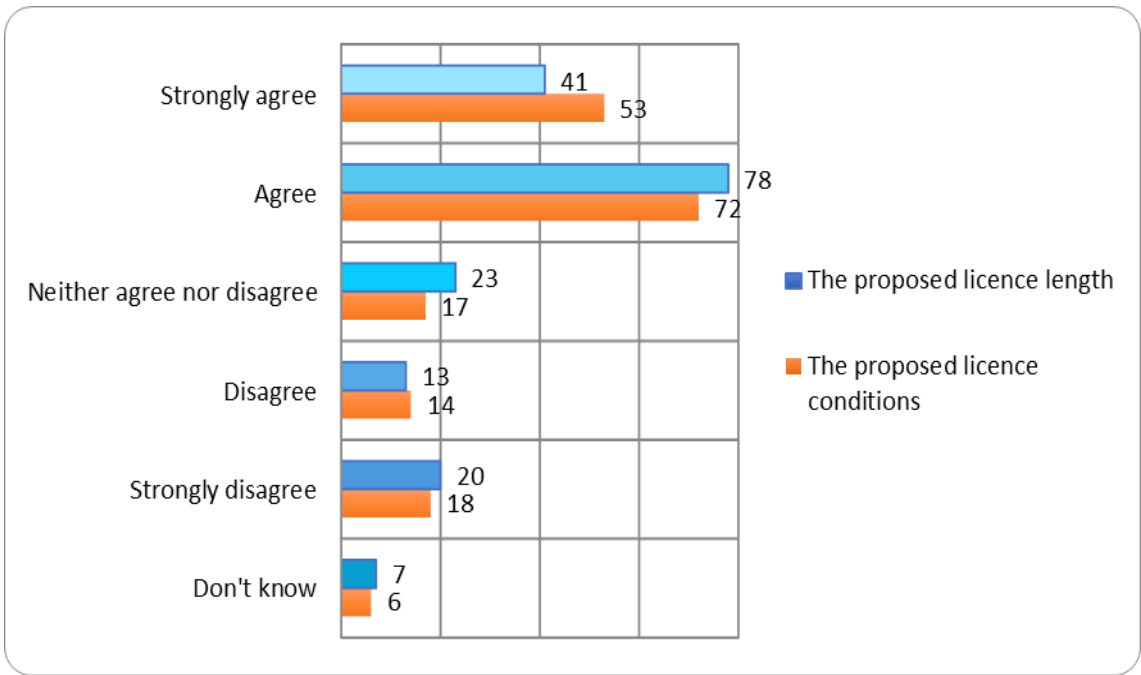


Respondents who disagreed with the renewal of the scheme were then asked, which of the following reasons did they agree with. The majority of respondents felt that the Council does not punish rogue landlords enough and that the process is too bureaucratic and that good landlords are not recognised.



The survey asked respondents if agreed or disagreed with the proposed licence lengths and conditions.

There was overall agreement with both the proposed licence length and conditions



Respondents expressed the following views on the proposed licensing conditions:

Theme	Number
Clear standards/same for all licences	20
Conditions	10
Penalties	8
Cap on number of HMOS	4
Consistency	3

There was overall agreement with both the proposed licence length and conditions

- “The standard licence should be 5 years or longer. The use of a single-year licence is expensive and penalises good landlords while not being effective at stopping bad ones”.
- “I think that, regardless of length, there should be the same conditions as for a 5-year license, as this would ensure that all landlords of HMOS maintain a decent standard of living for their tenants (especially with students)- I can see landlords taking advantage of the 1-year having less requirements”.
- “Under all the licence length periods there should be 6 monthly inspections by council HMO officers PAID for by the landlords, therefore self financing staff positions”.

Many respondents commented on the need for landlords to display information on refuse collections etc and that these should be part of the conditions in the licence.

- “Many issues within HMO's which affect neighbouring properties and communities should be managed/coved by HMO licencing conditions. Items such a gardens and refuse and general kerbside appeal as these issues can greatly affect neighbours and communities!.
- "The licensing conditions need to include more things which would additionally improve tenants' quality of living, including:
 - 1) Taking action against cases of damp and mould.
 - 2) Helping tenants control humidity, for example by requiring extractor fans be fitted with humidistat sensors.
 - 3) Making sure that tenants have access to homes which are energy efficient, for example by requiring landlords take steps towards working to obtaining at least EPC band C ratings on their properties over the next 4 years.
 - 4) Requiring landlords to sign up to the Housing Ombudman scheme.

Poor landlord should incur penalties

- “Heavy fines on recurring offenders who do not manage tenants properly - or those who own hmos should contribute financially to local services and community projects where the locals has been negatively affected by too many hmos”.
- “Poor landlords should not be given a licence if they cannot look after their properties correctly”.

There should be a cap on the number of HMOs in any one area

- “There has to be an maximum amount that one area/street can have HMOs. Every other house in my street in now an HMO. There are no family properties left. The road is full of rubbish, bins over flowing, issues with parking, houses in poor condition”.
- “Can there be some aspect of zoning where new licences are not being granted as there is already a large number of HMOs”

Finally the issues of consistency was raised

- “I would like to see more consistency with inspectors”

Landlords were asked if they would be interested in signing up to the Council's Landlord Accreditation Scheme if it meant that they would get a discount on licensing fees?

28 respondents stated they would be interested in signing up to Coventry Landlords Accreditation Scheme.

Tenants were asked if they would be more likely to move into a property with a landlord or managing agent who has signed up to the Council's Landlord Accreditation Scheme?

54 respondents which is 88% said they would be more likely to move into a property that is signed up to Coventry Landlords Accreditation Scheme

Finally, respondents were asked if there are any other things they think the Council to improve the condition and management of privately rented properties in Coventry?

All the open-ended comments have been themed manually. The table below shows the themes and the number of comments received per theme.

Theme	No
Enforcement	23
All Landlords	17
Restrict number of HMOs	11
Tenants	8
CLAS	5

Finally, respondents were asked if there are any other things they think the Council to improve the condition and management of privately rented properties in Coventry?

- “A large number of comments related to the need for enforcement and regular checks on properties”.
- “Control the landlords, set standards and police them, make it tough for landlords that do not stick to the rules and much easier for those that do”.
- “Regular inspections of properties and minimum standards ie tidy gardens, bin management, anti-social behaviour dealt with quickly”
- “Introduce fines for landlords who do not comply with regulations and make areas look horrible”

A large number of respondents also stressed the need to regulate all landlords not just HMOs

- “Mandatory and additional licensing should form part of a private rented housing strategy (which could form part of the housing strategy, which is due for updating in 2024).”
- “We hope that the council is already preparing for the introduction of the Renters Reform Bill. One emerging issue is the relationship between the proposed national register of landlords and additional licensing schemes”.
- “We have stated our support for wider licensing for all landlords, and we would also suggest that there should be clearer paths to redress for tenants who find themselves in dispute with their landlord, in particular access to reporting on landlords and access to legal aid should they find themselves in dispute and/or mediation”.

- “To stop extending the scope of the HMO licensing until the current batch of homes can be inspected and kept on top of”.
- “Restrict the number of HMO properties especially to students . There is not the need for them now, what’s needed are homes for families/couples”

It was recognized that tenants need to take responsibility for their actions not just the landlords.

- “There needs to be equal pressure on tenants to meet their obligations instead of just punishing landlords. For example, maintaining gardens and lawns. If this falls on the tenant than the tenant's should be told by the council to sort it out”.

Finally, a few respondents talked about CLAS.

- Signing up for the CLAS should not provide a discount to landlords, it should be the minimum standard for all landlords to be a part of the CLAS prior to receiving a HMO Licence.
- We are already on the CLAS scheme, the licensing scheme is unfair to compliant landlords, and will reduce the housing stock while increasing the cost of renting in regulated areas.
- Over the past 20 odd years, not one tenant has ever asked me whether I am a member of the CLAS. The tenant will take the property if it is in good sound condition, and that's it.

The survey also captured the following equality information:

Age

	Number
16-24	5
25-34	18
35-44	34
45-54	43
55-64	36
65-74	16
75-84	12

Sex

	Number
Male	67
Female	81
In another way	4
Prefer not to say	10

Religion

	Number
Christian	60
Hindu	2
Jewish	2
Muslim	2
ESikh	5
No Religion	48
Atheist	11
Prefer not to say	24

Other	11
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Ethnic background

	Number
White British	114
White Irish	2
Other White Background	9
Mixed White and Black Caribbean	2
Mixed White and Asian	5
Other Mixed or Multiple Ethnic Background	1
Asian or Asian British Indian	8
Asian or Asian British Pakistani	2
Asian or Asian British Chinese	1
Other	3
Prefer not to say	23

Do you consider yourself to be a disabled person?

	Number
Yes	30
No	135

Appendices

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**THE COVENTRY CITY COUNCIL DESIGNATION OF AN AREA FOR
ADDITIONAL LICENSING OF HOUSES IN MULTIPLE OCCUPATION 2020 –
SECTION 56, HOUSING ACT 2004.**

Coventry City Council in exercise of its powers under Section 56 of the Housing Act 2004 (“the Act”) hereby designates for Additional Licensing of Houses in Multiple Occupation (“HMOs”) the area described in paragraph 4.

CITATION, COMMENCEMENT AND DURATION

1. This designation may be cited as the Coventry City Council Designation for an Area for Additional Licensing of Houses in Multiple Occupation 2025.
2. This designation is made on the 7th October 2024 by the Council and shall come into force on the 4th May 2025.
3. This designation will cease to have effect on the 3rd May 2030 or earlier if the Council revokes the scheme under Section 60 of the Act.

AREA TO WHICH THE DESIGNATION APPLIES

4. This designation shall apply to the whole of the area in Coventry City Council's district as delineated and edged red on the map at Appendix A.

APPLICATION OF THE DESIGNATION

5. This designation applies to all HMOs of the description specified in Appendix B within the area described in paragraph 4 unless;
 - a. The building is of a description specified in Appendix C (Buildings that are not HMOs for the purpose of the Act – other than Part 1);
 - b. The HMO is subject to an Interim or Final Management Order under Part 4 of the Act;
 - c. The HMO is subject to a Temporary Exemption Notice under Section 62 of the Act; or
 - d. The HMO is required to be licensed under Section 55 (2) (a) of the Act (Mandatory Licensing of HMOs).
 - e. The HMO is a Section 257 HMOs that is either:
 - i. a section 257 HMO consisting solely of two flats where neither of the flats is situated above or below commercial premises; or
 - ii. a section 257 HMO where the flats share no internal or external common parts, and which are no more than two storeys high.

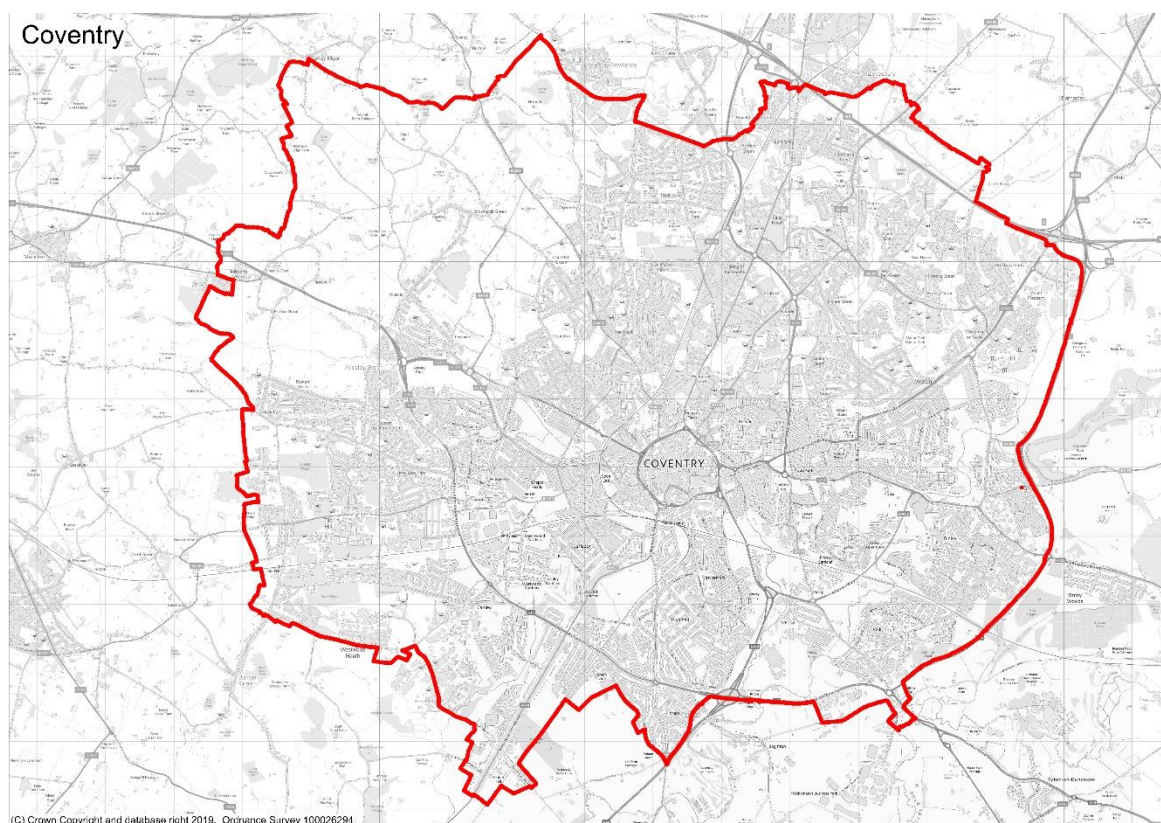
EFFECT OF THE DESIGNATION

6. Subject to sub paragraph 5(a) to (e) above, every HMO in the area specified in paragraph 4 that is occupied under a tenancy or a licence shall be required to be licensed under Section 61 of the Act.

Coventry City Council will comply with the notification requirements contained within Section 59 of the Act and shall maintain a register of all houses registered under this designation, as required by Section 232 of the Act.

This designation falls within a description of designations in relation to which the Secretary of State has given general approval under Section 58 of the Act, namely the Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2015 which came into force on the 1st April 2015.

APPENDIX A – Paragraph 4: Map of Designated Area



APPENDIX B – Paragraph 5: HMOs subject to the designation

The designation applies to all HMOs as defined by Section 254 of the Act that are occupied by 3 or more persons comprising two or more households, and HMOs as defined in Section 257 of the Act.

APPENDIX C – Buildings which are not HMOs for the purposes of this designation

The following paragraphs list buildings which are not houses in multiple occupation for any purposes of this Act other than those of Part 1.

In this Schedule “building” includes a part of a building.

Buildings controlled or managed by public sector bodies etc.

A building where the person managing or having control of it is:-

- a) a local housing authority;
- b) a non-profit registered provider of social housing;
- c) a body which is registered as a social landlord under Part 1 of the Housing Act 1996;
- d) a police and crime commissioner;
- e) the Mayor's Office for Policing and Crime;
- f) a fire and rescue authority under the Fire and Rescue Services Act 2004; or
- g) a health service body within the meaning of section 9 of the National Health Service Act 2006.

A building: -

which is social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008, and where the person managing or having control of it is a profit-making registered provider of social housing.

Buildings controlled or managed by a co-operative society

A building where:-

the person managing or having control of it is a co-operative society whose rules are such as to secure that each of the conditions set out in sub-paragraph (2) is met, and no person who occupies premises in the building does so by virtue of an assured tenancy, a secure tenancy or a protected tenancy.

The conditions are:-

- a) that membership of the society is restricted to persons who are occupiers or prospective occupiers of buildings managed or controlled by the society;
- b) that all management decisions of the society are made by the members (or a specified quorum of members) at a general meeting which all members are entitled to, and invited to, attend;
- c) that each member has equal voting rights at such a meeting; and
- d) that, if a person occupies premises in the building and is not a member, that person is an occupier of the premises only as a result of sharing occupation of them with a member at the member's invitation.

“co-operative society” means a body that is registered as a co-operative society under the 2014 Act or is a pre-commencement society (within the meaning of that Act) that meets the condition in section 2(2)(a)(i) of that Act, and is neither:-

- a) a non-profit registered provider of social housing; nor
- b) registered as a social landlord under Part 1 of the Housing Act 1996.

In this paragraph: -

“the 2014 Act” means the Co-operative and Community Benefit Societies Act 2014;

“assured tenancy” has the same meaning as in Part 1 of the Housing Act 1988;

“protected tenancy” has the same meaning as in the Rent Act 1977; and

“secure tenancy” has the same meaning as in Part 4 of the Housing Act 1985.

Buildings regulated otherwise than under this Act

Any building whose occupation is regulated otherwise than by or under this Act and which is of a description specified for the purposes of this paragraph in regulations made by the appropriate national authority.

Buildings occupied by students

Any building: -

- a) which is occupied solely or principally by persons who occupy it for the purpose of undertaking a full-time course of further or higher education at a specified

educational establishment or at an educational establishment of a specified description; and

- b) where the person managing or having control of it is the educational establishment in question or a specified person or a person of a specified description.

In sub paragraph a) “specified” means specified for the purposes of this paragraph in regulations made by the appropriate national authority.

Sub-paragraph (4) below applies in connection with any decision by the appropriate national authority as to whether to make, or revoke, any regulations specifying:-

- a) a particular educational establishment; or
- b) a particular description of educational establishments.

Sub Paragraph (4) The appropriate national authority may have regard to the extent to which, in its opinion: -

- a) the management by or on behalf of the establishment in question of any building or buildings occupied for connected educational purposes is in conformity with any code of practice for the time being approved under section 233 which appears to the authority to be relevant; or
- b) the management of such buildings by or on behalf of establishments of the description in question is in general in conformity with any such code of practice, as the case may be.

In sub-paragraph (4) above “occupied for connected educational purposes”, in relation to a building managed by or on behalf of an educational establishment, means occupied solely or principally by persons who occupy it for the purpose of undertaking a full-time course of further or higher education at the establishment.

