

STRONG AND SUPPORTIVE COMMUNITIES SCRUTINY COMMITTEE	Agenda Item No. 8
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Report of the Strategic Housing Manager

Contact Officer – Belinda Child
Contact Details – 01733 863769

PROPOSED SELECTIVE LICENSING FOR THE GLADSTONE, MILLFIELD, NEW ENGLAND AND EASTFIELD AREAS OF PETERBOROUGH

1. PURPOSE

- 1.1 The purpose of this report is to present to the committee the proposed Selective Licensing scheme for privately rented accommodation in the Gladstone, Millfield, New England and Eastfield areas of Peterborough.

2. RECOMMENDATIONS

- 2.1 The committee is asked to review and scrutinise the proposed selective licensing scheme for privately rented accommodation in the Gladstone, Millfield, New England and Eastfield areas of Peterborough.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1 Providing affordable, warm, safe and secure housing is the cornerstone of a strong society, and the proposed Selective Licensing scheme is one of the tools available to the council to regulate the private rented housing sector to achieve this.
- 3.2 Whilst this work cuts across the entire Sustainable Community Strategy, it most closely aligns with the priority to achieve strong and supportive communities.
- 3.3 Whenever considering whether to make a Selective Licensing designation Councils must also ensure that the exercise of power is consistent with their overall housing strategy, in accordance with section 81 (2) of the Housing Act 2004.
Peterborough is a city with huge ambitions. The city council's vision is simple; for a bigger and better Peterborough, where sustainable growth brings with it opportunities that will improve the quality of life of its residents, helps to preserve the environment, and helps to create vibrant and cohesive communities. Good quality housing is fundamental to this vision; the standard of our accommodation is pivotal to health, wealth, aspirations and life chances.
- 3.4 **Objective one - To support the delivery of substantial yet truly sustainable growth**
The first objective of the Housing Strategy relates to the scale and nature of housing growth that is required to meet the needs of the existing and future population, as well as supporting Peterborough's economic performance and employment growth.

Objective two - To secure the regeneration of and improvements to Peterborough's housing stock

The second objective of the Housing Strategy relates to the role that housing regeneration and improvements can play in wider neighbourhood renewal, meeting our Environment Capital ambitions, and improving the health of the local population.

Objective three - To meet existing and future housing needs

Objective three relates to how the city council and its partners will work to meet the growing needs of the residents of Peterborough, including disabled households, those unable to afford market housing, and those threatened with or experiencing homelessness.

Objective four - To create mixed and sustainable communities

The final objective set out in the strategy relates to how the city council will seek to utilise its housing agenda to ensure that future neighbourhoods created and the communities that live within them are mixed, thriving and sustainable.

4. BACKGROUND

- 4.1 The proposed Selective Licensing area covers Gladstone, Millfield, New England and Eastfield. The proposed area is a high density private sector residential area consisting of approximately 10,933 properties (7073 in Gladstone, Millfield and New England and 3785 in Eastfield). In the Gladstone, Millfield and New England area over 40% of the properties are privately rented and in the Eastfield area 33% of the properties are privately rented. As detailed above, the Housing Act 2004 does not require the licensing of properties subject to tenancies granted by Registered Social Landlords or Councils. There are 1697 (1019 in Gladstone, Millfield and New England and 678 in Eastfield) Registered Social Landlord properties in the proposed area. There are approximately 3446 properties (2421 in Gladstone, Millfield and New England and 1025 in Eastfield) which have been identified as privately rented and would require a licence if the proposed Selective Licensing area is introduced.
- 4.2 The area covers 108 streets in Gladstone, Millfield and New England and 76 streets in Eastfield.
- 4.3 The private rented sector performs an essential role in the City's housing market, offering flexibility and choice, with potential to support economic growth as well as meet housing needs. The Council wants to ensure that standards are high across the private rented sector. Selective licensing will form a 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.
- 4.4 The levels of privately rented accommodation in the area has dramatically increased which is demonstrated with the private rented sector representing over 40% in Gladstone, Millfield and New England and 33 % in Eastfield compared to 20.5% across the City and 16% nationally.
- 4.5 Peterborough's private rented sector has many good, responsible landlords and agents. However the sector does have problems, including within the proposed selective licensing area. Many landlords are not professional or portfolio-holder landlords, owning only one or two properties, and have little experience or understanding of their legal responsibilities. Additionally, they are not familiar with the day to day duties that go with owning and managing rental properties in which other people make their homes, and which statutory regulation i.e. licensing is considered necessary to engage with the less responsible private landlords who do not proactively manage their properties, or address unacceptable levels of bad behaviour by tenants.
- 4.6 The increasing size of the private rented sector and decrease in the number of owner occupied dwellings is creating unbalanced communities.

