
**Cabinet
Council**

7th January 2020
14th January 2020

Name of Cabinet Member:

Cabinet Member for Housing and Communities – Councillor T Khan
Cabinet Member for Policing and Equalities – Councillor A S Khan

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

All

Title: Selective Licensing in Coventry – Consultation Results

Is this a key decision?

No – although the recommendations in the report affect the whole City, the impact is not expected to be significant

Executive Summary:

The Housing Act 2004, Part 3, provides a discretionary power, subject to carrying out consultation and the approval of the appropriate national authority, for Local Housing Authorities to licence all private landlords in a designated area with the intention of ensuring that a minimum standard of management is met.

On the 8 January 2019 Cabinet considered the Selective Licensing Feasibility Report (attached as Appendix 1) and authorised Officer's to proceed with a citywide 10-week consultation beginning on the 9 January 2019 and ending on the 20 March 2019.

Citywide consultation was undertaken in the form of on-line questionnaires, ward drop in sessions, focus groups and Member meetings. There were a mix of responses with the highest number being from landlords and residents. Notably, there was an even balance between those in support and those against introducing selective licensing. However, detailed investigation revealed the strength of the views conveyed more were in strong disagreement than those strongly supporting. Furthermore, a much higher proportion of respondents disagreed that the fee structure was reasonable and proportionate. Notwithstanding, the response to the principle of the scheme there was generally support for mechanisms within the proposed scheme which includes fee reduction criteria, higher fees for non-compliant landlords, longer licences for compliant landlords and conditions around property condition and management. Generally, there was a concern around how the areas had been selected, the use of data from the 2011 Census, and, in particular Ward Councillors raised concern with some areas not being included where they considered there to be problems which brought the issue of out of date data into question further. The consultation results are provided in full at Appendix 2.

It should be noted that in April 2018 the Government Select Committee completed research which included evaluating Selective Licensing. More recently in July 2019 the Government published findings from an independent review of the use and effectiveness of Selective Licensing Schemes. This review resulted in several recommendations which included looking at the criteria applied to engage validation by the Secretary of State for designations and the data sources used to specify the designated area. How the Government proposes to move forward is currently unknown, it is anticipated that changes to the current legislation will be implemented in due course.

This report now provides a summary and analysis of the consultation results and a recommendation.

In addition, a petition bearing 14 signatures has been received objecting to Selective Licensing, as detailed in paragraph 3.25.

Recommendations:

Cabinet is recommended to: -

1. Note the matters raised by the petitioners.
2. Consider the consultation results attached at Appendix 2 and request that Council approve the following: -
 - a) That the proposed Selective Licensing scheme not be progressed at this time
 - b) That officers are instructed to review the conclusions of the Independent Review of Selective Licensing once these are published by Government and conduct an accurate, up to date statistical assessment, once appropriate evidence becomes available and report the findings to Cabinet at a future meeting.

Council is requested to: -

1. Consider the consultation results attached at Appendix 2 and approve the following: -
 - a) That the proposed Selective Licensing scheme not be progressed at this time.
 - b) That officers are instructed to review the conclusions of the Independent Review of Selective Licensing once these are published by Government and conduct an accurate, up to date statistical assessment, once appropriate evidence becomes available and report the findings to Cabinet at a future meeting.

List of Appendices included:

Appendix 1 – Selective Licensing Feasibility Report
Appendix 2 – Selective Licensing Consultation Results
Appendix 3 – Selective Licensing Policy
Appendix 4 – Equalities Impact Assessment

Background papers:

None

Other useful documents:

