

**ASHFIELD DISTRICT COUNCIL**



Council Offices,  
Urban Road,  
Kirkby in Ashfield  
Nottingham  
NG17 8DA

## **Agenda**

### **Scrutiny Panel A**

Date: **Thursday, 14th October, 2021**

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Time: **7.00 pm**

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Venue: **Committee Room, Council Offices, Urban Road,  
Kirkby-in-Ashfield**

For any further information please contact:

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# Scrutiny Panel A

## Membership

**Chairman:** Councillor Dave Shaw  
**Vice-Chairman:** Councillor Caroline Wilkinson

**Councillors:**  
Jim Blagden  
Lauren Mitchell  
David Walters

Trevor Locke  
Warren Nuttall

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## SUMMONS

You are hereby requested to attend a meeting of the Scrutiny Panel A to be held at the time/place and on the date mentioned above for the purpose of transacting the business set out below.



**Theresa Hodgkinson**  
**Chief Executive**

If you require an adjustment to enable you to participate or access the meeting, please contact the Democratic Services team at least 48 hours before the meeting.

## **AGENDA**

## **Page**

- 1. To receive apologies for absence, if any.**
- 2. Declarations of Disclosable Pecuniary or Personal Interests and/or Non-Registrable Interests.**
- 3. To receive the minutes of the meeting of the Panel held on 15 July 2021.** 5 - 8
- 4. Scrutiny Review: Tenancy Support.** 9 - 16

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## SCRUTINY PANEL A

**Meeting held in the Council Chamber, Council Offices, Urban Road, Kirkby-in-Ashfield,  
on Thursday, 15th July, 2021 at 7.00 pm**

**Present:** Councillor Dave Shaw in the Chair;

Councillors Jim Blagden, Lauren Mitchell,  
Warren Nuttall, David Walters and  
Caroline Wilkinson.

**Officers Present:** Lynn Cain, Mike Joy and Shane Wright.

### **SA.1 Declarations of Disclosable Pecuniary or Personal Interests and/or Non-Registrable Interests**

No declarations of interest were made.

### **SA.2 Minutes**

RESOLVED

that the minutes of the meeting of the Panel held on 18 February 2021, be received and approved as a correct record.

### **SA.3 Scrutiny Review: Tenancy Support**

The Chairman welcomed Members to the meeting and reminded the Panel that the Tenancy Support review topic had been introduced at the February 2021 meeting. Following initial discussions, the Panel had focussed on the cessation of the eviction ban which had initially come into force during the height of the pandemic, and how the Council would offer support to those tenants being evicted from private sector households and looking for new accommodation.

The previous meeting had been extremely informative and Members had access to the Council's Service Manager, Housing Management & Tenancy Services, Nicky Moss and the Service Manager, Strategic Housing & Lettings, Phil Warrington, who were present at the meeting and who contributed fully to the initial discussions.

The Scrutiny Research Officer gave an overview of the content of the report presented to Members which included:

- baseline data in relation to tenancy rent arrears and homelessness
- the rights and responsibilities of tenants (through their tenancies) and landlords

- the latest situation regarding the ban on evictions and the Government's pre-action protocol for possession
- answers from the Housing Team to questions raised by Members at the initial meeting.

In relation to tenancy rent arrears, these were still predominantly coming from Universal Credit claimants and it was acknowledged that these figures were continuing to rise. However, the Housing Team had a number of dedicated officers that continued to assist tenants with managing money and budgeting their finances.

One of the questions raised by Members was in relation to the success, or otherwise, of the Selective Licensing Scheme and the Services Manager, Scrutiny and Democratic Services expanded on the response and advised that the original scheme was due to end in February 2022 and a review would be commencing shortly to determine its continuance or cessation at the Council.

The Selective Licensing Scheme has improved management and maintenance of privately rented properties in two designated areas (New Cross and Stanton Hill) but problems in the areas still existed. The primary driver of the scheme was to improve the quality of private sector housing and demand for private housing continued to rise as more people continued to seek rental accommodation within the District.

The creation of the Selective Licensing Scheme was a Government initiative aimed at improving the quality of private sector housing and enabling landlords to have more productive relationships with their local Councils. It was envisaged that Councils would also benefit from the scheme as they would have access to additional good quality private rental accommodation that could be offered to people on their waiting lists as a viable alternative.

Tenancy issues were often multi-faceted and usually commenced with poverty struggles and poor standards of accommodation. Tenants would find themselves in arrears with their rent which would often result in eviction by private landlords culminating in the tenants presenting themselves to the Council as homeless and desperately needing ongoing support and alternative accommodation.

Housing officers were equipped to deal with all aspects of tenancy support which included:

- Debt Management
- Tenancy Sustainment Support
- Private Sector Liaison
- Management of Waiting Lists
- Mitigating against lack of housing supply
- Tackling poverty
- Managing Rent Arrears
- Reducing homelessness and rough sleeping.

