

<b>Report To:</b>	<b>CABINET</b>
<b>Date:</b>	<b>7<sup>TH</sup> DECEMBER 2021</b>
<b>Heading:</b>	<b>SELECTIVE LICENSING – EVALUATION REPORT AND RECOMMENDATIONS</b>
<b>Portfolio Holder:</b>	<b>CLLR JOHN WILMOTT, PORTFOLIO HOLDER FOR LICENSING AND REGULATORY SERVICES</b>
<b>Ward/s:</b>	<b>STANTON HILL, SUTTON CENTRAL AND NEW CROSS</b>
<b>Key Decision:</b>	<b>YES</b>
<b>Subject to Call-In:</b>	<b>YES</b>

### **Purpose of Report**

To advise Members of the key findings from the Evaluation Report relating to Selective Licensing for private rented properties.

To advise Members on the options regarding the future of the schemes and to make recommendations in respect of the preferred way forward.

### **Recommendation(s)**

- 1 To note the findings of the evaluation of Selective Licensing Schemes, as attached at appendix A.
- 2 To consider the options in respect of the future of the existing Selective Licensing Schemes.
- 3 To approve in principle, renewing the existing Selective Licensing Schemes for a further 5 year period, subject to a 10 week period of public consultation. The consultation period will begin immediately after the provisional decision is made and will relate to both the terms and conditions of the scheme and the geographical boundaries of the designated areas.

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

Selective Licensing was introduced in designated parts of Stanton Hill and Central Sutton (New Cross), Sutton in Ashfield in February 2017. The schemes were established for a time limited, 5 year period. At the end of the 5 years the Council was obliged to review the impact of the schemes and consider the options moving forward, including the discretion of renewing them if appropriate.

The Evaluation Report highlights the benefits of the present schemes but also makes clear that issues in the designated areas persist in some form or other and that the best way of dealing with the issues is to extend the existing selective licensing schemes.

### **Alternative Options Considered**

Not to evaluate the selective licensing schemes – this was not considered because the schemes were implemented to tackle localised problems and it is important to understand their impact and how far they have progressed in dealing with them.

Not to renew the selective licensing schemes – this is not recommended because whilst selective licensing has had a beneficial impact, the localised problems remain in one form or other and to end the schemes would be a retrospective step.

### **Detailed Information**

Section 80 of the Housing Act 2004 gives Councils the power to introduce (with permission) selective licensing of privately rented properties. Licensing is normally considered appropriate to tackle issues such as low housing demand, localised anti-social behaviour, poor property conditions and poor management practices.

The frequency of such problems in parts of Central Sutton (New Cross) and Stanton Hill was disproportionate and so became the driver for the selective licensing schemes that were introduced in those areas in February 2017.

Under the terms of the schemes the owners (or agents) of all privately rented properties in the designated areas had to apply for a licence and were required to demonstrate that both they and their properties met the licensing conditions. Owners paid a one-off licence fee of £350, the income being wholly used to administer the service.

In respect of scheme objectives, these can be summarised as follows;

1. Improve housing standards property conditions within the private rented stock
2. Improve management practices
3. Improve levels of demand for housing and reduce the number of empty homes
4. Contribute towards partnership working to improve wider community issues including crime, Anti-Social Behaviour (ASB) and domestic nuisance

In total 650 properties required a licence; 620 licences were issued, and a further 3 licence applications were rejected because the owners failed the 'fit and proper' checks. Enforcement action has/is being taken against those 27 who failed to licence.

As part of the licence application process a property inspection was undertaken. Where this identified concerns about the condition of the property a full property inspection under the Housing Health and Safety Rating System (HHSRS) was conducted. A total of 561 properties were identified as needing a full HHSRS inspection, of these 404 had hazards that required further work by the landlord, this included 97 properties that required immediate intervention due to the presence of high-risk, category 1 hazards.

The Evaluation Report highlights the fact that in respect of scheme objective 1, improving property standards, and objective 2, improving management practices, there has been considerable success. With regards to improving property standards the following has been undertaken;

- Works to 338 properties to improve and make safe electrical installations
- Improvements to 195 properties to reduce damp and cold by installing 83 new boilers, 4 new sets of windows, 123 have had new roofs / roof repairs and/or insulation.
- All properties have improved fire safety measures including:
  - Early alerts (Hard wired interlinked detection as a minimum)
  - Clear guidance with support from the fire service on means of escape and fire prevention from tenants.
- Around 40 properties have installed emergency escape windows or ensured that alternative escape routes were unobstructed.
- 12 properties external lighting was improved for security.
- 10 Properties external staircases were repaired or replaced to reduce risks associated with falls on stairs.
- 8 properties with Solid fuel heating have installed Carbon monoxide detectors as well as a majority of all other licenced properties.

The table below lists the total number of disrepair complaints made to the Environmental Health (Residential) Team and clearly indicates the percentage of those originating from properties in the selective licensing areas has reduced over the course of the licensing period.

Period.	Number of Complaints relating to disrepair.	Percentage in Selective Licence area.
2016-2017	907	73%
2017-2018	931	65%
2018-2019	793	52%
2019-2020	1040	31%
2020-2021	1139	26%

With regards to improving management practices, the licensing conditions each landlord signed up to set a benchmark in respect of the Council’s management expectations. In practice what we have witnessed is a reduction in the number of attempted illegal evictions in the licensing areas, down from 12 in 2017/18 to 2 in 2020/21 and an increase in the number of enquiries from landlords regarding the management of their homes, up from 4 in 2017/18 to 146 in 2020/21. Early contact has been promoted as a way of ensuring any issues are dealt with at the earliest opportunity.