1. Cabinet Meeting Minutes 8 January 2019
<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=124&MId=11776&Ver=4>
2. Housing Act 2004.
<http://www.legislation.gov.uk/ukpga/2004/34/contents>
3. Additional and Selective Licensing in the Private Rented Sector - A Guide for Local Authorities published by the MHCLG in March 2015.
<https://www.gov.uk/government/publications/selective-licensing-in-the-private-rented-sector-a-guide-for-local-authorities>
4. English Housing Survey Private Rented Sector Report 2014-15
<https://www.gov.uk/government/statistics/english-housing-survey-2014-to-2015-private-rented-sector-report>
5. General Approval April 2015 <https://www.gov.uk/government/publications/selective-licensing-in-the-private-rented-sector-a-guide-for-local-authorities>
6. Chartered Institute Environmental Health Report - Licence to Rent
<http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/A%20Licence%20to%20Rent%20-%20selective%20licensing.pdf>
7. Ministry for Housing, Communities and Local Government Independent Review of Selective Licensing July 2019
<https://www.gov.uk/government/publications/selective-licensing-review>
8. House of Commons publication, Housing, Communities and Local Government Committee. Private Rented Sector 17th April 2018.
<https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/440/440.pdf>
9. Scrutiny Coordination Committee, 6 February 2019
<https://edemocracy.coventry.gov.uk/documents/g11747/Printed%20minutes%2006th-Feb-2019%2010.30%20Scrutiny%20Co-ordination%20Committee.pdf?T=1>

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes: 14th January 2020

Report title: Selective Licensing in Coventry

1. Context (or background)

- 1.1. The Housing Act 2004 allows Local Authorities to apply Selective Licensing of privately rented properties in areas which are experiencing: -
 - 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; or
 - High levels of crime.
- 1.2. Selective Licensing requires that any person wishing to rent out a property in the designated area must first obtain a licence from the Council. Licensed properties are subject to inspections to ensure they comply with the licence conditions which cover property and management standards such as gas safety, electrical safety, free of category 1 hazards (such as damp and mould), energy efficiency, security and refuse storage.
- 1.3. During the 2014/15 municipal year, a task and finish group was established by the Business, Economy and Enterprise Scrutiny Board (3) to consider the practicalities and implications of introducing a licensing scheme for the Private Rented Sector (PRS).
- 1.4. On 27 January 2016, Business, Economy and Enterprise Scrutiny Board (3) considered the recommendations of the task and finish group and instructed officers to carry out a public consultation for Selective Licensing in the St Michael's Ward (minus the city centre).
- 1.5. That period of public engagement began on 22 August 2016 and ran until 6 November 2016 and the consultation responses raised a number of queries mainly around fee structure and the fairness of a scheme that proposed to treat all landlords the same whether compliant or non-compliant. Members therefore asked for further work to be carried out to not only look at the fee structure but also to look at the evidence base for considering a wider area for the scheme.
- 1.6. The additional work was carried out in December 2018, but a city-wide scheme could not be justified on the evidence available. As such, on 8 January 2019 Cabinet considered a feasibility report on the potential for a Selective Licensing scheme within 37 Lower Super Output Areas (LSOAs) across the city and instructed officers to carry out a public consultation on the proposal (Appendix 1). The consultation ran between 9 January 2019 and 20 March 2019.
- 1.7. This report provides a summary of the consultation approach and findings of this citywide consultation alongside other evidence used by the Council in deciding whether to implement Selective Licensing in the city.

2. Options considered and recommended proposal

Do nothing and continue with existing legal powers

- 2.1. Existing powers available to the Council have been extended by National legislation in the past 18 months and in line with the Council commitment to 'improve the quality of life for Coventry people', a reactive and proactive service has been developed with the

appointment of two new full-time members of staff. There has been progress in the Council implementing its existing enforcement powers with the development of a new Private Sector Housing enforcement policy and numerous enforcement actions since its implementation in November 2018 including, 251 legal notices and 12 civil penalties. However, due to available resources the extent of this work is limited.

Voluntary Accreditation

- 2.2. Complimenting these existing powers are voluntary accredited landlord schemes in operation, nationally and locally, that promote well managed private rented accommodation e.g. the Midland Landlord Accreditation Scheme and the National Landlord Accreditation (NLA) Scheme. The schemes all oblige landlords to agree to abide by a code of conduct but vary in their requirements with many not involving property inspections. Accreditation has recently been introduced by the Council which has provided a vehicle for those landlords and agents who are experienced and knowledgeable in their profession to seek training and advice from the Council. This scheme takes local issues into consideration within the training programme.

Management Orders

- 2.3. The Housing Act 2004 gives Local Authorities powers to use Management Orders for addressing comprehensive and serious management failures. These powers are available for use where a property is not licensed and there is no realistic prospect of it being licensed. The Order removes the property from an irresponsible landlord and using these powers is considered to be a last resort. Individual properties would have to be considered separately creating a disjointed approach to the overall improvement of the management of the housing stock in the private rented sector. Furthermore, there is no ability to self-finance this approach.

