

## **Peterborough City Council**

# **Consultation Proposal to designate a Selective Licensing Scheme in the Operation Can Do and Eastfield areas of the City of Peterborough.**

## **1. Introduction**

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.

Peterborough City Council proposes to introduce a Selective Licensing Scheme in the Gladstone, Millfield and New England area (known as Operation Can Do) and Eastfield areas of the City. This document sets out the detail behind the proposal and invites views and comments from residents, businesses and organisations that are likely to be affected by the proposal.

The consultation period will commence on **27 September 2013** and will close on **6 December 2013**.

Any decisions regarding the proposal will only be taken by the Council after it has fully considered the responses to the consultation, the supporting evidence and any other relevant information.

Your views and comments are therefore very important and we invite you to consider the information provided below. You can find details of how you can respond to the consultation on page 21 of this pack.

## **2. What is a Selective Licensing Scheme?**

The Housing Act 2004 gives Councils the power to designate areas within their district as subject to selective licensing provided one of the following criteria are met:

- That 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 Council, or by other persons together with the Council, contribute to the improvement of the social or economic conditions in the area; or
- That the area is experiencing a 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 that it would be appropriate for them to take; and that making the designation will, when combined with other measures taken in the area by the Council, or by other persons together with the Council, lead to a reduction in, or elimination of the problem.

Peterborough City Council proposal is made on the grounds that the area is experiencing a significant and persistent problem caused by anti-social behaviour and it is becoming an area of low housing demand.

### **Low Housing Demand:**

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,
- 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.

### **Anti-Social Behaviour:**

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.

If a Selective Licensing Scheme is introduced, the landlord of every privately rented property in the designated area would have to obtain a licence from the Council, subject to a number of exemptions as set out below:

- Properties which are required to be licensed as a HMO under part 2 of the Housing Act 2004
- Properties subject to a temporary exemption
- Properties subject to a Management Order
- Properties let by the Local Authority or Registered Social Landlord
- Properties let under tenancies or licences described as 'exempt' from the requirement to be licensed by the Selective Licensing of Houses (Specified Exemptions) (England) Order 2006/370

A person would have to apply to the Council for a licence in accordance with certain requirements which the Council would specify. In particular, the Council is entitled to require that the application be accompanied by a fee. Further details of the proposed fee can be found on page 17 of this document.

When applying for a licence, landlords will have to provide evidence that they are 'fit and proper persons' and that they manage their properties correctly, including taking appropriate action against tenants who are causing anti-social behaviour. A landlord would require a licence for each property in the designated area, subject to the exemptions listed above.

The Council has the power to refuse to grant a licence to the applicant, or it can grant the licence to some other person if both the Council and the applicant agree. Applicants have the right to appeal against certain Council decisions relating to the granting, refusal, variation or revocation of licences. The Council must follow procedures when making these decisions and advise landlords of their right of appeal when appropriate.

A licence would be valid for up to 5 years. Any licence will have a set of conditions which the licence holder would be required to comply with. There are certain mandatory conditions which the Council must include in the

licence. For example, if gas and gas appliances are in the property, a licensee would have to produce to the Council annually a gas safety certificate obtained within the last twelve months. The Council has discretion to add other conditions.

The proposed licence conditions are attached at Annex D.

### **3. What happens if I rent a property without a Licence?**

It is a criminal offence to rent a property in a designated Selective Licensing area without a licence. Failure to apply for a licence could lead to prosecution and the offence is punishable with a fine of up to £20,000.

In addition the tenants of the property or the Council could apply to the Residential Property Tribunal for a Rent Repayment Order. This means that the Landlord could be made to repay rent paid during the period in which the property was unlicensed (subject to certain limits set out in section 96 and 97 of the Housing Act 2004).

A landlord is also prevented from serving a Section 21 Notice under the Housing Act 1988 in relation to a shorthold tenancy of the whole or part of any property which is an 'unlicensed house' (this includes flats).

