

## **Introduction and welcome to the consultation**

In 2016, Peterborough City 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. 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 which expired in October 2021. The council is now proposing to make an application to the Secretary of State for a new scheme which aims to build on the successes of the existing scheme.

The council must carry out a public consultation of no less than 10 weeks before it can approach the Government for approval to operate a further Selective Licensing scheme. As part of this consultation, the council must engage with private landlords, tenants and residents within the proposed new areas and those adjacent, as well as any other individuals and groups who would be affected by the proposals.

### **What is Selective Licensing?**

The Housing Act 2004 gives councils the power to require residential landlords to obtain a licence in order to let property to tenants within a designated area. Its aim is to improve the quality of life for all in the area by ensuring a consistent high standard of management of private rented homes which thus make a positive contribution to the area.

A designated area must have a high level of private rented housing (19% or above). If this level is reached, Selective Licensing can be introduced if an area satisfies one or more 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

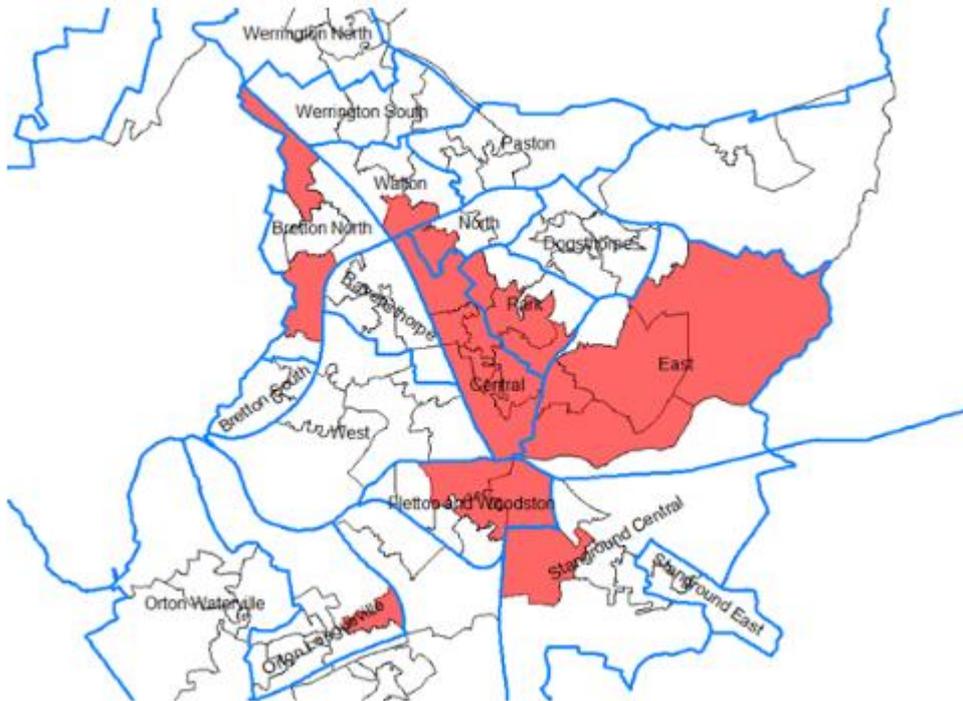
All private landlords with residential property within the proposed area will need to apply for a licence for each property. In order to become a licence holder they must be a fit and proper person. This means a landlord has to meet a certain standard before they can legally rent out a property.

Some properties do not require a licence. A full list of statutory exemption can be found at [The Selective Licensing of Houses \(Specified Exemptions\) \(England\) Order 2006](#). Examples of statutory exemptions include:

- Those managed by Housing Associations or the local authority
- Buildings regulated by other legislation
- Holiday Lets
- Tenancies under long leases.

### **Existing scheme**

The existing scheme started on 1 December 2016. Prior to the start of the scheme, 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. Only those areas that met five or six of the government's criteria were selected for the scheme; these can be viewed in the map below.



*(Add high quality version of map.)*

Upon launching the scheme, the council identified 6,205 properties in need of a licence. As of August 2021, 8,746 applications have been received, with 7,705 licences being granted, 660 rejected, 207 revoked and 174 still being processed. There are in the region of 200 properties that are still under investigation as unlicensed properties.