To conclude it was suggested to Members that it might be useful to ascertain the views of housing officers administering the Selective Licensing Scheme to inform the review and assess whether implementation of the scheme had brought tangible benefits to both tenants and staff, or otherwise.

The Scrutiny Research Officer drew Members' attention to the current number of people on the Housing Register which stood at around 3903 and noted that the figure had continued to increase. Each 2-bed flat was now averaging around 150+ bids which was unprecedented and gave insight into the rising demand for social housing.

Homelessness had also increased over the past 12 months with rough sleeper figures rising the most.

Members went on to discuss the information contained in the report and considered, amongst other things:

- the vicious cycle of debt, losing tenancies, homelessness, housing waiting lists and then back into social housing
- the increasing reliance and use of private sector accommodation due to the rising demand for social housing
- the importance of private sector housing being at an acceptable quality and standard for tenants
- acknowledgement that many landlords under the Selective Licensing Scheme have passed on the joining fee of £350-£500 to tenants through increased rents
- further acknowledgement that many private sector accommodation was now being snapped up by working families leaving a low supply of suitable accommodation for families on benefits or low income
- evidence emerging that some landlords were exploiting the Scheme and hiking up rents on properties as a result
- the plethora of Government schemes in existence to assist landlords to install proper boilers/ windows etc.
- difficulties being experience by landlords who had to repeatedly soak up the cost of ongoing damage from unsatisfactory tenants
- acknowledgement that the Selective Licensing Scheme was established with the best of intentions to enable landlords to become accredited but was exploited by some rogue operators along the way
- should the Scheme be extended, there should be consideration of introducing a cap on rents to avoid any future exploitation.

To conclude the Service Manager, Scrutiny and Democratic Services reminded the Panel that at the previous meeting they had indicated a desire to examine how the Council worked with the private sector and so working with officers on the upcoming review of the Selective Licensing Scheme would be an ideal platform to gain such information.

Members were also keen to consider the Council's Housing Register and its impact on the Council's plans to build social housing, planning regulations, under-occupancy in properties and the requirement to make inroads into reducing the numbers on the list.

The Scrutiny Research Officer concluded that it was a stark reality that it was impossible for the Council to house everyone on the waiting list and it was imperative that relationships with private sector landlords were strengthened to close the gap. To address this issue, two new jobs had recently been advertised for Early Intervention Officers within the Housing Team to intervene and support struggling tenants at an earlier stage thus endeavouring to avoid unnecessary evictions and money management difficulties later down the line.

#### RESOLVED

that consideration as to how the Panel could effectively assist officers and contribute to the Selective Licensing Review and the current status of the Council's Housing Register and its impact on Council priorities, be discussed and agreed at an informal meeting of the Scrutiny Panel in September 2021.

The meeting closed at 7.50 pm

Chairman.

|                            |   |              |                        |
|----------------------------|---|--------------|------------------------|
| <b>Report To:</b>          | <b>SCRUTINY PANEL A</b>                 | <b>Date:</b> | <b>14 OCTOBER 2021</b> |
| <b>Heading:</b>            | <b>SCRUTINY REVIEW: TENANCY SUPPORT</b> |              |                        |
| <b>Portfolio Holder:</b>   | <b>NOT APPLICABLE</b>                   |              |                        |
| <b>Ward/s:</b>             | <b>ALL</b>                              |              |                        |
| <b>Key Decision:</b>       | <b>NO</b>                               |              |                        |
| <b>Subject to Call-In:</b> | <b>NO</b>                               |              |                        |

## **Purpose of Report**

The purpose of this report is to present Panel Members with the information considered at the previous informal working group regarding the Selective Licensing Scheme Review in addition to details of the report on the original implementation of the Scheme five years ago. This report will also ask Members to identify how

## **Recommendation(s)**

Scrutiny Panel A Members are recommended to:

- a. Note the information contained within this report.
- b. Identify how the Panel can contribute to the ongoing review of the Selective Licensing Scheme.
- c. Agree next steps required to progress the review, including appropriate Officer involvement and information needed.

## **Reasons for Recommendation(s)**

Tenancy Support was added as a topic to the Scrutiny Workplan at the November 2020 meeting of the Overview and Scrutiny Committee.

## **Alternative Options Considered**

No alternative options have been considered at this stage.

## Detailed Information

### **SELECTIVE LICENSING SCHEME REVIEW**

At an informal working group meeting of Scrutiny Panel A on 14 September 2021 Members were presented with detailed information on the Selective Licensing Scheme and the review process the Scheme is undergoing presently.