The Council must make what is called an 'Interim Management Order' in respect of a property which should be licensed under a Selective Licensing Scheme but isn't and the Council considers that:

- There is no reasonable prospect of the property being so licensed in the near future, or
- The 'health and safety' condition is satisfied. The 'health and safety' condition is that the making of an Interim Management order is necessary for the purpose of protecting the health, safety or welfare of persons occupying the house, or persons occupying or having an interest in premises in the vicinity.

An Interim Management Order lasts for a maximum period of 12 months, during which time the Council has the right to do anything in relation to the property which the Landlord would be able to do, with the exception of certain powers such as, for example, creating tenancies (the landlord must consent to this in writing) or selling the property. In certain circumstances, a Final Management Order can replace an Interim Management Order. A Final Management Order can last for a period of up to five years. For further information about Management Orders please contact the Housing Enforcement Team on (01733) 863785.

A licence holder (or person upon whom restrictions or obligations are imposed by the licence) will also commit a criminal offence if they fail to comply with

any condition of a licence. This offence is punishable by a fine not exceeding £5,000.

#### **4. The proposed area of Selective Licensing**

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.

The area covers 108 streets in Gladstone, Millfield and New England and 76 streets in Eastfield.

Annex B is a map which shows the proposed area to be designated as a Selective Licensing area. A list of the streets which are potentially affected is contained within Annex C.

#### **Background:**

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.

The proposed Selective Licensing area is predominantly a high density private sector residential area consisting mostly of pre 1919 and pre-war properties.

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.

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.

The increasing size of the private rented sector and decrease in the number of owner occupied dwellings is creating unbalanced communities. Tenants in the areas move more often. Some landlords and tenants take less care and carry out less maintenance on rented properties leading to a visual decline of the areas as well as poorer quality housing. Short term tenants sometimes do not take ownership of their area and are less likely to worry about fly-tipping and other environmental issues further leading to the visual decline of a neighbourhood. This in turn leads to house prices falling as owner occupiers leave and houses are bought by private investors thus increasing the rented stock and the area becomes low demand.

The Council believes selective licensing provides a range of tools to encourage private landlords to improve the management, amenity and safety standards of their properties, which in turn, alongside other measures, will help to improve the living standards within the area preventing it from further low demand.

The Council recognises that the more responsible private landlords and their agents will also be subject to the licensing regulations. The council hopes that these landlords will appreciate the longer term benefits that licensing will achieve especially improving the reputation of the sector, increasing values, achieving lower turnover and better legitimate rental returns rather than exploitation of the tenants.

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.

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.

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-relate 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.

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.

The Council does not need a positive response from the consultation to introduce a scheme and it is expected that negative responses will be received from landlords and agents within the area but positive responses from owner occupiers. The tenants in the proposed area are a hard to reach group and mixed responses are expected from this group. The housing survey carried out in the area between October 2012 and March 2013 asked questions relating to the introduction of controls with in the private rented sector and these are detailed in the evidence document attached, showing that residents would welcome this.

## **5. Why do we need a Selective Licensing Scheme?**

The Council firmly believes that licensing can contribute to the regeneration of this area where there is a high percentage of private rented housing and where high numbers of them are poorly managed. Selective licensing is designed to raise standards in the private rented sector and drive out unscrupulous or inept landlords in particular areas where private renting is problematic for the wider community. It is a powerful tool to improve the management standards of private landlords. It will help improve the living standards, reputation and physical condition of the designated area, the private rented sector in general and the reputation of decent and competent landlords.

The Council believe that 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.

The Council proposes 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.

The Council's evidence base for the proposed Selective Licensing area is contained within Annex A of this report.

## **6. How Does Selective Licensing support multi agency working and new initiatives and fit in with the overall Housing Strategy?**

In accordance with section 81 of the Housing Act 2004, whenever considering whether to make a Selective Licensing designation Councils must ensure that the exercise of power is consistent with their overall housing strategy and seek a coordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining Selective Licensing with other measures being taken by them or others.