For each application made, fit and proper checks are carried out on the applicant, safety documents are checked and each property has an initial safety inspection carried out. All defects and hazards identified are brought to the landlord's attention with a full housing health and safety inspection scheduled according to risk. A large number of landlords work with council officers and rectify issues without delay. Some have used the scheme as an opportunity to undertake large scale works and refurbish all their properties.

The scheme has seen a range of improvements experienced in Selective Licensing areas. Successes include:

- 7,278 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.
- Formal action has been taken in relation to 284 properties inspected that were found to have category one hazards (the most serious level). This ensured that these properties are now free from hazards and safe for tenants to live in.

- In all but one of the scheme’s LSOAs, anti-social behaviour has reduced over the 5 year period.
- The private rented sector has grown by 12% overall within the current Selective Licensing areas, showing investment is continuing within the areas and providing more choice of accommodation for private renters.
- The number of properties with serious hazards has reduced by an average of 14% across the Selective Licensing areas.
- Landlord and agent engagement with the council has improved greatly over the term of the scheme leading to a more open and productive relationship leading to better management and improved housing conditions

### Why do we need a new scheme?

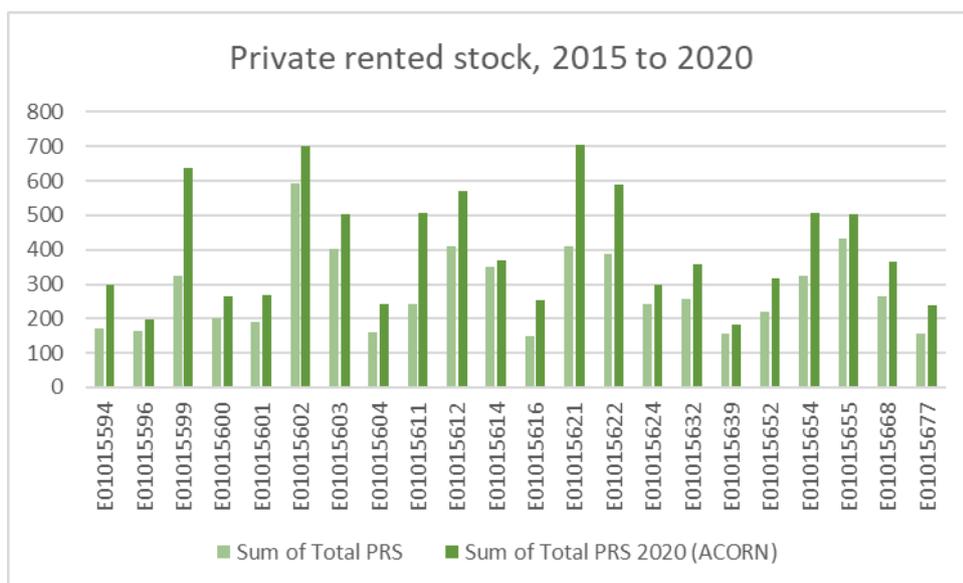
Peterborough is an ambitious city with exciting plans for growth. It’s the UK’s fourth fastest growing city and is transforming quickly with a £1billion regeneration programme.

But growing populations can mean additional challenges such as anti-social behaviour and reported crime, and in Peterborough there are also more properties in an overcrowded, poor and dangerous condition. Overcrowding can lead to excessive waste and sometimes affects the health of the occupants.

Some of the challenges experienced in Peterborough are outlined below.

#### *Low housing demand*

During the course of the existing scheme, Peterborough’s private rented sector has grown. An additional 1,400 properties were found to be rented during the course of the scheme than first anticipated at its start in 2016. Overall, the population of Peterborough has grown by 7% over the period but the growth within the current scheme area is higher at 12%. In some areas the population has grown significantly, for example Central ward has grown by 33% and Fletton & Stanground by 40%. The table below shows the increase in the private rented stock in the current scheme area between 2015 and 2020.



