

Report To:	CABINET	Date:	29 MARCH 2022
Heading:	SELECTIVE LICENSING OF PRIVATE RENTED HOMES		
Portfolio Holder:	CLLR J WILMOTT – PORTFOLIO HOLDER FOR REGULATORY SERVICES		
Ward/s:	STANTON HILL & SUTTON CENTRAL (NEW CROSS)		
Key Decision:	YES		
Subject to Call-In:	YES		

Purpose of Report

To advise Members of the findings from the 10-week consultation period with stakeholders regarding the proposal to renew selective licensing for private rented homes in designated parts of Stanton Hill and Sutton Central (New Cross).

To seek approval of the in-principle decision made at Cabinet on 7th December 2021 to renew selective licensing for private rented homes in the designated areas.

Recommendation(s)

- 1. To note the findings from the 10-week consultation period with stakeholders regarding the proposal to renew selective licensing for private rented homes in designated parts of Stanton Hill and Sutton Central (New Cross).**
- 2. To confirm the in-principle decision made at Cabinet on 7th December 2021, to approve renewing selective licensing for private rented properties in designated parts of Stanton Hill and Sutton Central (New Cross).**
- 3. To approve the proposed changes to the geographical boundaries of each scheme, details of which are contained at Appendix C, D and E.**
- 4. To approve the proposed fee structure. To charge a licence fee of £350 per property for a 5 year period (the same fee level as in 2017) to cover the cost of administering the scheme. The fee to be discounted by £100 per property if the landlord is a member of a landlord accredited body at the time of application.**
- 5. To approve a re-orientation of the scheme in order to dedicate additional officer time to positive, pro-active engagement with landlords, better supporting them in the day-to-day management of their homes and their tenants.**

Reasons for Recommendation(s)

At the Cabinet Meeting on 7th December 2021 Members agreed in principle to renew the existing selective licensing schemes for private rented homes subject to a 10-week period of public consultation.

The 10-week consultation period has now ended. This report considers the responses received from stakeholders and recommends that the in-principle decision is confirmed as this will ensure the improvements achieved during the first 5 years of the schemes are maintained and built upon.

Alternative Options Considered

1. To not renew the selective licensing schemes. This was rejected because the Evaluation Report highlighted the improvements and benefits of selective licensing and the further gains that can be achieved. Through the consultation process, no issues have been raised that would counter this assertion. **Not recommended.**
2. To consider widening selective licensing to include other areas in the District where there is a high proportion of private rented homes. This was rejected as it falls outside the scope of this report. A commitment was given to look at other potential areas as a separate piece of work. **Not recommended.**

Detailed Information

Background

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 Sutton Central (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 was taken against those who failed to licence.

At the end of the initial 5 year term the schemes were evaluated and a report produced.

Key Evaluation Report Findings

The Evaluation Report (Appendix A) identified significant successes, in particular relating to objective 1 – improve housing standards, and objective 2 – improve management practices. To illustrate, through the licensing scheme works to 338 properties was undertaken to improve and make safe electrical installations and a further 195 properties received additional measures to address issues of damp and mould, including 83 new boilers.

Limited success was identified in respect of objective 4, the contribution of the scheme to wider community related problems, such as ASB and nuisance.

The Evaluation Report highlighted the need to ensure the improvements to property condition and management practices achieved due to selective licensing were maintained and further improved where possible. It also identified a need for a greater focus on wider partnership working to help address wider community issues. To achieve this, the report recommended renewing the existing Selective Licensing schemes.

Proposed Scheme Changes

A commitment was given to review the terms of the Selective Licensing Schemes prior to consulting with stakeholders. It was important that lessons learned from the first 5 years were acted upon, that the schemes were fit for purpose and that they were operating as effectively and efficiently as possible.

The review findings and the subsequent proposed changes are explained in the Consultation Plan (Appendix B) and can be summarised as follows;

Geographical boundaries – the existing boundaries of the Stanton Hill and Sutton Central (New Cross) schemes were reviewed to ensure the schemes continued to be focused on those streets with a high number of private rented homes and where issues remain prevalent. In both areas, a small number of streets included in the original scheme were omitted from the consultation proposal and a small number of streets added.

Fee structure – the cost of administering the licensing schemes was reviewed in order to derive a licence fee. The proposed fee was benchmarked against those charged by neighbouring authorities. Consideration was also given to comments made by landlords about whether it was fair to charge all landlords the same licence fee. The recommendation within the consultation documents was to retain the licence fee at £350 per property and offer a £100 discount per property if the landlord is a member of an accredited body at the point of application.

