

Selective licensing – consultation on future designation areas

REPORT TO THE EXECUTIVE



DATE	14 th July 2021
PORTFOLIO	Housing and Development
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PURPOSE

1. To approve the consultation and evidence gathering for the proposal to designate the following areas for selective licensing
 - a. Burnley Wood with Healey Wood
 - b. Leyland Road

RECOMMENDATION

2. That Members approve the proposed selective licensing designation areas and consultation boundary as detailed in:
 - Map 1 The Burnley Wood with Healey Wood proposed Selective Licenising area 2022 to 2027 (Appendix 4a);
 - Map 2 The Leyland Road proposed Selective Licenising area 2022 to 2027 (Appendix 4b).
3. That Members approve the draft statement of case for the proposed selective licensing areas (Appendix 1), the proposed fee structure (Appendix 2) and, the proposed licence conditions (Appendix 3).
4. That Members authorise Officers to undertake the statutory consultation exercise for the proposed selective licensing areas.
5. That delegated authority is given to the of Head of Housing and Development Control in consultation with the Portfolio Holder to make any necessary final amendments to the draft statement of case, the proposed fee structure and the proposed licence conditions.

REASONS FOR RECOMMENDATION

6. To enable the statutory consultation of residents, landlords and stakeholders in the proposed selective licensing areas and wider consultation boundary.

7. To ensure the consultation includes a statement of case, proposed fee structure and proposed licence conditions to assist in the delivery and analysis of the statutory consultation.
8. To enable any issues to be addressed and evaluated before presenting the final report for the proposed selective licensing areas to the Executive Committee in December 2021.
9. The Ingham and Lawrence Street selective licensing area has not been included in further proposals as the analysis shows that the low demand for housing has improved sufficiently across the area.

SUMMARY OF KEY POINTS

Background to Selective Licensing

10. Poor housing management and low standards in the private rented sector can contribute to the failure of a local housing market. Residents leave the area, house prices fall, speculative landlords move in, and the local community becomes weaker. Low demand and antisocial behaviour can result in unsettled communities, along with other associated social and economic problems. These problems can undermine efforts to regenerate an area.
11. Selective Licensing was introduced by the Housing Act 2004. It allows local housing authorities to designate selective licensing areas in neighbourhoods if the area is experiencing one or more of the following conditions:
 - a. Low housing demand (or is likely to become such an area)
 - b. A significant and persistent problem caused by antisocial behaviour
 - c. Poor property condition
 - d. High levels of migration
 - e. High level of deprivation
 - f. High levels of crime
12. The Council have been operating selective licensing since October 2008, as part of a wider regeneration strategy for the Borough. The following selective licensing areas started in November 2016 and are due to end in November 2021:
 - a. Burnleywood with Healeywood
 - b. The Leyland Road area
 - c. The Ingham and Lawrence Street area

Results of statistical evidence

13. To determine whether further selective licensing areas could continue to improve demand for housing within the areas, data from a number of key variables including: private rented properties, vacant properties, housing disrepair complaints, property inspections, energy performance certificate bandings, environmental crime, and antisocial behaviour were analysed. The full results are detailed in the proposed statement of case (Appendix 1). The table below significantly condenses the key statistics for the ward, current and proposed

designation. At ward and proposed selective licensing area level the statistics are from the most current available date, the start of the designation statistics are derived from the date closest to the start of the designation in November 2016.

	Rosehill with Burnley Wood	Burnley Wood & Healeywood SL Area		Burnley Wood & Healey Wood Proposed Area 22- 27	Bank Hall	Leyland Road SL Area		Leyland Road Proposed Area 22- 27	Burnley
		Start	End			Start	End		
No. Properties			1268	914			675	772	
% PRS	19.4 (2011 Census)	33	49	54	29.6 (2011 Census)	43	62	61	23 (2018 ONS)
Property Values	£108,334	£38,941	£47,446	£43,703	£68,737	£39,570	£47,909	£51,008	£114,189(All) £75,138 (Terrace)
Empty Properties	155	13%	8%	10%	280	13%	9%	8%	1907 (4.6%)
ASB (Resident Complaints to BBC)	41	34	25	26	35	16	10	11	0.9%
Envi Crime	118	205	107	95	101	165	46	49	919
Disrepair Cases	27	48	24	18	64	28	18	18	393

