

COMMUNITIES SCRUTINY COMMITTEE	AGENDA ITEM No. 6.
5 JULY 2021	PUBLIC REPORT

Report of:	Adrian Chapman, Service Director Communities and Partnerships	
Cabinet Member(s) responsible:	Cllr Steve Allen, Cabinet Member for Housing, Culture and Communities	
Contact Officer(s):	Ian Phillips, Head of Communities and Partnerships Integration Jo Bezant, Prevention and Enforcement Service Manager, Housing	Tel. 07415 881802

Selective Licensing

RECOMMENDATIONS	
FROM: Adrian Chapman, Service Director - Communities and Partnerships	Deadline date: n/a
<p>It is recommended that the Communities Scrutiny Committee:</p> <ol style="list-style-type: none"> 1. Notes the progress made in addressing poor quality housing and associated conditions as a result of the Selective Licensing scheme. 2. Receive a further report outlining the full details of a proposed new Selective Licensing scheme as part of the public consultation, should such an application be justified. 	

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 is coming towards the end of its 5-year term and will require a further application to the Secretary of State to continue. This report sets out some of the achievements during the scheme and outlines the next steps for continuing the scheme.

2.2 This report is for the Communities Scrutiny Committee to consider under its Terms of Reference No. 2.1, Functions determined by the 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
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4. BACKGROUND AND KEY ISSUES

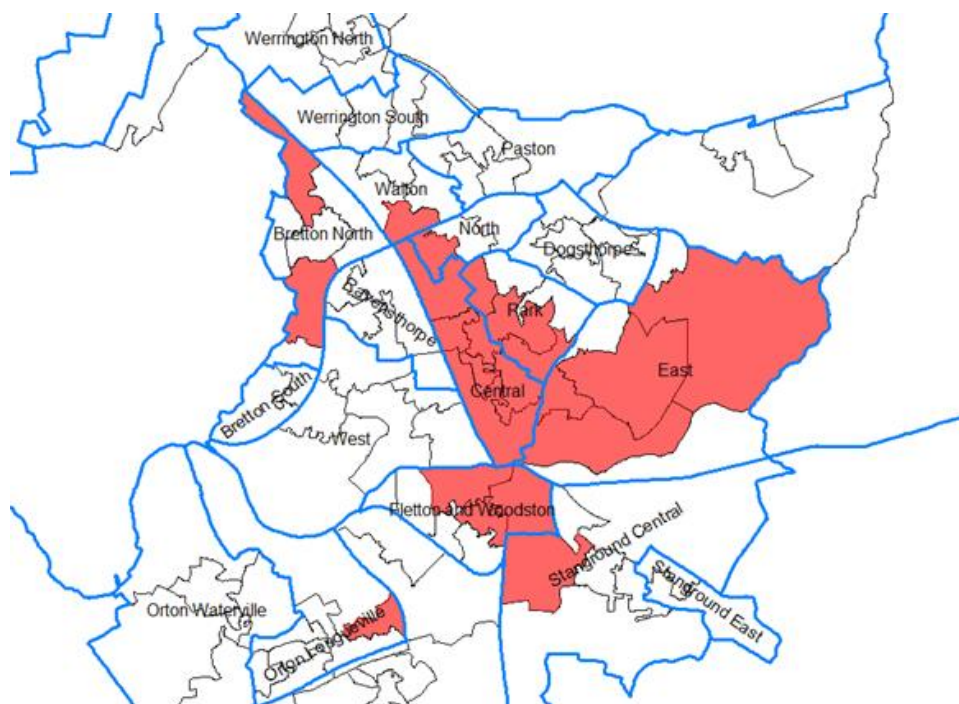
4.1 In 2016, the council gained approval from the Secretary of State to operate a selective licensing scheme to help tackle issues which can be caused as a result of high density private rented housing. The scheme requires all landlords that own private rented homes, within specific areas of the city, to have a licence for each property. In order to obtain a licence, a landlord must meet several criteria and demonstrate that they are a fit and proper person to let their property(ies). It is an offence to rent or manage a property within the designated selective licensing areas without being licenced. Approval was granted for a five-year period expiring in October 2021.

4.2 In order to be considered as an area for Selective Licensing (at the start of the scheme in 2016), an area must have had at least 19% of its housing as private rented stock, and satisfy at least one of the following conditions:

- Low housing demand (or is likely to become such an area)
- A significant and persistent problem caused by anti-social behaviour
- Poor property conditions
- High levels of migration
- High levels of deprivation
- High levels of crime

As a result, only certain parts of the city were able to meet the criteria and are covered by the Selective Licensing scheme (shaded red in the map below). A review of Peterborough's Local Super Output Areas (LSOAs – a term used by the Office of National Statistics to divide the country into geographical areas of around 1500 population) was used to identify the locations that met the scheme criteria.

An [interactive map](#) can be used for further detail or to search for individual properties.



4.3 Upon launching the scheme, the council identified 6205 properties in need of a licence, however this number has grown to over 7600 as further properties have been identified. To date, 6500 licences have been issued, with 660 refused and 202 revoked.