Buildings occupied by religious communities

Any building which is occupied principally for the purposes of a religious community whose principal occupation is prayer, contemplation, education or the relief of suffering.

This paragraph does not apply in the case of a converted block of flats to which section 257 applies.

Buildings occupied by owners

Any building which is occupied only by persons within the following paragraphs:-

- a) one or more persons who have, whether in the whole or any part of it, either the freehold estate or a leasehold interest granted for a term of more than 21 years;
- b) any member of the household of such a person or persons; and
- c) no more than such number of other persons as is specified for the purposes of this paragraph in regulations made by the appropriate national authority.

This paragraph does not apply in the case of a converted block of flats to which section 257 applies, except for the purpose of determining the status of any flat in the block.

Buildings occupied by two persons

Any building which is occupied only by two persons who form two households.

Signed:

Director of Law and Governance

Dated: 7th October 2024



Houses in Multiple Occupation Licensing Policy 2025

VERSION 3 – AUGUST 2024

COVENTRY CITY COUNCIL – PLANNING AND REGULATORY SERVICES

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Coventry HMO Licensing Policy and Procedures

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Introduction

Under Part 2 of the Housing Act 2004 there are two types of licensing schemes that relate to Houses in Multiple Occupation (HMOs), the national Mandatory HMO Licensing scheme and Additional Licensing of HMOs.

Under the national Mandatory HMO Licensing scheme all properties that meet the following criteria will require a mandatory HMO licence:

- Is occupied by five or more persons;
- Is occupied by persons living in two or more separate households; and meets—
- The standard test under section 254(2) of the Act;
- The self-contained flat test under section 254(3) of the Act but is not a purpose-built flat situated in a block comprising three or more self-contained flats; or
- The converted building test under section 254(4) of the Act.

Additional Licensing of HMOs covers those HMOs that are not licensed under the Mandatory Scheme but where the Council has used its power to designate areas of the City subject to Additional Licensing of HMOs.

This document sets out the structure of the scheme and the fees and charges and criteria Coventry City Council will apply to all licences in relation to the Mandatory and Additional HMO Licensing schemes.

HMO Licensing in Coventry

Coventry City Council has a responsibility under Section 55 of the Housing Act 2004 to secure the licensing of all Mandatory HMOs and has been implementing its scheme in response to this duty since 2006.

On the 7th October 2024 Coventry City Council also designated the whole of its area subject to Additional Licensing in respect of the following types of HMOs:

- HMOs of any size of building that are occupied by three or four persons; and
- S.257 HMOs where those HMOs are mainly or wholly tenanted, including those with resident landlords, unless if it is either:
 - a. a section 257 HMO consisting solely of two flats where neither of the flats is situated above or below commercial premises; or
 - b. a section 257 HMO where the flats share no internal or external common parts, and which are no more than two storeys high.

The HMO Licensing schemes in operation in Coventry therefore cover all HMOs and all licence applications are to be accompanied with a fee determined by the Council. Once a licence is issued it is not transferable.

Coventry HMO Licensing Policy and Procedures

The Council has exercised its powers to charge under Section 63(3) and (7) of the Housing Act 2004 and does so taking into account the Provision of Services Regulations 2009, which themselves implement the EU Services Directive.

Under Part 2 of the Housing Act 2004, a HMO is required to be licensed unless:

- a temporary exemption notice is in force in relation to it under section 62, or
- an interim or final management order is in force in relation to it under Chapter 1 of Part 4.

The Council must take all reasonable steps to secure that applications for licences are made to them in respect of HMOs in their area which are required to be licensed under this Part but are not.

In the event that a building has multiple units of accommodation i.e. in the case of student 'cluster' flats, contained within it the Council will require a separate application and fee for each of the units within the building that constitute an HMO. The Council will consider each application on its own merits and will take the following factors into account before deciding to issue an HMO licence or not;

- The level of occupancy and the ratio of sharing one or more basic amenity i.e. a kitchen, toilet or bathroom;
- Whether each of the HMOs within the same building are within common ownership and management control.

Where it is identified that each "cluster" is an HMO within a building with other similar units of accommodation then the Council may decide that individual HMO licences should be granted for all of them. It will give notice of this to the applicant and every relevant person and there is a right to appeal this decision, notwithstanding the grant of these licences.

In cases of a registered 'not for profit' charity i.e. Cyrenians or an individual housing provider, such as a private landlord or organisation who is assisting the Council by offering permanent accommodation to meet our homelessness duties applications will be accepted, for the particular property being provided without a fee being payable. An assessment of the organisation will then be carried out and if appropriate the Council will determine the application and issue a licence without requiring any fee. Each case will be considered on its merits based on the type of individual or organisation submitting the application and the removal of the fee requirement will only be applied to the licence for the house being provided for homelessness purposes.

Licence Fees

Section 63 of the Housing Act 2004 permits the Council to require any application for a licence under Part 2 is accompanied by a licence fee and that this fee may properly cover all costs incurred by the Council in carrying out its functions.

Coventry HMO Licensing Policy and Procedures

In developing its fee structure the Council has had regard to the European Court of Justice ruling in *R (Hemming) V Westminster City Council* (Case C-316/15) and the High Court decision in *R (Gaskin) v LB Richmond Upon Thames* (2018) EWHC 1996 (Admin) which held that the EU's Provision of Services Directive, which is enshrined in UK law as the Provision of Services Regulations 2009 should apply to property licensing fees and the processes involved in implementing and delivering such schemes.

The Services Directive, in particular should be interpreted as precluding charging in advance for costs other than those directly related to the authorisation process of the scheme. In other words, the Council is not permitted to demand fees in advance for anything other than the costs of administering the application for a licence even if it makes it clear that unsuccessful applicants are provided with a refund of the remaining part of the fee. The Council may legitimately recover its wider costs, over and above those relating to the administration of applications, but this should be at the point at which the Council has determined that a licence is to be granted.

The judgements in *Hemming* and *Gaskin*, which require the overall licence fee to be paid in two stages, has therefore had the effect the fee for a Selective Licence under Part 3 of the 2004 Act must be levied in two separate parts.

The Council is not allowed to demand fees in the Stage 1 process for anything other than the costs of administering and processing the application for a licence. Furthermore, this element of the fee is non-refundable should the application be unsuccessful.

In the case of Stage 2 payments these can only be requested if the initial application is successful and will be charged to cover the costs of running and enforcing the scheme.

As such the Council, when setting its fees, has adopted the two-stage approach. All fees and charges will be reviewed on an annual basis and the following tables set out those fees commencing from the 1st April 2025.

Table 1- Fees and Charges

Stage	Type of Licence	Fee
Stage 1 Fee – Payable at the time of making the application	1 year licence (Category A)	£ 695.00
Stage 2 Fee – Payable once the Council has determined to Grant a Licence.	1 year licence – where landlord has been found to be operating an unlicensed HMO.	£ 1480.00

Coventry HMO Licensing Policy and Procedures

Total Fee		£ 2,175.00
Stage	Type of Licence	Fee
Stage 1 Fee – Payable at the time of making the application	1 year licence (Category B)	£ 695.00
Stage 2 Fee – Payable once the Council has determined to Grant a Licence.	1 year licence – where the landlord is licensing a new HMO without being identified as part of the Council proactive enforcement regime.	£ 830.00
Total Fee		£ 1,525.00
Stage	Type of Licence	Fee
Stage 1 – Payable at the time of making the application	2 year licence – subject to criteria (Category C)	£ 695.00
Stage 2 – Payable once the Council has determined to Grant a Licence.	2 year licence.	£ 389.00
Total Fee		£ 1084.00
Stage	Type of Licence	Fee
Stage 1 – Payable at the time of making the application	5 year licence – subject to criteria (Category D)	£ 695.00
Stage 2 – Payable once the Council has determined to Grant a Licence	5 year licence.	£ 221.00
Total Fee		£ 916.00

Stage	Type of Licence	Fee
Stage 1 – Payable at the time of making a Renewal Application.	Renewal of licence – subject to criteria for 2 and 5 year licences (Category E).	£ 695.00
Stage 2 – Payable once the Council has determined to Grant a Renewal of a Licence	Renewal of licence.	£ 315.00
Total Fee		£ 1,010.00

Under Section 67 (5) of the Housing Act 2004 the Council has the power to impose a restriction/ obligation on a particular person (with their consent). In accordance with this power the Council will require the licence holders consent to pay the Stage 2 fee in advance of the licence being issued, this will be required as part of the application process.

In addition, the Council will attach a condition to all HMO licences requiring this obligation to be met i.e. to pay the Stage 2 fee. This approach is consistent with that set out in the *Hemming* case.

Failure to make the Stage 2 payment will result in the Council taking action through, either the revocation or refusal of the licence or by enforcing the non-compliance of the licence condition associated with the making of the Stage 2 payment.

Processing the application

Under the Housing Act 2004 the Council can either grant or refuse a licence. In determining whether to grant or refuse a licence the Council must satisfy itself of the following:

- That the proposed licence and manager of the HMO is a fit and proper person and the most appropriate person to hold the licence; and
- That there are satisfactory management arrangements in place or that such arrangements can be put in place by the imposition of conditions in the licence.

Tests for fitness etc. and satisfactory management arrangements.

Coventry City Council must be satisfied that “the proposed management arrangements are satisfactory” before granting a HMO licence. Those arrangements include (but are not limited to) consideration of whether:

Coventry HMO Licensing Policy and Procedures

- the persons proposed to be involved in the management of the premises has a sufficient level of competence to be involved;
- the persons proposed to be involved with the management of the premises are actually involved in the management
- those persons are 'fit and proper' (which is discussed above) and
- the proposed management structures and funding arrangements are suitable.

If there are concerns about the competencies and structures in place to manage the HMO then conditions can be imposed on the licence to ensure that the necessary arrangements are in place. However, if such conditions will still not be possible or practical to impose then it may be necessary to refuse to grant a licence.

It is for a Council to determine whether a person has sufficient competence to be involved in the management of HMOs and, of course, the level of competence required will in some measure be determined by the complexity of the management challenges posed. The Council will, therefore, be looking at the applicant's experience and track record of managing HMOs and, in particular where he/she is the existing manager, the premises to which the application relates. In most cases landlords who belong to a recognised trade association or are members of an accreditation scheme will be regarded as having the necessary competence to be involved in the management of the premises because, at least such organisations can be called upon for advice and assistance where necessary.

The management structures must be such that the manager is able to comply with any licence conditions and deal with the day to day operation management issues that arise as well as being able to deal with longer term management issues. In considering whether the structures are appropriate the Council may take account of the following:

- evidence as to whether the systems in place are sufficient to enable the manager to comply with any condition of a licence or if such systems can be put in place through a condition of a licence to ensure compliance;
- evidence of the systems for dealing with:
 - i) emergency repairs and other issues
 - ii) routine repairs and maintenance to the premises and its curtilage
 - iii) cyclical maintenance
 - iv) management and the provision of services (if any) to the building and its curtilage
 - v) management of tenancies or occupants
 - vi) management of the behaviour of tenants, occupants and their visitors to the premises
 - vii) neighbourhood issues (including disputes)

Coventry HMO Licensing Policy and Procedures

- evidence of structures for engagement with the local authority, police and other agencies, where appropriate

In order to be able to demonstrate much of the above evidence it is likely that the manager will need to operate within a reasonable proximity to the HMO, so that he/ she can attend to matters promptly and retain an overview on the condition of the premises and the management of the tenancies.

The Council must also be satisfied that the financial arrangements relating to the HMO are suitable. In that regard the manager must be sufficiently funded or have access to funding to carry out his obligations under the licence and his/her general management functions.

Coventry City Council can vary or revoke a licence at any time during the licence period if there is sufficient evidence to support these decisions. Unannounced visits of licensed properties will therefore be undertaken during the licence period to check for compliance with the licensing and management regimes which apply. This is consistent with the powers provided under Section 239 of the Housing Act 2004.

Breach of any such legislation is a strict offence for which further action will be taken. The Housing, Health and Safety Rating System (HHSRS) also applies to rented properties and (if appropriate) remedial works can be enforced via this legal mechanism separately to the powers provided under the licensing scheme.

The fit and proper test

In deciding to grant a licence Coventry City Council must be satisfied that the proposed licence holder “is a fit and proper person to be the licence holder ...” and that “the proposed manager of the house is a fit and proper person to be the manager of the house ...”

This requirement is to ensure that those responsible for operating the licence and managing the HMO are of sufficient integrity and good character to be involved in the management of the particular residential premises to which the application relates and as such they do not pose a risk to the health, safety or welfare of persons occupying and visiting the HMO.

When considering whether a person is ‘fit and proper’ Coventry City Council will have regard to any misdemeanours (wrong doings) of the relevant person concerned. This is evidence that the person has:

- committed any offence involving fraud or other dishonesty, violence or drugs and certain types of sexual offences;
- practised unlawful discrimination on the grounds of sex, colour, race, ethnic or national origins or disability, in connection with the carrying out of business;

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- contravened any provision of housing or landlord and tenant law; or
- acted otherwise than in accordance with an approved code of practice.

The above list is not exhaustive, and Coventry City Council can and will consider whether a relevant person has committed other relevant misdemeanours, for example, discrimination under Regulation 5 of the Equality Act (Sexual Orientation) Regulations 2007. A relevant person will not be deemed unfit, simply because of poor management, although this is highly relevant to determining any question of suitability or competence.

Coventry City Council do not adopt a blanket policy with its consideration of factors under a fit and proper person test. Each case will be considered on its own merits and regard will be had to information provided / omitted from an application form; historical information already held by Coventry City Council relating to the premises and / or any relevant person connected with the licence application.

In an application for a licence the applicant must provide details of the following in relation to him/herself and the proposed manager (if the applicant is not to be the licence holder)

- unspent convictions;
- any findings of a court/tribunal that the person has practised unlawful discrimination;
- any judgement entered against that person in relation to a contravention of housing or landlord and tenant law (and, in so far it relates to the housing or landlord and tenant law, any contravention of any enactment relating to public or environmental health);
- any control order made in respect of any HMO under his/her management or ownership (and also in respect of any former HMO he/she owned or managed);
- any enforcement action in respect of any house or HMO under his/her management or ownership (and also any former HMO or house he/she owned or managed) under the housing health and safety rating system in Part 1 of the Housing Act 2004 so far as that enforcement action related to a category one hazard;
- details of any refusal to grant a licence, or details of the revocation of a licence granted for non-compliance of a condition or conditions in respect of any house or HMO under his/her management or ownership (and also in relation to any former HMO or house he owned or managed);
- details of any interim or final management orders made by an LHA in respect of any house or HMO under his management (and also in respect of any former HMO or house he owned or managed).

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An applicant for a licence must disclose any misdemeanours which relate to themselves, the proposed manager and any other relevant person, if any. Coventry City Council should therefore have sufficient information to decide a person's fitness based on the application.

If Coventry City Council are not satisfied that it has sufficient information (being that supplied in connection with the application) to make a determination, it may require the applicant to provide further details and / or undertake their own further enquiries with other relevant Council departments and external bodies as it deems necessary, including for example Disclosure & Barring Service checks (DBS).

The completion and signing of the Licence application form will be taken as an agreement to any such action and the sharing of information between other Local Authorities for all relevant persons associated with the property and application.

Checks will also be made internally with other Council departments such as Licensing, Trading Standards, Planning, Building Control, Council Tax and Housing Benefit.

Coventry City Council are also able to request information on criminal convictions, and although this is not undertaken as a matter of routine a Police National Computer (PNC) check will be requested where there is sufficient evidence that this is necessary. A PNC check may also be requested for the purposes of officer safety during the course of the licensing application should this also be considered necessary.

Such reasons for a PNC check may include that:

- Coventry City Council have evidence of a history of complaints or problems with the landlord (which in themselves might not amount to 'evidence' of unfitness to meet the test), but further investigation may be required;
- the applicant has been evasive or untruthful in their application for a licence;
- the applicant, or proposed manager, is unknown to Coventry City Council and has not demonstrated any history or competence of managing HMOs or other private rented properties;
- Coventry City Council has reasonable grounds to suspect that the applicant, or the proposed manager, has committed an offence which is relevant to the determination of any question of his/her fitness or
- The premises provide accommodation mainly to vulnerable persons. In deciding whether a misdemeanour (including a criminal offence) is relevant to the determination of a person's fitness a Council may wish to consider the following factors:

- i) the relevance of the misdemeanour(s) in relation to the person's character and integrity to manage residential premises and in particular the type of premises to which the licence relates;
- ii) the seriousness of the misdemeanour(s) in terms of impact, or potential impact, upon the residents and the wider community, including if more than misdemeanour has been carried out the cumulative impact;
- iii) the length of time since any misdemeanour; and
- iv) any mitigating circumstances.

Consideration of 'persons associated or formerly associated' with the proposed licence holder or manager.

If there is evidence that a person associated, or formally associated, with the person proposed to be the licence holder or manager of the HMO, has committed any misdemeanours, that evidence may be taken into account in determining the proposed licence holder's or manager's fitness (even if that person has himself or herself an unblemished record).

The purpose of this requirement is to ensure that only fit and proper persons hold licences or are in any way involved in the management of licensed HMOs. It would not be appropriate for a licence to be granted to someone, or for someone to be the manager of a property, if that person was merely acting as a 'front' for someone else who, if he or she were not unfit, would be entitled to be the manager or licence holder.

An example might be that of a husband and wife, where the husband is the landlord (or indeed both he and his partner are joint landlords), but only the wife has applied for the licence. If there is evidence that the husband has committed misdemeanours and those misdemeanours are relevant to the wife's management of the property or licence then the Council may refuse to grant her a licence.

Likewise if a landlord with an unsatisfactory record nominated a "manager" who had a clean record, but had acted for him whilst the misdemeanours were committed, Coventry City Council may consider the managing agent by association to be unfit too.