Policy HS 20 of the City Council's Housing Strategy 2011-15 identifies effective housing enforcement. As part of its broader project to address social and environmental issues in the Gladstone, Millfield, New England and Eastfield areas, the city council will fully explore the benefits and implications of replacing the existing 'additional HMO licensing scheme' with a 'selective licensing scheme' that covers all privately rented accommodation within these areas.

### **Supporting the Safer Peterborough Partnership Board:**

Tackling anti-social behaviour (ASB) is now synonymous with effective neighbourhood and tenancy management and the creation of sustainable communities. It is essential private landlords take their responsibilities seriously and work with local agencies to ensure that communities do not suffer from persistent ASB from private tenants.

Effective information sharing and good standards of tenancy management are key to supporting communities and preventing any spiral of decline.

Peterborough, as with all other local authority areas, has a statutory Crime and Disorder Reduction Partnership – the Safer Peterborough Partnership. It is made up of statutory and civil society sector agencies, and works collaboratively to reduce crime and disorder, prevent reoffending, and serves as the Drugs and Alcohol Partnership. Although the Partnership works closely with the new Police and Crime Commissioner, it has the sole responsibility for ensuring a partnership approach is taken to address crime and disorder in Peterborough. It has governance responsibility for example for the Operation Can-do programme. The Partnership, through its pooled budgets, also oversees the work of the Safer Peterborough staff team which comprises staff from a range of different agencies. This team focuses on tackling ASB, exposing and reducing hate crime, tackling domestic abuse, making our roads safer, supporting recovery from substance abuse, and managing our most prolific offenders who cause the most crime.

Through Selective licensing the Housing Enforcement team can offer advice and support to landlords to ensure that they take appropriate and effective action where they receive a complaint about their tenants. It is important to recognise that the private rented sector provides housing to many of those excluded from other sectors of the market and these can be the most vulnerable sections of society, with issues such as alcohol or drug misuse and a history of anti-social behaviour affecting their ability to sustain a tenancy.

In Peterborough, we have established local partnership delivery groups – Operation Can Do, which is the vehicle for developing multi agency case intervention strategies where problems are identified, and can include actions for the police, the Youth offending team, and neighbourhood management team.

Selective Licensing requires landlords to provide essential information about themselves and their business, including their “fit and proper” status, management arrangements and any relevant connected persons. It is important to note, that we will continue to find ways to work with landlords to ensure that they can meet the entry requirements, rather than refuse.

A landlord must comply with the conditions which are attached to a selective licence. Several of these conditions relate directly to the effective management by the landlord of incidences of anti-social behaviour. We are aware that there is a complete lack of expertise amongst some private landlords and their managing agents in tenancy management and in particular in dealing effectively with anti-social behaviour. Therefore, the Housing Enforcement Team will provide landlords with support and hands on advice. This team will also provide individual support when the landlord is devising a strategy for responding to individual cases.

This role does not replace the service that already exists to provide a statutory anti-social behaviour service to members of the public, but will provide a valuable training resource to landlords. However, landlords will not be able to pass the ownership of complaints on to this team. This must remain their

responsibility. By having appropriate conditions on a licence, we can continue to work in tandem with landlords on the issue of anti-social behaviour.

### **Neighbourhood Management:**

Peterborough City Council is committed to partnership working, delivering services to customers and placing the local community at the heart of the decision making. The key to its success is ensuring agencies such as the Police, the Primary Care Trust, and Registered Social Landlords, Cross Keys Homes and Peterborough City Council respond to local priorities in a co-ordinated manner. The area has recently benefited from an intensive neighbourhood management approach, working with residents and agencies to address issues around housing, crime and community safety within this defined area, the principles of which are now embedded into all partners' core service delivery.