The number of empty dwellings across the city has remained static at 540, although in the current scheme area the number has fallen slightly from 235 to 210 over the past five years. We are proposing that under the new scheme, landlords of empty properties will be encouraged to bring their properties back into use and will pay no licence fees if the property is used by the council to house people on the housing waiting list.

#### *Anti social behaviour*

The current scheme was complemented with the introduction of a Public Space Protection Order (PSPO) for the Millfield, New England, Eastfield and Embankment area. This order was implemented in 2017 and expired in August 2020 and a total of 2,344 Fixed Penalty Notices were issued during this period.

Due to the Covid-19 pandemic it was not possible to carry out a public consultation at the time on extending the order for a further 3 years. However, a new PSPO for the Millfield, New England, Eastfield, and Embankment area has recently been implemented due to the continued anti-social behaviour which is blighting the quality of life for residents and businesses within the areas of Central, North, Park and East wards

#### *Poor property conditions*

One of the aims of the existing scheme has been to achieve long-term sustainable improvements in the quality of private rented sector accommodation within the city, and in particular within those areas of greatest need; those that comprise the proposed scheme boundaries.

Since the start of the scheme, 7,278 properties have had an initial inspection. Each property was assessed and risk scored on compliance with statutory requirements, property condition, and landlord experience, to enable the council to carry out full Housing Health and Safety Risk Assessments on each property starting on a 'worst first' basis.

Housing defects identified from these inspections were notified to the owners with the opportunity to correct these voluntarily. Many landlords did so, and as a result the number of complaints and formal actions necessary was greatly reduced from the pre-scheme period.

Formal action was taken following inspections of 284 properties that were found to have category 1 hazards, such as excess cold, entry by intruders, damp and mould. As a result, 80 Housing Act improvement notices were served to make the landlords carry out the necessary repairs and ensure that their properties are free from hazards and are now safe for their tenants to live in.

As a result, the percentage of properties with hazards that fall within category one and high category 2 under the Housing Health and Safety Rating System has improved, as illustrated in the table below.

Code	LSOA Code 2015	Ward	% of PRS stock in LSOA with a Cat1 hazard 2015	% of PRS stock in LSOA with a Cat1 hazard (Unique Properties) 2020	Change in Cat 1 %pts	% of PRS stock in LSOA with a Cat2 hazard 2015	% of PRS stock in LSOA with a Cat2 hazard (Unique Properties) 2020	Change in Cat 2 %pts
Peterborough 011C	E01015594	Bretton North	14%	3%	-11%	13%	5%	-8%
Peterborough 009B	E01015596	Bretton North	12%	2%	-10%	12%	6%	-6%
Peterborough 014A	E01015599	Central	19%	5%	-14%	15%	8%	-7%
Peterborough 014B	E01015600	Central	8%	7%	-1%	14%	10%	-4%
Peterborough 012A	E01015601	Central	16%	7%	-9%	15%	9%	-6%
Peterborough 014C	E01015602	Central	9%	4%	-5%	21%	7%	-14%
Peterborough 010A	E01015603	Central	15%	7%	-8%	18%	13%	-5%
Peterborough 010B	E01015604	Central	21%	5%	-16%	26%	7%	-19%
Peterborough 013B	E01015611	East	12%	1%	-11%	22%	3%	-19%
Peterborough 014D	E01015612	East	20%	6%	-14%	27%	8%	-19%
Peterborough 013D	E01015614	East	13%	4%	-9%	25%	4%	-21%
Peterborough 013F	E01015616	East	22%	3%	-19%	27%	6%	-21%
Peterborough 017A	E01015621	Fletton and Woodston	25%	1%	-24%	27%	1%	-26%
Peterborough 016A	E01015622	Fletton and Woodston	24%	1%	-23%	25%	3%	-22%
Peterborough 017C	E01015624	Fletton and Woodston	20%	2%	-18%	27%	5%	-22%
Peterborough 010C	E01015632	North	19%	5%	-14%	26%	8%	-18%
Peterborough 021B	E01015639	Orton Longueville	21%	2%	-19%	27%	5%	-22%
Peterborough 012C	E01015652	Park	24%	5%	-19%	27%	11%	-16%
Peterborough 012E	E01015654	Park	13%	6%	-7%	28%	8%	-20%
Peterborough 014E	E01015655	Park	23%	4%	-19%	27%	5%	-22%
Peterborough 017E	E01015668	Stanground Central	20%	2%	-18%	30%	2%	-28%
Peterborough 010E	E01015677	Walton	21%	2%	-19%	31%	3%	-28%

However, the impact of the pandemic combined with the increase in private rented properties, mean that around 550 properties identified as likely to have category one hazards and dedicated officers are proactively inspecting these and necessary action is being taking to reduce the hazards.