Issuing a Licence

All HMOs subject to licensing will be inspected prior to the issuing of a draft licence to ensure that the HMO is reasonably suitable for occupation by the number of people being requested on the licence application and to ensure that there are satisfactory management arrangements are in place.

All HMOs will also remain subject to further inspections during the lifetime of the licence to check compliance with licence conditions, management responsibilities and minimum standards. In certain cases the Council may decide to carry out such inspections without prior notice being given to the owner, licence holder and /or

manager. This is consistent with the powers set out in Section 239 of the Housing Act 2004.

Failing to comply with any conditions on a licence is an offence under Section 72(3) of the Housing Act 2004 and, if found guilty the licence holder could face a prosecution or issued with a Civil Penalty of up to £30,000.

In cases where the licence is being issued to or on behalf of a new landlord who has never licensed a HMO before the first licence will run for one (1) year, and the licence must be renewed before it expires. After the first year, the opportunity will be provided to apply for a longer licence, provided all the relevant criteria is met.

The Council considers this approach is justified in furtherance of the overriding public interest of improving the standard of rented properties and their management.

Where the inspection has been pre-arranged then all applicants will be required to provide access to all rooms in the HMO at a suitably arranged appointment.

All contact with the licence holder and relevant person(s) will be made using the contact information provided by the applicant on the original application. Accordingly, it is the licence holder's responsibility to ensure that all contact details are up to date and you must notify the Property Licensing Team of any change in details. The Property Licensing Team will not be held responsible for any delay in communication if it is as a result of any contact information changing.

A draft licence with conditions will be issued based on the findings from this inspection. The draft licence (known as an Intention Notice) will be emailed to all relevant persons and other interested parties for consultation.

The relevant persons will have an opportunity to make any representations, which will be considered by a Senior Officer.

When this process is complete a full licence with the conditions (known as the Decision Notice) will be issued. Again, copies will be sent to all interested parties.

If the licence holder is still dissatisfied with the conditions of the licence, they will have an opportunity to appeal to the First-tier Property Tribunal. The details of how this appeal can be made will be provided with the Licence.

Renewal Applications

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (Amendment) (England) Regulations 2012 set out amendments to "renewal applications", which reduces the burden on landlords applying for the renewal of a licence.

In the case of renewal applications and applicant must provide a complete application form and sign the declarations provided.

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It is important to note that the regulations define a “renewal application” as “*an application for a licence under section 87 of the Act where, at the time the application is made a licence of the kind applied for is already held by the applicant and has effect in respect of the HMO or house*”.

The effect of this part of the Regulations is that order for the Council to treat any application as a “renewal” the application must be made during the active period of the current licence. If a renewal application is received on or after expiry of the current licence then the application will be treated as a new application and the appropriate fees above will apply.

Application for a revocation or variation of a licence.

If circumstances regarding the HMO change during the licence period, for example a change in the number of letting units, the licence holder must notify the Property Licensing Team directly so the licence can be re-assessed and varied if the HMO is considered suitable to accommodate the variation request.

Similarly, if the HMO is no longer going to be occupied as a HMO or the licence holder changes, then the licence holder must make an application for the licence to be revoked. Any remaining period of the licence will be forfeited and there will be no right to refund of the original payment.

Licence Criteria

A valid application consists of:

- An application form with appropriate certificates submitted
- Fee payment
- Signed declaration returned

Once a valid application is received the Council will assess each application on its own merits against relevant criteria. The Council has discretion to offer any length of licence it considers appropriate and upon receiving a valid application will take account of various factors before a decision on the length of licence is made.

To be eligible for a given length of licence, the landlord must meet all the criteria set out below at the point of application. In order for this assessment to be made the application must first be made valid.

One year licence

You will receive a one-year licence if you submit a valid HMO licence application.

There are no additional prerequisite criteria for receiving an annual licence.

The proposed licence holder and the proposed manager must be a “fit and proper person” as defined by the [Housing Act 2004](#) and must have a registered UK

address. The HMO must be suitable for occupation for the number of people you wish to accommodate. Although not a prerequisite for receiving a one-year licence, you still have a legal duty to comply with all relevant Acts and Regulations; including (but not restricted to) the Housing Act 2004, Planning and Building Regulations, and the Regulatory Reform (Fire Safety) Order 2005.

To receive an annual licence, you and the manager of the HMO must also be a “competent” person and there must be no concerns over the management of the house.

All first-time licensees will normally receive one-year licences unless they are able to provide evidence that they have other licensed properties in England or Wales. The Council will consider (but not guarantee to grant) applications for a two- or five-year licence if operating other licensed HMOs is the only eligibility criterion which is not met.

Annual licences will be issued to those landlords who are found to be operating an unlicensed HMO through proactive visits carried out by the Council. In cases such as these it is likely that the landlord may also be subject to a formal investigation by the Council – given that they have been found to be operating an unlicensed property. This may affect their eligibility as licence holder or manager so they will be required to nominate an alternative competent person to be licence holder/ manager.

Two-year licence

To receive a two-year licence, you must submit a valid application and meet all of the following criteria:

- Good management at the property
- Good application history - all documents submitted on time
- No subsequent reminders for outstanding information, documents or payment needed after the initial contact regarding an invalid application
- No issues from other internal and external departments (e.g. Planning, Building Control, Police, HMRC, Immigration (BA))
- The property benefits from the correct [planning permission](#)
- Minor health and safety/disrepair/fire safety conditions on the licence
- Licence conditions completed on compliance inspection (renewals only)
- Have a maximum of two justified service requests (complaints about the property we have taken action to resolve)
- No missed appointments (when running late, Council is informed), no difficulty arranging appointments
- All rooms available to inspect
- Fire Risk Assessment in place

Five-year licence

To receive a five-year licence, you must submit a valid application and meet all of the following criteria, in addition to the two-year criteria described above:

- Good application history - all documents submitted on time
- No subsequent reminders for outstanding information, documents or payment needed after the initial contact regarding an invalid application
- Proposed Licence Holder and proposed Manager are accredited by the Council
- Proposed Licence holder to provide a DBS certificate if not accredited/not seeking accreditation with CLAS or ANUK and where the agent is accredited/member of ANUK and is acting as the manager with full management responsibility for the property.
- Adhere to the principles set out in the [Private Rented Sector Code of Practice](#)
- Good management at the property
- Arrangements in place for regular maintenance/repairs i.e. British Gas Homecare or similar
- Arrangements in place for the cleaning, e.g. cleaning contracts
- Membership of other professional association – RICS, ARLA (agent only)
- No issues from other internal and external departments (e.g. Planning, Building Control, Police, HMRC, Immigration (BA))
- A management arrangement and terms of business in place. A copy of this agreement to be provided on request (applies only if a property is managed by an agent)
- No additional conditions added on compliance inspection (renewals only)
- No missed appointments or over 10 minutes late; landlord will co-operate with Council officers to arrange inspections and all rooms are available for the inspection
- No justified service requests (complaints to the Council by tenants or other parties about conditions in the house)
- Landlord or agent carry out inspections themselves at least every 6 months and at the beginning and end of the tenancy.
- Fire Risk Assessment in place
- Managing Agents (with sole or joint management responsibility) meet the following additional criteria:
 - Company employees are suitably qualified in property management
 - All employees carry out regular continued professional development
 - The company is registered with a recognised professional association

Licence renewal

It is important that a renewal application is submitted before expiry of the current licence otherwise it may be determined that this is a new application and additional information will be required. A different fee may also apply to reflect the increased time involved in processing the application.

Fire risk assessments for licensed HMOs

Having a fire risk assessment for a licensed HMO is a legal requirement under the Regulatory Reform (Fire Safety) Order 2005, which is enforced by West Midlands Fire and Rescue Authority.

The duty is placed on the 'responsible person' who could be the landlord/licence holder or an agent with full management control. The assessment must be 'suitable and sufficient', and assistance from an appropriately competent person should be sought as necessary to achieve this.

The Council will accept a signed self-certification forms declaring that a suitable and sufficient fire risk assessment is in place for the HMO, however the Council may request and audit the fire risk assessment and other records at any time during the lifetime of the licence. If any documents requested cannot be provided within 7 days of the request, the Council may revoke the licence.

The acceptance of a fire risk assessment/self-declaration does not protect the responsible person from any action required by West Midlands Fire and Rescue Authority.

Further information and guidance on completing a fire risk assessment is available from the [Chief Fire Officers Association](#) and the [Gov.uk website](#).

Coventry Landlord Accreditation Scheme (CLAS)

The Council has developed its own accreditation scheme called Coventry City Council Landlord Accreditation Scheme (CLAS).

Being accredited by the Council is one step toward being eligible for a five-year licence.

Further details of the Council's accreditation scheme can be found here www.coventry.gov.uk/landlordaccreditation or you can email the Property Licensing Team to find out more information clas@coventry.gov.uk for further information on becoming accredited.

Will tacit consent apply?

In deciding whether tacit consent applies the Council has taken into consideration the recent High Court decision in the case of *R(Gaskin) v Richmond LBC* [2018] EWHC 1996 (Admin).

The *Gaskin* case says that the Provision of Services Directive applies to licensing schemes in full and that regulators should set out how long it will take to carry out a licensing approval process and if they do not meet that timeline then approval (tacit consent) should happen automatically.

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Upon receiving a valid application, the Council will aim to provide a decision as soon as is reasonably practicable, however each case will require different processes to be completed, for example if an inspection of the HMO is necessary then the Council will be required to complete this before issuing you with a decision. This could therefore extend the time it takes to process your application.

It is therefore the Council's aim to process all valid applications and provide the relevant persons with a decision within 20 weeks of receipt. This will require the full co-operation of the applicant with the Council's requirements for determining a licence application.

If a decision about a licence application has not been received after this period, then tacit approval will apply from the date the application was made. It is therefore lawful for a property to operate as a licensable HMO.

As mentioned the target completion period for issuing a decision and a licence is subject to many factors and as such applicants should check with the Council on the status of their application.

By the Council setting out and displaying publicly their licensing processing time, the Council considers this will instil confidence in local landlords and help to keep them informed about the process.

Public registers

A register of HMO Licences is available online and details of this can be obtained by sending a formal, written request to the Property Licensing team.

Appeals

If an application for a HMO Licence is refused, there is a right to appeal this decision within 28 days to the First-tier Tribunal (Property Chamber - Residential Property). The details of this will be provided with the Decision Notice.

Options Appraisal Document

The Additional Licensing scheme in the city, which commenced on the 4th May 2020 runs for a period of 5 years and therefore ceases on the 4th May 2025. This creates a situation where the future options for the scheme beyond the expiration need to be considered.

Under section 60(2) of the Act the expiry time must be no later than five years after the date on which the designation comes into force.

Under s.60 (3) of the Housing Act 2004 *'a local housing authority must from time to time review the operation of any designation made by them'*

To fulfil this requirement a review, which included a consultation exercise was undertaken between July and October 2023. The review showed that the licensing scheme has made good progress in improving standards in a large number of HMOs. However, there are still a significant number of properties that remain unlicensed and ineffectively managed.

As part of the review a number of options have been considered in relation to the HMO licensing scheme, these options were to renew the scheme in its entirety, renew the scheme in parts of the city or not renew the scheme. The best option from the appraisal was to renew the scheme in its entirety.

The main reasons for supporting the option of renewal of the scheme in its entirety are as follows:

HMOs are a major concern in Coventry. It is estimated that Coventry has the 14th highest number of HMOs in England and Wales. Only the large metropolitan and unitary authorities and some London Boroughs contain more. They form a high percentage of houses in the city which is attributed to high numbers of students attending both Coventry and Warwick University.

High house prices create a situation that puts the home ownership market beyond a large number of residents and places a burden on the private rented sector. Sharing accommodation is the only viable option for a large proportion of young and low-income households. Licensing ensures that the Council has a comprehensive toolkit to deal with poor conditions and issues around anti-social behaviour in all HMOs, thereby improving the living conditions for those residents in occupation and those who are affected by HMOs in the neighbourhood.

Planning policy has been developed by the Council to create 'mixed and balanced communities', which looks to limit the levels of HMOs in the sector so that there is a spread of sustainable and viable options for accommodation but despite all this the Council still have massive numbers of HMOs in the PRS.

The problems associated with living in a HMO have been well documented over the years and are known to professionals working in the sector. The recent review of the current Additional HMO Licensing scheme also indicates that a significant proportion of HMOs in the Council's area are still being managed ineffectively, with over 75,000

conditions being added to licences requiring the licence holder to carry out works to bring properties up to the appropriate standard and to manage them effectively.

The current spread of HMOs is not concentrated in one particular area and the issues regarding this type of accommodation are widespread. Partial licensing of HMOs would likely result in an increase of HMOs in areas which were not subject to licensing or covered by the Council's Article 4 direction and leave the Council with limited options for regulating these properties.

In order for the Council to 'renew' the scheme it must proceed through the statutory process as laid out in Section 56 and 57 and the guidance issued under the Housing Act 2004: Licensing of Houses in Multiple Occupation and selective licensing of Other Residential Accommodation (England) General Approval 2010.

Section 56 of the Act places requirements upon the local housing authority when considering a designation for additional licensing of HMOs, in that the Council must:

- Consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public; and
- Take reasonable steps to consult with persons who are likely to be affected and consider any representations made in accordance with the consultation and not withdrawn; and
- Have regard to any information regarding the extent to which any codes of practice approved under section 233 have been complied with by persons managing HMOs in the area (these codes relate to University managed accommodation).

Section 57 provides further considerations for the local authority in that they should ensure that:

- Exercising the designation is consistent with the authority's overall housing strategy;
- Seek to adopt a coordinated approach in connection with dealing with homelessness, empty properties and anti-social behavior affecting the private rented sector as regards combining licensing with other action taken by them or others;
- Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question; and
- That making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well).

The Department for Communities and Local Government (DCLG) General Approval provides the condition that any consultation period for the proposed designation should not be less than 10 weeks.

In February 2010 the DCLG produced general guidance around the approval steps for additional and selective licensing designations in England.

The Additional Licensing review indicated that properties are still being managed “*sufficiently ineffectively*” including:

- Those whose external condition and curtilage (including yards and gardens) adversely impact upon the general character and amenity of the area in which they are located;
- Those whose internal condition, such as poor amenities, overcrowding etc. adversely impact upon the health, safety and welfare of the occupiers and the landlords of these properties are failing to take appropriate steps to address the issues;
- Those where there is a significant and persistent problem of anti-social behavior affecting other residents and/or the local community and the landlords of the HMOs are not taking reasonable and lawful steps to eliminate or reduce the problems; and
- Those where the lack of management or poor management skills or practices are otherwise adversely impacting upon the welfare, health and safety of residents and/or impacting upon the wider community.

Option Appraisal

The option appraisal process carried out for the review of the scheme followed a series of logical steps, which when taken together, provided a thorough and systematic appraisal method to allow effective comparison of alternative options.

Although this process appears as a sequence of small steps following a linear pattern, in practice it is best viewed as a series of small cycles. The main steps followed are summarised below: -

Decide on the aim of the scheme, i.e. the desired outcome and the objectives necessary to achieve this:

- Data gathering and analysis of findings;
- Generate a range of basic options;
- Appraise the options against criteria; and
- Select a preferred option and carry out statutory consultation about the selected option.

The Option Appraisal process was managed by an internal steering group comprising senior staff from across the Council.

Deciding the aim of the Scheme

The overall purpose of the licensing scheme is to maintain minimum standards across the city in the most vulnerable sector of Coventry's private rental market by providing safer and healthier rented accommodation that is well managed with reduced overcrowding.

This is also a major contributing factor to the Council's Housing & Homelessness Strategy 2019-2024 which affirms the Council's view that housing is fundamental to the wellbeing of people, their families and their communities. Decent housing provides a stable base on which people can build their lives and build successful communities. Poor or unsuitable housing, however, can have negative impacts on many other areas of personal and community life as well as physical and mental health and wellbeing. If you do not have decent housing, everything else becomes much more difficult. Improving housing options, conditions and neighbourhoods within the city via delivery of this strategy is essential for economic growth, improving outcomes for children including their educational attainment, health and wellbeing, and community cohesion.

The main aim for the review and future of the scheme was therefore set around the purpose of the scheme and the Council's corporate priority of improving the use of existing homes. It was acknowledged by the officer steering group that the fundamental approach must be to enshrine the need to improve conditions and management of HMOs whilst maintaining minimum standards.

Objectives

Objectives that would have to be realised to achieve this aim were therefore defined and included the need to:

- Maintain minimum standards of HMOs in the city;
- Raise the standard of HMOs in the city
- Improve management of HMOs in the city;
- Reduce the impact HMOs have on the surrounding area;
- Contribute to the creation of a viable and sustainable housing market;
- Promote long term confidence in the city;
- Support the existing community, in particular young and low income households; and
- Promote an improvement of conditions in the Private Rented Sector in the city.

Option Generation

Following a detailed assessment of the data, which is provided in the review report, the next stage was to consider the generation of options which would seek to meet the stated aims and objectives and would deliver positive and lasting change.

The officer steering group developed and confirmed a range of options that could be applied to the City, each of them involving different levels of intervention and accordingly producing a different range of outcomes. These options ranged across the spectrum from statutory action only to complete renewal of the scheme. The officer steering group recognised that to be effective the review should consider all possible options.

The following options were considered:

Option 1 – Statutory action only. This is essentially the ‘base line’ position against which other options can be measured. It assumes that HMOs across the city will receive only minimum attention other than the action the Council is required by law to take to deal with poor conditions. i.e. mandatory licensing etc. Action would be by way of legal notices and orders. At some stage prosecutions would also have to take place. It is likely that this would do little to address environmental and management issues and this would most likely lead to a continuing spiral of decline with a growing need for intervention in future years. The aim and stated objectives would not be achieved.