- 4.7 Since July 2009 the council has operated an additional licensing scheme within the Operation Can Do area of the City. Additional licensing requires that all houses in multiple occupation have a licence to operate as such. A house in multiple occupation is a rented property which is occupied by three or more people if those three or more people form at least 2 households. The licence costs £80 per rentable room and has a duration of 5 years. The scheme will be reviewed in June 2014. There are over 500 properties operating as HMO's at any one time in this area. This type of housing is in high demand and is a valuable source of accommodation providing affordable housing for those who want to live close to the City Centre.
- 4.8 Since the inception of the HMO licensing scheme 67 properties have been licensed and 9 landlords have been prosecuted for operating a HMO without a licence, with fines ranging from £500 to £12,000. Interim Management Orders have been made on 5 properties. This involves the council taking over the management of the property for a period of time in order to take steps to ensure its proper management and bring the house up to an acceptable standard of accommodation and safety. One Final Management Order has been made which involves the Council taking over the property for up to 5 years.
- 4.9 During the term of the current licensing scheme a number of landlords have taken the drastic step of illegally evicting tenants when the council has asked them to apply for a licence, thus causing fear and uncertainty amongst some tenants within the area as to the security of their accommodation. The burden of proof that the Council must supply to demonstrate that a property is a HMO and the tenants are not inter-related is high and labour intensive. Some landlords have found that they thought they let a property to one family but others moved in or there was more than one family, thus creating a HMO. Selective licensing applies to all rented properties and will remove any uncertainty for landlords as to whether they need a licence or not.
- 4.10 We have recently undertaken a housing survey in the proposed selective licensing area. This survey revealed that 45% of the residents in the area thought that there is a high turnover of private tenants in the area, 88% thought that landlords should make sure their properties are in good condition and well maintained, 71 % think that landlords should demand references from prospective tenants and 79% think that landlords should be responsible for dealing with their nuisance tenants and anti- social behaviour.
- 4.11 Selective licensing will extend housing choice and increase the confidence of occupiers within the designation area. Landlords will be required to take ownership of their management responsibilities thus increasing the prospect of long-term trouble free renting. This in turn will make the sector a more valuable asset to the area and prevent it from falling further into a low demand area.
- 4.12 It is proposed to introduce a Selective Licensing scheme in the Gladstone, Millfield, New England and Eastfield area on the following ground:
- The area is, or is likely to become, an area of low housing demand; and
 - That making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, contribute to the improvement of the social or economic conditions and therefore significantly reduce anti -social behaviour in the area.

The Housing Act 2004 sets out a number of factors which the Council must take into account (among other matters) when deciding if an area is, or is likely to become an area of low housing demand, as follows:

- The value of residential premises in the area when compared to the value of similar premises in other areas which the Council considers to be similar.

The turnover of occupiers of residential premises i.e. how often people move house, and The number of residential premises which are available to buy or rent, and The length of time for which properties remain unoccupied within the area. Guidance issued by the Department of Communities and Local Government ("*Approval Steps for additional and selective licensing designations in England*" - February 2010) identifies additional factors which the Council should also consider when deciding if an area is suffering from, or is likely to become an area of low housing demand, as follows:

- A lack of mixed communities in terms of tenure, for example, a high proportion of rented property, low proportion of owner occupied properties.
- A lack of local facilities, for example, shops closing down.
- The impact of the rented sector in the local community, for example, poor property condition, anti- social behaviour, etc.
- Criminal activity.

The Housing Act 2004 sets out a number of factors which the Council must take into account (among other matters) when deciding if an area is, or is likely to become an area of significant and persistent problem caused by anti-social behaviour, as follows:

- Crime: tenants not respecting the property in which they live and engaging in vandalism, criminal damage, burglary, robbery/theft and car crime.
- Nuisance neighbours: intimidation and harassment; noise, rowdy and nuisance behaviour; animal related problems; vehicle related nuisance. Tenants engaged in begging; anti-social drinking; street prostitution and kerb-crawling; street drugs market within the curtilage of the property.
- Environmental Crime: tenants engaged in graffiti and fly posting; fly tipping; litter and waste; nuisance vehicles; drugs paraphernalia; fireworks misuse in and around the cartilage of their property.
- Some or all of the private landlords who have let premises in the area are failing to take action to combat such problems that it would be appropriate for them to take.
- A landlord has responsibility to ensure persons he has permitted to reside at his property do not cause any annoyance or nuisance to other persons residing in it or other persons living, working or visiting the immediate neighbourhood. If anti- social behaviour is being carried out within the immediate vicinity of the property and is being caused by the occupiers of it, then it would be reasonable to expect a landlord to ensure that those persons are not conducting themselves in a way that is adversely impacting on the local community.

