

BARNESLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan.

Report of the Executive Director Communities

SELECTIVE LICENSING CONSULTATION OUTCOMES, ALTERNATIVE PROPOSALS AND NEXT STEPS

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek a decision from Cabinet with regards Selective Licensing, based upon the original rationale, findings from the statutory consultation and alternative proposals received.

2. RECOMMENDATIONS

- 2.1 Members approve the designation of the following four locations, as identified at Appendix 6, for Selective Licensing:

- a) Measborough Dyke - Pindar Street, Sunderland Terrace, Seth Terrace, Osbourne Street, Evelyn Terrace, Ivy Terrace, Burton Terrace, Junction Street and Terrace, Jubilee Terrace, Victor Terrace, Doncaster Road (174-278) and King Georges Terrace.
- b) Goldthorpe - Beever Street, Victoria Street, Cross Street, Cooperative Street and Claycliffe Terrace.
- c) Wombwell - John Street, Mount Terrace and William Street, Blythe Street, Main Street, Bond Street, Myrtle Road, Victoria Road, York Street, Frederick Street, Princess Street, Bartholomew Street, Barnsley Road (1-99), West Street, Western Terrace and School Street.
- d) Elsecar - Welland Crescent.

- 2.2 Members approve an additional option through approved accreditation schemes allowing Landlords to self-regulate within a set framework of standards.

- 2.3 Members authorise that where Landlords cannot demonstrate adherence to the standards framework, the terms of the full Selective Licensing scheme will apply.

3. INTRODUCTION

- 3.1 Continuing to improve private sector housing aligns with all three corporate priorities of a Thriving & Vibrant Economy, Strong & Resilient Communities and People Achieving their Potential. Specific objectives that we are seeking to achieve are listed below

- a reduction in ASB and crime

- an increased confidence and assurance that landlords who operate tenancies are ‘fit and proper’ and manage properties well to reduce the numbers of housing complaints.
 - an improved confidence in specific localities
 - a reduction in the number of empty properties.
- 3.2 Cabinet authorised entering into a period of statutory consultation regarding a proposal to introduce a Selective Licensing scheme for specific locations, listed in glossary of this report, within Goldthorpe, Elsecar, Wombwell and Measbrough Dike. A consultation exercise was undertaken as outlined in Cabinet Report CR461, to address issues of ASB, Crime and Deprivation, in accordance with guidance from the Department of Communities and Local Government (DCLG). All consultation responses are included in Appendix 1 together with a copy of the questionnaire.
- 3.3 The consultation period closed 24th September 2017 and highlighted a number of different perspectives with regards to the proposal. Specifically, a number of representative Landlord groups and affiliated parties expressed concerted opposition to the proposal and made a number of alternative suggestions as to how standards in these locations could be assured. The specific objections raised included:
- The application of a license fee would leave landlords with no choice but to pass these costs onto their tenants which typically affect those who could least afford it
 - Homelessness would potentially increase
 - Areas would decline as good Landlords may be forced into selling their properties
 - Landlords are not the police and therefore are not accountable for their tenants behaviour
 - Selective Licensing penalises good Landlords
 - The council already has sufficient powers to effectively regulate the sector
 - Some Licence conditions are unworkable
 - Outcomes highlighted in the proposal document were vague
 - The scheme is overly bureaucratic
 - The questionnaire utilised during the consultation was biased and leading
 - Other locations not proposed have worse statistical figures than those in the proposed areas
 - The council have not offered any training to help Landlords deal with anti-social behaviour
- 3.4 Of particular note was the objection that a Selective Licensing scheme may penalise good Landlords intent on making a positive contribution to raising standards in the areas being considered. This was a major consideration when producing this report to align with the outcomes required and aspects of the alternative approaches received.
- 3.5 Part of the original rationale for the proposal was to focus on locations with higher than average problems with anti-social behaviour, crime and deprivation. Selective Licensing schemes are designed to allow council's to establish a standards framework and to have the authority to regulate within that framework.
- 3.6 Before, during and after the consultation period, there was sustained lobbying objecting to the scheme, typically from existing Landlords groups and representatives

of lettings agents. From these, four alternative proposals were submitted by the groups listed below:

- Goldthorpe Landlords and Residents Group (GLR)
- Barnsley Residential Landlords Group (BRLA)
- Homesafe
- National Association of Lettings Agents (NALs)

- 3.7 The council also received challenges to the detail and methodology contained within the original rationale proposed for the scheme and received 48 Freedom of information (FOI) requests directly related to selective licensing with additional FOI requests made to various aspects of private rented sector regulation.
- 3.8 Reflecting that the Council has listened to the alternative proposals being made, it is felt sensible to consider the merits of a form of integrated self-regulation whilst ensuring the required standards and licence conditions (as consulted upon) will be achieved.

4. PROPOSAL AND JUSTIFICATION

- 4.1 The proposal is to implement a hybrid scheme. In this model locations would be designated as Selective Licensing areas however Landlords would have an additional option to be accredited, they would self-regulate on adherence to standards which would be monitored through the Safer Neighbourhood Service. A summary of the key features of this option is as follows:

All four locations areas are designated as Selective Licensing areas.