Option 2 – Renewal of the scheme in certain areas of the city. This option assumes that the existing scheme is ‘renewed’ as necessary but only in certain areas of the city. The process of determination of these areas would be required but in essence this would create a situation where not all HMOs across the city are regulated consistently. In some parts of the city there are less HMOs but non compliance is found in all areas. Intervention to deal with these excluded areas would therefore be reduced if they were excluded from the scheme and this could result in an increase of HMOs in the excluded parts of the city and therefore less power available to the Council to deal with concerns and issues. This approach does not address the need for a comprehensive scheme and as an option it does little to meet the wider aspirations of the residents of the area or the aims and objectives of the scheme.

Option 3 – Renewal of the scheme in its entirety. This option assumes that the existing scheme will be ‘renewed’ in its entirety. The underlying basis of the option is that the Council will actively promote the Additional Licensing scheme and continue to implement the scheme under current conditions. Further reviews of the fees and charges structure would take place and options for extended licence periods would also be considered. i.e. 5 year licences for ‘gold’ standard landlords. This option would provide a level playing field for all HMOs and would ensure that the aims and objectives of the scheme were met.

Option Appraisal

A series of decision rules, against which each of the options were to be appraised, were also set. Typically the final preferred option for the future of the scheme must:

- Be technically feasible
- Be in accordance with relevant statutory powers

- Contribute toward strategic objectives
- Be appropriate to the needs of the community
- Be financially deliverable

Each of these options were assessed against the decision rules and the objectives set (based on scoring on un-weighted and weighted criteria).

It is important that assessments are made of the options for the contribution they make in meeting the objectives for the Scheme and addressing the decision rules set. The decision rules included a financial element but it is vital that any decisions affecting the area are not based on cost alone. The final option would then be open to statutory consultation.

Officers agreed the decision rules, assessments and scoring criteria. The steering group set out the weightings and carried out the assessments against the criteria. The results of each assessment can be found below.

Table 1 - Assessment of Options Against Decision Rules

Decision Rule		Options		
		1	2	3
1	Be technically feasible	3	3	3
2	Be in accordance with relevant statutory powers	3	3	3
3	Contribute towards the strategic objectives	0	1	3
4	Be appropriate to the needs of the community	1	2	2
5	Financially deliverable	1	3	3
Best fit against decision rules		8	12	14

Scoring (How option conforms to the decision rules)
0 = Breaks Rule
1 = Meets rule in some respects
2 = Meets rule in most respects
3 = Meets rule in all respects

The results of the decision rule assessment show that Option 2 and 3 are more favourable than Option 1. Option 1 is technically feasible and could be implemented in accordance with the relevant statutory powers but it does very little to contribute toward any of the other decision rules and would make very little contribution to the aims and objectives of the Scheme.

Option 2 scored slightly lower than Option 3 (12 compared to 14) because it was felt by the steering group that by licensing certain parts of the city the non-licensed parts would suffer with an increase in HMOs and this would impact on those neighbourhoods a lot more than if the whole area was subject to licensing. The Council would also have very limited powers to deal with any issues in HMOs which were outside of the licensing scheme and so this would impact on the local community and would do very little to create a sustainable and viable housing market.

Option 3 meets all of the rules in all respects with the exception of 'appropriate to the needs of the community'. This rule scored slightly lower because it was felt by the steering group that a number of landlords who were part of the community may not agree that a scheme of licensing was appropriate to their needs.

Overall Option 3 (*Renew the scheme in its entirety*) scores higher than any other option and meets all the rules in most respects and is the preferred course of action for the future of the Scheme.

An assessment against the objectives set for the review of the scheme was carried out to determine which option made the most contribution toward the objectives. The results of this can be seen in the table below.

Table 2 - Assessment Against Objectives (Unweighted)

No.	Objective Criteria	1	2	3
1	Maintain minimum standards in HMOs in the city	4	4	4
2	Raise the standard of HMOs in the city	2	3	5
3	Improve management of HMOs in the city	1	3	4
4	Reduce the impact HMOs have on the surrounding area	1	2	5
5	Contribute to the creation of a viable and sustainable housing market	0	3	4
6	Promote long term confidence in the city	0	3	4
7	Support existing communities, in particular young and low income households	1	4	4
8	Promote an improvement of conditions in the PRS in the city	2	3	4

Totals		11	25	34
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The scores were recorded according to the following criteria:

Scoring (Contribution objective makes in meeting the vision)
0 = no contribution
1 = very little contribution
2 = limited contribution
3 = reasonable contribution
4 = significant contribution
5 = very significant contribution

The un-weighted assessment shows that Option 1 would have little or no effect in meeting the objectives of the scheme. Options 2 and 3 make more significant impact and would be the preferable over Option 1.

Option 2 scores significantly well against a number of the objectives but because of the piecemeal approach it promotes and the inability for the Council to deal with HMOs outside of the areas of the city that would be subject to licensing overall it scores less than Option 3. Option 3 is considered to be the better option for dealing with the whole range of objectives because it means that the Council is able to have a widespread and consistent impact in all areas across the whole range of objectives.

In order to test these options further a weighted assessment using the weighting factors agreed by officers was carried out. The weighting was selected to reflect the contribution each of the objectives makes to the overall aim of the Scheme. This provides a balanced assessment of all elements of the option appraisal. The results of this weighted assessment are shown in the table below.

The weighting was chosen to reflect the contribution each of the objectives makes to the aim of the scheme, which is to *'alleviate the housing situation by setting and maintaining minimum standards across the city in the most vulnerable sector of Coventry's private rental market'* using the following criteria:

Weighting
1 = Meets aim to some degree
2 = Meets aim to a large degree

3 = Meets aim to a greater degree or in full
--

Table 3 - Assessment Against Objectives (Weighted)

N o	Objective Criteria	Weighting Factor	1	2	3
1	Maintain minimum standards in all HMOs	3	12	12	12
2	Achieve an improvement in conditions in all HMOs	2	4	6	10
3	Improve management of all HMOs	3	3	9	12
4	Reduce the impact HMOs have on the surrounding area	2	2	4	10
5	Contribute to the creation of a viable and sustainable housing market	2	0	6	8
6	Promote long term confidence in the area	1	0	3	4
7	Support existing communities, in particular young and low income households	3	3	12	12
8	Promote an improvement of conditions in the PRS	1	2	3	4
	Totals		26	55	72

The results of the weighted assessment support the findings of the decision rule assessment and the un-weighted objective assessment which is that Option 3 is the preferred course of action and will provide the ‘best fit’ for achieving the aim and objectives of the scheme.

The local authority officers agreed the decision rules, assessments and scoring criteria. The steering group set out the weightings and carried out the assessments against the criteria. Each option was assessed on an individual basis. The assessment summaries are set out below.

Table 4 - Summary of Option Appraisal Assessments

Assessment Method		Option 1		Option 2		Option 3	
		Rank	Score	Rank	Score	Rank	Score
1	Decision Rule Assessment	3 rd	8	2 nd	12	1 st	14
2	Objectives Assessment (un-weighted)	3 rd	11	2 nd	25	1 st	34
3	Objectives Assessment (weighted)	3 rd	26	2 nd	55	1 st	72

The table demonstrates that the most effective option is Option 3, and the least effective is option 1. The advantage of option 3 over option 2 increases significantly when considering the aims and objectives together.

On balance it is considered that **Option 3 better demonstrates that it meets the range of appraisal criteria and should be adopted within the preferred strategy.** It ranks 1st in all of the assessments and will best meet the aim and objectives for HMOs in the City.

Implementation

The next stages for implementing the proposal of Option 3 must follow the legal process set out in the Housing Act 2004 and be in accordance with guidance

produced by Government. The Council also has internal procedures that must be adhered to ensure that the implementation of Option 3 is fully considered.

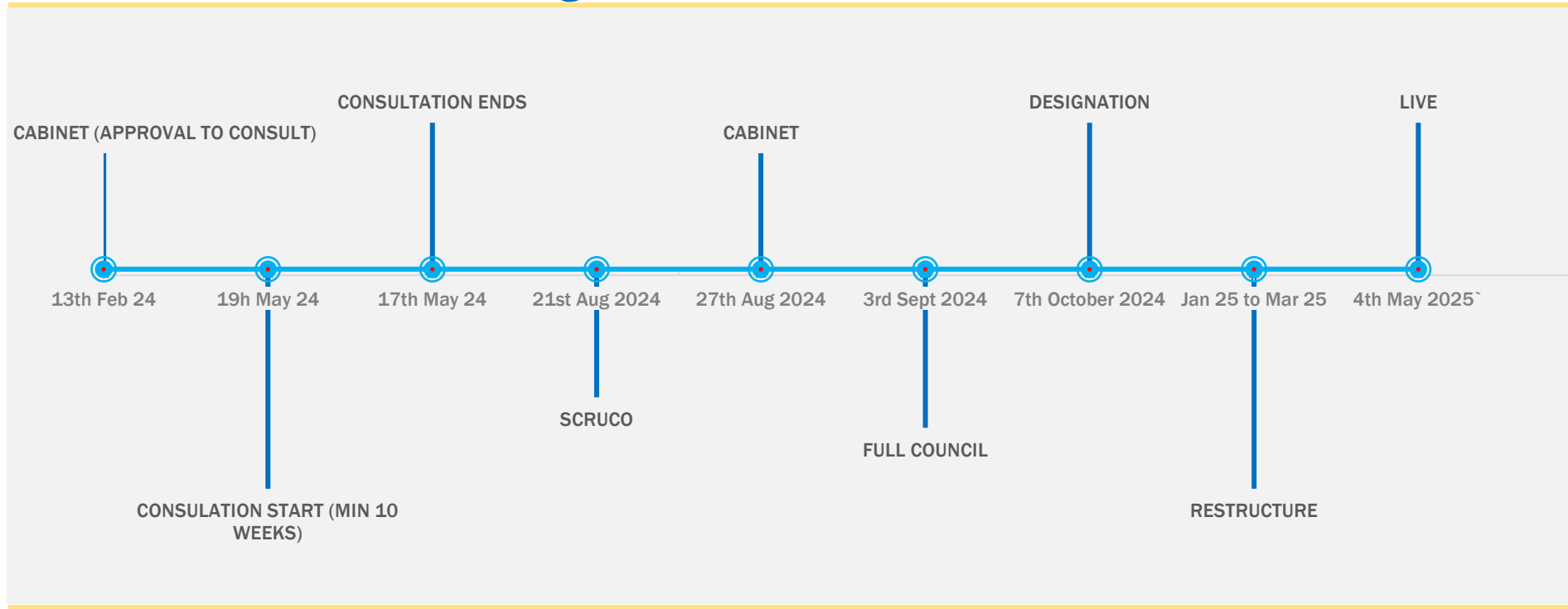
The Council will therefore be providing a summary of this report to the Cabinet Member for Housing and Communities in February 2024 setting out the key findings and recommendations for the renewal of the scheme.

The recommendations will include a proposal to commence a new designation on the 4th May 2025 for a period of 5 years. This would align with the end of the current scheme.

If approved the Council will proceed with the statutory consultation for a new designation for a period of 12 weeks and submit a future report to Cabinet Member for Housing and Communities setting out the results of the consultation and the structure of the new designation.

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Additional Licensing Scheme

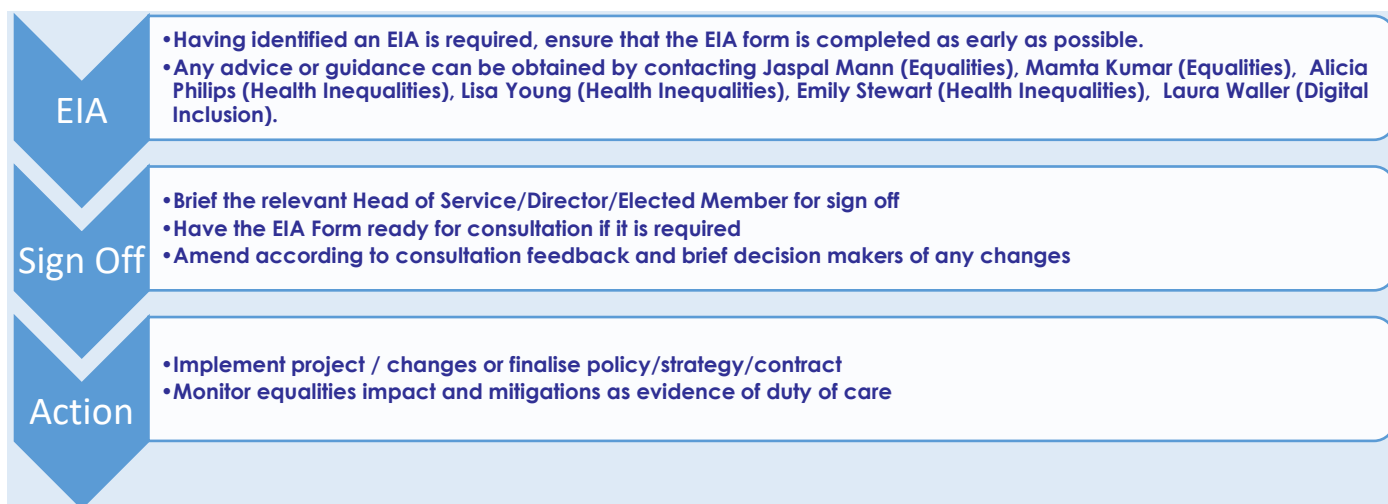


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EQUALITY IMPACT ASSESSMENT (EIA)



Title of EIA		HMO licensing consultation
EIA Author	Name	Steven Chantler
	Position	Principal Environmental Health Officer
	Date of completion	15/11/23
Head of Service	Name	Davina Blackburn
	Position	Strategic Lead of Regulation
Cabinet Member	Name	David Welsh
	Portfolio	Cabinet Member for Housing and Communities



PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

SECTION 1 – Context & Background

1.1 Please tick one of the following options:

This EIA is being carried out on:

- ☐ New policy / strategy
☐ New service
☒ Review of policy / strategy
☐ Review of service
☐ Commissioning
☐ Other project (*please give details*)



1.2 In summary, what is the background to this EIA?

Coventry City Council implemented a city-wide HMO Additional Licensing scheme on 4 May 2020, which required all HMOs in the city to be licensed.

The Council has a duty to carry out a review of any discretionary licensing scheme it has implemented to determine if it is achieving the aim of improving management standards and property conditions for the tenants that live there. The scheme is now reaching its third year and as such this is an appropriate time to review it. The outcome of this review will help measure the effectiveness so far and will assist in informing a future decision on the renewal of any scheme designation.

The review is also intended to lead to service improvements within the remaining life of the existing scheme and for any future scheme and will provide a positive way of engaging with partners, both internal and external, landlords and tenants, and as such has the additional benefit of raising awareness of HMO licensing.

1.3 List organisations and people who are involved in this area of work?

Landlords
Agents
Tenants in the Private Rented Sector
Residents living in the city

SECTION 2 – Consideration of Impact

Refer to guidance note for more detailed advice on completing this section.

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

2.1 Baseline data and information



- Please include an analysis of the equalities data your service holds. This could include surveys, complaints, compliments, management information and customer profiles. (*Please refer to Diversity Guide*)
- Where possible compare your data to local data using
 - Facts about Coventry
 - Census 2011
 - Census 2021
 - JSNA

Coventry's population size has increased by 8.9%, from around 317,000 in 2011 to 345,300 in 2021. Historically, Coventry has been one of the youngest cities in the UK, with a fast-growing population of young adults aged 18-29 and a median age of 32 years compared to the UK average of 40. In the coming years, this is expected to change rapidly, with the 65+ age group expected to become the fastest-growing demographic over the next 15 years. As of 2020, people aged 75+ represent just 6% of the city's population, compared to the UK average of 9%; but by 2043, the proportion of people aged 75+ is expected to grow to nearly 8%.

Affordability of home ownership has worsened in 2022, full-time employees could expect to spend around 8.3 times their annual earnings buying a home.

The Coventry Homefinder register for social housing has approximately 8,200 applicants at any one time and all of these households have a recognised housing need. Approx 1,500 of these are in Band 1 and have an urgent housing need as set out in the Homefinder policy however there are less than 1,000 social housing lettings per annum in Coventry across all Housing Associations working in the city.

The rate of social renting in Coventry remained at 17.0%, while the rate of home ownership decreased from 60.6% to 57.4%.

The Strategic Housing Market Assessment calculated a need for an additional 42,000 homes by 2031 to meet the growth needs of Coventry, including 12,000 additional affordable homes.

In Coventry, the percentage of private renting increased from 20.6% in 2011 to 24.7% in 2021 and the median monthly rent recorded in October 2023 was £641.60.

The English Indices of Deprivation 2019 were published by government department MHCLG on the 30th of September 2019. They rank all small areas in England according to different measures of deprivation and are the most widely used measure of deprivation. Seven domains of deprivation are combined to produce the overall Index of Multiple Deprivation. Each domain contains a number of component indicators including Income, Employment, Health and Disability, Education Skills and Training, Barriers to Housing and Other Services, Crime and Living Environment.

It puts the 326 Local Authority Districts into a rank order based on the population weighted average rank of all areas with a rank of 1 being the most deprived.



Overall, Coventry has improved notably between the IMD 2015 and the IMD 2019 relative to other local authority areas. This does not necessarily imply absolute improvement.

Depending on the way it is measured, Coventry ranks between 64th and 81st most deprived local authority area of 317 in England.

28 out of Coventry's 195 neighbourhoods (14%) are amongst the most deprived 10% in England, a reduction from 36 in the IMD 2015.

There was relative improvement across all domains apart from the living environment, the area in which Coventry fares least well relatively. This measures the quality of housing, air quality and road traffic accidents.

The Crime domain and the Barriers to housing and services are areas in which Coventry is in the best position relatively; these domains also showed the biggest relative improvement since the IMD 2015.

There was not a strong pattern of improvement in the IMD by deprivation decile, the areas that were more deprived in 2015 improved to a similar degree to those that were less deprived originally.

