

## Selective licensing – consultation on future proposals

### REPORT TO EXECUTIVE



<b>DATE</b>	<b>3<sup>rd</sup> July 2018</b>
<b>PORTFOLIO</b>	<b>Housing and Leisure</b>
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### PURPOSE

1. To approve the consultation and evidence gathering for the proposal to designate the following areas for selective licensing. The draft proposed designation area maps and street lists are attached as appendices.
  - a. Daneshouse Area with Stoneyholme area; (Appendix 1a and 1b)
  - b. Trinity Area (Appendix 2a and 2b)
  - c. Gannow Area (Appendix 3a and 3b)
  - d. Queensgate Area (Appendix 4a and 4b)
2. The draft case proposal document (Attached as Appendix 5) sets out the Council's reasons for proposing to designate the areas for Selective Licensing.

### RECOMMENDATION

3. That the carrying out of consultation in relation to the following areas proposed for selective licensing is approved:
  - a. Daneshouse Area with Stoneyholme Area;
  - b. Trinity Area;
  - c. Gannow Area; and
  - d. Queensgate Area.
4. That the Head of Housing and Development Control is authorised:
  - a. To approve the final proposed fee structure, case proposal document, proposed designation boundaries and areas for consultation; and
  - b. To carry out consultation in relation to those areas proposed for selective licensing (authorising such officers for that purpose as may be necessary).
5. That Executive approve the appointment of a Project Assistant at Grade 8 for the period 1<sup>st</sup> August 2018 to 31<sup>st</sup> May 2019.
6. That the Head of Housing and Development Control explore various business solutions for the re-introduction of an on-line application system with a fully integrated back office administration system.

## REASONS FOR RECOMMENDATION

7. To enable the statutory consultation of residents, landlords and stakeholders in the proposed areas.
8. To ensure the consultation includes a proposed fee structure, proposal documents and agreed proposed boundaries and consultation area to assist in the delivery and analysis of the statutory consultation.
9. To enable any issues to be addressed and evaluated before presenting the final proposal for the proposed selective licensing areas to the Executive Committee in January 2019.
10. To identify the best business solution for landlords to apply on line and enable officers to efficiently process selective licensing applications.

## SUMMARY OF KEY POINTS

### Background to Selective Licensing

11. 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.
12. 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

### The areas

13. This report seeks the approval to consult on four proposed selective licensing designations in the Daneshouse with Stoneyholme area, Trinity Area, Gannow Area and Queensgate Area. The Trinity, Gannow and Queensgate areas are subject to current selective licensing designations that come to an end in 2019. The Daneshouse with Stoneyholme area has not previously had a selective licensing designation.
14. The proposal document presents the case for selective licensing and whilst it demonstrates that all four areas suffer the effects of low demand the three current designations of Trinity, Gannow and Queensgate are showing some signs of improvement. Since the introduction of the current selective licensing designations in 2014 some notable improvements are,

- A reduction in the number of disrepair complaints in each of the three wards
  - A reduction in the percentage of empty homes within each of the three designations
  - A reduction in the number of cases of environmental crime reported to the Council in each of the three designations
  - An increase in average house price within each of the three designation areas
15. Whilst improvements can be seen, when viewed on a comparable basis, the areas still rank amongst the highest in the borough for indicators of low demand. Further selective licensing designations will help sustain and build on the improvements being seen and strengthen the housing markets and communities to help address the issues of low demand.
16. Selective licensing is being proposed in the Daneshouse with Stoneyholme area as it is in low housing demand with large numbers of private rented properties that are in poor condition. Out of 40 recently completed inspections of private rented properties within the proposed designation area, half had category 1 hazards which pose a significant risk to occupiers and which local housing authorities have a mandatory duty to address.
17. Over half of the properties inspected did not have adequate smoke detection, which is a basic requirement for private rented properties. Through the selective licensing application process landlords are advised of the need for smoke detection with property checks undertaken to ensure compliance. Failure to provide smoke detection is a breach of selective licensing conditions.
18. It has been a legal requirement since 1998 for landlords to ensure that all gas appliances are adequately maintained and that an annual gas safety check is undertaken by a competent person (Gas Safe Engineer). Less than half of the properties inspected had a gas safety certificate which highlighted that an annual check had not been undertaken prior to the inspection. This is unacceptable and shows that landlords operating within the proposed designation area are either unaware of their obligations or choosing not to fulfil these obligations. It is vital that landlords clearly understand their responsibilities and obligations in relation to gas supply and appliances. Selective Licensing ensures that landlords meet these responsibilities by requesting a certificate with the application form for a licence and annually thereafter. Failure to comply would be a breach of the selective licensing conditions that could result in prosecution or a civil penalty.