- There will be three approved accreditation scheme providers which are, BMBC, BRLA and GLR.
- The full cost of a license for an unaccredited property would be £530 for a five year period. The full cost of an accredited property would be £115 for the same period.
- Landlords refused accreditation would pay the full license fee as they default to the full Selective Licencing scheme.
- Non accredited Landlords would be eligible for the full license fee as above.
- Accreditation scheme providers will be responsible for ensuring that their scheme members properties comply with the standards and licence conditions set out within the original proposal.
- BMBC remains the enforcing authority and properties in each accreditation scheme will be inspected to ensure compliance with the above licence conditions and standards set.
- Where any property is found to be in breach of any licence condition, its eligibility for accreditation will be lost and it will be required to join the full Selective Licensing scheme.
- All enforcement options for non-compliance will be retained by the council including the use of enforcement notices, civil penalties and prosecution.
- Where property inspections are prevented by Landlords, properties will automatically be removed from the accreditation scheme forcing non-negotiable entry into the default Selective Licensing scheme.

- The accreditation scheme providers will be responsible for investigating initial complaints relating to standards and a formal monitoring forum will be developed as a quality assurance measure.
- 4.2 By operating a hybrid scheme, BMBC can still exercise its duties to inspect all properties within each designated area and undertake appropriate enforcement action. The accreditation scheme providers will effectively ensure those landlord properties which they accredit meet the Housing Health and Safety Rating System (HHSRS) standards of compliance and licence conditions.
- 4.3 The hybrid model would require all Landlords to join an approved accreditation scheme provided by the council, BRLA or GLR. Landlords failing to join an accreditation scheme would be required to be licensed by the council as part of the Selective Licensing scheme. In addition, Landlords refused accreditation would also be subject to the full terms of the licensing scheme.
- 4.4 The justification for proposing this option is based upon the recognition that some Landlords can demonstrate good management and standards and a commitment to the sustainability and improvement of the locations considered.
- 4.5 If approved, a three month statutory period is required prior to implementation (May 2018). The scheme will be evaluated one year after implementation to assess the impact and outcomes achieved via the scheme (May 2019).

5. CONSIDERATION OF ALTERNATIVE APPROACHES

- 5.1 The council does not introduce any additional form of regulation into these locations and relies upon existing powers to raise standards.

This option is not recommended as the professional view is that this option would not achieve improvements in these locations as powers are limited and rely heavily upon compliance from all Landlords.

- 5.2 The introduction of a full Selective Licensing scheme for the four areas considered in the original consultation. The license would be non-negotiable and would apply equally to all Landlords with tenanted households irrespective of standards or compliance.

This option is not recommended as our professional view is that this option does not consider the merits of alternative approaches proposed during the consultation and the opportunity to develop stronger partnerships with good Landlords.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1 The purpose of a Selective Licensing scheme is to contribute towards improving living standards for local residents in designated areas. It is intended that a hybrid model will realise the benefits of such a scheme whilst recognising the important contributions made by good Landlords.

7. FINANCIAL IMPLICATIONS

- 7.1 The Housing Act 2004 allows the Local Authority to set a license fee where a scheme is appropriately designated. The recommended option would set a fee of £530 per property to cover a 5 year period for unaccredited landlords and a fee of £115 per property for accredited Landlords for the same period. It should be noted that the approved accreditation schemes operate their own charging tariffs. These are included in Appendix 4 Table 2.
- 7.2 As a hybrid model, accurately predicting numbers of properties or how many will be accredited is difficult. Therefore based on the uncertainty of take-up of each element of this scheme, it is not currently possible to make precise financial projections.
- 7.3 For illustrative purposes however cost and income estimates have been provided in the table below – it is considered likely that take-up will be weighted towards a 75% accreditation level. At this level a modest surplus (approximately £16k per annum) will be generated – this is largely due to the fact that higher levels of external accreditation will mean a reduced requirement for administrative support from the Council.
- 7.4 The former cabinet report outlined a £100 reduction per property for accredited landlords. This has been removed due to the implementation of the new ‘Hybrid’ scheme. The new scheme offers a substantial reduction against the cost of a licence for an accredited property offered by the approved providers, which reflects the reduced work required by BMBC to licence each property.

Revenue Effects	Accreditation: Level of Take Up		
	0% £	50% £	75% £
Expenditure			
Accredited Property Income over 5 Years	0	32,890	49,335
Non Accredited Property Income over 5 Years	303,160	151,580	75,790
Total Income over 5 Years	303,160	184,470	125,125
Running Costs over 5 Years	182,770	91,385	45,693
Net Income over 5 years	120,390	93,085	79,433
Average Annual Net Income	24,078	18,617	15,887

- 7.5 It is important to note that any surpluses generated through the Selective Licensing scheme must be used to support the administration of the scheme, as set out in the Housing Act 2004.
- 7.6 Appendix A provides a summary of the estimated financial implications of the proposal.

8. EMPLOYEE IMPLICATIONS

- 8.1 A programme of enhanced training is being undertaken in relation to the Housing Health and Safety Rating System standards. This will enable staff within the Safer Neighbourhood Services to conduct property inspection and assessments of standards using this system.