We are now half way through the scheme and have collected a lot of data in relation to property improvements that have been made to the properties in terms of repair and maintenance, which will be baselined from the scheme's inception. The review and consultation process will seek to speak stakeholders to gauge their satisfaction of the scheme and what impact it has made to their lives.

2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)

**Any impact on the Council workforce should be included under question 5.0 – not below*

Protected Characteristic	Impact type P, N, PN, NI	Nature of impact and any mitigations required
Age 0-18	P	HMOs are aimed at those whose needs are not met by the market. Whilst those aged 0-18 would generally not be directly able to access HMO products, many will live in households where their parents and carers will not be able to afford open market homes and thus they will indirectly benefit from the policies. 22.5% of children live in low income families which is above the regional and national average (20.2% and 17% respectively) ²

EQUALITY IMPACT ASSESSMENT (EIA)



Age 19-64	P	HMO housing is aimed at those whose needs are such that they cannot or are unable to buy in the open market for a variety of social and economic reasons. The average gross disposable household income for Coventry is below the regional and national average (£15,353 per head per annum compared to £18,222 and £21,609 respectively in 2018), and the average house price was £185,000 (October 2019 to September 2020 figures). Currently the claimant count stands at 15,320 (ONS July 2021) compared to 8,000 in March 2020. HMO licensing improves the quality of HMOs. HMOs have the potential to benefit the wider local community by reducing social and environmental factors associated with high concentrations of HMOs relating to noise, rubbish and general up keep.
Age 65+	P	See above in terms of disposable household income and average house prices. The option of residing in an HMO applicable depending upon the individual / household circumstances.
Disability	ID	Property licensing is intended to raise the standards of condition and management by landlords of rented properties. Therefore, tenants with a disability should benefit from the licensing regime as there are minimum standards set for amenities and licence conditions relating to the property which landlords must comply with. There is no known impact on landlords who have a disability, except in as much as assistance is available by phone and email from council officers for those having difficulty using on line application and payment systems.
Gender reassignment	ID	There is no known impact on landlords or tenants who have gender reassignment, except that one of the benefits of licensing schemes is to reduce the incidence of harassment of tenants by landlords or attempts by landlords to unlawfully evict tenants.
Marriage and Civil Partnership	ID	No direct impact although the option of residing in an HMO will be applicable depending upon the individual / household circumstances.
Pregnancy and maternity	ID	No direct impact although the option of residing in an HMO will be applicable depending upon the individual / household circumstances.
Race (Including: colour, nationality, citizenship ethnic or national origins)	ID	No direct impact although Coventry has a diverse population and affordable housing will be applicable depending upon the individual / household circumstances.
Religion and belief	ID	No direct impact although the option of residing in an HMO will be applicable depending upon the individual / household circumstances.
Sex	ID	No direct impact although the option of residing in an HMO will be applicable depending upon the individual / household circumstances.

Sexual orientation	ID	No direct impact although the option of residing in an HMO will be applicable depending upon the individual / household circumstances
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² <https://www.gov.uk/government/statistics/children-in-low-income-families-local-area-statistics-201415-to-201819>

SECTION 3 – HEALTH INEQUALITIES - See the health inequalities pre EIA guidance sheet for this section.

3	Further information on health inequalities is available on the Intranet
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3.1 Please tell us how the proposal you are submitting this EIA form will reduce health inequalities:

Please include which Marmot Principles this work covers.

Coventry is a Marmot City. The Marmot approach of using 'Proportionate Universalism' shows how allocating resources across the social gradient, but proportionate to peoples need, can benefit everyone and help improve health equity. This also shifts resources from always being reactive to a more preventative way of working.

Benefits for you if you are a private tenant: Improved standards of property, security and decency, Increased safety in your own home through elimination of rogue landlords, and protection from illegal evictions, better information on your rights and expected standards in your home, better protection of vulnerable tenants

Improvements in partnerships between us and other agencies, such as the police and fire brigade. More effective tackling of issues, such as antisocial behaviour, crime and poor / dangerous housing conditions

The Marmot Review ["Fair Society, Healthy Lives", 2010] notes that 'The more deprived the neighbourhood, the more likely it is to have social and environmental characteristics presenting risks to health'.

Coventry's Headline Statistics

1. The population of Coventry is around 345,300.
2. The average (median) age of residents of Coventry is 35 years of age (compared with 40 nationally).
3. Life expectancy is 10.7 years higher for men and 8.3 years higher for women in the least deprived areas of Coventry than in the most deprived areas.
4. In the latest census, around 242,100 Coventry residents said they were born in England. This represented 70.1% of the local population.
5. 55.9% of Coventry's school children are from an ethnic minority group compared with 35.0% nationally.
6. Children living in poverty (financial year ending 2021) 22.9% compared with 18.5% nationally

7. In 2020 the percentage of households in fuel poverty in Coventry increased to 20.3% from 18.8% in 2019.
8. Depending on the way it is measured, Coventry ranks between 64th and 81st most deprived local authority area of 317 in England.
9. Coventry has an Income Deprivation Affecting Children Index (IDACI) score of 0.218 (2019). This measures the proportion of all children aged 0 to 15 living in income-deprived families. The average for West Midlands combined authority is 0.235.
10. Coventry has an Income Deprivation Affecting Older People Index (IDAOPI) score of 0.190 (2019). This measures the proportion of all those aged 60 or over who experience income deprivation. The average for West Midlands combined authority is 0.203.

There is significant body of evidence (Marmot Review) which demonstrates that there is a strong link between a residents health and poor housing, By raising the standard of housing it will have a positive impact on a residents health and wellbeing

Marmot principles		
1	Give every child the best start in life	☒
2	Enable all children, young people, and adults to maximise their capabilities and have control over their lives	☒
3	Ensure a healthy standard of living for all	☒
4	Create fair employment and good work for all	☐
5	Create and develop healthy and sustainable places and communities	☒
6	Strengthen the role and impact of ill health prevention	☒
7	Tackle racism, discrimination and their outcomes	☐
8	Pursue environmental sustainability & health equity	☒

3.2 What information do you have to show you are going to reduce health inequalities:

Think:

Coventry has an estimated population of approximately 345,300. Census 2021 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. The average age of Coventry's



residents is 33 years, notably lower than the England average of 40 years, and is falling. The student population means there is continually a large population aged 16-24, this age group makes up 13.7% of the population.

The growth and increase in the size of the Private Rented Sector (PRS) has been a significant change in the housing market in Coventry. In 2021 there were approximately 33,000 households living in the PRS. HMOs are a major concern for the Council with the Census 2021 suggesting that HMOs currently make up a quarter of the PRS.

The trend over many years has been for the HMO stock to grow steadily within the city. The Council has produced a Housing Strategy which recognises that, amongst other things, there is limited social affordable housing available in the city making it clear that the private rented sector will need to play a greater role in meeting housing needs in the city. Additional Licensing is part of a wider set of measures to enable landlords to provide good quality housing within their communities and will help alleviate the housing situation by setting and maintaining minimum standards across the city in the most vulnerable sector of Coventry's private rental market.

Support for people and communities - Some communities are experiencing the impact of an increasing proportion of housing that is converted to multiple occupation, especially (but not exclusively) for student housing. Where HMOs are well managed and maintained, they provide an important housing option. However, where there is poor management and poor standards, this can have a detrimental effect on the occupiers and adversely impact on the local community.

Improving the use of existing homes - It is important to increase the number of homes to meet the city's growth needs, but the majority of housing available in the city is already in existence. There are approximately 142,000 existing homes in the city, compared to 24,600 additional homes to be provided over the life of the Local Plan (to 2031). The condition of the existing housing stock is important to ensure that residents are living in decent, safe accommodation which is suited to their needs. Rented homes must be well managed by landlords who meet their responsibilities, and tenants should understand their rights and their own responsibilities too.

The Housing Strategy links into other key strategies, including, the One Coventry Plan, the Health and Wellbeing Strategy and the Climate Change Strategy by contributing to the delivery of the key corporate priorities.

Regulatory Services is responsible for regulating the housing sector and embraces a range of service areas used by people, businesses and organisations and through this work profile "seeks to ensure that the public, visitors, workers and residents of Coventry have a healthy and safe work and domestic environment." through education, persuasion and enforcement activities. The teams within the service are responsible for ensuring properties and landlords in the PRS meet minimum legal requirements.



The service has been working with landlords to improve conditions within the HMO stock of the city through the national mandatory HMO licensing scheme as well as statutory regulatory functions relating to maintaining minimum standards in properties in the sector.

A variety of interventions have been used in Coventry to tackle problems in the HMO stock in the city. With the introduction of the Additional Licensing Scheme the service was structured in such a way as to concentrate on HMO applications with a dedicated team of Property Licensing Assistants supporting our team of Environmental Health Officers who are responsible for inspecting the HMOs and investigating non-compliance. There is a very close working relationship between the two teams. The service provided by the HMO Team is supported by a dedicated Tenancy Relations Officer who works alongside them, providing advice and assistance to landlords and agents about their rights and responsibilities.

Where serious breaches occur legal action has been taken which has led to convictions and, in some cases Banning Orders. In many cases the Tenancy Relations Officer prevents homelessness through their involvement with proactive casework.

3.3 Who/which groups of people might face the biggest health inequalities for your work and why: What can be done to improve health equity for the groups of people you have identified?

People from different ethnic groups

HMOs are occupied by a diverse population, and such communities can be particularly affected by overcrowding, illegal accommodation, substandard conversions and poor management.

Potential benefit: Additional Licensing brings improved quality and safety of accommodation for tenants living in HMOs and assist in the identification and removal of landlords who cause negative impact to vulnerable groups or new communities via substandard or illegal accommodation. This would also be a benefit to all compliant landlords as it would ensure all landlords are operating within the legislative framework.

Children and Vulnerable Adults – the licensing scheme will have a positive benefit on the safeguarding of children and vulnerable adults as the fit and proper test will prevent persons managing or being a licence holder who has convictions for sexual offences, drugs, fraud etc.

Potential adverse impact:



Landlords

In regulating hazards in privately rented properties, owners and agents who are regulated against may feel that they have been adversely impacted upon. However there are no other ways in which the service could be provided that would achieve these aims without adverse impact. Ultimately, when working within the legislative framework, people have a right to legal redress should they feel that a decision was unfairly/unlawfully taken; this can be via an appeal process or the Council's Complaints system

Tenants

Concern has been raised that licensing could cause an increase in rents as a result of the increased landlord expenditure on the licence fee and the costs of complying with licensing conditions being passed onto the tenant. Overall, the additional cost of the licence fee to landlords is considered to be small as a proportion of rental income, especially across the term of the licence it should not equate to more than a few pounds per week for compliant landlords.

A comparison was conducted to assess the movement of rental values for single rooms and, in particular if licensing of HMOs has had a direct impact on increasing rental values in areas which had licensing schemes and those which did not have licensing schemes. The study found that the rents are not dissimilar to increases experienced in other areas in the region and England where additional licensing schemes are not in operation.

From looking at this information, who/which groups of people might face the biggest health inequalities for your work and why

Property licensing is intended to raise the standards of condition and management by landlords of rented properties. Therefore, everybody should benefit from the licensing regime as there are minimum standards set for amenities and licence conditions relating to the property which landlords must comply with.

3.4 What can be done to improve health equity for the groups of people you have identified?

To make advice and guidance available to landlords and tenants according to their needs, such as where English is not the first language. We ensure that when we take enforcement action it is in line with the Enforcement Policy, which means that action must be proportionate and reasonable.



SECTION 4 - DIGITAL EXCLUSION INEQUALITIES

Please consider the digital exclusion information in the supporting document prior to completing this section.

4.1 Starting point:

Thinking of the main aims of your work area that this EIA is for; does your work area impact digital inequalities or exacerbate? Y

- Assistance to be offered to all landlords to complete the application form and on-going help and advice will be given.

4.2 4.1 Reducing digital exclusion inequalities

Where are the opportunities for your area to reduce digital exclusion inequalities and embed supports/interventions as part of your work?

Again assistance to be offered to all landlords to complete the application form and on-going help and advice will be given.

5.0 Will there be any potential impacts on Council staff from protected groups?

No

You should only include the following data if this area of work will potentially have an impact on Council staff. This can be obtained from: Nicole.Powell@coventry.gov.uk

Headcount:

Sex:

Age:

EQUALITY IMPACT ASSESSMENT (EIA)



Female	
Male	

Disability:

Disabled	
Not Disabled	
Prefer not to state	
Unknown	

Ethnicity:

White	
Black, Asian, Minority Ethnic	
Prefer not to state	
Unknown	

Sexual Orientation:

Heterosexual	
LGBT+	
Prefer not to state	
Unknown	

16-24	
25-34	
35-44	
45-54	
55-64	
65+	

Religion:

Any other	
Buddhist	
Christian	
Hindu	
Jewish	
Muslim	
No religion	
Sikh	
Prefer not to state	
Unknown	

6.0 How will you monitor and evaluate the effect of this work?

--

6.1	Action Planning	
Issue Identified	Planned Action	Timeframe

EQUALITY IMPACT ASSESSMENT (EIA)



7.0 Completion Statement

As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:

No impact has been identified for one or more protected groups ☐

Positive impact has been identified for one or more protected groups ☐

Negative impact has been identified for one or more protected groups ☐

Both positive and negative impact has been identified for one or more protected groups ☐

8.0 Approval

Signed: Head of Service: Davina Blackburn	Date: 16/11/2023
Name of Director: Julie Newman	Date sent to Director: 18/01/2024
Name of Lead Elected Member: 	Date sent to Councillor: 22/01/2024

Email completed EIA to equality@coventry.gov.uk

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To: Cabinet

Date: 27th August 2024

Subject: Additional HMO Licensing Scheme Renewal 2025-2030

1 Purpose of the Note

- 1.1 To inform Cabinet of the recommendations from Scrutiny Co-ordination Committee on their consideration of the report on the Additional HMO Licensing Scheme Renewal 2025-2030.

2 Recommendations

- 2.1 Scrutiny Co-ordination Committee recommend that:
- 1) Cabinet agrees the recommendations in the report.

3 Information and Background

- 3.1 At their meeting on the 21st August 2024, Scrutiny Co-ordination Committee considered a report on the Additional HMO Licensing Scheme Renewal 2025-2030.
- 3.2 Members questioned officers and got responses on the following areas:
- The different powers under the Article 4 Direction and the Additional Licensing Scheme and that officers work closely with Planning colleagues.
 - A summary of the definition of an HMO
 - That the licensing process required a period of time for checks to be made before issuing a licence and if that extended beyond 20 weeks then tacit approval is given but that there was confidence this timescale could be met.
 - Whether ward level data was available on current licenses as well as enforcement actions.
 - That the landlord was responsible for large items of furniture that was left outside at the end of a tenancy, however, refuse management was the responsibility of the tenants.
 - The work that officers had done to engage students in the consultation, as well as work with the universities to raise awareness with students of their rights under the licensing scheme. This included engagement in open day activities, as well as sharing information with the student unions.

- The estimated numbers of HMO's in the city compared to the number of licenses issued and ways to improve data collection and analysis.
- The change in focus from working with good landlords to raise awareness of the scheme, to identifying those landlords that are avoiding licensing and to pro-actively work towards bringing properties into compliance.
- The focus of work shouldn't just be with students there are other transient populations which will be affected.

3.3 Members requested further information on:

- The link to the register of licensed HMO's and whether this information could be provided on a ward map.
- Information on enforcement activity be provided at a ward level
- Action be taken to engage students in future consultations.
- The Communities and Neighbourhoods Scrutiny Board (4) be kept updated on this issue.
- Officers provide information on Coventry's performance nationally with regard to enforcement and additional licensing.

4 Health Inequalities Impact

- 4.1 A full EIA has been completed as part of the Cabinet Report at Appendix 6, including health inequalities. There is significant body of evidence (Marmot Review) which demonstrates that there is a strong link between a resident's health and poor housing. By raising the standard of housing, it will have a positive impact on a resident's health and wellbeing.

Gennie Holmes
Scrutiny Co-ordinator
Law and Governance
gennie.holmes@coventry.gov.uk



Public report Cabinet

Cabinet
Audit and Procurement Committee

27th August 2024
30th September 2024

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources - Councillor R Brown

Director Approving Submission of the report:

Director of Finance and Resources (Section 151 Officer)

Ward(s) affected:

City wide

Title:

2024/25 First Quarter Financial Monitoring Report (to June 2024)

Is this a key decision?

No

Executive Summary:

The purpose of this report is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of June 2024. The net revenue forecast position after management action is for spend in 2024/25 of **£7.1m over budget**. Whilst not a wholly comparable position, at the same point in 2023/24, there was also a projected overspend of £12.1m.

The Council continues to face budget pressures within both Adults and Children's social care, and Housing, and City Services. Other overspends are also being reported in Property Services and Business Investment & Culture. These financial pressures are being caused by a combination of legacy inflation impacts, continued service demand, complexity, market conditions, and income shortfalls due to the economic climate.

The Council's position above includes a significant number of one-off actions that have been applied to reduce the overspend. Recognising that the underlying position is significantly higher, further urgent action is being assessed to address the pressure to prevent the 2025/26 position increasing to unmanageable levels.

The Council's capital spending is projected to be £193.3m and includes major schemes progressing across the city. The size of the programme and the nature of the projects within

it continue to be fundamental to the Council's role within the city. Although prevailing inflation rates look to be stabilizing, legacy inflationary pressures continue to affect capital projects. The assumption is that stand-alone projects that are already in-progress will be delivered as planned but that future projects that have not yet started will need to be re-evaluated to determine their deliverability within previously defined financial budgets.

The materiality of the emerging financial pressures, both revenue and capital, has renewed the imperative to maintain strict financial discipline and re-evaluate the Council's medium-term financial position. This will be a priority across all services as the Council develops its future budget plans in the coming months.

