



REPORT OF THE BUSINESS, ECONOMY AND  
ENTERPRISE SCRUTINY BOARD (3)  
TASK AND FINISH GROUP ON DISCRETIONARY  
LICENSING



January 2016

# **Report of the Business, Economy and Enterprise Scrutiny Board (3) Task and Finish Group on Discretionary Licensing**

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## **1 Introduction**

- 1.1 During the Municipal year 2013/14, Scrutiny Co-ordination Committee established a Task and Finish Group to look at the issue of Houses in Multiple Occupation. One of the outcomes of this review was that licensing for private rented sector housing be looked at in more detail and at their informal meeting on 19th June 2014, the Business, Economy and Enterprise Scrutiny Board (3) agreed to establish a Task and Finish Group to undertake this task. The task and finish group first met on 19<sup>th</sup> October 2014 and have met seven times.

## **2 Local context and background**

- 2.1 Through the review into Houses in Multiple Occupation (HiMO's), it was recognised that there were issues with the private rented sector generally in the city, not just those in multiple occupation. Coventry has an increasing private rented housing sector and concern has been raised from residents as to the quality of some the housing provided by the sector. Residents in some areas of the city have also experienced anti-social behaviour, fly-tipping and noise nuisance in areas where there are large numbers of rented property.
- 2.2 The Draft Coventry Private Sector Stock Condition Survey 2013 reported that Coventry has a higher proportion of non-decent homes (37%) than England (36%). However there are areas of the city that have a considerably higher proportion than the England average. 11 wards have higher than England with Foleshill (49%) and St. Michael's (47%).
- 2.3 Local authorities are able to introduce discretionary licensing for rented property, in addition to the mandatory licensing required for large houses in multiple occupation.<sup>1</sup> This discretionary licensing can either be selective or additional licensing. Additional licensing gives local authorities the powers to licence additional categories of HiMO's in a prescribed area, not included under the mandatory licensing scheme. This can help where there are perceived to be a large number of HiMO's in an area which are being managed and causing problems for the tenants and/or members of the public.
- 2.4 Selective licensing gives local authorities the powers to licence privately rented accommodation in a prescribed area where there is low housing demand, or a serious problem with antisocial behaviour and that the problem is compounded by landlords who are not properly managing their properties.
- 2.5 Members agreed to consider selective licensing in a targeted area of the city, which met the required criteria.

## **3 Selective licensing**

### Operation of the licensing scheme

- 3.1 The scheme is for a five year period and must be reviewed at the end of that period.  
Licensing conditions
- 3.2 There are mandatory conditions which must be included in the licence and these are as follows:
- Present a gas safety certificate annually to the Local Housing Authority if gas is supplied to the house

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<sup>1</sup> For more information on mandatory licensing of houses in multiple occupation please see: [http://www.coventry.gov.uk/downloads/download/714/licence-houses\\_in\\_multiple\\_occupancy](http://www.coventry.gov.uk/downloads/download/714/licence-houses_in_multiple_occupancy)

- Keep electrical appliances and furniture (supplied under the tenancy) in a safe condition
  - Keep smoke alarms in proper working order
  - Supply the occupier with a written statement of the terms of occupation
  - Demand references from persons wishing to occupy the house.
- 3.3 Authorities have discretion to set the precise conditions of the licence as regards anti-social behaviour and general management of the property. These can include conditions relating to the use and occupation of the house, and measures to deal with anti-social behaviour of the actual tenants or those visiting the property. However, the conditions imposed must be ones which relate to the residential use of the property – they cannot, for example, place responsibilities on landlords to act where, for example, tenants may be committing crimes unrelated to their occupation of the property.

#### Granting of licences

- 3.4 The local authority would need to establish that the landlord or managing agent was a 'fit and proper' person.
- 3.5 The authority must have regard to any previous convictions relating to violence, sexual offences, drugs or fraud; whether the proposed licence holder has contravened any laws relating to housing or landlord and tenant issues; and whether the person has been found guilty of unlawful discrimination practices. However, the local authority is not required to carry out blanket checks on all landlords, except if they have concerns.

### **4 Desired Outcomes**

- 4.1 Members discussed the desired outcomes from implementing a selective licensing scheme in the city. These were described as being:
- 4.2 To the local authority:
- Reduce environmental costs
  - Reduced homelessness costs
  - Better knowledge of the private rented sector
  - Improved physical standards and management of private rented stock
  - Quick and easy contact with landlords
  - Easier to involve landlords in wider strategies
  - Support the local Housing and Homelessness Strategy 2013-18
  - Reduce health inequalities
- 4.3 To the Neighbourhood and Community:
- Increase in environmental quality and sense of security
    - less antisocial behaviour
    - less fly tipping etc.
    - more responsive landlords
  - Increase in choice of good quality and well managed housing
  - Reduction in health inequalities.
- 4.4 To tenants:
- Improvements to the quality and management of property and protecting vulnerable groups who are often occupiers of poorly managed privately rented accommodation.
  - Improvements to the neighbourhood e.g. security and sense of community.
  - Reduce incidence of unplanned moves and homelessness

- Economic benefits e.g. regaining deposits/less moving costs
- Improvement in health due to improved housing conditions

#### 4.5 To Landlords:

- Creates a level playing field
- Enhance the reputation of the private rented sector and marginalise bad landlords
- Expectations are clear
- Better tenants; less turnover; less voids
- Support for landlords in tackling tenants who commit Anti-social Behaviour

#### 4.6 What licensing cannot do

- Restrict the creation of HiMO's, or rented homes (this is the remit of an Article 4 Direction).
- Control parking problems
- Control the appearance of HiMO's (except in a limited way)
- Prevent subletting
- Solve all the problems with tenants (tenants still have duties and responsibilities)
- Make landlords responsible for their tenants' behaviour

## 5 Government guidance

5.1 From 1<sup>st</sup> April 2015, the Department for Communities and Local Government issued new guidance which amended the criteria for local authorities implementing licensing schemes. These new criteria require that for an area to be considered for licensing it must have a high than the national average proportion of private rented homes occupied under assured tenancies or licences and one of the following:

- a) Poor property conditions
- b) High levels of migration
- c) High levels of deprivation
- d) High levels of crime
- e) Low housing demand
- f) High levels of anti-social behaviour (ASB)

