

CABINET	AGENDA ITEM No. 5
23 SEPTEMBER 2013	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr Marco Cereste, Leader of the Council	
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SELECTIVE LICENSING OF PRIVATE RENTED PROPERTY IN MILLFIELD, GLADSTONE, NEW ENGLAND AND EASTFIELD

R E C O M M E N D A T I O N S	
FROM : Executive Director of Operations	Deadline date : 23 September 2013
1. Cabinet is asked to give approval to officers to carry out public consultation with a view of introducing Selective Licensing within the Gladstone, Millfield, New England and Eastfield areas of the City.	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following a referral from CMT on 3 September 2013 and Cabinet Policy Forum on 10 September 2013.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to seek Cabinet approval to undertake public consultation on the introduction of Selective Licensing in the Gladstone Millfield, New England and Eastfield areas of the City.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3, To take a leading role in promoting the economic, environmental and social wellbeing of the area.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	
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4. THE INTRODUCTION OF SELECTIVE LICENSING IN GLADSTONE, MILLFIELD, NEW ENGLAND AND EASTFIELD

4. Peterborough City Council already operates an additional licensing scheme in the Gladstone, Millfield and New England area of the City. This scheme has been in operation since July 2009 and expires in June 2014. The current scheme requires all properties which are privately rented to 3 or more people who form 2 or more households (houses in multiple occupation) to be licensed with the Council. In addition mandatory licensing applies across the city to all 3 storey properties housing 5 or more people are required to be licensed in accordance with the Housing Act 2004.

4.1 The Proposed Licensing Area

- 4.1.1 The proposed Selective Licensing area comprises of Gladstone, Millfield, New England, and Eastfield. These areas consist of mainly Pre 1919 and pre war housing. The area is a

densely populated residential area consisting of approximately 10,933 properties. In Gladstone, Millfield and New England 40% of all property is privately rented with 33% rented in Eastfield.

- 4.1.2 The private rented sector forms an increasingly essential role to meet the City's housing market needs. The Council want to ensure that all tenants are able to live housing that is safe and of a good standard which is appropriately managed and with appropriate protection of their tenancy.
- 4.1.3 Peterborough's rented sector has many good and responsible landlords and agents. However the sector does have problems as many landlords in the proposed area are not professional landlords often owning just one property and have little experience or understanding of their legal responsibilities and duties that come with property management.
- 4.1.4 The number of owner occupied properties in the proposed area is rapidly declining and creating unbalanced communities. Tenants are moving more often and some landlords and tenants take less care and do not maintain the rented properties leading to visual decline and poor quality accommodation. Tenants do not take responsibility for their area and are less worried about fly tipping, rubbish disposal and other environmental issues which further adds to the decline of the neighbourhoods. This in turn leads to falling house prices, owner occupiers leaving and an even greater proportion of speculative landlords and poorer tenants and an even further decline in the area.

4.2 Requirements for Introducing a Scheme

- 4.2.1 The Housing Act 2004 gives councils the power to introduce Selective Licensing schemes for privately rented properties in selected areas. The purpose of such schemes is to improve standards of property management in the private rented sector. If a landlord rents a property in a Selective Licensing area they will need to obtain a licence from the Council. Selective licensing will form part of a wider set of measures that seek to address issues within the private rented sector associated with anti social behaviour and low demand. The criteria that must be met and/or considered must include:
 - 4.2.2 That the area is or is likely to suffer low housing demand and that making a designation will, when combined with other measures by the Council and their partners contribute to the improvement of the social or economic conditions in the area. Or that the area is experiencing significant and persistent problem caused by anti social behaviour and that some or all of the private sector landlords who have let premises in the area are failing to take action to combat the problem as appropriate and that by making the designation, along with other measures will lead to a reduction in or elimination of the problem. The Housing Act 2004 sets out the definitions of low demand and anti social behaviour that need to be considered when making a designation:-
 - 4.2.3 Low housing demand – The value of property in the area is lower than similar properties in other areas; the turnover of occupiers or homes and the number of homes which are available to buy or rent; how long properties remain empty; a lack of mixed communities; lack of mixed communities; lack of local facilities; the impact of the rented sector in the local community eg, poor property conditions, anti-social behaviour etc; criminal activity.
 - 4.2.4 Anti-Social Behaviour – Crime, tenants not respecting their property and engaging in vandalism, criminal damage, burglary, robbery, car crime; nuisance neighbours, intimidation, harassment, noise, rowdy and nuisance behaviour, begging, anti-social drinking, car crime, animal related crime, street prostitution, kerb crawling, street drugs market within the cartilage of the property.
 - 4.2.5 Environmental crime, graffiti, fly posting, fly tipping; litter and waste; nuisance vehicles; drugs paraphernalia, fireworks misuse in and around their property.