Recommendations:

The Cabinet is requested to:

- 1) Approve the Council's first quarter revenue monitoring position and endorse the proposal for officers to seek and identify further ongoing service options to mitigate the position in conjunction with Cabinet Members as appropriate.
- 2) Approve the revised forecast capital outturn position for the year of £193.3m incorporating: £21.7m rescheduling from 2023/24 outturn, £8.1m net increase in spending relating to approved/technical changes and £6m of net programme acceleration of expenditure from future years.

The Audit and Procurement Committee is requested to:

- 1) Consider the proposals in the report and forward any recommendations to the Cabinet.

List of Appendices included:

Appendix 1 - Revenue Position: Detailed Service breakdown of forecast outturn position
Appendix 2 - Capital Programme: Analysis of Budget/Technical Changes
Appendix 3 - Capital Programme: Analysis of Programme Acceleration/(Rescheduling)
Appendix 4 - Prudential Indicators

Background papers:

None

Other useful documents

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes - Audit and Procurement Committee, 30th September 2024

Will this report go to Council?

No

Report title:

2024/25 First Quarter Financial Monitoring Report (to June 2024)

1. Context (or background)

- 1.1 Cabinet approved the City Council's revenue budget of £277.5m on the 20th February 2024 and a Capital Programme of £157.5m. This is the first quarterly monitoring report for 2024/25. The purpose is to advise Cabinet of the forecast outturn position for revenue and capital expenditure, recommending any action required, and to also report on the Council's treasury management activity.
- 1.2 The current 2024/25 revenue forecast is for net expenditure to be **£7.1m over budget** (after management action). The reported forecast at the same point in 2023/24 was an overspend of £12.1m. 2024/25 capital spend is projected to be £193.3m.
- 1.3 It is not unusual for the revenue position to reflect a forecast overspend at this stage which then improves over the course of the year. However, as significant management action has already been factored in, the **underlying position is significantly** higher than the £7.1m forecast.
- 1.4 The overspend is caused largely by factors external to the Council and which can be expected to be ongoing (affecting future years MTFS) if action is not taken urgently.
- 1.5 Following on from the £1.8m reported at the end of 2023/24 this indicates a serious financial trend for the Council which is not sustainable over the long-term. Section 2 of the report provides further detail on the revenue position and Section 5 sets out the Council's proposed approach to managing the position.
- 1.6 As a final backstop it should be noted that the Council maintains a strong balance sheet in-part to protect itself from circumstances such as this, although it should be re-iterated that reserves are a finite resource and should only be applied sparingly to mitigate ongoing revenue overspends, and once a medium-term solution is in place.

2. Options considered and recommended proposal.

- 2.1 This is a budget monitoring report and as such there are no options.

Table1 Revenue Position - The revenue budgets and forecast positions are shown below analysed by service area.

Service Area	Revised Net Budget	Forecast Spend	Total Over/ (Under) Spend
	£m	£m	£m
Adult Services and Housing	129.8	132.9	3.1
Childrens and Education	112.3	114.0	1.7
City Services	40.6	43.6	3.0
Finance and Resources	12.2	12.1	0.0
Legal and Governance Services	8.1	8.7	0.6
People and Organisation Development	0.9	1.5	0.6
Planning and Performance	6.1	5.7	(0.4)
Policy and Communication	0.0	0.1	0.1
Property Services and Development	(9.3)	(7.4)	2.0
Public Health	(1.0)	(1.0)	0.0
Regeneration and Economy Dev	7.7	8.5	0.8
Contingency & Central Budgets	(30.3)	(34.7)	(4.4)
Total	277.1	284.0	7.1

- 2.2 An explanation of the major forecast variances is provided below, the vast majority of which are of an ongoing nature if urgent action is not taken. Further details are provided in Appendix 1 to the report.

Directorate

Adult Services & Housing £3.1m overspend

The largest element of overspend in this directorate relates to Adult Social Care (£2.1m) which is mainly due to the high cost of some children transitioning to adulthood with overall transitions spend increasing due to the complexity of need of service users, but also an increase in the total number of packages of care within Adult Social Care being delivered and projected demand increases during the year.

The other significant variance relates to Housing and Homelessness (£1m) which is predominantly due to the number of families and single people seeking assistance with housing issues, and subsequently the number being placed in Temporary Accommodation, continuing to increase during 2024/25. Actions have been taken to seek to increase prevention and move people on to longer term provision more quickly.

City Services £3.0m overspend

The most significant pressure in this Directorate sits with our Environmental Services division of £1.4m. Representing a £0.7m deficit within Street Pride and Parks due to services that are forecasting income shortfalls, including Coventry Funeral Service and income from parks activities, for example Hermits Hollow hasn't performed as well as expected. In addition, Traveller Incursion costs associated with the prevention and clean-up of evictions and a yet undelivered MTFS target are currently under review. Another £0.6m relates to our Waste and Fleet Services, covering additional waste disposal fees for void tonnages, costs of transport and staffing. However, Garden Waste take up has gone well and predications are looking positive.

Across the Highways division we are reporting £0.8m overspend, £0.5m relating to the repair of our highway's defects and potholes, driven mainly by reactive repairs.

Planning and Development are forecasting £0.4m deficit including the reduction in income generation caused by the decline in planning applications than anticipated and the costs associated with the Local Plan Review

Property Services and Development £2.0m overspend

There are two main elements that form the forecast overspend this quarter, the first being £0.8m short-term costs associated with holding vacant properties within the City Centre South project prior to the demolition. The second relates to the net cost £0.9m for holding voids (including rates and building servicing costs) within our commercial portfolio. In addition, plans in place to bring in new rentals which will meet the remaining £0.7m MTFS targets are taking longer to deliver, however this is being offset in year by the use of the earmarked reserves.

Children's and Education Services £1.7m overspend

Within Children & Education Services £2.3m of the total overspend relates to the cost of placements for children in care. The overspend is caused by a lack of sufficiency in the market to meet the needs of young people in care alongside higher voids across block and internal residential homes than budgeted. There is a further overspend of £1.2m in the Children's Disability Team due to an increase in both demand and prices for short breaks and direct payments. SEND Home to School Transport is forecasting an overspend of £0.5m due to increased demand alongside a mid-year review of the internal passenger service central costs which resulted in a budgetary pressure.

These overspends are offset in part by a circa £1m forecast underspend for Special Guardianship allowances, where the activity is below the level anticipated when the budget was set. There is also an underspend of £0.6m in Early Help, and the division is utilising £0.6m of earmarked reserves to support the bottom line.

Regeneration and Economy £0.8m

This relates to a pressure in Culture, Sports and Events of £0.5m, due to circa 3 months of holding costs for the Cultural Gateway at £0.3m, together with an improved but deficit forecast position of £0.1m for the running of St Marys as the venue continues to embed itself as a Visitor, Wedding and Conference Venue. Work continues to generate commercial and sponsorship income by using our assets and has generated c£0.3m of income (excluding Godiva) but below target by £0.1m.

Corporate

Contingency and Central (£4.4m Underspend)

Favourable variances within corporate contingency budgets of £5.0m include the £3.2m grant announced in the final government settlement in February 2024, which was allocated to corporate contingencies. This is being offset by an adverse variance (£1.1m) which is due to a forecast underachievement of 2024/25 savings targets relating to the One Coventry programme, where detailed work is in progress to fully develop the scope and potential impact of the proposals, to inform implementation.

There is also a £0.6m surplus forecast on Asset Management Revenue Account, relating to increased planned income from CWSDC dividend income and increased Service loan interest.

2.3 Capital

The quarter 1 2024/25 capital outturn forecast is £193.3m compared with the original programme reported to Cabinet in February 2023 of £157.5m. Table 3 below updates the budget at quarter 1 to take account of a £21.7m increase in the base programme (net rescheduling from 2023/24), £8.1m of new approved/technical changes and £6m of programme acceleration from future years.

The resources available section of Table 3 explains how the Capital Programme will be funded in 2024/25. It shows 66.6% of the programme is funded by external grant monies, whilst 22% is funded from borrowing. The programme also includes funding from capital receipts of £20.3m.

Table 3 – Movement in the Capital Budget

CAPITAL BUDGET 2024/25 MOVEMENT	Qtr 1 Reporting £m
February 2023 Approved Programme	157.5
Net rescheduling of expenditure from 2022/23	<u>21.7</u>
Revised Programme	179.2
Approved / Technical Changes (see Appendix 2)	8.1
“Net” (Programme Acceleration) or Rescheduling (See Appendix 3)	6.0
Revised Estimated Outturn 2024-25	193.3

RESOURCES AVAILABLE:	Qtr 1 Reporting £m
Prudential Borrowing (Specific & Gap Funding)	42.6
Grants and Contributions	128.8
Capital Receipts	20.3
Revenue Contributions and Capital Reserve	1.6
Total Resources Available	193.3

The inflationary pressures affecting the Council's revenue budget are also present within capital schemes although the pattern with which this takes affect can be different due to the way in which expenditure is incurred. It is likely that most stand-alone projects that are already in-progress will be delivered within existing agreed contractual sums. However, some future projects that have not yet started may need to be re-evaluated to determine their deliverability within previously defined financial budgets. In addition, where budgets have established to deliver programmes of expenditure, it is likely that these programmes will need to be reduced in size over time reflecting higher prices.

2.4 Treasury Management

Interest Rates

UK headline consumer price inflation (CPI) continued to decline over the quarter, falling from an annual rate of 3.2% in March 2024 to 2.0% in May 2024, in line with the Bank of England’s target. The core measure of inflation, however, only declined from 4.2% to 3.5% over the same period, which, together with stubborn services price inflation at 5.7% in May 2024, helped contribute to the Bank of England maintaining Bank Rate at 5.25% during the period, a level unchanged since August 2023.

Arlingclose, the authority’s treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate and that interest rates will most likely be cut later in 2024, born out by a 0.25% cut on 1 August 2024. The risks over the medium term are deemed to be to the upside as while inflation has fallen to target, it is expected to pick up again later in the year and as services price inflation and wage growth are still on the firmer side, the MPC could well delay before delivering the first rate cut.

Long Term (Capital) Borrowing

The net long-term borrowing requirement for the 2024/25 Capital Programme is £1.9m, taking into account borrowing set out in Section 2.3 above (total £42.6m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£16.1m). In the current interest rate climate, the Council has no immediate plans to take any further new long-term borrowing although this will continue to be kept under review.

The Public Works Loan Board (PWLB) remains the main source of loan finance for funding local authority capital investment. In August 2021 HM Treasury significantly revised guidance for the PWLB lending facility with more details and 12 examples of permitted and prohibited use of PWLB loans. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Under the Treasury Management Strategy 2022/23 approved by Cabinet on 22 February 2022 it was agreed the Council will not purchase investment assets primarily for yield.

Interest rates for local authority borrowing from the Public Works Loans Board (PWLB) between 1st April and 30 June 2024 have varied within the following ranges:

PWLB Loan Duration (maturity loan)	Minimum 2024/25 to Q1	Maximum 2024/25 to Q1	As at the End of Q1
5 year	3.94%	4.35%	4.10%
50 year	4.33%	4.66%	4.45%

The PWLB allows qualifying authorities, including the City Council, to borrow at 0.2% below the standard rates set out above. This “certainty rate” initiative provides a small reduction in the cost of future borrowing.

Regular monitoring continues to ensure identification of any opportunities to reschedule debt by early repayment of more expensive existing loans replaced with less expensive new loans. The premiums payable on early redemption usually outweigh any potential savings.

Short Term (Temporary) Borrowing and Investments

The Council's Treasury Management Team acts daily to manage the City Council's day-to-day cash-flow, by borrowing or investing for short periods. By holding short term investments, such as money in call accounts, authorities help ensure that they have an adequate source of liquid funds.

Returns provided by the Council's short-term investments yielded an average interest rate of 5.26% over the last quarter. This rate of return reflects low risk investments for short to medium durations with UK banks, Money Market Funds, Certificates of Deposits, other Local Authorities, Registered Providers, and companies in the form of corporate bonds.

Although the level of investments varies from day to day with movements in the Council's cash-flow, investments held by the City Council identified as a snapshot at the reporting stages were: -

	As at 31st March 2024	As at 30th June 2024
	£m	£m
Banks and Building Societies	0.0	0.0
Local Authorities	10.0	27.5
Money Market Funds	15.0	34.1
Corporate Bonds	0.0	0.0
HM Treasury	0.0	0.0
Total	25.0	61.6

External Investments

In addition to the above in-house investments, a mix of Collective Investment Schemes or "pooled funds" is used, where investment is in the form of sterling fund units and not specific individual investments with financial institutions or organisations. The pooled funds are generally AAA rated; are highly liquid, as cash can be withdrawn within two to four days; and have a short average duration. These investments include Certificates of Deposit, Commercial Paper, Corporate Bonds, Floating Rate Notes, Call Account Deposits, Property and Equities. However, they are designed to be held for longer durations allowing any short-term fluctuations in return due to volatility to be smoothed out. In order to manage risk these investments are spread across several funds (CCLA, Schroders, Ninety-One Investec, Columbia Threadneedle and M&G Investments).

Returns provided by the Council's pooled funds yielded an average interest rate of 5.48% over the last 12 months. At 30 June 2024 the pooled funds were valued at £27.1m (£27.1m at 31 March 2024), against an original investment of £30m (a deficit

of £2.9m). All seven pooled funds show a deficit value but returns on these investments remain strong. As world economies improve and interest rates become lower then values should improve. The property market still hasn't bottomed out, but the fund is being actively managed to provide good returns. There remains an expectation that the full value for each pooled fund will be recovered over the medium term - the period over which this type of investment should always be managed. Current accounting rules allow any 'losses' to be held on the Council's balance sheet and not counted as a revenue loss. The override to the accounting rules is due to expire on 31st March 2025 and thereafter it is likely that capital value losses will have to be taken to revenue. These investments will continue to be monitored closely and are likely to be redeemed when they reach par value.

Prudential Indicators and the Prudential Code

Under the CIPFA Prudential Code for Capital Finance authorities are free to borrow, subject to them being able to afford the revenue costs. The framework requires that authorities set and monitor against Prudential Indicators relating to capital, treasury management and revenue issues. These indicators are designed to ensure that borrowing for capital purposes is affordable, sustainable and prudent. The purpose of the indicators is to support decision making and financial management, rather than illustrate comparative performance.

The indicators, together with the relevant figures as at 30 June 2024 are included in **Appendix 4** to the report. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2024/25. Specific points to note on the ratios are:

- The Upper Limit on Variable Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at variable interest rates. At 30 June 2024 the value is -£64.3m (minus) compared to £99.1m within the Treasury Management Strategy, reflecting the fact that the Council has more variable rate investments than variable rate borrowings at the current time.
- The Upper Limit on Fixed Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at fixed interest rates. At 30 June 2024 the value is £221.0m compared to £495.9m within the Treasury Management Strategy, reflecting both the level of actual borrowing and that a significant proportion of the Council's investment balance is at a fixed interest rate.

2.5 Commercial Investment Strategy – Loans and Shares

The Council's Commercial Investment strategy is designed to ensure there are strong risk management arrangements and that the level of commercial investments held in the form of shares, commercial property and loans to external organisations, are proportionate to the size of the Council. In doing this the strategy includes specific limits for the total cumulative investment through loans and shares. The total combined limit for 2024/25 is £125m, against which there are £108m of existing commitments: -

	Limit	Actual 31 st March 2023	Committed and Planned 2023/24	Total	Headroom
	£m	£m	£m	£m	£m
Shares	55.0	52.1	0.0	52.1	2.9
Loans	70.0	55.1	1.9	57.0	13.0
	125.0	107.2	1.9	109.1	15.9

The committed or planned total of £1.9m includes a number of loan facilities to lend which may not necessarily be taken up, although the Council is committed to provide the funds if requested.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision.

4.1 There is no implementation timetable as this is a financial monitoring report.

5. Comments from the Director of Finance and Resources (Section 151 Officer) and the Director of Law and Governance

5.1 Financial implications

Revenue

The net quarter 1 forecast reflects a continuing serious position for the Council. The net forecast, after significant management action is a **£7.1m revenue overspend** and incorporates a range of intractable ongoing issues and the persistence of inflationary pressures which continues to impact finances into 2024/25. Actions taken, and set out below, are of a largely one-off nature, meaning the **underlying position remains significantly higher**.

At this stage of the monitoring cycle there is a real and significant threat that the Council will not be able to balance its revenue position by year-end without the use of reserve contributions, and without further urgent and ongoing action, **will increase the initial 2025/26 MTFS gap approved by Council in February 2024**.

These circumstances continue to be common to councils across the country with instances of financial stress again being widely reported. The failure of the local government finance system to tackle issues around social care funding plus the continued legacy impact of inflation, have placed many councils in a perilous financial position.

The trend for cost-of-service delivery has generally over time reflected an upwards trajectory, reflecting prevailing inflation and market conditions. However, the unprecedented levels of inflation in the last couple of years has affected all service

delivery costs such that 2022/23, through to 2024/25 and beyond, reflect a very steep relative upward trend for the Council's key service costs.

Although the Council had budgeted for significant levels of inflation based on current information, the 2024/25 pay offer has not yet been accepted by the trade unions and therefore it is unknown whether this will present an additional pressure once accepted.

Continuing difficulties in the external markets for both children and adults are well documented but issues including the cost of highly complex cases and higher than planned levels of inflationary increases in placement costs have persisted to apply pressure to the budgetary provision included within the Council's budget.

Management Action

This difficult position carries on from that faced in 2023/24 when the Council needed to balance its financial outturn position using £1.8m of reserves. Such a solution would be the Council's backstop position for 2024/25 but is one that the Council should be anxious to avoid. The Council holds limited reserve balances and recognises that such an approach is not sustainable in the medium term. It is therefore imperative to identify and adopt approaches that help the Council to manage its short-term pressures, whilst at the same time supporting the outlook for 2025/26 and medium-term financial problems.