5.2 Members of the task and finish group considered which areas of the city met the above criteria

## 6 What the data in Coventry tells us

6.1 Members of the task and finish group considered data from across the city to identify potential areas of the city that meet the criteria in section 5.1

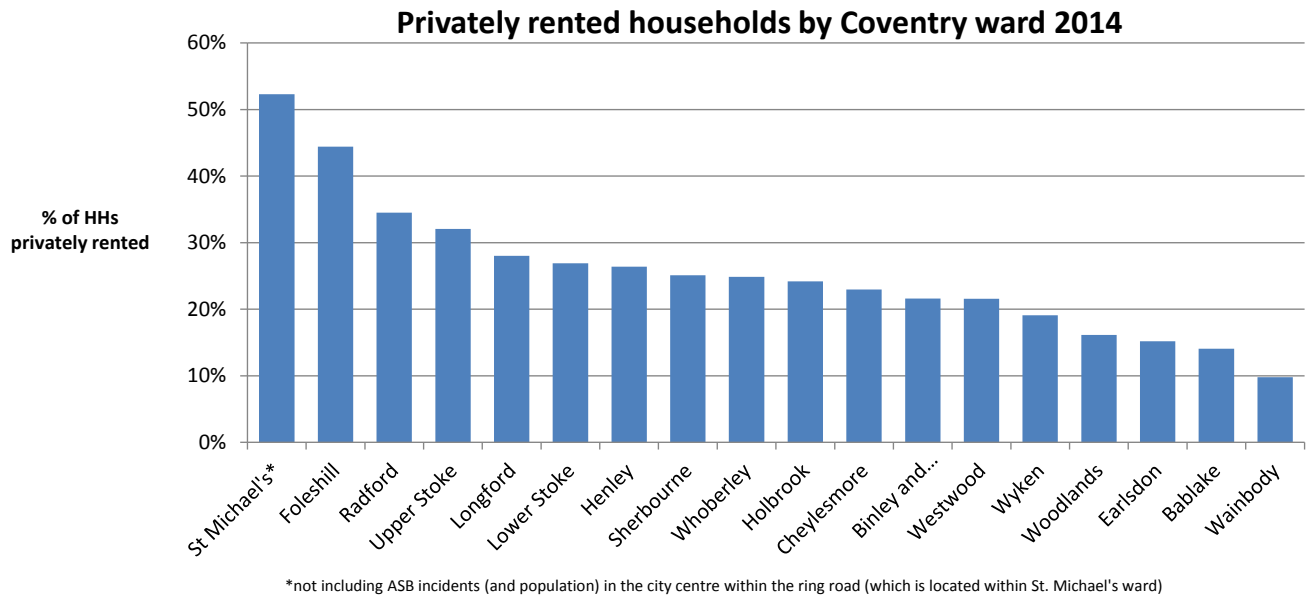
6.2 When considering St. Michael's Ward, the area within the ring road was excluded from the data where possible. Whilst the reporting of ASB is a signifier in relation to evaluating whether an area should be included for selective licensing, figures relating to the city centre area of St Michael's (inside the ring road) were discounted as so many of the ASB incidents were unrelated to residential properties as there is relatively little accommodation within the City Centre. Therefore it was agreed that excluding the data from inside the city centre would make St. Michael's more comparable to other wards of the city.

### 6.3 High proportion of private rented homes

As Chart 1 below shows, most of the wards in Coventry have over the national average of 19% privately rented households, as defined in the English Housing Condition Survey 2014.

6.4 St. Michael's has the highest proportion of households in the private rented sector, with 52%, followed by Foleshill at 44%

Chart 1 – Private Rented Sector



### 6.5 Criteria c) – High Levels of Deprivation

The Index of Multiple Deprivation (IMD) is a quantitative study of deprived areas in English local councils commissioned by the Department for Communities and Local Government. It is recognised as one of the best indicators of deprivation. It scores all neighbourhoods in England according to the 'multiple deprivation' experienced by their residents using several indicators of deprivation combined, including measures of:

- Income
- Employment
- Health deprivation and Disability
- Education Skills and Training
- Barriers to Housing and Services
- Crime
- Living environment.

6.6 The information for each neighbourhood is then scored and ranked.

## 6.7 Table 1 – IMD 2015

| Coventry wards      | IMD: Overall (2015) - score | Rank across all England Wards (1 = most deprived, 7,529 = least deprived) | Rank within Coventry |
|---------------------|-----------------------------|---|----------------------|
| Foleshill           | 49.8                        | 169   | 1                    |
| Binley & Willenhall | 41.2                        | 410   | 2                    |
| Longford            | 39.1                        | 505   | 3                    |
| St Michael's        | 39.0                        | 517   | 4                    |
| Henley              | 38.8                        | 531   | 5                    |
| Radford             | 35.0                        | 788   | 6                    |
| Upper Stoke         | 30.1                        | 1,230   | 7                    |
| Holbrook            | 28.3                        | 1,425   | 8                    |
| Lower Stoke         | 26.9                        | 1,583   | 9                    |
| Westwood            | 26.0                        | 1,697   | 10                   |
| Sherbourne          | 20.5                        | 2,626   | 11                   |
| Wyken               | 20.3                        | 2,656   | 12                   |
| Cheylesmore         | 19.6                        | 2,789   | 13                   |
| Woodlands           | 19.4                        | 2,845   | 14                   |
| Whoberley           | 18.1                        | 3,125   | 15                   |
| Bablake             | 16.8                        | 3,447   | 16                   |
| Earlsdon            | 9.3                         | 5,988   | 17                   |
| Wainbody            | 9.2                         | 6,036   | 18                   |

Source: LGINform; Local Government Association

6.8 Foleshill has the highest levels of deprivation in the city, followed by Binley & Willenhall, Longford and St. Michael's. This means they are in the 7% most deprived wards in England Coventry has 5 wards that are in the 550 most deprived wards of England, out of a total of 7,529.

### 6.9 **Criteria f) - High Level of Anti-social Behaviour**

6.10 The task and finish group considered police recorded anti-social behaviour, as well as Council information on noise complaints and fly-tipping to assess areas levels of anti-social behaviour.