Selective Licensing

- 2.4. Selective Licensing would require all landlords to licence their properties within the designated area and adhere to licence conditions. Advice and support would be made readily available for all landlords and as such this would create a level playing field with criteria attached to licence applications that reflect the difference between compliant and non-compliant landlords. Fees and charges would also be structured to provide incentives for compliant landlords. Selective Licensing has clear regulations requiring an evidence base to justify the extent of the scheme and as discussed in the feasibility report at Appendix 1 the evidence currently available to Coventry indicates that only selected areas of the city could be justified.
- 2.5. The Council is required to consider any representation made as a result of the consultation before deciding upon the proposals for Selective Licensing. As part of the response to the consultation the Council has considered the learning outcomes from other Local Authorities that have introduced similar schemes and those that have not. It has also considered the findings and recommendations set out in the recently completed Independent Review of Selective Licensing completed by a consultant on behalf of Government in July 2019. These are discussed further in section 4.
- 2.6. Having looked at the options and considered the consultation responses, the Independent Review of Selective Licensing, and learning from other Local Authorities, as discussed later in this report, it is considered that officers should keep Selective Licensing under review, alongside the implementation of the Additional Licensing scheme, which is subject to a separate report and recommendations, until such time as the conclusions of the Independent Review of Selective Licensing are published by Government. Once the results of the review by Government are published officers should be in a better position

to apply a more accurate, up to date statistical assessment, using appropriate evidence that should also become available. As such the non-HMO private rented housing would continue to be managed using our existing powers detailed above in paragraphs 2.1; 2.2 and 2.3, however it should be noted that if the Additional Licensing scheme is progressed as recommended in the separate report the resource available in the team will increase and the existing staff will be able to concentrate solely on the management of the non-HMO private rented housing using the relevant powers that we currently have.

3. Consultation

- 3.1. The Housing Act 2004 requires the Council to take reasonable steps to consult persons who are likely to be affected by the designation; and consider any representations made in accordance with the consultation. The Department of Communities and Local Government Selective Licensing Guidance recommends that any consultation on a scheme is for a minimum of 10 weeks. The consultation was carried out for a period of 10 weeks between the 19 January 2019 and the 20 March 2019. The consultation focused on two schemes – one for Additional Licensing and one on Selective Licensing. There is a separate report detailing the results relating to Additional Licensing which is being considered alongside this scheme.
- 3.2. Throughout the period of engagement, officers have worked jointly with the Communications team to ensure that a comprehensive communications strategy has been delivered. This has been carried out in full accordance with the Council's Statement of Community Involvement and included an Equalities and Consultation Analysis. A consultation plan was developed which incorporated a range of methods for conducting the consultation, including:
 - Online questionnaires;
 - Drop in sessions;
 - Focus Groups;
 - Forums; and
 - Flyers
- 3.3. The following provides a precis of the results which are provided in full at Appendix 2.
- 3.4. A total of 301 responses were received to the online questionnaire with the majority (46%) indicating that they lived in Coventry. 42% of respondents indicated that they were a private landlord in Coventry or a letting or management agent in Coventry.
- 3.5. A total of 48% of respondents disagreed in some way with the proposals - 38% strongly disagreeing and 10% tending to disagree, whilst a total of 47% agreed in some way – 30% strongly agreed and 17% tended to agree.
- 3.6. When asked whether the proposed fees and charges were reasonable and proportionate 53% disagreed and 39% agreed. The general principle of having reduced fees subject to criteria was agreed by 61% of respondents with a slightly higher number (69%) also agreeing that higher fees should be paid by non-compliant landlords.
- 3.7. 72% of respondents agreed that longer licences should be provided to compliant landlords whilst 69% agreed that shorter licences should be provided to non-compliant landlords. Generally, respondents also agreed to the proposed licence conditions.
- 3.8. There were 178 general comments made by respondents that were framed around matters such as unnecessary financial burden, pointless bureaucratic exercise and the implications for tenants with costs being passed onto them i.e. increased rents. Those in

support of the proposals agreed that the areas should be larger and possibly the whole of the city.