### Migration

A designation can be made to preserve or improve the economic conditions of areas to which migrants have moved and ensure people (including migrants) occupying private rented properties do not live in poorly managed housing or unacceptable conditions.

The 2011 census provided population counts across all LSOAs in the city, compared to the 2019 mid-term population estimates that the 24 proposed areas have experienced a relatively large increase in the size of the population. The population of the proposed 24 areas to be included amounts to 52,877.

It could be assumed that if an area has had an increase in population, and little to no housing being built, these new residents are either taking up existing empty properties or the housing composition dynamics have change to accommodate them.

### Deprivation

In the existing Selective Licensing areas, across four of the five indices of deprivation there has been improvement compared to the rest of the country, in the sense that fewer LSOAs are in more deprived deciles in 2019 compared to 2015. However, the education and Skills index has slightly worsened.

When considering the proposed areas for the new scheme, ten separate criteria were used to demonstrate deprivation and applied to all of the 112 LSOAs across the city. Of the 24 LSOAs identified as meeting the overall criteria for Selective licensing, 22 met the deprivation threshold. The 24 LSOAs are shown with their local index rank.

LSOACode	Ward	IMD National Decile	IMD Local Rank
E01015593	Bretton	1	18
E01015603	North	1	27
E01015604	North	2	45
E01015632	North	2	44
E01015677	Paston & Walton	2	15
E01015594	Bretton	2	23
E01015601	Central	2	52
E01015652	North	3	25
E01015654	Park	2	21
E01015611	Central	2	61
E01015613	East	4	17
E01015616	East	1	16
E01015599	Central	2	19
E01015600	Central	1	2
E01015602	Central	2	13
E01015612	East	2	54
E01015655	Park	5	47
E01015622	Fletton & Stanground	4	80
E01015688	Central	6	35
E01033182	Fletton & Woodston	2	50
E01015621	Fletton & Stanground	4	51
E01015624	Fletton & Stanground	3	39
E01015668	Stanground South	2	7
E01015647	Orton Waterville	1	7

### Crime

Across the city, crime has increased from 80 crimes per 1,000 to 107 crimes per 1,000. In the Selective Licensing area the rate has increased but not to the same extent, although it is still higher at 182.2 crimes per 1,000 in 2019-20. In the remainder of the city, crime is lower at 82.9 crimes per 1,000 people, but has increased from 56.7 crimes per 1,000 in 2015.

Selective Licensing focuses resources in the private rented sector and drives up standards and awareness of landlord, tenant and agents' responsibilities through clear and affective engagement between landlords and the local authority. Without Selective Licensing these improvements could soon be lost and management standards decline again leading to poorer housing and life outcomes for our residents.

Selective Licensing alone cannot regenerate areas, but this scheme has shown that it is a powerful legislative tool leading to improved environmental conditions along with better safety and quality of accommodation.

By introducing a new scheme, the council will be in a strong position to carry on this good work and embed further improvements within the private rented sector. As a key provider of housing within our city, the private rented sector must be continually improved so that it can provide safe, decent warm housing in which our residents can thrive.

You can view the supporting evidence document on our dedicated consultation webpage here:

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

## **Our proposals**

Approval for operating the existing Selective Licensing scheme comes to an end in October 2021 and the council intends to apply to Government for approval to run a new scheme for a further five years.

We have reviewed the data held to understand how the private rented market has changed over the five years since the existing scheme came into place. Private rented accommodation now makes up 25.3% of housing in Peterborough (up from 19% in 2016). Using council tax data, an up-to-date assessment has been carried out of areas which:

- a) have a higher percentage of private accommodation than the Peterborough average, and
- b) meet at least five out of the six criteria for Selective Licensing to be introduced as outlined earlier in this document.