### 6.11 **Police recorded anti-social behaviour (ASB) incidents by Coventry ward 2012, 2013 & 2014**

(data sources: Police recorded anti-social behaviour incidents 2012, 2013 & 2014 - West Midlands Police; population estimate - mid-year population estimates for small areas (Wards) 2013 (experimental statistics), Office for National Statistics)

6.12 For the purposes of this analysis, incidents at locations in the city centre within the ring road are excluded; the city centre often produces outlier data. This predominantly affects the data for St. Michael's ward, the ward in which the city centre is located. All St. Michael's figures are shown **without** incidents that occurred in the city centre.

6.13 The analysis includes data for three full calendar years, including all incidents during 2012, 2013 and 2014.

6.14 St. Michael's has the highest rate of recorded anti-social behaviour.

Table 2 - Anti-social Behaviour Rates

| Coventry Ward                        | Rate - anti-social behaviour incidents per 1,000 residents 2012 | Rate - anti-social behaviour incidents per 1,000 residents 2013 | Rate - anti-social behaviour incidents per 1,000 residents 2014 |
|--------------------------------------|---|---|---|
| St Michael's*                        | 64.2  | 50.9  | 52.2  |
| Henley                               | 42.4  | 33.5  | 35.7  |
| Longford                             | 43.0  | 35.3  | 33.5  |
| Foleshill                            | 40.9  | 30.9  | 30.6  |
| Binley & Willenhall                  | 47.7  | 38.4  | 32.8  |
| Radford                              | 32.1  | 26.1  | 23.3  |
| Woodlands                            | 35.8  | 23.2  | 25.5  |
| Lower Stoke                          | 25.9  | 21.0  | 20.9  |
| Holbrook                             | 28.0  | 22.5  | 22.0  |
| Upper Stoke                          | 26.1  | 20.2  | 19.4  |
| Sherbourne                           | 28.3  | 20.7  | 21.3  |
| Westwood                             | 20.6  | 17.3  | 17.2  |
| Cheylesmore                          | 21.9  | 18.7  | 16.0  |
| Wyken                                | 20.1  | 16.8  | 15.1  |
| Bablake                              | 14.9  | 12.6  | 12.5  |
| Whoberley                            | 15.3  | 12.0  | 10.3  |
| Earlsdon                             | 14.4  | 10.9  | 10.5  |
| Wainbody                             | 9.3   | 7.4   | 6.7   |
| Sub-total                            | 30.5  | 24.2  | 23.5  |
| The city centre within the ring road | 414.1   | 255.1   | 219.8   |
| Unknown ward                         |   |   |   |
| <b>Grand Total</b>                   | <b>34.0</b>   | <b>26.7</b>   | <b>25.6</b>   |

\*not including incidents (and population) in the city centre within the ring road, which is located within St. Michael's ward



Chart 2 – Anti-social Behaviour rates

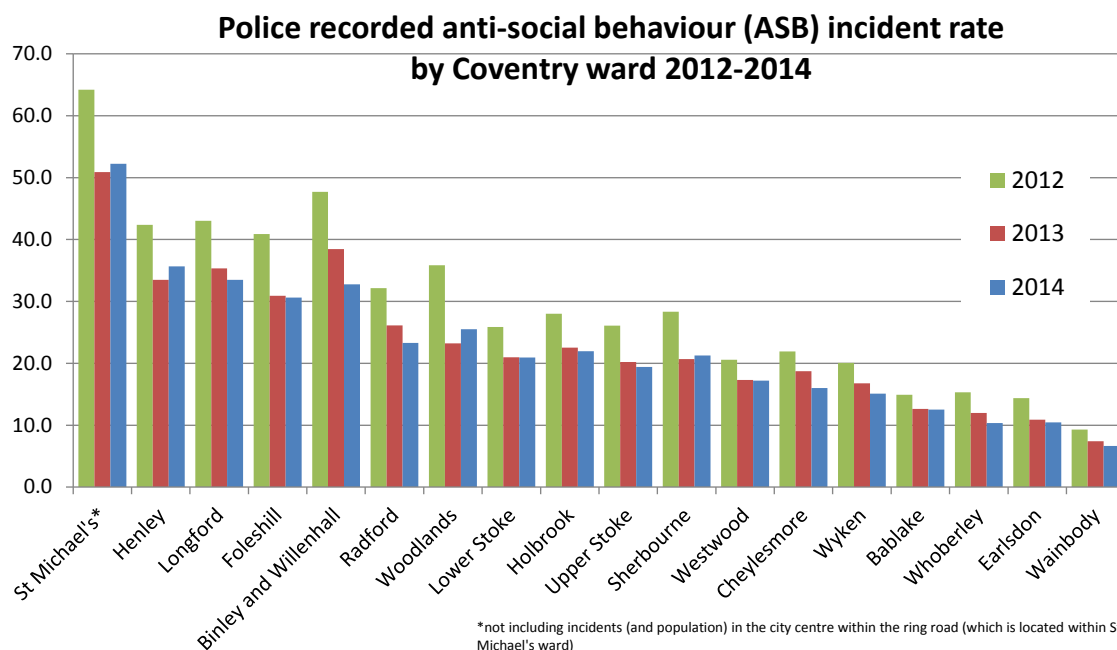
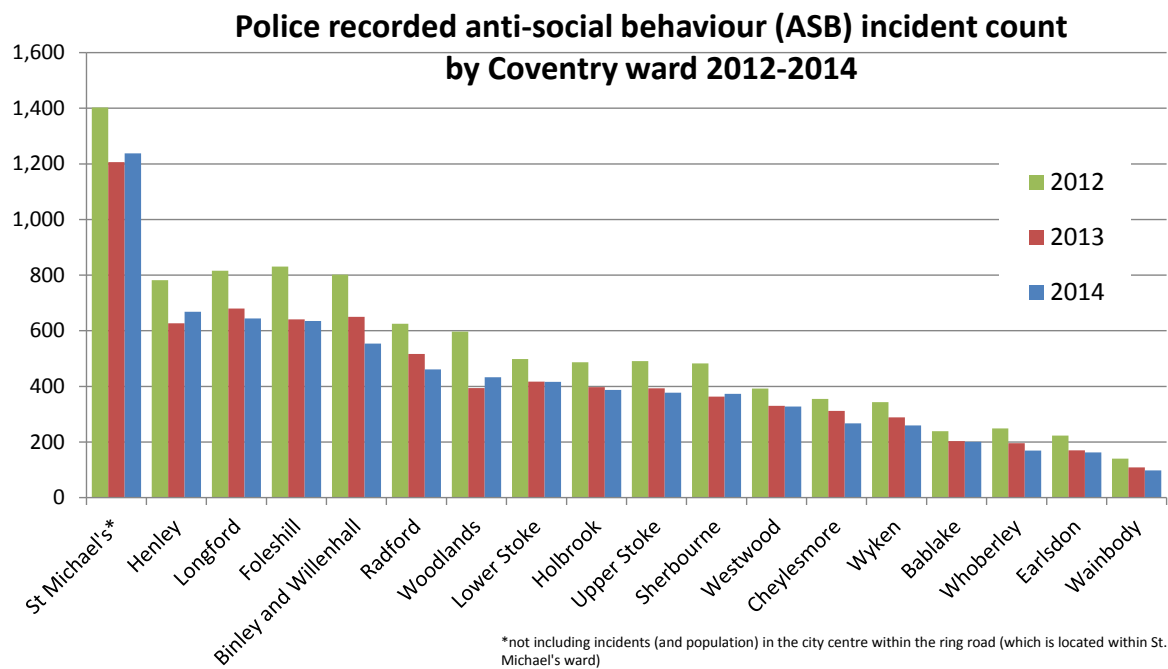