Licence conditions – A small number of changes to the licence conditions are proposed. The most significant of these being the recommendation to end the need for landlords to submit their gas safety certificate each year. This will be replaced by the need for landlords to submit the certificate at the application stage and then when requested, including when issues of disrepair are being investigated.

Administration of the schemes – To move from a paper-based process to an online application and case management system to improve customer service and streamline processes.

Support for landlords – the ongoing assistance offered to landlords was reviewed and from that within the consultation proposals was a clear commitment to be more pro-active in the advice and support offered and for officers to be more visible and accessible to assist landlords with issues or problems relating to the home they let. There was an acceptance that under the original schemes officers spent too long administering the (paper-based) applications and that by moving to an online system, resources will be available to dedicate to better landlord support.

Consultation Plan

Between 17th December 2021 and 28th February 2022 tenants, residents and landlords were made aware of the consultation and were encouraged to submit their views on the proposals. Every home in the proposed selective licensing areas received a letter and a leaflet as a minimum and all known landlords with homes in the two areas were contacted. Full details of the proposals and an online comments form was included on the Council's website.

Other stakeholders, including lettings agents, landlord support and accreditation services and agencies such as the Police, Notts Fire and Rescue Service and Social Services were contacted. Ashfield District Councillors were invited to attend a seminar and the proposals were discussed at an informal Scrutiny Panel meeting.

Response rates to the consultation were acceptable, in particular from local landlords. Relatively few responses were received from tenants in the proposed selective licensing areas, this in-part was due to the fact many will have become accustomed to the scheme over the course of the last 5 years.

The consultation schedule is contained within the Consultation Report at Appendix B.

Consultation Findings

The proposal to renew selective licensing schemes in parts of Stanton Hill and Sutton Central (New Cross) received a good level of support from those responding to the consultation.

Understandably, it wasn't supported by all, and a number of stakeholders, some landlords in particular, have stated their opposition. It is important that the Council listens to the views of landlords and other stakeholders and does what it can to address the issues and concerns raised. To be effective, selective licensing needs cooperation and buy-in from as many stakeholders as possible, in particular tenants and landlords who are directly affected by the schemes.

Members of the Council's Scrutiny Panel A have been involved in reviewing Selective Licensing and in addition to a summary of their findings and recommendations being included in the Consultation Report a separate Cabinet report has been produced.

A summary of the main themes and key issues raised by stakeholders during the consultation period, along with the Council's response is included below.

Summary of themes and key issues raised during consultation	Council response
It is wrong to target all landlords, the Council should focus on the bad ones	We have some sympathy with this view, however selective licensing treats all landlords in an area the same and creates a level playing field and all rentals within the

	<p>selective licensing area will have to apply for a Licence. The Council would like to think that the whole landlord sector benefits.</p> <p>The Council actively enforce the licensing conditions and will take action against those landlords who wilfully fail to comply.</p>
The licence fee is too high, it is a money-making scheme for the Council.	<p>The licence fee will cover the cost of administering the licensing scheme and we have calculated it on this basis. None of the licence fee income will be spent on other Council services.</p> <p>A dedicated Selective Licensing Team will be in place that will be funded by the licence fee and whose sole focus will be the administration of the scheme.</p>
Should the licence fee be reduced to reflect the fact this is a renewal?	The licences issued to landlords under the original schemes have now ended and so the intention is to go through a similar application and assessment process, there are no time or resource savings associated with the renewal.
If a reduced fee is offered to accredited landlords are those paying the lower amount being subsidised by those paying the full fee?	The lower fee reflects the fact that the Council anticipates there being less administration associated with properties from accredited landlords. Landlords paying the full licence fee will not be subsidising those accredited landlords who pay the lower fee.
As a landlord what do I get for paying the licence fee?	<p>Council Officers will work alongside and in support of landlords from when they submit their licence application, through the inspection and assessment process to the point the licence is issued.</p> <p>Ongoing advice, support and training will be offered to landlords to help them manage and maintain their home. There will be dedicated resources and officers will be more visible and accessible to landlords to provide advice and assistance as needed. Ongoing support will also continue through an invigorated Landlords forum.</p>
Should there being a tenant licensing scheme to ensure they know what is expected of them when they take on a tenancy?	Selective licensing will help ensure prospective tenants receive the information they need so they understand their rights and responsibilities before they sign for their tenancy.
Should the Council undertake multiple property inspections, rather than 1, to push criminals out of the sector and push up standards?	Through selective licensing the aim is to ensure all private rented homes meet the required standard. This can normally be achieved through a single property inspection and further advice and discussion with the landlord. Further inspections can be conducted as and when appropriate, including when there are any concerns about potential criminality.