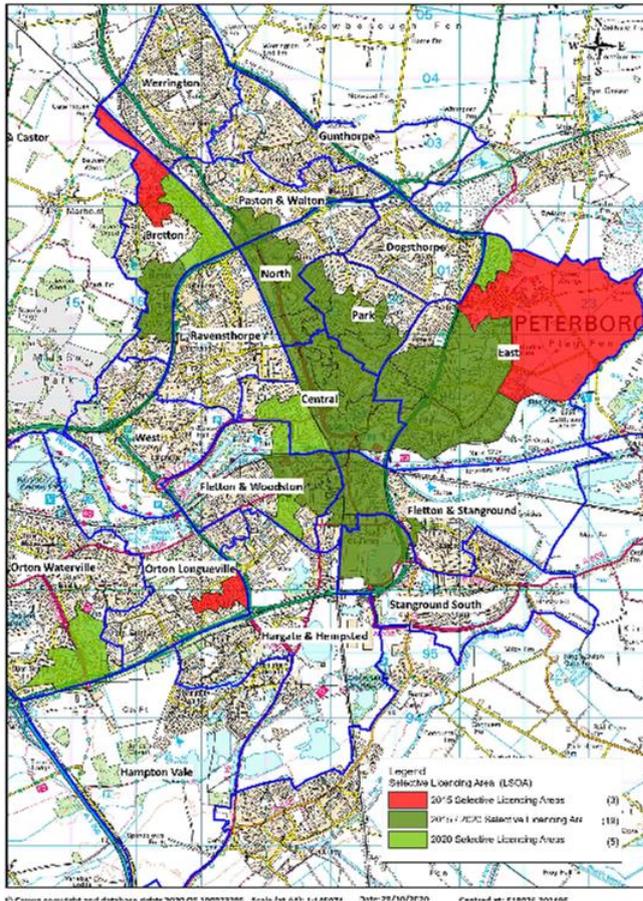
As a result, three areas which were designated under the existing scheme no longer meet the threshold for Selective Licensing; these are located within Bretton, East, and Orton Longueville wards.

An additional five areas now meet the criteria for a Selective Licensing designation; these are located within Bretton, East, Fletton and Woodston, Stanground South and Orton Waterville wards.

The proposed new scheme will cover 39.75% of the city's private rented stock, which equates to 24.48% of the total housing stock within Peterborough.

The proposed areas for the new scheme are shown in the map below, with red areas no longer meeting the criteria for Selective Licensing, dark green areas remaining from the existing scheme and light green areas being new proposals.

## Selective Licencing Areas 2021



(Include high quality image of map)

A full list of streets within the proposed areas, and an interactive map, can be found at [www.peterborough.gov.uk/xxxxx](http://www.peterborough.gov.uk/xxxxx)

### Case studies – to be used in break out boxes

#### Case study 1

*“As a letting agency we have been operating in the city since 2013 and have always looked to work with landlords who are 'fit and proper persons' and also have best interests of the tenants at heart. Therefore, over the years we have chosen not to work with some landlords as their values and ethos did not match our company values and ethos of providing high quality homes for tenants.*

*Peterborough City Council's Selective Licensing scheme has been a success for a number of reasons:*

*1. IMPROVED PARTNERSHIP WORK: As a company we historically have maintained good working relations with the council. As a result of the Selective Licensing scheme our relationship with council officers has further deepened and enhanced a partnership approach to improving quality of the private rented sector. We have worked with council officers who are highly knowledgeable, helpful and pragmatic in finding solutions to challenges faced.*

*2. IMPROVED PROPERTIES: Our properties generally are of good condition. However, at times following feedback from council officers we have made tweaks to further raise the standard of our*

properties. This feedback was invaluable, and the officers' excellent approach was one of collaboration and partnership. In addition, council officers shared the remedial work that was required with the landlords and this ensured that work was completed in a very prompt manner.

**3. IMPACT ON BUSINESS:** Generally, landlords have absorbed the cost of the selective license without any major complaints.