Table 3 - Police Recorded ASB Counts

| Coventry Ward                        | Number of Police recorded anti-social behaviour incidents 2012 | Number of Police recorded anti-social behaviour incidents 2013 | Number of Police recorded anti-social behaviour incidents 2014 |
|--------------------------------------|--|--|--|
| St Michael's*                        | 1,403  | 1,206  | 1,238  |
| Henley                               | 782  | 627  | 668  |
| Longford                             | 816  | 680  | 644  |
| Foleshill                            | 831  | 641  | 635  |
| Binley & Willenhall                  | 802  | 650  | 554  |
| Radford                              | 625  | 517  | 461  |
| Woodlands                            | 597  | 394  | 433  |
| Lower Stoke                          | 498  | 417  | 416  |
| Holbrook                             | 487  | 397  | 387  |
| Upper Stoke                          | 491  | 393  | 377  |
| Sherbourne                           | 483  | 363  | 373  |
| Westwood                             | 392  | 330  | 328  |
| Cheylyesmore                         | 355  | 312  | 267  |
| Wyken                                | 343  | 289  | 260  |
| Bablake                              | 239  | 203  | 201  |
| Whoberley                            | 249  | 196  | 169  |
| Earlsdon                             | 223  | 170  | 163  |
| Wainbody                             | 140  | 109  | 98   |
| Sub-total                            | 9,756  | 7,894  | 7,672  |
| The city centre within the ring road | 1,207  | 905  | 780  |
| Unknown ward                         | 24   | 15   | 7  |
| <b>Grand Total</b>                   | <b>10,987</b>  | <b>8,814</b>   | <b>8,459</b>   |

Chart 3 - Police Recorded ASB Counts



**6.15 Noise complaints by Coventry ward 2012, 2013 & 2014**

*data sources: Noise complaints data - Place directorate, Coventry City Council; population estimate - mid-year population estimates for small areas (Wards) 2012 & 2013 (experimental statistics), Office for National Statistics*

6.16 For the purposes of this analysis, complaints from locations in the city centre within the ring road are excluded; the city centre often produces outlier data. This predominantly affects the data for St. Michael's ward, the ward in which the city centre is located. All St. Michael's figures are shown **without** complaints that occurred in the city centre.

6.17 The analysis includes data for three full calendar years, including all complaints during 2012, 2013 and 2014.

6.18 St. Michael's has the highest number of noise recorded complaints.

Table 4 - Noise Complaints Rates

| Coventry Ward                        | Rate - number of noise complaints per 1,000 residents 2012 | Rate - number of noise complaints per 1,000 residents 2013 | Rate - number of noise complaints per 1,000 residents 2014 |
|--------------------------------------|--|--|--|
| St Michael's*                        | 16.0   | 15.3   | 14.9   |
| Upper Stoke                          | 10.4   | 13.8   | 13.5   |
| Radford                              | 11.6   | 11.0   | 12.2   |
| Foleshill                            | 11.6   | 10.7   | 11.6   |
| Bablake                              | 5.2  | 7.0  | 9.7  |
| Binley & Willenhall                  | 9.9  | 7.0  | 9.2  |
| Whoberley                            | 9.2  | 10.0   | 9.0  |
| Wyken                                | 6.1  | 7.4  | 9.0  |
| Lower Stoke                          | 9.5  | 9.3  | 8.9  |
| Longford                             | 7.1  | 9.5  | 8.9  |
| Henley                               | 7.2  | 9.1  | 8.3  |
| Westwood                             | 9.5  | 6.4  | 8.1  |
| Sherbourne                           | 7.3  | 7.9  | 7.8  |
| Holbrook                             | 9.4  | 9.4  | 7.0  |
| Woodlands                            | 9.7  | 7.0  | 6.8  |
| Cheylesmore                          | 8.2  | 8.1  | 6.7  |
| Earlsdon                             | 4.6  | 5.4  | 4.4  |
| Wainbody                             | 2.2  | 3.1  | 2.7  |
| Sub-total                            | 8.8  | 9.0  | 9.1  |
| The city centre within the ring road | 11.3   | 11.0   | 11.6   |
| Unknown ward                         |  |  |  |
| <b>Grand Total</b>                   | <b>9.5</b>   | <b>9.9</b>   | <b>10.0</b>  |

\*not including incidents (and population) in the city centre within the ring road, which is located within St. Michael's ward

