

COMMUNITIES SCRUTINY COMMITTEE	AGENDA ITEM No. 5.
2 NOVEMBER 2021	PUBLIC REPORT

Report of:	Michael Kelleher, Assistant Director, Place and Economy	
Cabinet Member(s) responsible:	Cllr Steve Allen, Cabinet Member for Housing, Culture and Communities	
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SELECTIVE LICENSING CONSULTATION

RECOMMENDATIONS	
FROM: Michael Kelleher, Assistant Director, Place and Economy	Deadline date: n/a
<p>It is recommended that the Communities Scrutiny Committee:</p> <ol style="list-style-type: none"> 1. Reviews and scrutinises the proposals for the new Selective Licensing Scheme as part of the public consultation. 2. Comments and responds to the public consultation on the Scheme as it sees fit prior to consideration by Cabinet and/or the relevant Cabinet Member 	

1. ORIGIN OF REPORT

1.1 This report is presented at the request of the Scrutiny Committee

2. PURPOSE AND REASON FOR REPORT

2.1 The Selective Licensing Scheme ended on 31 October 2021. To introduce a new scheme the Council must undertake a consultation of at least 10 weeks and seek approval from the Secretary of State before any new scheme can commence.

2.2 This report is for Communities Scrutiny Committee to consider under its Terms of Reference -Part 3, Section 4 - Overview and Scrutiny Functions, paragraph No. 2.1 Functions determined by Council:

1. Housing need (including homelessness, housing options and selective licensing)

2.4 The Selective Licensing Scheme aims to improve the quality of private rented housing within the city through a mixture of advice, guidance and enforcement where required. This directly supports the council's strategic priorities:

- **To keep all our communities safe, cohesive and healthy**
- **To achieve the best health and wellbeing for the city**

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
Date for relevant Council meeting	N/A	Date for submission	TBC

if applicable		to Government Dept.	
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4. **BACKGROUND AND KEY ISSUES**

4.1 Peterborough is one of the fastest growing cities in the country. Latest statistics show there are around 86,832 private rented properties in Peterborough equating to 35.6% of the city's total housing stock (Source: Council Tax). By contrast, the social rented sector represents 5% of the city's housing stock.

In England, the social rented sector is subject to comprehensive regulatory regimes which actively promote the interests of tenants and ensure that social landlords take a proactive approach to addressing their tenants' needs. Social landlords tend to maintain their properties to a higher standard than required by the Housing Act 2004 and are responsible for dealing with other issues such as ASB and waste management problems such as fly tipping.

In contrast, there is no similar regime to regulate the private rented sector. Local authorities can take statutory action when problems arise. However, the council can only intervene after the event and nearly always because a tenant complains. However, tenants are often too frightened to complain for fear of retaliatory or "revenge" eviction. Research from Citizens Advice (2018) found that private renters in England who formally complain about issues such as damp and mould in their home have an almost one-in-two (46%) chance of being issued an eviction notice within 6 months.

Selective Licensing allows local authorities to adopt a much more proactive approach to raising housing standards as licensing conditions are primarily aimed at good practice to prevent problems arising.

4.2 Peterborough City Council's current Selective Licensing Scheme began in December 2016 and will expire on 31 October 2021. In encouraging landlords to meet their responsibilities through proactive engagement, licensing inspections and monitoring and enforcement work, it is hoped that we can make the city a better place to live and work for all residents.

In Peterborough, the proactive approach enabled by the current Selective Licensing Scheme has allowed more than 7,300 licensed dwellings to be inspected as of September 2021. Details of the impact of the current scheme are detailed in appendix 1 – 2016 Selective Licensing Review.

Since Peterborough City Council's current Selective Licensing Scheme began there have been numerous developments the most significant of which are:

- The number of new rental units in the city continues to increase both by conversion and new developments
- The Grenfell fire emphasised the increased need for fire safety in residential properties
- The Covid-19 pandemic

The current guidance on Selective Licensing sets out the statutory criteria for making a designation. Local authorities can designate an area for selective licensing for five years, but must first demonstrate the evidence for their concerns, look at alternative approaches and consult widely. Details of the proposed scheme and consultation can be found in Appendix 2 – SL consultation document.