Does the Council have an active enforcement policy, that supports good landlords and targets rogue landlords?	The Council will always support good landlords. The Council has an established track record of taking action against those landlords who wilfully disregard their responsibilities and who put tenants at risk and who tarnish the reputation of other landlords in the sector.
How will the Council promote and share existing good practice amongst private landlords?	A focus of the renewed Selective Licensing Schemes is to work better with good landlords, providing them with easily accessible advice and support when needed. Part of this will involve sharing how other landlords in the sector operate and how they deal with commonly experienced problems. The Landlord forum will be used as a vehicle for this.
How will landlords be supported if they come across issues such as overcrowding in their home or a tenant in need of assistance due to their health and vulnerabilities?	The Council will look at options such as a dedicated contact phone number or email for landlords in the selective licensing area who need help and support. Briefing and training will also be made available. Officers will be able to advise and signpost landlords to help them deal with any specialist problems.
Why is the Council not considering expanding the scheme to other areas?	The legislation is clear that selective licensing can only be introduced if an area meets specified criteria. Councillors have asked that consideration be given to introducing selective licensing in other areas, this will be considered separately from the consultation and renewal of the existing schemes.

Consultation, conclusion and recommendations

Officers would like to thank every person who has taken the time to consider the consultation proposals and fed back their views in one form or another. Officers accept that selective licensing is not perfect, but the original schemes have made a significant difference to the standard of accommodation and how homes are managed in the designated areas and there is an opportunity to maintain and build upon this.

From the feedback received during the consultation process no strong counterargument has been put forward against renewing selective licensing. A number of issues have been raised by stakeholders and it is important that these are considered and acted upon when appropriate as part of the renewals process.

In conclusion, officers recommend that the in-principle decision made at the Cabinet Meeting on 7th December to renew selective licensing the parts of Stanton Hill and Sutton Central (New Cross) is approved. As part of the approvals process Members are also asked to approve the following key aspects of the schemes;

1. The revised scheme boundaries as detailed in Appendix C and D.
2. The fee structure. To charge a licence fee of £350 per property for a 5 year period (the same fee level as in 2017) to cover the cost of administering the scheme. The fee is discounted by £100 per property if the landlord is a member of a landlord accredited body at the time of application.
3. To re-orientate the schemes to ensure there is additional officer time and resources dedicated to positive, pro-active engagement with landlords, to advise and support them in

the day to day management of their homes and tenants. The change will be achieved through efficiencies gained by moving from a paper-based application process to an online process.

Implications

Corporate Plan:

The aims of selective licensing fit with the Council's Corporate objective to ensure there is sufficient safe and suitable accommodation within the District.

Legal:

Section 80 of the Housing Act 2004 gives Councils the power to introduce (with permission) selective licensing of privately rented properties. [RLD 17/03/2022]

Finance: PH (09.03.22)

Budget Area	Implication
General Fund – Revenue Budget	No direct impact on the General Fund budget. The cost of the Scheme will be fully funded from the License fees generated.
General Fund – Capital Programme	Not applicable
Housing Revenue Account – Revenue Budget	Not applicable
Housing Revenue Account – Capital Programme	Not applicable

Risk:

Risk	Mitigation
That landlords will fail to apply to licence their homes	Most landlords have an awareness of the scheme and their obligations to licence their home. A 3 month raising awareness period will commence once approval is given so that all landlords are aware of their obligations
That landlords will apply for a licence as instructed and the volume of cases means there is a delay in property inspections and licences being issued	The intention is for additional staffing resources to be brought into the Environmental Health (Residential) Team and for these to be front loaded to ensure the service can cope with the volume of work and the expectation of landlords.

Human Resources:

Additional staffing resources will be required to administer and manage the scheme. The full costs will be met through the licence fee income. All new roles will be evaluated through the JE scheme. Any recruitment will be in line with the Recruitment and Selection policy.

Environmental/Sustainability:

Continued improvements to the standard of homes in the District, including improvements to heating systems, will reduce the carbon footprint associated with each home and will help minimise the number of tenants who fall into fuel poverty.

Equalities:

A screening Impact Assessment has identified minimal impact. The designated selective licensing areas do have a higher than average (for the district) number of households from protected characteristic groups, in particular those whose ethnicity is non-British. The scheme will help ensure these households live in decent and safe accommodation.

Other Implications:

None

Reason(s) for Urgency

Not applicable

Reason(s) for Exemption

Not applicable

Background Papers

Not applicable

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