Chart 4 – Noise Complaint Rates

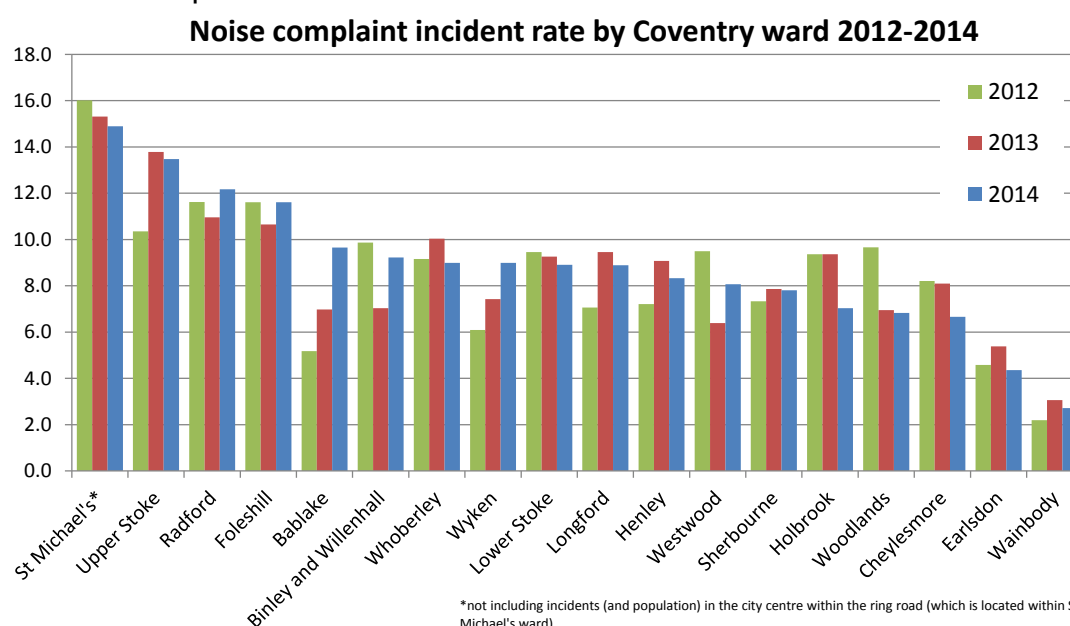
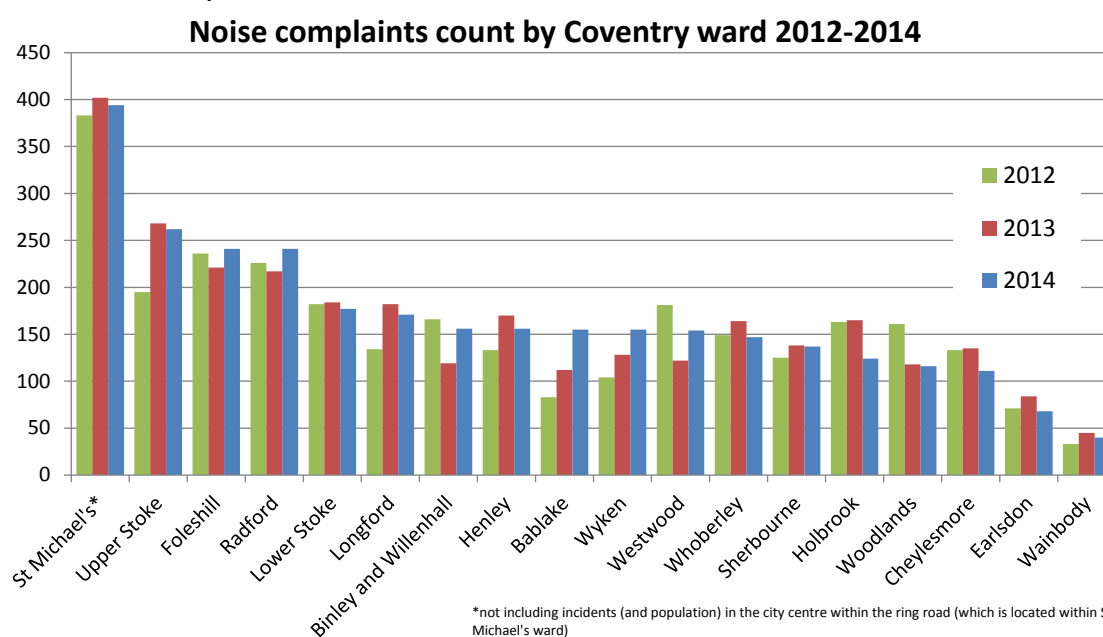


Table 5 - Noise Complaint Counts

| Coventry Ward                        | Number of noise complaints 2012 | Number of noise complaints 2013 | Number of noise complaints 2014 |
|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| St Michael's*                        | 383                             | 402                             | 394                             |
| Upper Stoke                          | 195                             | 268                             | 262                             |
| Foleshill                            | 236                             | 221                             | 241                             |
| Radford                              | 226                             | 217                             | 241                             |
| Lower Stoke                          | 182                             | 184                             | 177                             |
| Longford                             | 134                             | 182                             | 171                             |
| Binley & Willenhall                  | 166                             | 119                             | 156                             |
| Henley                               | 133                             | 170                             | 156                             |
| Bablake                              | 83                              | 112                             | 155                             |
| Wyken                                | 104                             | 128                             | 155                             |
| Westwood                             | 181                             | 122                             | 154                             |
| Whoberley                            | 149                             | 164                             | 147                             |
| Sherbourne                           | 125                             | 138                             | 137                             |
| Holbrook                             | 163                             | 165                             | 124                             |
| Woodlands                            | 161                             | 118                             | 116                             |
| Cheylesmore                          | 133                             | 135                             | 111                             |
| Earlsdon                             | 71                              | 84                              | 68                              |
| Wainbody                             | 33                              | 45                              | 40                              |
| Sub-total                            | 2,858                           | 2,974                           | 3,005                           |
| The city centre within the ring road | 33                              | 39                              | 41                              |
| Unknown ward                         | 185                             | 246                             | 257                             |
| <b>Grand Total</b>                   | <b>3,076</b>                    | <b>3,259</b>                    | <b>3,303</b>                    |

Chart 5 – Noise Complaint Count



### 6.19 **Fly-tipping incidents by Coventry ward 2012, 2013 & 2014**

*data sources: Fly-tipping incidents - Place directorate, Coventry City Council; population estimate - mid-year population estimates for small areas (Wards) 2012 & 2013 (experimental statistics), Office for National Statistics*

6.20 For the purposes of this analysis, incidents at locations in the city centre within the ring road are excluded; the city centre often produces outlier data. This predominantly affects the data for St. Michael's ward, the ward in which the city centre is located. All St. Michael's figures are shown **without** incidents that occurred in the city centre.