In respect of objective 3, increasing demand and reducing the number of empty homes, it is worth considering these separately. With regards to empty homes, officers actively identified vacant properties, they worked to trace the owner and assist them to bring the property back into use. A total of 50 owners were engaged and supported in this way.

With regards housing demand, for the past few years the housing market has been exceptionally buoyant and there has been a consistently high level of demand across all sectors and all tenures. Demand for homes in the selective licensing areas is high but this is likely to be driven by market conditions and returns on investment rather than improvements in the areas related to selective licensing.

Finally, with regards to objective 4, relations with the Police, Community Safety Team and other support agencies has significantly improved. Intelligence is shared and joint operations have been

conducted, resulting in some properties being closed and action taken to deal with ASB. However, the positive partnership working has not led to a recognisable reduction in crime and ASB in those areas and they continue to remain a priority for all concerned. The recent award of **£550,000 Safer Street** funding highlights the fact that problems do remain and that ongoing action is needed, a focus for this is the Sutton Central (New Cross) area.

The Evaluation Report concludes by stating that Selective Licensing has brought about improvements in the designated areas, in particular relating to property conditions and management practices, but that it remains work in progress. The report goes on to recommend that subject to consultation and approval, consideration is given to renewing the existing selective licensing schemes for a further 5 year period. The argument being that there is an opportunity to build on the good work that has taken place to date, continue to develop partnership working with the Police and other agencies and ensure we do not take a backward step. The recommendation is supported by the Police and the Community Safety Team.

The alternative to renewing the schemes is to bring them to an end when the licensing period ends in February 2022. This would mean a return to standard interventions for dealing with issues of disrepair, poor management practices, etc, focused mainly on a reactive approach. There are arguments for this, the strongest one being from landlords who feel the Council's focus should be on tackling bad landlords rather than expecting all landlords to licence their homes. The counter argument to this is that the licensing process is fairly simple and straightforward for good landlords and that through selective licensing we can easily identify those landlords who do not wish to engage and play by the rules, something that is very difficult when operating on a reactive basis.

If approval in principle is given to renewing the existing selective licensing schemes, a full 10 week consultation will commence when the views of stakeholders will be obtained, including those of Scrutiny Panel A, through their wider review of Tenancy Support. Members of the Panel have held a number of meetings focussing on Selective Licensing, considering the work that has been undertaken and the improvements delivered.

The panel have discussed in detail the benefits that a Selective Licensing Scheme can deliver for tenants, landlords and the District as a whole. Whilst recognising the benefits that the scheme can deliver, Members have also explored a number of concerns for officers to consider, which will be explored further during the 10 week consultation period.

The intention would not be for new schemes to be an exact replica of the existing schemes, it is important we take on board the lessons learnt, consider new and emerging issues and determine if a change in the boundaries of the designated areas is needed. Any final decision on renewing selective licensing would be brought back to Cabinet at the end of the 10 week consultation period.

## **Implications**

### **Corporate Plan:**

Selective licensing has gone some way towards helping the Council meet its Corporate Plan objective of ensuring there is sufficient good quality accommodation in the District. Extending the licensing schemes for a further 5 year period will enable the Council to build upon the good work and make a meaningful long term difference.

### **Legal:**

Section 80 of the Housing Act 2004 gives Councils the power to introduce (with permission) selective licensing of privately rented properties. [RD 11/11/2021]

**Finance:**

Budget Area	Implication
General Fund – Revenue Budget	If provisionally approved, the cost of consultation will be met from existing resources.
General Fund – Capital Programme	n/a
Housing Revenue Account – Revenue Budget	n/a
Housing Revenue Account – Capital Programme	n/a

**Risk:**

Risk	Mitigation
Ending the service will put added pressure on existing Environmental Health Services and there is a risk of the service being overwhelmed by service requests and having to cut back, for example in time consuming prosecution and civil penalty enforcement action.	Consideration will need to be given to reorganising the workload of officers, ensuring there is a focus on high priority issues and potentially cutting back on lower levels matters.

**Human Resources:**

None

**Environmental/Sustainability**

No issues identified.

Energy efficiency improvements have been achieved under the Selective Licensing Schemes through installing new boilers, loft insulation and replacement roofs.

**Equalities:**

Within the selective licensing areas there are a disproportionate number of families whose ethnic origin and first language is not English. Consideration will be given to this as part of the consultation process.

**Other Implications:**

None

**Reason(s) for Urgency**

None

**Reason(s) for Exemption**

None

**Background Papers**

None

**Report Author and Contact Officer**

**Phil Warrington**

**Service manager – Strategic Housing & Lettings**

**[Phil.warrington@ashfield.gov.uk](mailto:Phil.warrington@ashfield.gov.uk)**

**Stacy White**

**Team Manager – Environmental Health (Residential)**

**[stacy.white@ashfield.gov.uk](mailto:stacy.white@ashfield.gov.uk)**

**Paul Parkinson**

**Sponsoring Director: Director of Housing & Assets**

**[Paul.parkinson@ashfield.gov.uk](mailto:Paul.parkinson@ashfield.gov.uk)**