A 12 week public consultation will be launched from 1 December 2021 to seek views on the scheme locations, fees and terms and conditions of the licence. The consultation will include:

- A letter to each household in the proposed Selective Licensing area/s and adjacent wards outlining the scheme
- Press notice and social media content
- Member briefing pack with full details of the proposed scheme
- Stakeholder engagement with landlords across the city

- Regular online Q&A sessions for the public to ask questions and provide feedback
- Updated website content with a comprehensive Frequently Asked Questions section
- Dedicated email address for the public to contact

A copy of the consultation questionnaire can be found at Appendix 3 – Consultation Questions.

Qualifying conditions and process for selective licensing designation

The process of evidence gathering and consultation prior to designation is rigorous and challenging. Where the proposed designation covers either 20% of the total geographic area of the authority or 20% of the total privately rented stock. The council has reviewed the data it holds to understand how the private rented market has changed over the five years. Private rented accommodation now makes up 25.3% of housing in Peterborough (up from 19% in 2016). Using the council tax data the council holds, an up-to-date assessment has been of areas which have a) a higher percentage of private accommodation than the Peterborough average and b) meets at least five out of the six criteria for selective licensing to be introduced. Evidence details can be found in Appendix 4 – Selective Licencing Evidence Base 2021.

The application process for selective licensing designation is complex and rigorous and approval is not guaranteed. Approval is subject to recommendation from the Department for Levelling Up, Housing and Communities and is at the discretion of the Secretary of State.

Licences contain conditions with which the applicant must comply over the life of the property licence. Local authorities inspect properties in the area and enforce compliance with the conditions of the licence. A copy of the proposed conditions can be found in Appendix 5 – Licence Conditions.

The licence requires payment of a fee, part A due at the point of application which covers processing of the application and part B due at point of issue which supports the associated enforcement scheme. Details of the proposed fees are contained within Appendix 2.

A map showing the current and proposed areas can be found in Appendix 6.

5. CONSULTATION

5.1 It is proposed that a 12 week public consultation commences on 1 December 2021 to seek views on the scheme locations, fees and terms and conditions of the licence. The consultation will include:

- A letter to each household in the proposed Selective Licensing area/s and adjacent wards outlining the scheme
- Press notices and social media content
- Member briefing pack with full details of the proposed scheme
- Stakeholder engagement with landlords across the city
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6. ANTICIPATED OUTCOMES OR IMPACT

6.1 Selective Licensing schemes will help improve the standard of private rented housing within the city helping to provide safe and warm homes for residents. This in turn will keep people safe and help to address the underlying conditions that can lead to poor mental and physical health outcomes.

7. REASON FOR THE RECOMMENDATION

- 7.1 Proposals for a new Selective Licensing scheme are due to be submitted to Government in 2021 and will include the outcome of the public consultation event. Comments and recommendations made by the Scrutiny Committee members will be considered as part of the public consultation process.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 To cease operating a Selective Licensing scheme within the city. This option has been rejected as it will likely lead to a deterioration of housing conditions, housing management and poorer outcomes for tenants.

9. IMPLICATIONS

Financial Implications

- 9.1 None at this stage, however the new scheme will require additional staffing and operation costs which will be met from the fees introduced. It should be noted that councils are not permitted to charge fees in excess of the costs associated with running the scheme.

The Selective Licencing team is an integral part of the Council's housing enforcement service and without the income generated by the scheme the team could not continue, and the Council's ability to provide a joined up and seamless approach to housing enforcement will be reduced. This could result in a budget pressure to continue to provide a coherent service if the new proposed Selective Licencing scheme is not approved.

Legal Implications

- 9.2 The council operates the Selective Licensing Scheme set out in the Housing Act 2004 and with approval from the Secretary of State.

Equalities Implications

- 9.3 None identified

Rural Implications

- 9.4 N/A

Carbon Impact Assessment

- 9.5 The Selective Licensing Scheme helps to modernise and improve housing standards in the city. Where housing does not meet acceptable standards, landlords are required to make improvements which may lead to greater energy efficiency outcomes.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 None.

11. APPENDICES

Appendix 1 – 2016 Selective Licensing Review
Appendix 2 – SL consultation document
Appendix 3 – Consultation Questions
Appendix 4 – Selective Licensing Evidence Base 2021
Appendix 5– Proposed Selective Licensing Conditions
Appendix 6 – Map