The Council's Leadership Team has instigated a range of immediate responses and is in the process of taking forward other actions. The following actions used to mitigate the underlying pressures have been taken so far:

- Robust challenge and review of forecasts
- Continuation of Recruitment controls
- Alternative funding opportunities from grant/reserves

As these are primarily one-off solutions, the Leadership Team have also requested that Financial Management support Directors and budget managers to:

- identify options and service impact of reducing ongoing spend levels to within budget for political decision.
- Restrictions to cease non-essential spend.
- undertake a comprehensive review of service reserves.
- identify technical options to resource switch.
- undertake a comprehensive review of service and policy options.

These 'policy' options would require political consideration of cost reduction initiatives which have previously been viewed as unfavourable. Officers will produce a series of options for consideration by Members as appropriate, to mitigate the pressures in 2024/25, but importantly for 2025/26 and beyond.

The above gives sufficient assurance that the Director of Finance and Resources does not need to take any extra-ordinary action at this stage to respond to the financial position (such as issuing a Section 114 Notice) either in respect of 2024/25 or future years. However, Cabinet should be in no doubt that the underlying position for

2024/25 is again incredibly challenging. Additionally, without fundamental change in the funding regime for Local Government, the Council will continue to face some difficult choices in respect of 2025/26 and future years.

Capital

The Council's Capital Programme continues to include a range of strategically important schemes across the city. This continues to be a large mostly grant funded programme continuing the trend of recent years. The programme includes major scheme expenditure on secondary schools' expansion, Very Light Rail, disabled facilities grant (DfG), construction of Woodlands School, City Centre South and delivery of the City Centre Cultural Gateway development.

Legal implications

There are no legal implications arising at this stage.

The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables Cabinet to remain aware of issues and understand the actions being taken to maintain a balanced budget.

6. Other implications

6.1 How will this contribute to the One Coventry Plan

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

The Council monitors the quality and level of service provided to the citizens of Coventry and the key objectives of the One Coventry Plan. As far as possible it will try to deliver better value for money and maintain services in line with its corporate priorities balanced against the need to manage with fewer resources.

6.2 How is risk being managed?

The need to deliver a stable and balanced financial position in the short and medium term is a key corporate risk for the local authority and is reflected in the corporate risk register. A recent reassessment indicates that the Council now faces a greatly increased level of risk in this area, described in section 5. Good financial discipline through budgetary monitoring continues to be paramount in managing this risk and this report is a key part of the process. A range of urgent actions has been set out in response to the Council's financial position. It is vital that Council officers and members are aware of the current financial challenge and activity across the second quarter of the year including the measures outlined will provide some indication of the direction of travel for the remainder of the year. This in turn will dictate the extent to which the bottom line can be moved significantly closer to a balanced position.

6.3 What is the impact on the organisation?

It remains important for the Council to ensure that strict budget management continues to the year-end. The Council may be forced to make some difficult policy choices over the coming months especially in areas that do not have a strict statutory basis, and which involve material levels of discretionary and flexible expenditure.

6.4 Equalities / EIA

No current policy changes have been proposed but the possibility remains that the Council may need to consider changes to existing services through the year. If this is the case, the Council's equality impact process will be used to evaluate the potential equalities impact of any proposed changes.

6.5 Implications for (or impact on) Climate Change and the environment

No impact at this stage although climate change and the environmental impact of the Council's decisions are likely to feature more strongly in the future.

6.6 Implications for partner organisations?

No impact.

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Names of approvers for submission: (officers and members)				
Finance: Barry Hastie	Director of Finance and Resources (Section 151 Officer)	Finance	02/08/24	02/08/24
Legal: Oluremi Aremu	Head of Legal and Procurement Services	Law and Governance	02/08/24	06/08/24
Members: Councillor R Brown	Cabinet Member for Strategic Finance and Resources		02/08/24	02/08/24

This report is published on the council's website:

www.coventry.gov.uk/councilmeetings

Appendix 1

Revenue Position: Detailed Directorate Breakdown of Forecasted Outturn Position

Table 1 below shows budget variations analysed between those that are subject to a centralised forecast variance and those that are managed at service level (termed “Budget Holder Variance” for the purposes of this report). The Centralised budget areas relate to salary costs – the Council applies strict control over recruitment such that managers are not able to recruit to vacant posts without first going through rigorous processes. In this sense managers have to work within the existing establishment structure and salary budgets are not controlled at this local level. The Centralised salaries and Overheads under-spend of £4.7m shown below is principally the effect of unfilled vacancies.

Table 1

Service Area	Revised Net Budget	Forecast Spend	Centralised Variance	Budget Holder Variance	Total Variance
	£m	£m	£m	£m	£m
Adult Services and Housing	129.8	132.9	(1.7)	4.8	3.1
Childrens and Education	112.3	114.0	(1.3)	3.0	1.7
Finance and Resources	12.2	12.1	0.2	(0.2)	0.0
Legal and Governance Services	8.1	8.7	(0.1)	0.7	0.6
People and Organisation Development	0.9	1.5	0.3	0.3	0.6
Property Services and Development	(9.3)	(7.4)	(0.5)	2.5	2.0
City Services	40.6	43.6	(0.5)	3.6	3.0
Public Health	(1.0)	(1.0)	(0.2)	0.2	0.0
Planning and Performance	6.1	5.7	0.1	(0.5)	(0.4)
Policy and Communication	0.0	0.1	0.1	0.0	0.1
Regeneration and Economy Dev	7.7	8.5	(1.1)	1.9	0.8
Contingency & Central Budgets	(30.3)	(34.7)	0.0	(4.4)	(4.4)
Total	277.1	284.0	(4.7)	11.9	7.1

Table 2:

Service Area	Reporting Area	Explanation for variance from budget	Total Forecast variance £m
Adult Services	Strategic Commissioning (Adults)	The underspend relates to New Homes for Old Private Finance Initiative additional client fee income above budget and the continuation of lower transport costs to day opportunities.	(0.5)
Adult Services	Adult Social Care Director	This overspend is an accumulation of smaller overspends across salary budgets as well as a contribution of £45k to an integrated ICT solution to support the operationalising of Local Integrated Teams with University Hospital Coventry & Warwickshire.	0.1
Adult Services	Adult Social Care Business & Financial Management	The underspend relates to the decommissioning of the Electronic Call Monitoring system and staff vacancies which are in the process of being recruited to.	(0.2)

Adult Services	Partnerships and Social Care Operational	The overspend relates to additional agency staff costs due to a large number of vacancies. This overspend is only partly offset by underspends due to those staff vacancies.	0.2
Adult Services	Localities and Social Care Operational	The overspend relates to additional agency staff costs due to a large number of vacancies. This overspend is only partly offset by underspends due to those staff vacancies.	0.3
Adult Services	Community Purchasing Mental Health	The community purchasing budget is managed as a whole - please refer to the explanation against 'Community Purchasing Other'.	3.8
Adult Services	Community Purchasing Other	The budget for purchasing packages of care for adults and older people in adults social care continues to see significant pressures. The largest element of the overspend (£1M) relates to the high cost of some children transitioning to adulthood with overall transitions spend is increasing due to the complexity of need of service users. As well as increased activity across existing service users resulting in higher average package costs. The service has also seen an increase in the total number of packages of care during Q1 (£0.6M) with greater spend incurred in All Age Disability and Mental Health. Increased activity reflects the complexity of the casework and the higher needs of those seeking our support across adult services with increased demand projected during the year (£0.7M). Scrutiny continues across all areas where budgets are authorised to ensure cost effectiveness and escalation where appropriate when people meet Continuing Health Care (CHC) or joint funding criteria.	(1.6)
Housing & Homelessness	Housing and Homelessness	The number of families and single people seeking assistance with housing issues and subsequently the number being placed in Temporary Accommodation increased at a higher level than expected at the start of the year and continues to increase during 24/25 (£0.7M). A range of different additional temporary accommodation provision is being sought as part of the Medium-Term Financial Strategy, however delays to one of the proposed schemes is resulting in a pressure against the delivery target (£0.2M). A number of actions have been taken to seek to increase prevention and move people on to longer term provision more quickly.	1.0
TOTAL Adult Services & Housing			3.1

Children's Services	Corporate Parenting and Sufficiency	There is a £2.3m forecast overspend on placements for children in care. This figure takes into account income from central government for unaccompanied asylum-seeking children which ensures these children do not contribute to the budgetary pressure. The pressure relates to the use of external residential children's homes and high-cost spot placements due to a lack of sufficiency in the market and higher voids across block and internal homes than budgeted. This is despite a decrease in the number of children in care and overall numbers being in line with our planning assumptions. In addition to the Residential Strategy & Fostering Excellence program, a number of actions are being taken to address this pressure; increase occupancy in internal and block residential children's homes, recommission Regional frameworks (both currently under review) to increase the number of children cared for by framework providers, progress hard to place contracts and move children, when appropriate, to alternative internal / framework provision following review of all children living within a children's home. The overall position is mitigated by underspends and use of reserves across other areas of the service including a £1m forecast underspend for Special Guardianship allowances, where the activity is below the level anticipated when the budget was set.	1.0
Children's Services	Help & Protection	The variance is predominantly due to a £0.6m forecast underspend across Family Hubs and Early Help, where due to staffing vacancies staff costs are expected to be below budget.	(0.7)
Children's Services	Children in Care, Children with Disabilities & Care Leavers	The variance is predominantly due to an overspend of £1.2m in the Children's Disability Team, due to an increase in both demand and prices for short breaks & direct payments. We are currently in the process of retendering our short breaks contracts to ensure 'best value' and reduce high-cost support spend. This has been offset in part by a £0.3M contribution from reserves.	1.0
Education Services	SEND & Specialist Services	SEND Transport is forecasting an overspend of £510k. The forecast demand and cost of home to school travel assistance for the new academic year, is based on the following assumptions: The increase in EHCPs will mirror demand for the 2023/24 year; the proportionality of placements between mainstream and specialist will not change and the mode of travel will continue to require taxi provision as Coventry's fleet capacity will be exhausted. In September 24 service demand forecasts can be revised based on actual rather than forecast demand providing more certainty. A mid-year revision of the internal passenger service central costs has resulted in a £300k budget	0.4

		pressure. The impact of post 16 contributory changes will be evident and strong mitigation action from the service end to end process review will aim to reduce unit costs for eligible travellers in Qtr3 and Qtr4 (2024/25 academic year).	
Education Services	Education Entitlement	A proportion of the underspend (circa £33K) is as a result of reduced expenditure on school bus passes. The number of pupils eligible for bus passes is based on statutory criteria and policy and has not reduced, but we are now only charged where passes are used. There is also an underspend against the Virtual School (circa £110K) linked to staffing vacancies and utilisation of additional grant funding where appropriate.	(0.1)
Education Services	Education Improvement & Standards	An overspend of circa £200K across Schools Trade Union costs is partly offset by an underspend on historic pension costs. The slightly worsened position on Schools Trade Union is linked to inflation and lower amounts of de-delegated funding. Historic pension costs expenditure will continue to reduce over time as there are no new commitments against this.	0.1
TOTAL Childrens and Education			1.7
Finance and Corporate Services	Revenues and Benefits	Temporary staffing costs to address workload fluctuations resulting from a buoyant tax base.	0.2
Finance and Corporate Services	Financial Management	A number of vacancies existed, largely at the start of the financial year whilst recruitment to a new structure took place.	(0.1)
Finance and Corporate Services	Other Variances Less than 100K		(0.1)
Digital & Customer Services	Customer and Business Services	Customer and Business Services is currently implementing a revised structure to deliver a more strategic approach to service delivery. To meet all the expectations on the service and deliver organisational priorities recruitment to key leadership and essential roles is taking place to drive change forward. This new approach means it is forecast that not all the service turnover target can be delivered.	0.1
Digital & Customer Services	ICT & Digital	A number of one-off underspends has been partially offset by the on-going pressure of £445K arising from under-recovery of schools and academies income, under-achievement of Turnover Target and £100K on the Worker Profile savings target. Work is on-going to ensure achievement of this savings target during the latter part of this year.	(0.1)
TOTAL Finance and Resources			0.0

Legal and Governance Services	Legal Services	Agency used to cover capacity need to support Childrens, Adults and Education. Will be reviewed and updated in Q2 depending on recruitment outcomes.	0.7
Legal and Governance Services	Procurement	Benefits of prompt payment scheme plus vacancies.	(0.2)
Legal and Governance Services	Democratic Services	Agency usage and unfunded posts in Information Governance to meet demands on service (business case pending)	0.1
TOTAL Legal and Governance Services			0.6
People and Organisation Development	Employment Services	The overspend mainly relates to a reduction in income from external organisations totalling £130K, £50K remaining from the £150K MTFS target plus under-achievement of Turnover Target. Changes to the team structure have taken place in order to reduce costs and further changes are planned. The impact of this is included in the costs reported as progress towards the MTFS target.	0.3
People and Organisation Development	Employment Policy & Practice	The overspend mainly relates to the unfunded Job Evaluation Team posts £127K, some additional cost of covering sickness plus under-achievement of Turnover Target	0.2
People and Organisation Development	Other Variances Less than 100K		0.1
TOTAL People and Organisation Development			0.6
Property Services and Development	Commercial Property and Development	Our void commercial properties see a net pressure of c£892k covering a mixture of loss of income and the associated costs. £823k costs are based on an annual and final projection for 24/25 of the holding costs for the City Centre South property which includes NNDR these two areas form the majority of the overspend. The retail market see pressure of £169k as the costs for supplies and services exceed our budget provision. The balance is smaller pressure for agency and service charges	2.0
TOTAL Property Services and Development			2.0
Highways	Highways	This service is forecasting an overspend of £821K more than half of which (£460K) relates to repair of highways defects including potholes. Whilst efforts are being made to reduce costs the nature of the work is largely reactive which makes this difficult. Other pressures include £224K for Flood Risk management and drainage arising from a delay in achieving increased income (progress is being made) plus agency costs and £122K on Highways Inspectors.	0.8
Transport Policy & Innovation	TH Management & Support	The variance is largely due to interim management arrangements	0.1

Transport Policy & Innovation	Transport Policy	The variance is mainly to the use of agency staff where costs cannot be recharged to projects	0.1
Environmental Services and Development	Planning Services	Q1 Planning Application fee income is broadly in line with projections and ahead of the last two years at the same time. However, the number of applications is still below the forecast required even with the price increase. Total deficit c£227k. There is also a pressure in the current year relation to costs associated with undertaking the Local Plan review of £186k	0.4
Environmental Services and Development	Streetpride & Parks	The overall variation across Streetpride and Parks c£723k, which includes; a) £160k non achievement of an historic savings target partly linked to Coventry Funeral Service b) A reduction of c £143k in income from the activities across Parks, including Hermit's Hollow which hasn't done as well as predicted, c) a deficit of c £250k on Traveller Incursion which includes costs associated with prevention, clean up and evictions c£100k and non-achievement of additional savings of c£150k to be achieved via the provision of a Transit Site and d) A reduction in income from Car Park in Parks c£163k	0.7
Environmental Services and Development	Waste & Fleet Services	This net overspend of £692k across Waste & Fleet Services is because of: a) increased Waste Disposal costs c£311k - an increase in void tonnage costs (external partners not using our landfill contracts) and higher than expected Garden Waste tonnages as subscriptions to the paid for service is approximately 30% higher than forecast. This is being partly offset by use of £180k EMR. b) Additional transport costs at the Waste Transfer Station of c£150k. This service is now being provided by a 3rd party. c)Additional staffing costs re: waste collection - some increased costs related to the provision of the paid for Garden Waste service, but mostly due to additional staff/spot hire vehicles during April & May whilst the new structure and T&C's were being implemented c£353k. This has been partly offset by additional income relating to the Garden Waste service of -£30k d) There are also some smaller pressures in Commercial Waste c£16k (residual costs associated with capital financing), Fleet Services c£42k reduced income.	0.7
City Services	Other Variances Less than 100K		0.2
TOTAL City Services			3.0

Planning and Performance	Transformation Programme Office	Underspend represents a release of funding previously held in reserve	(0.2)
Planning and Performance	Public Health - Migration	Underspend represents a release of funding previously held in reserve	(0.4)
Planning and Performance	Libraries, Advice, Health & Information Services	Overspend is largely due to non-delivery of staff turnover and income targets. Traded service is reporting increased up-take however currently awaiting completion of Academy SLAs. This will be monitored and if necessary, a revised forecast for other budgets will be prepared for Q2.	0.2
TOTAL Planning and Performance			(0.4)
Policy and Communication	Variances Less than 100K		0.1
TOTAL Policy and Communication			0.1
Regeneration and Economy Dev	Culture, Sports, Events & Destination	£504k Culture Sports & Events overspend principally due to; one-off Collection Centre holding costs of £362k pending mobilisation of the construction project on site and £157k current profiled variation (including £80k historic income target) for St Mary's Guildhall pending further management action in Q2-Q4	0.5
Regeneration and Economy Dev	Regen & Economy Management Support	Overall, within the management and support forecast c£172k pressure this in the main shortfall c£140k of income against a challenging income target for sponsorship income, and small pressure against turnover targets as fully established.	0.2
Regeneration and Economy Dev	Other Variances Less than 100K		0.1
TOTAL Regeneration and Economy Dev			0.8
Contingency & Central Budgets	Revenue AFC	Favourable variances within corporate contingency budgets of £4.9m, which includes the £3.2m grant announced in the final government settlement in February 2024 which was allocated to corporate contingencies. This is being offset by an adverse variance (£1.1m) which is due to a forecast underachievement of 24/25 savings targets relating to the One Coventry programme, where detailed work is in progress to fully develop the scope and potential impact of the proposals, to inform implementation	(3.8)
Contingency & Central Budgets	Treasury Management	£0.6m Surplus on Asset Management Revenue Account, relating to increased planned income from CWSDC dividend income and increased Service loan interest.	(0.6)
TOTAL Contingency & Central Budgets			(4.4)
Total Budget Holder Outturn Variances			7.1