6.21 The analysis includes data for the full calendar year, all incidents during 2012, 2013 and 2014.

Table 5 – Fly-tipping Rates

| Coventry Ward                        | Rate - number of fly-tipping incidents per 1,000 residents 2012 | Rate - number of fly-tipping incidents per 1,000 residents 2013 | Rate - number of fly-tipping incidents per 1,000 residents 2014 |
|--------------------------------------|---|---|---|
| Foleshill                            | 36.6  | 35.1  | 32.0  |
| St Michael's*                        | 56.6  | 34.6  | 20.5  |
| Upper Stoke                          | 14.0  | 11.4  | 8.3   |
| Radford                              | 9.4   | 7.1   | 7.7   |
| Bablake                              | 5.4   | 6.9   | 7.3   |
| Binley & Willenhall                  | 9.0   | 6.8   | 5.7   |
| Lower Stoke                          | 7.0   | 7.1   | 5.5   |
| Henley                               | 3.8   | 4.3   | 5.1   |
| Longford                             | 4.1   | 4.0   | 4.8   |
| Holbrook                             | 6.4   | 4.8   | 4.4   |
| Whoberley                            | 3.0   | 3.1   | 4.2   |
| Westwood                             | 2.9   | 2.6   | 4.0   |
| Sherbourne                           | 7.3   | 5.5   | 3.5   |
| Cheylesmore                          | 2.0   | 2.9   | 2.8   |
| Woodlands                            | 3.3   | 2.0   | 2.2   |
| Wyken                                | 1.0   | 1.9   | 2.1   |
| Earlsdon                             | 1.9   | 1.7   | 1.6   |
| Wainbody                             | 1.1   | 1.1   | 0.5   |
| Sub-total                            | 10.7  | 8.8   | 7.4   |
| The city centre within the ring road | 0.7   | 0.0   | 0.0   |
| Unknown ward                         |   |   |   |
| <b>Grand Total</b>                   | <b>12.1</b>   | <b>9.2</b>  | <b>7.6</b>  |

\*not including incidents (and population) in the city centre within the ring road, which is located within St. Michael's ward

Chart 6 – Fly-tipping Rates

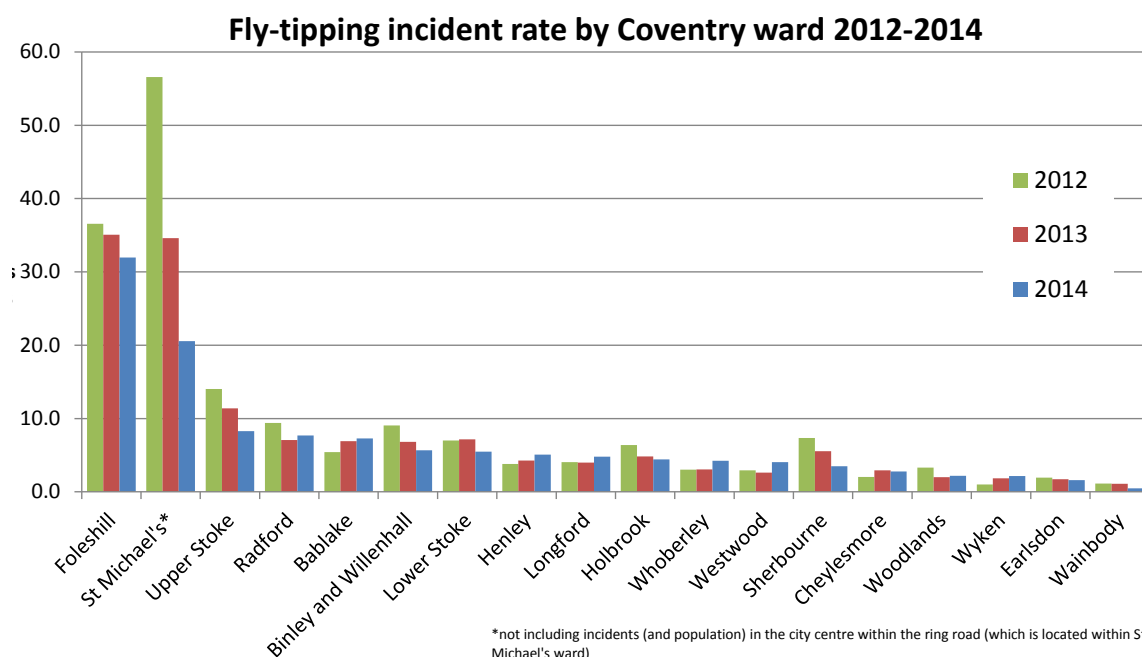
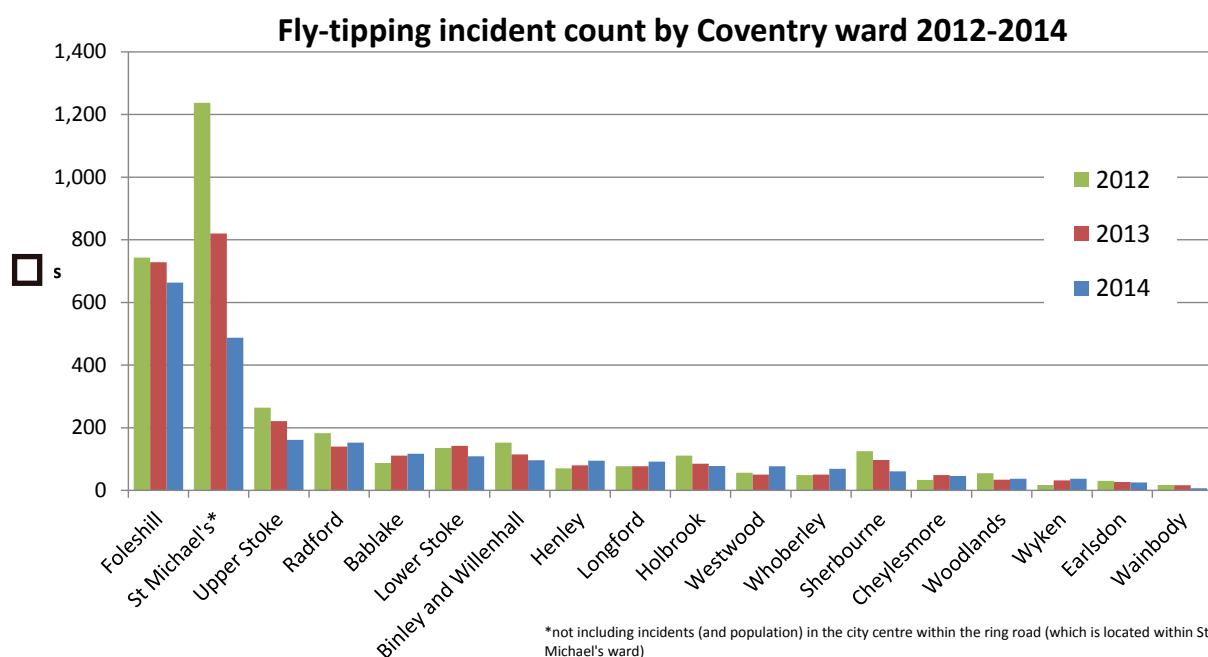