4.2.6 Some or all of the landlords who have let property are failing to take appropriate action to combat such problems.

4.3 Licence conditions and benefits

4.3.1 The licence conditions (attached) would address the majority of these issues and require the landlord to take appropriate reasonable action if their tenants are engaged in such activities which are having a negative impact on the area.

4.3.2 As part of the licensing process properties would be inspected to ensure they are free from category one hazards. The main hazards that are found in the area are:

- Excess cold – central heating not working or in some cases properties without any even installed. We receive high levels of complaints that landlords refuse to repair defective heating or hot water especially in the winter month. Many systems are unchecked and not serviced.
- Damp and mould – high levels of black mould caused by combinations of inadequate heating, ventilation and poor insulation, combined with overcrowding and lifestyle issues.
- Entry by Intruders – many houses have poor and inadequate security.
- Electrical hazards – outdated and dangerous electrical supplies within houses, often broken sockets, exposed wiring, lack of rcd protection and earthing.

4.3.3 Overcrowding – whole families living in a single room, sharing their accommodation with a mix of other families and single persons. With all residents sharing a single bathroom and kitchen. The most common scenario found by Officers is a three bedroom house with two families and one or two single persons in occupation, or very large families with 7 or more children crammed into flats or small houses.

4.3.4 Under Selective Licensing landlords would also need to be 'fit and proper' which will help to protect tenants from unscrupulous and rogue landlords.

4.3.5 A licence would last for 5 years. The proposed cost would be £600 for a single dwelling and £900 for a HMO. It is intended that the fee structure would reward compliant landlords with numerous properties or who are accredited.

4.3.6 A licence would stipulate how many people could live in the property which would help to prevent overcrowding.

4.3.7 Failure to licence a property could result in a fine of up to £20,000 and failure to comply with the licence conditions up to £5,000. In the last 5 years 56 prosecutions have been taken against landlords for housing related offences, of those 53 have been within the proposed licensing area with 3 across the rest of the city.

4.3.8 The longer term benefits of Selective licensing increased desirability of the area by improving the image of the private rented sector, improving the visual look of the area. This in turn would lead to increased pride in the area attracting more owner occupiers thus re-balancing the housing community.

4.3.9 It would create a sustainable and stable private rented sector with affordable rent levels and reduce the exploitation of tenants. It will help to achieve more sustainable communities. If tenants feel more secure in their homes, they are less likely to move around. If all private rented property is licensed rather than just houses in multiple occupation, it would reduce the number of illegal evictions, again reducing the need for families, often with young children to move house, therefore requiring frequent school moves. Selective licensing will improve the health and well being of the families within the community. Improving housing management will ensure that private housing is free from

category one hazards such as excess cold as the heating appliances will be properly checked, maintained and working efficiently.

- 4..3.10 Licenses would stipulate clearly how many people a property can accommodate. This would alleviate overcrowding in the private rented sector which would lead to better health and wellbeing outcomes for families by reducing the associated health problems that can come from families sharing facilities within the same accommodation. Better educational outcomes for children will be achieved by preventing them living in unsuitable and overcrowded accommodation, which in the long term will lead to less churn and more settled families and communities.