### **Results of statistical evidence**

19. In order to determine whether the proposed designation areas are a priority in terms of considering the introduction or continuation of selective licensing a statistical comparison has been undertaken across the borough.
20. Data from a number of key variables including: private rented properties, vacant properties, housing disrepair complaints, property inspections, environmental crime, and antisocial behaviour were analysed across the Borough at ward level. The wards in which the proposed designation areas are situated exhibit some of the highest problems in the Borough on these measures. A further concentrated analysis was undertaken using statistics within the proposed designation areas. This shows that the proposed designation areas have high levels of private rented properties that are in poor condition and that the areas exhibit signs of low house demand.

## **Consultation for a selective licensing designation**

21. 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 3<sup>rd</sup> September 2018 and runs until the 26<sup>th</sup> November 2018 (12 weeks). The formal consultation will invite all residents, landlords, businesses and agencies working in the designation areas to comment on the proposals. Council staff will meet with representative groups and individuals to talk through the proposals, as well as attend public and private meetings 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.
22. 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 Questionnaires delivered to every household in the proposed consultation areas,
  - Landlord Questionnaire emailed or posted to every known landlord and agent in the designation areas,
  - Questionnaires emailed or posted to local businesses in the consultation areas,
  - Public event for residents to attend,
  - Consultation of the Private Rented Sector Forum,
  - Landlord meetings.
23. Following the consultation period, it is anticipated that the results will be presented to the Executive in January 2019.

## **Staff Resources**

24. Existing resources within the private sector housing team will be utilised to prepare for the statutory consultation process, which will include:
- The preparation of questionnaires;
  - Finding and inputting landlord details/property details;
  - Sending out questionnaires;
  - Organising landlord and residents consultation events;
25. For the statutory consultation period and from August 2018 an additional full time project assistant will be required to:
- Input responses from landlord and residents questionnaires
  - Send out reminder letters/emails during the consultation period
  - Analyse the results and prepare reports from the information gathered via questionnaires
  - Prepare presentations and key information for the landlord and resident events
  - Attend the landlord and resident events
  - Meet with landlord representative groups such as the National Landlords Association
  - Respond to all queries and comments raised during the consultation returns by letter and emails

- Deal with all enquiries via email, letter, telephone and in person during the consultation period

### **Proposed Fee structure**

26. The Housing Act 2004 enables local authorities to charge a fee for all functions associated with the administration of a selective licensing scheme.
27. 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.
28. 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**

29. 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.
30. The current selective licensing areas of Burnley Wood with Healey Wood, Leyland Road and Ingham and Lawrence Street currently affect 14.1% 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**

31. The additional staff required during the statutory consultation period will require a budget of £28,509 for the period of 1<sup>st</sup> August 2018 to 31<sup>st</sup> May 2019, which will be met from existing Housing Revenue budgets.

## **POLICY IMPLICATIONS**

32. None as the approval is seeking permission to undertake a consultation exercise only.

## **DETAILS OF CONSULTATION**

33. The Private Rented Sector Forum; Streetscene, Governance and Law; People and Development; Finance and Property.

## **BACKGROUND PAPERS**

34. None

## **FURTHER INFORMATION PLEASE CONTACT:**

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