Table 6 - Fly-tipping Counts

| Coventry Ward                        | Number of reported fly-tipping incidents 2012 | Number of reported fly-tipping incidents 2013 | Number of reported fly-tipping incidents 2014 |
|--------------------------------------|---|---|---|
| Foleshill                            | 743   | 728   | 663   |
| St Michael's*                        | 1,237   | 820   | 487   |
| Upper Stoke                          | 264   | 221   | 161   |
| Radford                              | 183   | 140   | 152   |
| Bablake                              | 87  | 111   | 117   |
| Lower Stoke                          | 135   | 142   | 109   |
| Binley and Willenhall                | 152   | 115   | 96  |
| Henley                               | 70  | 80  | 95  |
| Longford                             | 77  | 77  | 92  |
| Holbrook                             | 111   | 85  | 78  |
| Westwood                             | 56  | 50  | 77  |
| Whoberley                            | 49  | 50  | 69  |
| Sherbourne                           | 125   | 97  | 61  |
| Cheylesmore                          | 33  | 49  | 46  |
| Woodlands                            | 55  | 34  | 37  |
| Wyken                                | 17  | 32  | 37  |
| Earlsdon                             | 30  | 27  | 25  |
| Wainbody                             | 17  | 16  | 7   |
| <b>Sub-total</b>                     | <b>3,441</b>                                  | <b>2,874</b>                                  | <b>2,409</b>                                  |
| The city centre within the ring road | 2   | 0   | 0   |
| Unknown ward                         | 465   | 169   | 109   |
| <b>Grand Total</b>                   | <b>3,908</b>                                  | <b>3,043</b>                                  | <b>2,518</b>                                  |

Chart 7 – Fly-tipping Count



## 6.22 Data Summary

6.23 The data shows that St. Michael's ward has high numbers of private rented sector households, as well as experiencing high levels of deprivation, and high levels of anti-social behaviour, including police recorded incidents, noise complaints and fly-tipping.

6.24 This data suggests that St. Michael's excluding the city centre within the ring road would be the area most likely to meet the criteria for and therefore benefit from the implementation of a selective licensing scheme.

## 7 Financial analysis

7.1 As part of the task and finish group, Members considered the financial implications and the associated costs and fees to a licensing scheme.

7.2 As with the HiMO mandatory licensing regime, landlords must pay a charge for a licence issued under a selective licensing scheme. Local authorities can set the level of the fee and the intention is that the rate should be 'transparent' and cover the actual cost of the scheme's administration.

7.3 Most schemes in other local authorities have discounts on offer for early take-up of the scheme or membership of an approved accreditation scheme, or multiple applications.

7.4 Any selective licensing scheme will need to be self-financing. Licensing revenue can be used for licensing activities only i.e. inspection and administration of the scheme – it does not cover enforcement.

7.5 There are additional costs of a scheme which include:

- Consultation and set up
- Overhead and general administrative costs
- Enforcement
- Landlord support

7.6 In order to propose an appropriate discretionary licensing fee per property, costs have been analysed using information from finance. This information has been based on the

number of properties in the proposed area, the costs of processing an individual licence, the set up costs for a licensing scheme and total anticipated discounts.

- 7.7 Using this information which can be found in Table 7 below, the anticipated cost of a selective licensing fee per property, allowing for discounts, would be £773.95.

Table 7

| <b>Total Proposed Cost of Selective Licensing</b> |   |                |
|---|---|----------------|
| a   | Total number of privately rented properties in St Michael's (excluding the City Centre) | 3,196          |
| b   | Individual licensing process cost per property  | £713.42        |
| c   | Total licensing process cost for all properties (b x a)                                 | £2,280,080.73  |
| d   | Set up costs for Selective Licensing  | £27,887.19     |
| e   | Set up Costs for Selective Licensing per property                                       | £8.73          |
| f   | Total licensing cost (c + d)  | £2,307,967.92  |
| g   | Selective licensing fee per property (before potential discounts)                       | £722.14        |
| h   | Total anticipated discounts granted   | £165,569.92    |
| i   | Total licensing cost after paying discounts (f + h)                                     | £2,473,537.84  |
|   | <b>Selective licensing fee per property (allowing for discounts) (i / a)</b>            | <b>£773.95</b> |

## 8 Landlord Accreditation Schemes

- 8.1 Although there is no standard model, the key features of accreditation schemes are:

- They are voluntary – landlords agree to join rather than being obliged to, and are usually closely involved in establishing and running schemes.
- There is a set of standards relating to management and property condition to which accredited properties and landlords must adhere.
- The scheme is administered by an independent body which checks that the required standards are met.
- There are incentives to membership such as access to information and advice, advertising of accredited properties, or grant aid with the cost of building work.