### **Private Rented Sector Measures:**

The Council has a Housing Enforcement team which utilises a wide range of tools to tackle poor property condition, inadequate tenancy management and improve conditions in the private rented sector. These tools include:

- Mandatory HMO Licensing
- Additional HMO Licensing
- Landlord Accreditation
- Empty Property Enforcement
- Housing Standards – Housing Health and Safety Rating System (HHSRS)

In February 2013 the National Landlords Association launched their Landlord Accreditation Scheme in Peterborough in conjunction with Peterborough City Council. The scheme offers the following incentives:-

- Recognition from a national scheme, irrespective of where the landlord operates
- Improved knowledge of property management and legislation
- Use of the NLA and Peterborough City Council accreditation logos
- Certificate of accredited status from the NLA and one of recognition from Peterborough City Council
- Free local seminars and workshops, dependent on landlord needs and requests
- Discounted Energy Performance certificates for accredited landlords

Peterborough is fully utilising the suite of tools introduced by the Housing Act 2004, one being the Housing Health and Safety Rating System (HHSRS). As a dual approach with Selective Licensing, these powers will address not only management standards but also property conditions and unscrupulous practices within the private rented sector.

As part of a coordinated approach, Selective Licensing will compel landlords to maintain good standards and raise the profile of problem properties that have gone unnoticed previously. Through the increased awareness amongst the community and across agencies, Selective Licensing will become a valuable mechanism for identifying and dealing with bad practice amongst private landlords. A comprehensive database is being developed of the private rented sector within Peterborough and it is envisaged that by introducing Selective Licensing in the proposed area, it will strengthen this system.

### **Homelessness:**

A coordinated approach in connection with homelessness prevention is required, as prescribed under Section 81 of the Housing Act 2004. Selective Licensing provides protection for tenants on assured shorthold tenancies in unlicensed properties, as a landlord is not allowed to serve a Section 21 notice (Notice to Quit) under the Housing Act 1988. The Council employs a Tenancy Relations Officer to tackle complaints of harassment and illegal evictions from tenants and landlords in the private rented sector.

Through the Councils homelessness prevention work, housing needs and advice is available as well as a Rent Deposit Scheme. These activities can assist a household to remain in their current home, where appropriate or provide options to enable a planned and timely move and help sustain independent living.

The Rent Deposit Scheme aims to provide assistance to people who can't afford to pay cash deposits.

### **Housing Strategy:**

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.

The Housing Strategy has the following 4 key objectives:-

- **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.

### **Sustainable Community Strategy:**

In terms of local priorities, the overarching strategic objectives for the city council and its partners, is set out in the Peterborough Sustainable Community Strategy (SCS) 2008-21. The four priorities of the SCS are as follows;

- Creating opportunities – tackling inequalities
- Creating strong and supportive communities
- Creating the UK's 'Environment Capital'
- Delivering substantial and truly sustainable growth

These four priorities underpin every strategic document and policy produced by the city council, including the Housing Strategy.

### **Empty Homes Strategy:**

The Council has a robust Empty Homes Strategy in place with a dedicated Empty Homes Officer taking action on all empty properties. So should landlords decide to leave properties empty rather than license them, the properties will be picked up under this work and strategy.

### **British Gas Strategic Partnership:**

The City Council have entered into a strategic partnership with British Gas to deliver the Affordable warmth, Eco and Green Deal Programmes in the City. Due to the property construction type, many pre 1919 solid wall terraces, property condition, including inefficient and inoperative boilers, and levels of fuel poverty. It is likely that the proposed selective licensing area will be targeted for ECO funding to provide insulation measures and new boilers and

therefore reduce energy costs. It is anticipated that this will be targeted on a street by street basis. Therefore private sector tenants will be able to live in warm, efficient homes. Landlords and Agents who license their properties will be able to access this scheme. The improvement of energy efficiency measures under this scheme coupled with Selective Licensing provides a real focus and drive for regeneration of the area.

## **7. What are the benefits of Selective Licensing**

The Council considers that Selective Licensing brings the following benefits to a range of stakeholders including residents, tenants, and landlords and managing agents:

- **Ensuring landlords and managers are 'Fit and Proper persons:**

The proposals if introduced will ensure that all privately rented properties in the area are managed by persons who have passed the 'fit and proper' test. In order to obtain a licence, landlords will have to show that they and their Managing Agents are "fit and proper" persons as well as providing information on how they manage their properties. When deciding whether a landlord/managing agent is "fit and proper" we will look at whether they have:

- a) Committed any serious criminal offences (fraud, violence, drugs or sexual offences)
- b) Discriminated illegally against anyone;
- c) Breached laws that relate to renting property;

- **Improving safety standards:**

The Council will also require the landlord/agent to carry out the following for each property that requires a licence:

- a) Obtain and supply references for prospective and previous tenants;
- b) Submit a current gas safety certificate every year;
- c) Install and maintain smoke alarms.
- d) Provide evidence to prove that the properties electrical installation is of satisfactory condition throughout the term of the licence.