5. CONSULTATION

- 5.1 This proposal has been presented at CMT on 3 September 2013 and Cabinet Policy Forum on 10 September 2013.
- 5.2 The next steps following consultation would be for the final scheme to be presented to CMT for approval to take the report to the next CPF. If approved at CMT the report would be presented at CPF for approval to take to Cabinet. If the scheme is approved by Cabinet publication Public Notice followed 12 weeks later by the launch of the scheme in April 2014.
- 5.3 The consultation must be for a minimum 10 week period. The consultation be carried out in the proposed area and the wider surrounding area and must include landlords, tenants, owner occupiers, local communities, tenant and resident associations, landlord associations, businesses, registered social landlords, other PCC teams, i.e. Children's Services, Adult Social Care, SPP, Councillors, National Bodies

6. ANTICIPATED OUTCOMES

That the Cabinet agree for the consultation to be undertaken.

7. REASONS FOR RECOMMENDATIONS

Section 80 (9) of Housing Act 2004 requires that before making a designation, it must take reasonable steps to consult persons likely to be affected by the designation and consider any representations made in accordance with the consultation. The consultation must be for a minimum 10 week period. The consultation must be carried out in the proposed area and the wider surrounding area and must include landlords, tenants, owner occupiers, local communities, tenant and resident associations, landlord associations, businesses, registered social landlords, other PCC teams, i.e. Children's Services, Adult Social Care, SPP, Councillors, National Bodies

8. ALTERNATIVE OPTIONS CONSIDERED

If consultation is not undertaken then the Council would not be complying with the requirements set out in Housing Act 2004, Section 80(9).

9. IMPLICATIONS

Financial

Part of the funding received from DCLG for the 'beds in sheds' initiative, amounting to £12,000 has been allocated to cover the costs of the consultation.

Legal

The legal requirement to undertake consultation is set out in paragraph 7 above. If consultation is not undertaken then the Council will not be compliant with the legal requirements as set out in Section 80, Housing Act 2004 and any selective licensing scheme thereafter implemented would be open to judicial review.

Equality and Diversity

The Housing Act 2004 stipulates that the Council must carry out a wide consultation as stated in paragraph 7 above. In order to ensure that as many people are given the opportunity to participate in the consultation a range of methods will be used. These include:

The Council is required to consult with local residents, including tenants, landlords, managing agents and other members of the community who live or operate businesses or provide services within the proposed designation and those in the surrounding area. Everyone who responds to this consultation will have their view fully considered. Our comprehensive engagement and consultation process with partners, stakeholders and customers will include: private landlords, private tenants, owner occupiers, RSL tenants and landlords, local communities, tenant and resident associations, landlord associations, Citizens Advice Bureau, local community committees, locally elected members, local businesses, police, other Peterborough City Council teams including Adult Social Care, Children's Services, Safer Peterborough Partnership, Strategic Housing Teams and Councillors, national bodies – e.g Shelter, BME, Equality Commission.

Various methods of consultation will be adopted including: via Peterborough City Council website, Direct mail (consultation pack) to all landlords and their managing agents, and Landlord, Tenant and Resident Associations who operate in and around the proposed area, direct mail (consultation pack) to all residents and business or services within the proposed area of Selective Licensing and surrounding area; press release to local media, members of Housing Enforcement Team will be attending community meetings and drop in sessions for both landlords and residents, articles in local community newsletters

10. BACKGROUND DOCUMENTS

This document/proposal has been researched and drafted with due reference to the following sources of guidance and good practice.

- Approval steps for additional and selective licensing designations in England – published by the Department for Communities and Local Government
ISBN: 978 1 4098 2230 1 – Revised edition 2010
- Evaluation of the impact of HMO licensing and Selective Licensing – published by
Department for Communities and Local Government
ISBN: 978 1 409815365
- Selective Licensing for Local Authorities – A good practice guide – published by
Shelter 2006
ISBN: 97 1 903595 68 8

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