*Overall I believe the introduction of the Selective Licensing scheme by Peterborough City Council has no doubt raised the standards of the Private Rented Sector across the city in terms of improving the quality of properties, fewer rogue landlords, enhanced safety standards such as fire safety and advanced how landlords manage their properties."*

#### **Local Peterborough Letting Agent**

##### **Case study 2**

*"The Selective Licensing scheme is a good idea because it has helped to identify and deal with problem landlords in the city who are giving good landlords a bad name. It has made landlords ensure that their properties are compliant and encourages good practice.*

*Having diversity within the council is fantastic and helpful with language and cultural barriers.*

*I'm really grateful to have the support of Selective Licensing officers who are willing to work with me and go the extra mile to help with any issues and queries. Working together helps to obtain successes such as the case of one landlord where we were able to get two of his properties completely compliant by working together."*

#### **Local Peterborough letting agent**

##### **Complimentary initiatives to be used alongside Selective Licensing**

- Free licences for landlords who rent to persons on homeless register
- Re-establishing a task force with partners including police, fire, border agency
- Buying up houses to use for reducing homelessness
- Private Sector Leasing Scheme for empty homes
- Prevention and Enforcement Service and Public Space Protection Orders
- Waste management support for landlords
- Anti Social Behaviour and Energy Performance Certificate support for landlords

##### **What alternative courses of action have you considered to Selective Licensing?**

A council must not make a designation to introduce Selective Licensing 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.

We have considered several alternative approaches to the proposed designation of Selective Licensing, which 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 antisocial behaviour and poor management practices.

However, each alternative course of action has 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>Alternative Courses of Action</b>	<b>Strengths</b>	<b>Weaknesses</b>
Management and training support to private landlords	Improves standards where landlord is engaged with authority and promotes confidence amongst their tenants.	Requires landlord voluntary engagement. Could remove responsibility away from landlords. Source of funding unclear. No enforcement powers available
Introduction of private sector leasing scheme	Contributes to homelessness prevention as could be used for allocation to those in need of housing.	Resource intensive. Does not improve management standards of landlords who choose not to join the scheme. Reactive rather than proactive.
Targeted use of Special Interim Management Orders and Empty Dwelling Management Orders	Removes rogue landlord responsibilities and gives to responsible, nominated agent. Improves standards for tenants and local community.	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 rather than proactive. Intervention is a last resort.

### **Proposed fees**

Each application for Selective Licensing must be accompanied by a fee. Consideration has been given to a number of fee options as well as government direction and legal advice on setting fees. The public consultation will ask for views on the fee model and amount.

The fee for each property will be split into two parts – Part A will be payable with the application and Part B will be payable when the application has been processed and the licence ready to be granted.

There are a number of different fees proposed to cover the five-year period, which are outlined in the table below:

<b>Application type</b>	<b>Part A fee</b>	<b>Part B fee</b>	<b>Total fee</b>
Landlords accredited with an approved national body and who apply for a licence prior to the scheme start date or within 28 days of requiring a licence.	£288	£220	£508
Non-accredited landlords, who apply prior to the scheme start date, or within 28 days of requiring a licence.	£288	£320	£608

All late applications (28 days post scheme start date or after 28 days of requiring a licence).	£538	£370	£908

A £40 “fit and proper person” discount will be applied to any subsequent applications for landlords who have multiple properties where a successful fit and proper person test has already been carried out on the manager and licence holder.

### **Block licence applications**

A block licence can be applied for if the entire block is privately rented out by the same applicant, and the block contains 10 or more individual properties each with self-contained facilities, sharing only corridors and stairwells within the same building.

The fees quoted in the table below are for each property within a block include the “fit and proper person discount”:

<b>Block application type</b>	<b>Part A fee</b>	<b>Part B fee</b>	<b>Total fee</b>
Accredited landlords	£125	£133	£258
Non-accredited landlords	£125	£233	£358
Late applications	£525	£233	£758

For genuine applications received within the duration of the scheme the Part A fee is payable as detailed above but the Part B fee will be pro-rata'd depending on the year(s) or part thereof, remaining of the scheme as follows:

Applications made in year 2 = £44/£64 discount

Applications made in year 3 = £88/£128 discount

Applications made in year 4 = £132/£192 discount

Applications made in year 5 = £176/£256 discount

To avoid incentivising deliberate late applications, (whereby landlords hold back on applying until the following year to avoid a higher fee) the pro-rata'd Part B fee option will only apply in circumstances where the property has not been eligible for licensing and where the application is made within 28 days of the property first being let.