- **Improving management standards:**

The proposed designation of Selective Licensing in the area will continue to address the existing issues of poor property and tenancy management in privately rented accommodation.

Investment in the area is welcomed, however, potential investors must acknowledge that property management is more than just an income and, as

part of the Selective Licensing regime, support and advice will be provided to new landlords.

As part the 'fit and proper test' referred to above, the Council will also check that the management arrangements in place for the property are satisfactory. Landlords who are successful in obtaining a licence will have to comply with the conditions of the licence. These conditions ensure that the property is managed effectively. Landlords, who do not comply with their licence conditions, may find themselves prosecuted and fined, if found guilty with the maximum fine being £5,000. In extreme cases, the Council can apply a management order to a property and the landlords may risk losing their property for a period of up to five years, as the Council can step in and take over the management.

Selective Licensing will continue to 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.

- **Improving housing conditions**

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 heating installed. We receive high levels of complaints that landlords refuse to repair defective heating or hot water especially in the winter months. 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.

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.

- **Creating stronger communities**

The longer term benefits of Selective licensing are 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.

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.

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.

The licence conditions 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.

Further benefits of Selective Licensing include:

- Protecting investment in the area.
- Supporting all local landlords so that they can achieve a benchmark standard of property management.
- Educating those landlords who are not providing good quality accommodation or managing their tenancies effectively and removing "rogue landlords" altogether.
- Educating tenants in their responsibilities and the impact of their behaviour has on the community and neighbours.



- Encouraging tenants to recognise when properties are of a sub-standard condition and what options are available to them.
- Improving desirability of area as a place where people want to live.
- Reducing tenant turnover leading to sustainable communities, creating communities where tenants want to remain
- Encouraging the use of reputable managing agents when landlords are inexperienced or “absentee”.
- Raising community confidence through the appropriate use of enforcement powers against landlords who are failing to comply with the provisions of the Housing Act 2004.

## **8. Other courses of action available to the Council**

A Council must not make a designation unless it has considered whether there are any other courses of action available to them that might provide an effective method of achieving the objective that the designation is intended to achieve.

Alternative approaches to the designation of Selective Licensing in the area have been considered and are illustrated in the table below. Each of these represents a valuable tool for dealing with low demand and the improvement of social or economic conditions of the area, including persistent anti-social behaviour, poor management practices and so on. However there is no single solution and each alternative solution will have its limitations. None of these alone, including Selective Licensing, can solve the problem and therefore a co-ordinated strategy is required which links a full range of agencies and services using various interventions appropriately.

<b>Strengths and Weaknesses of Alternative Courses of Action Alternative Solutions</b>	<b>Weaknesses</b>	<b>Strengths</b>
Management support to private landlords	Requires landlord voluntary engagement. Removes responsibility away from landlords. Source of funding unclear. No enforcement powers available	Improves standards where landlord is engaged with authority and promotes confidence amongst their tenants.
Introduction of private sector leasing scheme	Resource intensive. Does not improve management standards of landlords who choose not to join the scheme.	Contributes to homelessness prevention as could be used for allocation to those in need of

	Reactive rather than proactive	housing.
Targeted use of Special Interim Management Orders and Empty Dwelling Management Orders	Resource intensive. Does not present a long term solution to poor management of private rented properties (up to maximum of 5 years – then returned to original owner) Does not tackle poor management techniques. Reactive Intervention of last resort.	Removes landlord responsibilities and gives to responsible, nominated agent. Improves standards for tenants and local community