Please see below details of the presentation given by the Service Manager for Strategic Housing & Lettings and the Environmental Health Team Leader, for the benefit of those Members that were unable to attend the working group, and as a refresher for those that did.

#### Benefits for Landlords:

- Reduced turnover of tenants in the designated areas.
- Set out clear explicit standards for landlords, agents, and tenants in a regulated sector.
- Support, education, and guidance services have been provided for both landlords and tenants.
- The profile and public image of the designated areas has been raised encouraging tenants into the market and reputable investment.
- Tenants are more aware of their responsibilities for maintaining their tenancies.
- Improved rental and property values.
- Improved image and perception of the designated areas.
- Created a level playing field - decent landlords will not be undercut by an unscrupulous minority.
- Poor landlords are being pushed out of the area, either because they are unwilling to improve their properties condition or because they are issued with financial penalties and are unable to hold a license.
- Allows reputable landlords further opportunity for investment.

#### Benefits for Tenants:

- All licensed landlords and agents operating in the area are fit and proper and can manage property.
- More professional landlords bring about improvements to the quality and management of property.
- Tenants have seen economic benefits, reduced heating costs, and improved likelihood of regaining any deposit paid.
- Improvements to the neighbourhood have benefited private tenant's security and sense of community.

- Support, education, and guidance services have been provided for both landlords and tenants.
- Tenants have benefited from a guarantee of safer, healthier, and well managed housing.
- Improved the physical conditions of the housing stock to ensure that they are free from category 1 hazards as defined in the Housing Act 2004 to protect the health, safety, and welfare of the occupants.
- Better management practices have helped to increase the length of tenure and reduce incidence of unplanned moves or homelessness.

#### Benefits for the District:

- Reduced the number of empty properties within the designated areas.
- Ensured that both landlords and tenants can be held accountable.
- Generated licensing income of circa £225k to enable a proactive response to issues in the locality. Tackling issues in the area has not taken a disproportionate number of day-to-day resources, thus impacting on service delivery.
- Making it easier to involve landlords in wider strategies including crime reduction initiatives and local spatial strategies.
- Protecting vulnerable groups who are often occupiers of privately rented accommodation which is poorly managed.
- Generated income from successful Civil Penalties which is used to continue proactive work through the district.

#### Benefits for the Council:

- Landlords who have not responded to any previous measures such as registration schemes have been required to be engaged with Housing Enforcement Officers.
- Bad landlords have been forced to improve their practices or leave the market.
- The Council has gained extensive knowledge about private renting in part of the District. This has enabled targeted enforcement and support to landlords.
- Landlords and their agents are readily identifiable.
- The licence fee covers the costs of the scheme.
- Income generated from offences through civil penalties can be used to improve housing in areas outside of the designation and allow for more proactive work.

#### Housing Improvement

There have been 600 inspections in the designated Selective Licensing areas to date. Of these 600 inspections, 561 have required a Housing Health and Safety Rating System (HHSRS) inspection.

157 properties meet the HHSRS standards. There are 404 properties failing to meet the HHSRS standards. 98 properties have been identified as having category 1 hazards, where 400 properties have been identified as having category 2 hazards.

338 properties have had improvements made to ensure electrical installations meet required standards. 195 properties have had energy efficiency improvements made to boilers, windows, roofs, and insulation. 98 properties have been identified as high risk.

### Empty Properties

In 2017, there were 21 identified empty residential properties within the designated areas. In 2021, there are 6 identified empty properties within the designated areas, with 2 currently for sale.

### Licenses

Approximately 650 properties with the designated areas have been estimated to require a license under the Selective Licensing Scheme. To date:

- 620 licensing have been issued.
- 3 licences have been refused due to the proposed license holder not being deemed fit and proper.
- There are 12 pending civil penalties for failure to license.
- 3 landlords have been issued penalties for breach of licensing.
- 3 landlords are no longer deemed fit and proper.

### Extending Licensing in the Designated Areas

- Encourage landlords to continue with good management of properties.
- Prevent rogue landlords investing in the area.
- Give the Council greater powers for dealing with substandard properties and poor management.
- The Council is not solely reliant on HHSRS for enforcing and breaches are strict offences which can be dealt with by means of civil penalties of up to £30,000 dependent on the severity.
- Money from non-compliance can be invested into other areas of the district and to fund proactive work in the private rented sector.
- Gives greater powers to support partner agencies dealing with other illegal activities (examples of this are recent work with both Trading Standards and Police).
- Little cost to the Council to implement.
- New more efficient application procedure.

- Embedded procedure to deal with breaches and failure to license.

## **SELECTIVE LICENSING IMPLEMENTATION**

A report was presented to Cabinet in September 2016 detailing the original implementation of the Selective Licensing Scheme and the consultation exercises that took place at that time.