The council is not permitted to obtain financial gain from the fees paid through the licensing process. The fee charged will cover the costs associated with administering Selective Licensing over the length of the scheme, including employing staff, staff time, premises, travel, publicity and equipment needed to operate the scheme.

The fees will also be used more generally to cover costs associated with monitoring and supervising existing licence holders and enforcement against unlicensed owners.

### **What conditions will be on the licence?**

All landlords must be able to demonstrate satisfactory management is in place for each rented property. The council aims to use the proposed Selective Licensing scheme to ensure that all privately rented properties are well managed. Many landlords do this already, however there are problems in some instances where landlords neglect their management responsibilities. There are

also a number of well-intentioned landlords that are not aware of their responsibilities and the relevant laws and there are also some absentee landlords who may not be aware of problems that are being caused by their tenants.

Where licence holders are not able to demonstrate satisfactory management practices, they may be required to undertake training to give them the knowledge and skills that are necessary.

As part of the application process the proposed licence holder must also provide evidence of appropriate safety and security within their property and that they meet the specific conditions set out within the licence.

The proposed licence conditions cover a range of requirements including how the property is managed, dealing with tenants, tackling anti-social behaviour, notifying the council of changes and requirements for licence holder training.

The full conditions for Selective Licences can be found at <https://www.peterborough.gov.uk/asset-library/imported-assets/SelectiveLicensingConditions-August2016.pdf>

### **How can I take part in the consultation?**

To ensure that stakeholders and the local community understand the proposals for the new scheme and have the opportunity to ask questions and provide feedback, we will be running an extensive consultation programme from xx November for 12 weeks.

Given the current Covid climate, and the council's 'digital first' policy, the consultation will be run online although there will be the opportunity to request hard copies of materials for those without access to online tools.

We are delivering a consultation flyer to all homes and businesses in the proposed areas, and those adjacent to them, with details of the consultation. We have also written to stakeholders offering the opportunity to meet to discuss the proposals and provide feedback.

Online surveys have been created where landlords, agents, tenants and residents can provide feedback on the proposed areas, fees and licence conditions. The closing date for these will be xxxxxx. Hard copies of the survey questionnaire can be requested using the channels at the end of this document.

A dedicated consultation webpage which includes full details of the scheme, as well as supporting documents, frequently asked questions and the link to the online surveys, can be found at [www.peterborough.gov.uk/xxxxxx](http://www.peterborough.gov.uk/xxxxxx).

We will also be running a series of Q&A sessions/webinars via Zoom, where you can find out more about the proposals and ask questions. Details of these are below:

(Insert table)

You can register for the webinars by emailing xxxxxx.

We will also be putting out information and updates through the local media and our own social media channels, which can be found at:

Twitter @PeterboroughCC

Facebook @PeterboroughCC

### **Timeline and next steps**

The consultation for the proposed new Selective Licensing scheme will begin on xxx November and run for 12 weeks. This includes an additional two weeks to the statutory requirement of 10 weeks to account for the Christmas and New Year period.

At the end of this consultation period, the council will review all feedback received. Where relevant, this will be taken into account and reflected in the final proposals submitted to the Secretary of State in spring 2022. It is expected that a decision will be made on the proposed scheme by xxx.

### **Contact us**

You can find all documentation relating to the consultation at [www.peterborough.gov.uk/xxxxxxx](http://www.peterborough.gov.uk/xxxxxxx)

You can also contact us in the following ways, should you have any questions, require paper copies or translated versions of this document or consultation questionnaire, or need assistance to complete your consultation response.

Email: *Dedicated consultation email address to be set up.*

Post: Selective Licensing, Peterborough City Council, Sand Martin House, Bittern Way, Peterborough PE2 8TY.

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