In general, there are a number of barriers or limitations to the use of the alternatives to Selective Licensing. To summarise:

- They are expensive and there is the likelihood that some of the finance required would need to be collected from council tax. This seems unjust when many of the problems are caused by the lack of effective tenancy management. Selective Licensing will continue to be entirely self financing, paid for by the licence applicants and not the community.
- The use of Special Interim Management Orders and Empty Dwelling Management Orders on all problematic properties would be neither appropriate nor feasible, given the number of properties. The Council must act in a proportionate manner and a heavy handed approach would undermine our efforts to work with landlords to improve standards. Selective Licensing provides an opportunity to continue to forge partnerships with otherwise anonymous private landlords and provide training and support, where the use of these orders does not.
- None of these options adequately tackle the private tenant's behaviour. This could result in the same "problem" tenant being left to float within an area without any real targeted tenancy enforcement and where required, supported tenancy referral. The proposed Selective Licence conditions include a requirement for the landlord to seek references when allocating the property and to deal with any complaints of anti-social behaviour from their tenants (and/or their visitors/children). Furthermore, landlords can access advice and support from the Safer Peterborough Partnership's anti-social behaviour team.
- None of these tools provide a long-term solution to the training of inexperienced landlords whose business would benefit, either because they are not fit, or because of their poor management arrangements.

- Improvements attained in management standards will have a trickledown effect and will benefit tenants and communities across wider areas as landlords have properties in other areas than the proposed area and Peterborough as a whole.

## **9. Fees**

As explained above, 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.

The Council proposes to charge a basic fee of £600 for a licence and £900 for a HMO. 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. We therefore seek your views and comments to ensure a fair and transparent fee structure.

## **10. Proposed Licence conditions**

As explained above, 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. A copy of the licence conditions as attached as appendix 1.

## **11. How is consultation being carried out?**

Consultation is a key feature of the development of the proposals. Section 80 (9) of the Housing Act 2004 requires that before making a designation, it must:

- takes reasonable steps to consult persons likely to be affected by the designation; and
- consider any representations made in accordance with the consultation and not withdrawn.

In accordance with Department of Communities and Local Government (DCLG) guidance, consultation is being carried out over a 10 week period, it will be widely publicised using various channels of communication, including written documentation and verbal presentations. Once the consultation has been completed the results will be published and made available to the local community as soon as reasonably practicable.

### **11.1 Persons to be consulted:**

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
- Accredited private landlords
- Private tenants
- Local communities
- Tenant and resident associations
- Landlord associations
- Citizens Advice Bureau
- Registered Social Landlords
- 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.

### **11.2 Methods of consultation:**

- Peterborough City Council website: [www.peterborough.gov.uk](http://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
- Members of Housing Enforcement Team will be attending community meetings

- Articles in local community newsletters
- Drop in sessions – details below

### 11.3 How do I respond to the consultation?

Everyone who responds to this consultation will have their view fully considered. If you would like any further information about the Selective Licensing proposals please contact:

Phone: 01733 453503

Email: [selectivelicensing@peterborough.gov.uk](mailto:selectivelicensing@peterborough.gov.uk)

Web: [www.peterborough.gov.uk/housing](http://www.peterborough.gov.uk/housing)

All questionnaires and comments should be returned to:

Housing Enforcement Team  
 Strategic Housing  
 Neighbourhoods  
 Peterborough City Council  
 Bayard Place  
 Broadway  
 Peterborough  
 PE1 1HZ

We look forward to receiving your comments and views.

Drop in sessions will be held at the following venues

East Community Centre Padholme Road, Peterborough  Date: Thursday 17 October 2013  Time: 6pm to 8pm	The Hub, 439 Lincoln Road, Peterborough  Date: Wednesday 23 October 2013  Time: 5pm to 7pm
Gladstone Park Community Centre Bourges Boulevard, Peterborough  Date: Wednesday 30th October 2013  Time: 5pm to 7pm	The Beehive Centre St Martins Street, Peterborough  Date: Thursday 7 November 2013  Time: 6pm to 8pm

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