The recommendations presented to Cabinet at that time were as follows:

- To accept that there is evidence and considerable public support for the selective licensing of private rented properties in identified areas within the District.*
- That Council be recommended to formally designate the areas of Stanton Hill and Sutton Central as Housing Act 2004 Part 3 Selective Licensing areas.*
- To note that, following a decision to introduce a Selective Licensing Scheme, a public notification period of 3 months is required by statute ahead of implementation to communicate the decision to consultees and the public.*
- To agree and support the financial implications of implementing a Selective Licensing Scheme (including the proposed fees of £350 for a license for 5 years).*
- That Council recognise the risks in relation to the unknown elements of delivery of the Scheme and that we commit to undertake a review to ensure the fees and resources deployed to the Scheme are appropriate, and to enable further recommendations to be made to Cabinet as necessary after 12 months.*

The report goes on to detail that:

*“Selecting Licensing is an important component of the Council’s wider regeneration strategy. It is the only option available to local authorities that compels landlords to look at how they manage their rented properties and where required, make improvements to their management practices. It is important that the significant investment from the Council and its partners aimed at improving the physical environment and economic conditions of the area are supported by this initiative. This will ensure that the area is sustainable as a mixed tenure environment with a range of housing options”.*

### **Do Panel Members feel that these reasons are still applicable in 2021 as the Scheme is reviewed?**

Further set out within the 2016 report, it is stated that strong evidence existed linking lower house prices in the identified areas of Stanton Hill and New Cross resulted in an influx of some unprofessional landlords purchasing properties to rent. These kinds of landlords often show little interest in managing their properties properly leading to a multitude of issues including increasing anti-social behaviour. Furthermore, inadequate property management leads to prevalent issues such as electrical hazards, damp and mould, fire safety, excess cold, and structural collapse.

### **Do these same issues persist after 5 years of the Selective Licensing Scheme being in place? Has the Scheme addressed them appropriately?**

## Statutory Consultation

Prior to implementation of the Selective License Scheme in Ashfield, numerous statutory consultation exercises were undertaken by the Council, and the results are detailed in the 2016 Cabinet report.

Consultation was carried out with landlords, tenants, and local business owners that included:

- A dedicated webpage launched on the 6 May 2016 listing a proposal document and all ancillary advice and documentation.
- An online questionnaire for the three main stakeholder groups.
- A street level leaflet drop to all affected properties and local businesses.
- Officers attended several public drop-in sessions to offer advice and clarification.
- A stakeholder pre-launch event was held.

**If the Scheme is to be renewed following the end of the initial term, will there be a similar statutory requirement for consultation exercises? If so, what form will these exercises take?**

## **NEXT STEPS**

Following the informal working group where Members gained a baseline understanding of the Selective Licensing Scheme and the ongoing review of the Scheme, next steps for the review need to be identified.

At the informal working group, Members were informed that a report is planned to be presented to a future meeting of Cabinet detailing the evaluation and recommendations of the Selective Licensing Scheme Review. An appropriate next step for the Panel may be to present comments to Cabinet at the same time as the Selective Licensing Scheme Review report is presented.

To enable this, Members would need further information on the detail of the ongoing review and any other measures explored as part of that. Furthermore, Members need to discuss and agree key questions that need to be answered as part of the Scheme's review process.

## **Implications**

### **Corporate Plan:**

The Council's Corporate Plan 2019 – 2023 sets out key priorities and ambitions to be achieved over the coming years. Under the Homes and Housing vision, the following desired outcomes are set out:

- Assist tenants with welfare and monetary advice to increase tenancy sustainment.
- Maintain and increase positive preventative action.
- Increase tenancy sustainment by offering appropriate tenancy support.

**Legal:**

Panel Members are exploring the legislative requirements the Council must adhere to regarding tenancy support, and now specifically the legislative requirements of the Selective Licensing Scheme as the review shifts focus.

**Finance:**

There are no financial implications resulting from this report. Members will look to gain a further understanding of the financial implications surrounding the Selective Licensing Scheme and the prospective renewal of the Scheme.

| Budget Area                                 | Implication |
|---|-------------|
| General Fund – Revenue Budget               | None.       |
| General Fund – Capital Programme            |             |
| Housing Revenue Account – Revenue Budget    |             |
| Housing Revenue Account – Capital Programme |             |

**Risk:**

There are no risks identified at this stage of the review.

**Human Resources:**

There are no HR implications at this stage of the review.

**Environmental/Sustainability:**

There are no environmental/sustainability implications at this stage of the review.

**Equalities:**

There are no equalities implications at this stage of the review.

**Other Implications:**

There are no other implications at this stage of the review.

**Reason(s) for Urgency**

None.

**Reason(s) for Exemption**

None.

## **Background Papers**

None.

## **Report Author and Contact Officer**

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