14. All three areas have seen improvements in the key statistics of low housing demand. In summary the number of housing disrepair complaints received by the Council have reduced, property and area security measures have improved, and the percentage of empty properties has decreased. ASB and environmental crime are showing a downward trend at the selective licensing area. The average or mean house prices have increased within the current designation areas.
15. With the exception of the Ingham and Lawrence Street area, drilling down into zones within the areas has highlighted that further intervention is required. Although demand for housing has improved within the proposed designation areas there are still key low demand statistics that raise concerns when compared to the ward and Borough. Not continuing with selective licensing at this stage would present a risk that the improvements will not be sustained or built on without new designations in place for a further five years. This is supported by Government guidance released in 2015 which acknowledged the need for licensing to extend beyond a five-year designation: 'The Government recognises that licensing may have to be a long-term strategy and that it will not provide instant solutions.' Subsequently the new boundaries are being proposed in Burnleywood with Healey Wood and Leyland Road.

Consultation for a selective licensing designation

16. Before a new designation can be approved, the Council must consult for a period of not less than 10 weeks. It is proposed that this consultation process commences on the 9th August 2021 and runs until the 24th October 2021 (11 weeks). The formal consultation will invite all residents, landlords, businesses and agencies working in the designation areas to comment on the proposals. Following current Covid 19 guidelines Council staff will meet with representative groups and individuals to talk through the proposals, as well as attend public and private meetings (this may have to be done electronically) and produce written information. The results of this consultation will be carefully scrutinised and will feed into the final proposal to the Council's Executive Committee.
17. It is proposed that the following methods be used to ensure that a full consultation exercise is completed;
- Posters in the area, local businesses, schools, community centres, health centres, public buildings etc.,

- Leaflets to residents, through school bags, placed in local businesses, community centres, health centres, public buildings etc.,
- Resident Questionnaire delivered to every household in the proposed designation area,
- A link to online landlord questionnaires emailed or posted to every known landlord and agent operating in the proposed areas,
- A link to an online questionnaire emailed or posted to local businesses in the proposed areas,
- Public event for Residents to attend (May need to be via Teams/Zoom),
- Consultation of the Private Rented Sector Forum,
- Landlord meetings (May need to be via Teams/Zoom).

18. Following the consultation period, it is anticipated that the results will be presented to the Executive in December 2021.

Staff Resources

19. Existing resources within the private sector housing team will be utilised to prepare and undertake the statutory consultation process, which will include the:

- Preparation of questionnaires;
- Finding and inputting landlord details/property details;
- Sending out questionnaires;
- Organisation of landlord and residents consultation events;
- Inputting of responses from landlord and residents questionnaires
- Sending out of reminder letters/emails during the consultation period
- Analyse of the results and prepare reports from the information gathered via questionnaires
- Preparation of presentations and key information for the landlord and resident events
- Attendance the landlord and resident events
- Meet of landlord representative groups such as the NRLA
- Respond to all queries and comments raised during the consultation returns by letter and emails
- Responses to all enquiries via email, letter, telephone and in person during the consultation period

Proposed Fee structure

20. The Housing Act 2004 enables local authorities to charge a fee for all functions associated with the administration of a selective licensing scheme.

21. Each application will need to be subject to the “fit and proper person” criteria, with information being provided to enable the decision making process to take place. The decision to grant or refuse a licence will have to follow the prescribed format as outlined in the Housing Act, with statutory notices and periods for objection.

22. All fees will be calculated based on the staff needed to cover the processing of the estimated number of applications and the monitoring and development of the scheme. Costing estimates for the scheme include salaries and on costs and all anticipated non-salary revenue spend e.g. printing costs, legal fees.

Secretary of State Approval

23. If the proposed designation areas, when combined with the current selective licensing schemes, affect more than 20% of private rented properties in the Borough then confirmation must be sought from the Secretary of State.
24. The current selective licensing areas of Daneshouse with Stoneyholme, Trinity, Gannow and Queesgate affect 26% of the private rented sector. Following the statutory consultation period, if the Executive subsequently approves any of the proposed designation areas, the combined designations will affect more than 20% of the private rented sector.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

25. The consultation exercise will be undertaken using existing staff resources funded through the selective licensing budget.

POLICY IMPLICATIONS

26. Selective licensing supports the Council's Community Strategy; Burnley's Future 2017 to 2021 by improving housing which is a key priority under "Places".
27. Aim 2 of the Council's Housing Strategy 2016 to 2021 is to "Deliver Transformational Change in the Private Rented Sector, selective licensing is central to this aim.

DETAILS OF CONSULTATION

28. This report is a proposal for a statutory consultation exercise.

BACKGROUND PAPERS

29. None

FURTHER INFORMATION

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