Appendix 2

Capital Programme Approved / Technical Changes

SCHEME	EXPLANATION	£m
Local Network Improvement Programme (LNIP) - Green Light Fund	In March 2024 the Department for Transport awarded £0.6m Green Light Fund grant, to provide funding to tune up traffic signals to better reflect current traffic conditions and get traffic flowing.	0.6
A45 Overbridge - Eastern Green	The awarded £15.6m from Homes England for the delivery of the A45 Overbridge at Eastern Green has now been fully drawn down and passported over to the developer. As Coventry City Council are the accountable body for the delivery of the scheme, there is a legal agreement that the process moving forward will entail the developer re-imbursing CCC all invoiced amounts prior to CCC paying these funds over to the contractor. This ensures no financial risk to CCC.	2.7
Onstreet Residential Charge points Phase 9a and 9b	Report taken to Cabinet 14th February 2023 - Electric Vehicle Charging Infrastructure. Bids were submitted to Office for Zero Emissions Vehicles, which resulted in successfully securing £0.4m for Onstreet Residential charge points phase 9a and 9b.	0.4
Education - Basic Need Section 106 Programme	S106 Funding received that will support the secondary school's expansion programme, this includes Lyng Hall, Ernesford Grange and President Kennedy school.	3.1
Education - Condition Programme	The Department for Education updated in May 2024 the school condition allocation that Coventry City Council will receive. These confirmed allocations are greater than had been assumed at the time of setting the capital budget at February 2024. This funding is to maintain and improve the condition of school buildings and grounds.	3.5
Social Housing Decency Fund	Technical Adjustment to re-align the capital programme	(2.1)
Miscellaneous	Schemes below £250k threshold	(0.1)
TOTAL APPROVED / TECHNICAL CHANGES		8.1

Appendix 3

Capital Programme: Analysis of Programme Acceleration/(Rescheduling)

SCHEME	EXPLANATION	£m
Education - Basic Need Programme	The additional section 106 funding received will fund basic need expenditure this financial year, resulting in grant funding being reprofiled into futures years.	2.8
Housing - Disabled Facilities Grants	The introduction of an allocation system to the Health Information Organisation will increase job delivery. A reviewal of our current specification of level access showers and increased specification in line with the Foundations report will increase costs by around 50%, these account for 75% of our workload. Prices for extensions have greatly increased due to inflation and cost of materials. Premiere mobility who supply hoists and lifts have been agreed a 4% increase in costs and also demand for lifts has increased, estimated spend of £1.3m for this year.	3.2
TOTAL RESCHEDULING		6.0

Appendix 4

Prudential Indicators

Indicator	per Treasury Management Strategy 2024/25	As at 30 June 2024
Ratio of Financing Costs to Net Revenue Stream (Indicator 1) , This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs.	14.94%	14.43%
Gross Borrowing should not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) at 31st March 2023 plus the estimates of any additional CFR in the next 3 years (Indicator 2) , illustrating that, over the medium term, net borrowing (borrowing less investments) will only be for capital purposes. The CFR is defined as the Council's underlying need to borrow, after taking account of other resources available to fund the capital programme and is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.	Estimate / limit of £525.9m	£254.0m Gross borrowing within the limit.
Authorised Limit for External Debt (Indicator 5) , This statutory limit sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council. Borrowing at this level could be afforded in the short term but is not sustainable. The Authorised limit has been set on the estimated debt with sufficient headroom over and above this to allow for unexpected cash movements.	£545.9m	£254.0m is less than the authorised limit.
Operational Boundary for External Debt (Indicator 6) , This indicator refers to the means by which the Council manages its external debt to ensure it remains within the statutory Authorised Limit. It differs from the authorised limit as it is based on the most likely scenario in terms of capital spend and financing during the year. It is not a limit and actual borrowing could vary around this boundary for short times during the year.	£525.9m	£254.0m is less than the operational boundary.
Upper Limit on Fixed Rate Interest Rate Exposures (Indicator 9) , These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The Upper Limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could impact negatively on the overall financial position.	£495.9m	£221.0m
Upper Limit on Variable Rate Interest Rate Exposures (Indicator 9) , as above highlighting interest rate exposure risk.	£99.1m	-£64.3m
Maturity Structure Limits (Indicator 10) , This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, thereby managing the effects of refinancing risks.		

The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment. < 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years +	0% to 50% 0% to 20% 0% to 30% 0% to 30% 40% to 100%	5% 17% 5% 16% 57%
<i>Investments Longer than 364 Days (Indicator 11)</i>, This indicator sets an upper limit for the level of investment that may be fixed for a period greater than 364 days. This limit is set to contain exposure to credit and liquidity risk.	£30m	£0.0m



Public
Cabinet

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the identity, financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Cabinet

27 August 2024

Name of Cabinet Member:

Cabinet Member for Jobs, Regeneration and Climate Change
Councillor J O'Boyle

Director approving submission of the report:

Director of Property Services and Development

Ward(s) affected:

Holbrook

Title:

Disposal of Land and Buildings, Burbages Lane, including land and buildings formally known as Rowleys Green Working Men's Club.

Is this a key decision?

Yes – There is the potential for the total receipt for the sale to be in excess of £1m.

Executive summary:

The Rowleys Green Working Men's Club was formerly a private member's club. It is no longer in use.

The subject property is a site of approximately 1.5 acres laid out to car park and landscaping with a two storey brick built derelict structure. It is currently unused other than for occasional parking and storage.

The freehold site is held by the Council the majority of which is subject to a long lease to a property developer.

There is existing planning permission for a drive through restaurant.

The developer who holds the long lease wishes to develop the site for drive through use.

The West Midlands Combined Authority (WMCA) has secured funding through the EVCATS (Electric Vehicle Charging Area Transit Scheme) programme and intends to develop a high speed electric charging station together with ancillary restaurant and retail facilities.

This report seeks authority to dispose of the Council's freehold interest in this site to the WMCA.

Recommendations:

Cabinet, subject to the consideration of the additional confidential information contained in the corresponding private report, is recommended to:

1. Approve the freehold disposal of the site to the WMCA.
2. Delegate authority to the Director of Property Services & Development, following consultation with the Director of Finance and Resources and the Director of Law and Governance, to negotiate and finalise the terms, to undertake the necessary due diligence and complete all necessary legal documentation to facilitate the completion of the transaction.
3. Delegate authority to the Director of Property Services & Development, following consultation with the Cabinet Members for Jobs, Regeneration and Climate Change and the Cabinet Member for Strategic Finance and Resources, to approve and accept future overage and any other payments.

List of Appendices included:

The following appendices are attached to the report:

Appendix 1: Plans

Background papers:

N/A

Other useful documents

N/A

Has it or will it be considered by Scrutiny?

No

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Disposal of Land and Buildings, Burbages Lane, including land and buildings formally known as Rowleys Green Working Men's Club.

1. Context

Location

- 1.1 The site is located to the West of the A444, north of the CBS Arena Roundabout with Winding House Lane and Judds Lane. There is access from Burbages Lane.
- 1.2 The location has good frontage and visibility to key arterial roads which makes it a good location for a drive through and also for an EV charge point operator.
- 1.3 The property is within the Greenbelt.

The Property

- 1.4 The property, outlined red in Appendix 1, forms a freehold site comprising the Working Men's Club area subject to a long lease, and other adjacent land.
- 1.5 The site of the Working Mens Club was formally laid out with landscaping, car parking and a 1970s brick built two storey building. The building has not been measured, due to its poor condition preventing access, but it is understood to extend to approximately 5,000 sq ft.
- 1.6 Access to the site is from Burbages Lane.
- 1.7 The Club closed in 2011 and has not been used since, other than for informal parking and storage. It is understood that money is collected for event and match day parking at the CBS Arena. Much of the landscaping has been cleared and the site lies semi-derelict and overgrown.
- 1.8 There have been several planning applications relating to the site. The most recent and relevant application was granted by Coventry on 11 September 2023. The application is for the "demolition of the former Working Men's Club and the construction of a drive-thru restaurant/hot food takeaway (sui generis), with associated vehicular access, drive through lane and new access to adjacent site, as well as car parking, landscaping and other associated infrastructure works".
- 1.9 The grant of planning consent potentially increases the value of the site provided that the freeholder and the long lease holder can agree a mechanism for implementing any development and sharing in the uplift in value. This uplift in value will be shared with the Council in accordance with clause 5.15 below.
- 1.10 There is a long lease which covers part of the site is held by a property developer.

Proposed Scheme

- 1.11 The proposed WMCA development will provide a minimum of 20 high speed electric vehicle charging points together with ancillary retail space. Much like a petrol station – but for electric vehicle charging. The drive through is required alongside the charging station as this provides catering facilities which people will be able to access while using the charge points.

Deal Structure

- 1.12 The deal structure is as follows:-

- The freehold interest (subject to the long leasehold interest) of the site is sold to the West Midlands Combined Authority (WMCA). The initial price to be paid has been independently valued and meets with the best value requirements of S123 of the Local Government Act 1972.
- The WMCA promotes the development of the site for the Proposed Scheme.
- The WMCA negotiate terms with the long leaseholder to alter the existing agreement to facilitate the development, finalised by either a Deed of Variation or extinguishment of the lease.
- The WMCA employs a contractor to build out the Proposed Scheme.
- In addition to the price paid by the WMCA for the land there is a potential for additional overage payment to be received by the Council based on the value of the final development. An overage mechanism is generally used to facilitate the ability of a seller to share in any increases in value in a property that has been realised after the property has been sold. For example, a seller may negotiate an overage obligation from the buyer where there is a reasonable expectation that the land may be redeveloped or that a valuable planning permission may be granted in the future.

- 1.13 To protect the Council's interest, provisions will be inserted in the legal agreement to allow the option to 'buy back' the site after five years if the WMCA is unable to obtain planning permission or deliver the Proposed Scheme during this period.

- 1.14 The WMCA will be taking the financial risk of the arrangements with the long leaseholder and bearing the costs of facilitating and delivering the scheme.

- 1.15 The WMCA funding model requires holding the freehold of the land, hence the request to transfer the freehold interest. Although the Council rarely considers the sale of freehold interests, given the public interest value of providing the EV chargers and the limited strategic importance of the site to the Council the disposal is recommended.

- 1.16 The social and economic benefits of promoting the scheme include;

- Bringing an underutilised site back into use

- Regeneration of a derelict site
- Job creation
- High speed electric vehicle charging over and above what might be delivered by the private sector

1.17 The proposed deal is not in the capital programme.

2. Options considered and recommended proposal

Option 1 – Do Nothing

- 2.1 There is no additional risk in a do nothing approach. The Council would retain the property and continue to collect the rent.
- 2.2 It is likely that the do nothing approach would prevent any regeneration of the property and in particular the EVCATS would not be delivered and there would be no improvement of the financial position.

Option 2 – Re-gear or dispose to the existing long leaseholder

- 2.3 The property developer who holds the current long lease has expressed an interest in a re-gear or disposal to facilitate the development of the site for drive through use. This may be the quickest route but puts the provision of EVCATS at risk.
- 2.4 This option has been discounted as a strong receipt and the EVCATS can be secured by following the recommended approach.

Option 3 – Recommendation – Dispose to the WMCA

- 2.5 The recommendation is to sell the site to the WMCA on the terms proposed within this report.
- 2.6 This approach will provide at least a market value receipt together with an overage whilst delivering the Proposed Scheme with its Public Interest benefits.

3. Results of consultation undertaken

- 3.1 No public consultation has been undertaken.

4. Timetable for implementing this decision

- 4.1 Legal documents are being prepared and the transaction will proceed with a target for execution of the legal documents of ten working days.

5. Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1 Financial implications

- 5.1.2 The financial implications of this transaction include a receipt for the initial price and an overage. Loss of the existing rental income must also be considered.
- 5.1.3 The property has been independently valued and meets with the requirements of S123 of the Local Government Act and best value.
- 5.1.4 The overage provision is based on the value of the land with the benefit of the planning permission that the WMCA will obtain. The WMCA will take their costs out before the split is made.
- 5.1.7 The capital receipt and the overage will contribute to council corporate resources.

5.2 Legal implications

Property

- 5.2.1 The Council has the power to dispose of land pursuant to section 123 of the Local Government Act 1972. This section provides that the Council is not permitted to dispose of land at less than the best consideration that can reasonably be obtained without obtaining Secretary of State consent.
- 5.2.2 External valuation advice has been obtained which confirms that the initial price to be received by the Council is in line with the current market value of the land under its current use. In addition, the Council has also secured overage provision to ensure that it receives additional financial benefits in any future uplifts on land value.
- 5.2.3 It should also be stated that this is purely a land disposal, the Council is not obliged to pursue an OJEU process under the Public Contracts Regulation 2015. This is because the proposal is to enter into an agreement where the main object is land disposal and no services are to be provided by the potential purchaser to the Council for payment.
- 5.2.4 Officers will prepare and complete the necessary legal transfer which will ensure that the Council's interest is adequately protected.

6. Other implications

6.1. How will this contribute to the One Coventry Plan?

The receipt and overage payment will contribute towards corporate resources and the medium term financial plan. The proposal will bring an otherwise underutilised site back into meaningful use creating jobs, economic growth and improvements to the built environment. The inclusion of EVCATS will secure a resource that will benefit electric car users with the arguable positive affect to the environment.

6.2. How is risk being managed?

The risks associated with the proposals are largely passed on the WMCA, with a buy back provision benefiting the Council if the scheme fails.

6.3. What is the impact on the organisation?

There is an impact on the budget of the Property and Development service as the income currently received for the site will be lost but the service area will still be expected to achieve this income through over performance within the rest of the portfolio.

6.4. Equalities / EIA?

- 6.4.1 An Equality Impact Assessment (EIA) has been considered with a full EIA not required as the proposal is effectively a property transaction where the Council has limited immediate property interests.

6.5. Implications for (or impact on) climate change and the environment?

EVCATS would otherwise not be provided.

6.6. Implications for partner organisations?

N/A.

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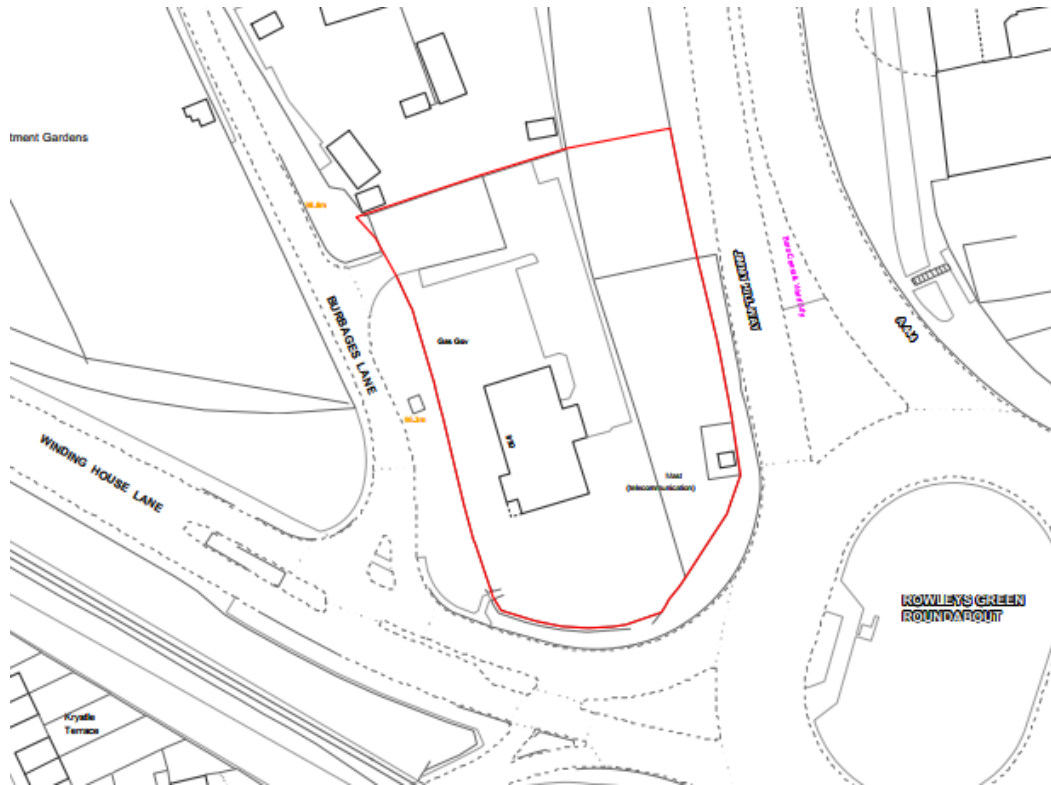
Enquiries should be directed to the above person(s).

Contributor/approver name	Title	Service Area or organisation	Date doc sent out	Date response received or approved
Contributors:				
Suzanne Bennett	Governance Services Co-ordinator	Governance Services	26/07/24	26/07/24
Names of approvers for submission: (officers and members)				
Finance: Helen Williamson	Finance Manager	Finance	12/07/24	25/07/24
Legal: Oluremi Aremu / Emma Kirby	Head of Legal and Procurement Services	Legal and Property Services	12/07/24	01/08/24
Property: Adam Hunt	Strategic Lead Property and Development	Property and Development	24/07/24	25/07/2024
Director: Richard Moon	Director of Property Services and Development	Property Services and Development	24/17/24	29/07/2024
Members: Cllr J O'Boyle	Cabinet Member for Jobs, Regeneration and Climate Change		30/07/24	05/08/24

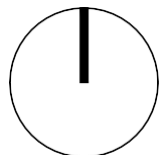
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APPENDIX 1

Plan to illustrate the land (Edged red).



Not to scale,
For information
purposes only
Red line subject to
final confirmation



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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