9. COMMUNICATION IMPLICATIONS

- 9.1 Should the proposal be accepted all persons and properties within the designations affected by the scheme would be contacted in writing to advise them of the outcome and implications. Where the scheme is approved, there will be a three month call in period from approval before the scheme could become active.
- 9.2 Further landlord information, specimen documents and training material would be made available on BMBC web pages including 'How to' guides relating to dealing with anti-social behaviour.

10. CONSULTATION

- 10.1 Groups engaged with and events held/ attended:
 - 2 Landlords and letting agents events
 - 4 Residents drop in events held in localities and at the Town hall.
 - BME music event held September
 - Radio interview
 - Interview with the Barnsley Chronicle
- 10.2 The following outcomes were received via the consultation:
 - 48 FOI directly related to the scheme and 25 received relating to the SNS
 - 170 Total completed questionnaires
 - 86 Emails received via the Selective Licensing web page requesting information
 - 4 Alternative proposals
 - 4 Written objections/ responses to the scheme
- 10.3 Considering the above a Hybrid scheme has been proposed to mitigate objections. Both the BRLA and GLR group managers attended a meeting to outline the rationale for the Hybrid proposal and scheme implications for their members.

11. THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

- 11.1 This proposal supports the delivery of the following strategic priorities:
 - Thriving and Vibrant Economy
 - Stimulating housing growth and maximizing the use of empty properties
 - People Achieving their Potential
 - Children and adults are safe from harm
 - Early targeted support for those who need it
 - Strong and Resilient Communities
 - Protecting the Borough for future generations
- 11.2 Performance will be actively monitored through a stratified risk and performance framework monitored via Safer Neighbourhood Services delivery plan and the Private Sector Housing plan.

12. PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

- 12.1 The Equality Impact Assessment (EIA) is an interactive document. Its aim is to ensure all sectors of the community are recognised and issues raised are addressed. We acknowledge the full impact of the scheme is not yet known. The scheme will be monitored throughout the initial call in period of implementation and periodically throughout the schemes duration.
- 12.2 This scheme is intended to improve standards and living conditions for residents in some of our most deprived locations. To this extent it is anticipated that the impact will have a disproportionately positive effect on those typically isolated and less socially mobile.

13. TACKLING THE IMPACT OF POVERTY

- 13.1 The locations of the designated areas are typically some of the most deprived areas of the Borough. It is intended that by improving standards of accommodation- which is inextricably linked to deprivation, improving behaviour and the environment, a positive impact will accrue in terms of the health and wellbeing for those most economically challenged.
- 13.2 Consideration has been given to landlords passing on the fee to tenants. This has been reflected and consideration has been given to the fee and support options available to assist tenants regarding financial management. The council has contacted other areas where selective licensing schemes are in place to check any evidence of costs being passed onto tenants through rents. The areas contacted do not have any evidence to suggest this has happened.

14. TACKLING HEALTH INEQUALITIES

- 14.1 The threshold test of the Housing Act is to ensure the absence of Category 1 hazards (the most serious) or an accumulation of several Category 2 hazards. Properties are required to be safe and well maintained. By implementing a Selective Licensing scheme and conditions, properties will be inspected to ensure an absence of Category 1 hazards and offer possible benefits towards reducing issues of deprivation relating to fuel poverty.

15. REDUCTION OF CRIME AND DISORDER

- 15.1 The aim of the scheme is to reduce anti-social behaviour and crime, drive up housing standards and mitigate the issues surrounding private rented and empty properties in the designated areas. It is anticipated that by having an integrated approach to tackle the worst areas for reported anti-social behaviour and crime, combined with licence conditions, the areas will yield a reduction in the above.

16. RISK MANAGEMENT ISSUES

- 16.1 All risks have been highlighted and mitigated as part of this report.

17. HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

- 17.1 None

18. COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

18.1 No direct implications

19. CONSERVATION OF BIODIVERSITY

19.1 None

20. GLOSSARY

ASB Anti-social Behaviour

RLA Residential Landlords Association

EIA Equalities Impact Assessment

NLA National Landlords Association

DCLG Department for Communities and Local Government

NLCE National Landlords Code of Excellence

BRLA Barnsley Residential Landlords Association

SNS Safer Neighbourhood Services

GLR Goldthorpe Landlord and Residents group

FOI Freedom of Information requests

ICO Information Commissioners Office

21. LIST OF APPENDICES

Appendix A Financial Implications

Appendix 1 Questionnaire and Data/Outcomes

Appendix 2 Q & A document

Appendix 3 License conditions

Appendix 4 BMBC Hybrid proposal

Appendix 5 Amendments made to report Cab. 26.6.2017/7

Appendix 6 Maps, criteria for implementation, overall rationale for the scheme

Appendix 7 EIA Summary

22. BACKGROUND PAPERS

House of Commons – Standard note SN/SP/4634 Selective Licensing of PR Housing (England and Wales) [17.02.2015]

Approval steps for Additional and Selective Licensing designations in England

The Selective Licensing of Houses (Additional Conditions) (England) Order 2015

LA Questionnaire outcomes

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

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