Key achievements from the Selective Licensing scheme since 2016:

- a) 7278 properties have had an initial inspection. Housing defects identified from the inspection were notified to the owners with the opportunity to correct these voluntarily. Many landlords did this and as a result the number of formal actions necessary was greatly reduced from the pre-scheme period.
- b) 227 properties inspected so far have been found to have category one hazards (the most serious level) and formal action taken to address them. There are 551 properties still to inspect that were identified as likely to have category one hazards at the first inspection. Covid restrictions have severely hampered the inspection process which has only just started again. Due to these focused inspections the number of properties within the scheme areas with category one hazards has fallen more significantly than across the rest of the city.
- c) Population estimates from 2013 –2019 (latest data available) shows that Peterborough overall grew by 7%. However, within the scheme areas the population has grown by 12% overall, but with some significant variations within some LSOAs. Central LSOA has grown by 33% and Fletton & Stanground by 40%.
- d) Comparing 2016 to 2020, the number of dwellings in the city has increased by 5% (MHCLG Live Tables). Much of this will be as a result of new build, however as a result of the scheme, the council has identified additional properties that it wasn't previously aware of. One of the unanticipated benefits of the scheme is the additional tax revenue this has brought for the council.
- e) The latest local estimate of 7,600 properties in need of a licence in the Selective Licencing area implies an increase of at least 1,400 private rented dwellings in the Selective Licencing area compared to the number at the start of the scheme.
- f) The number of empty dwellings across the city has remained static at 540, however given the growth in dwellings, the overall percentage has fallen. However, in the scheme area overall, the number of empty dwellings has fallen from 235 to 210.
- g) Anti-social behaviour (ASB) has fallen in Peterborough overall during the last five years by 38% (44.2 cases per 100,000 population down to 25.7 per 100,000). However, ASB incidents in the Selective Licencing area made up 38.6% of all ASB incidents in the city in 2015, and approximately the same figure in 2020 (40.4%). In all bar one of the scheme's LSOAs, ASB has reduced over the 5 year period.
- h) Crime overall has increased within Peterborough during the review period moving from 80 incidents per 1000 people to 107 incidents per 1000 people.

4.4

Selective Licensing next steps

4.5

The council will need to reapply for further approval from the Secretary of State in order to continue to run a scheme. As a result, the council is in the process of reviewing all LSOAs to understand where there may have been changes since 2016 and if any areas are now eligible or ineligible based upon the scheme criteria.

4.6

One of the conditions set by Government is that councils must set fees at a level to cover the costs of operating the scheme only. Work is also underway to determine the cost of the fees that will be charged to meet the council's costs should an application be made.

Prior to the council's application to Government, a full public consultation will take place to seek views on a new scheme's criteria, geographic areas, fee levels and licence terms and conditions. Consultation will take place over a 12-week period and will cover the following:

- 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 further report to the Communities Scrutiny Committee providing full details of the proposed new scheme and details of the public consultation will be presented later in 2021 as a formal part of the consultation process.

4.7 Housing in Multiple Occupation (HMO's)

Late 2018 saw the government change the definition of a mandatory HMO, removing the criteria on the number of storeys in a building. This means that any dwelling that houses 5 or more people who are not a family, is now a HMO and must be licensed, wherever it is located in our city. This has led to an increase of over 350 new licensed HMOs, of which 150 have are within the current selective licensing areas.

4.8 Research is currently underway to look at whether Town and Country Planning legislation Article 4 directions are needed to control the concentration of HMOs in some parts of the city. Under current planning legislation householders have the right to make alterations to their property without planning permission, called Permitted Development. An Article 4 Direction removes this right, so that certain types of alterations will require planning permission. A desktop study has suggested there may be around 450 unlicensed HMOs across the city, and a physical check to verify these is underway. The project is being run by the planning department with assistance from the Housing Enforcement team.

4.9 Housing Enforcement has been heavily involved in supporting the covid work undertaken by the council with the majority of the team being redeployed into a variety of roles for much of the last 12 months. Inspections and enforcement work have been radically reduced in line with the Government guidance for both safety reasons and to support the council's covid work during this time. Over the past 18 months landlords and agents have largely been co-operative with requests for repairs and there is little evidence to suggest that illegal evictions have been undertaken during covid.

5. CONSULTATION

5.1 As outlined above, a full public consultation will take place regarding the proposed new scheme.

6. ANTICIPATED OUTCOMES OR IMPACT

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

7. REASON FOR THE RECOMMENDATION

7.1 Proposals for a new Selective Licensing scheme are due to be submitted to Government later in 2021/22 and will include the outcome of the public consultation event. Full scrutiny of these proposals prior to the application being submitted will help to ensure that the scheme is transparent, fair and can meet the councils' objectives of protecting residents.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 To cease operating the Selective Licensing scheme once approval from Government ends. This option has been rejected as it will likely lead to a deterioration of housing conditions 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.

Legal Implications

- 9.2 The council operates the Selective Licensing Scheme as set out in the Housing Act 2004 and following 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

- 11.1 None

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