- 8.2 The aims of an Accreditation Scheme are:

- To promote good physical conditions of properties and good management practices.
- To create and maintain a stock of private rented accommodation to an accredited standard and which meets the legal requirements.
- To give public recognition to those landlords who provide housing that meets or exceeds the accredited standard.
- To give prospective tenants the choice of renting a good standard of accommodation.

- 8.3 Schemes may offer landlords some of the following benefits:

- Discount on licensing fees
- Newsletter
- Signposting to training
- Access to a list of businesses offering preferential rates
- Advice seminars on housing, legal and other related matters (free or fee)



- 8.4 There is widespread recognition that voluntary accreditation works well for the best landlords and those who take advantage of the training and support on offer but is not a mechanism that can be used to deal effectively with those who are less reputable. It can however offer a mechanism whereby LA resources can be directed to the worse landlords, if they can be identified.
- 8.5 Accreditation schemes may accredit either a landlord or a property and be run locally, regionally or nationally.
- 8.6 Landlord accreditation emphasises the responsibility of the landlord to meet legal standards and are based on landlord development and good management practice. As it is the landlord and not the property that is accredited, the accreditation will apply across the landlord's whole portfolio
- 8.7 A landlord or letting agent will give an undertaking to operate within the rules of the scheme; to attend at least one day training followed annually by a number of hours of Competency.
- 8.8 There are a variety of accreditation schemes on offer to landlords, including the Midlands Landlord Association Scheme (MLAS), National Landlords Association (NLA) and the Residential Landlord Association (RLA)

## **9 What has happened in other areas**

- 9.1 Members considered information about other areas of the country that have introduced selective licensing. There are wide variations on how schemes have been implemented as different licensing schemes meet different local needs.
- 9.2 Some areas have very small and specific locations which are licensable, such as Salford and Wolverhampton, whereas others cover the whole city as in Liverpool and Croydon. Basic fees for the licenses across the country vary between £340 and £1000.
- 9.3 When other local authorities have introduced selective licensing there has been considerable challenge from representatives of the private rented sector. Enfield's scheme was overturned by judicial review as the consultation process was deemed inappropriate. However in Rotherham the judicial review failed as the Council was deemed to have acted "rationally and proportionately".

## **10 Conclusions**

- 10.1 Members agreed that parts of St. Michael's Ward, excluding the city centre meets the criteria for implementing selective licensing when considering the evidence available, including levels of private rented property, deprivation and levels of anti-social behaviour.
- 10.2 Members also agreed that a full and thorough consultation process should happen, involving all stakeholders including landlords, private tenants and other members of the community.
- 10.3 They also agreed that the financial implications of introducing a scheme should be considered fully before implementation.

## **11 Recommendations**

- 11.1 The Cabinet Member is recommended to:
  - (1) Initiate the statutory process to implement a selective licensing scheme in St. Michael's Ward (minus the city centre) of the city.

- (2) Pending the consultation in recommendation 1), consider at the same time, the financial feasibility of implementing a selective licensing scheme in the St. Michael's Ward of the city.
- (3) Actively encourage landlords to join a landlord's accreditation scheme. Appropriate discounts on licences will be granted to those landlords who have houses in the proposed licensing area.
- (4) Bring any further decisions for the Cabinet Member on implementing a selective licensing scheme to the appropriate Scrutiny Board for comment before a decision is taken.

## **Appendix A Members of the Task and Finish Group**

### **Elected Members**

Cllr David Welsh (Chair)

Cllr Linda Bigham

Cllr David Galliers

Cllr David Skinner

Cllr Seamus Walsh

### **Council Officers**

Helen Caves – Environment and Housing Enforcement Manager

Cath Crosby – Lead Accountant – Business Partner

Tom Evans – Analyst, Insight Team

Angela Hands – Public Health Practitioner

Craig Hickin – Head of Environmental Services

Gennie Holmes – Scrutiny Co-ordinator

Tracy Miller – Head of Planning, Place Directorate

Liam Nagle – Offender Management Strategy Officer

Alan Quinlan – Housing Enablement Officer



# Selective Licensing V Article 4 Direction

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## Selective licensing

- Can be used for:
  - Areas of low housing demand
  - Areas of high Anti-Social Behaviour attributable to the private rented sector
  - Poor property conditions (new)
  - High levels of migration (new)
  - High levels of deprivation (new)
  - High levels of crime (new)





## Selective licensing - Opportunities

- Creates a level playing field
- Enhance the reputation of the private rented sector and marginalise bad landlords
- Better tenants; less turnover; less voids
- Support for landlords in tackling tenants who commit ASB
- Improve environmental quality and sense of security



## Selective licensing - Strengths

- Controls who has the licence
- Can issue licence conditions to exercise greater controls over management
- Should reduce ASB
- Public Health: Improve housing conditions
- Reduces overcrowding





## Selective licensing - Weaknesses

- Will not reduce or control the number of HMO
- Control parking problems
- Improve the external appearance of properties
- Solve all the problems with tenants (tenants still have duties & responsibilities)
- Make landlords responsible for their tenants' behaviour



## Selective Licensing - Threats

- Start up costs
- Impacts on all landlords placing additional burdens on reputable compliant landlords.
- Costs could be passed onto tenants
- Will not achieve the expected objectives
- Challenges likely – judicial review
- Displacement of problems to neighbouring areas
- Insufficient resources to enforce





## Article 4 Direction

- Can be used to:
  - Provide additional powers of planning control by removing permitted development rights over certain classes of development



## Article 4 Dir. - Opportunities

- Can provide greater control to ensure development accords with planning policy
- Helps protect the character of particular areas such as Conservation Areas
- Can help protect against the loss of buildings or features that define a particular character





## Article 4 Dir. - Strengths

- Provides greater control to Local Planning Authorities
- Prevents development that does not accord with planning policy



## Article 4 Dir. - Weaknesses

- Will not reduce the number of HMO
- Gives a false impression that HMOs will not be permitted
- Significant evidence required to justify the imposition of the Article 4 Direction







## Article 4 Dir. - Threats

- Insufficient resources to evidence base the need for an Article 4 Direction
- Increase in applications applying for HMO with no associated fee – impacting on resources
- Potential increase in unjustifiable refusals resulting in higher appeal rate with potential for award of costs