5. KEY ISSUES

5.1 Public Consultation

Following agreement from cabinet we have commenced a 13 week public consultation, which runs until the 27 December 2013. A consultation questionnaire has been sent to all residents, landlords and businesses in the area. Drop-in sessions have been set up in community buildings across the area and presentations to Residents Associations and Landlord Associations have been delivered.

5.2 Fees

Under the proposed scheme the Council has the power to charge landlords a fee for processing their application for a selective licence. The proposed fee takes into account all costs incurred by the Council in carrying out its Selective Licensing functions. The Housing Act 2004 also allows Councils to take into account costs incurred by them in carrying out their functions in relation to Interim and Final Management Orders (so far as they are not recoverable under that part of the Act).

The proposed fees charged purely cover the costs of administrating and enforcing the Selective Licensing scheme.

5.2.1 The Council proposes to charge a basic fee of £600 for a licence and £900 for a HMO. This equates to £2.30 per week and £3.46 per week. We want a Selective Licensing fee structure that rewards landlords who comply in a timely manner and we are considering suitable options for landlords with numerous properties and discounts for Accredited Landlords.

5.3 License Conditions

A selective licence would be granted with a set of conditions that must be adhered to. Failing to adhere to any licence condition is a criminal offence and may result in prosecution and a fine of up to £5,000 if found guilty.

There are 17 proposed licence conditions. These conditions ensure the property is managed correctly, complaints of anti- social behaviour are dealt with appropriately, gas and electrical certificates are supplied to the Housing Enforcement team, and smoke alarms are kept in working order, amongst other things.

6. IMPLICATIONS

6.1 All privately rented properties in the proposed area will be required to have a licence. Landlords will be required to be a 'fit and proper person', to pay a licence fee and adhere to the proposed licence conditions.

Selective Licensing will ensure a consistent level of property management services among all private landlords in the area, thus assisting prospective private tenants in making a positive, confident choice about their next home in Peterborough within a sector often branded as the 'tenure of last resort'. Reputable landlords could be assured that if a Selective Licensing scheme were in place, those landlords whose business practices do not meet the required minimum standards would be encouraged and supported to improve their management standards. Landlords who are not willing to work with the Council could face being refused a licence and ultimately having a Management Order imposed against the property.

7. CONSULTATION

7.1 We are in the middle of a 13 week public consultation on the proposed selective licensing scheme, which ends on 27 December 2013.

Methods of consultation:

- Peterborough City Council website: www.peterborough.gov.uk
- 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.
- Questionnaire to landlords, residents and businesses who operate within the proposed area
- Articles in local community newsletters
- Members of Housing Enforcement Team attending community meetings:

17.10.2013	East Community Centre, Padholme Rd	Drop in Session
23.10.2013	The Hub, 439 Lincoln Rd	Drop in Session. Designed to adopt a two way flow of information. Display boards, feedback forms. Q&A session
28.10.2013	Victoria Park Residents Association, Beehive Community Centre	Meeting/formal presentation. Q&A

30.10.2013	Press Release	
30.10.2013	Gladstone Park, Bourges Boulevard	Drop in Session - designed to adopt a two way flow of information. Display boards, feedback forms and comment/question cards. Q&A session
01.11.2013	East Children's Centre, Durham Rd	Drop in Session. Designed to adopt a two way flow of information. Display boards, feedback forms.
06.11.2013	Diversity Forum - Selective Licensing Presentation	Presentation/ Bourges Room Town Hall
06.11.2013	National Landlords Association, Holiday Inn, Thorpe Wood	Meeting/Presentation
07.11.2013	Beehive Community Centre, St Martin's Street	Drop in Session
08.11.2013	Gladstone Children's Centre, 157 Cromwell Rd	Drop in Session
23.11.2013	Latvian Community School	Drop in Session

Further drop-in sessions are being arranged following feedback from the sessions held so far.

8. NEXT STEPS

- 8.1 Once Consultation has finished and all the responses have been analysed, and alternative proposals have been thoroughly investigated and researched the final proposed scheme will be presented to Cabinet for approval and implementation.

9. BACKGROUND DOCUMENTS

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

- 9.1 Department of Communities and Local Government "*Approval Steps for additional and selective licensing designations in England*" - February 2010

Part 3 of the Housing Act 2004

10. APPENDICES

- 10.1 Annex A: Evidence base for the proposed Selective Licensing area
Annex B: Consultation Questionnaire
Annex C: List of streets in the proposed area
Annex D: Proposed license conditions
Annex E: Proposal document