- 3.9. The validity of the data used to determine the areas was also challenged and concerns about the lawfulness of the proposed fee structure were raised.
- 3.10. A number of events/meetings were held that gave a variety of stakeholders the opportunity to discuss and question officers on both schemes: Additional Licensing and Selective Licensing. Across the board there was certainly far less support for Selective Licensing than Additional Licensing.
- 3.11. 18 drop in sessions were carried out in various locations across the city covering every ward. These were attended by 119 people made up of landlords and residents. The focus of these sessions was to provide attendees with further information and advice. During the sessions there were several issues raised all of which were then followed up in emails. In summary these were framed around the following themes:
 - Unnecessary financial burden;
 - Pointless bureaucratic interference;
 - Threats of increased rents; and
 - Costs being passed onto tenants.
- 3.12. Several focus groups were held with a variety of stakeholders, including landlords, agents, universities, tenants, residents, and voluntary organisations.
- 3.13. 9 landlords attended their focus group, despite 30 being invited and raised similar concerns to those identified during the drop-in sessions and through the questionnaires, namely that this is a money-making exercise, rogue landlords won't comply and remain hidden and that the Council has sufficient powers already to deal with rogue landlords.
- 3.14. One particular landlord, who was sceptical of the proposals before the meeting did acknowledge afterwards that *"I actually agree with what you are doing 100% - We need to raise standards and this will do that; Rogue agents and landlords need addressing, this will do that; and you need more staff, the current levels are ridiculous and your staff are doing a glowing job with limited resources. I appreciate now it's not an income for profit generator and the funds raised will go towards funding the department to make this happen. I do however strongly disagree with landlords having to fund it. We already pay tax for services to be provided"*.
- 3.15. 20 agents attended their focus group and there was general agreement with the proposals with most accepting that this was "key to making a difference" and "needed for a while".
- 3.16. The tenants and residents group meeting was attended by 17 people who had varied experiences of landlords in the PRS, with some reporting an "excellent experience" to others having experienced problems with unfair evictions, poor property maintenance and threatening behaviour. Generally, there was support for the proposals but there were several reservations around the potential impact this could have on the cost of accommodation. It was clear that tenants felt there was a need to retain cheap accommodation even if it meant that it was slightly below standard as this was the only option for some. There was also some confusion about why certain areas had been included/excluded.
- 3.17. Both Universities were in support of the proposals but clearly with more interest in the proposed Additional Licensing of HMOs rather than Selective Licensing.

- 3.18. Voluntary organisations, such as the Frontline Network and Citizens Advice were in support of the aim of Selective Licensing but had reservations about whether this could be delivered effectively, the validity of the data and whether the Council had a contingency plan if the scheme was not successful.
- 3.19. A total of 4 landlord forums were held with 245 attendees from the property sector. Licence fees were discussed extensively with many raising concerns that the cost would be passed onto tenants through rent increases. Several objections were put forward about the proposals citing the fact that the Council already has sufficient powers to deal with rogue landlords. Several landlords were also disappointed that the Council had not considered multiple property discounts or other discounts for compliant landlords.
- 3.20. Meetings were held with Ward Councillors from each Ward in the City and generally there was support for some form of licensing but, many had concerns about the boundary of the scheme and that it included/excluded key parts of the city. Some took the view that the area should be smaller to focus on the most problematic areas whilst others thought that it should be wider, possibly citywide. Significant concern around the data used to determine the boundary was raised, it was considered that more up to date data was needed to more accurately identify the problem areas and the boundary for the scheme.
- 3.21. The following recommendations were made by the Scrutiny Coordination Committee as part of the consultation:
- Review data in 12 months' time to check Stage 2 criteria for areas currently outside of the proposed Selective Licensing area;
 - The number of prosecutions and enforcement actions taken as part of the scheme should be reported back to Members on a regular basis;
 - Ensure that the complaints process for tenants is not onerous;
 - That a poster or sign displaying the tenants' rights and responsibilities be part of the licence requirements;
 - Consider including Disclosure and Barring Service (DBS) checks as part of the licensing process, as with Taxi Licensing; and
 - Officers to continue working with Ward Members if the scheme is implemented.
- 3.22. Several formal submissions were also received from large portfolio and professional organisations i.e. the Residential Landlords Association (RLA) and the National Landlords Association. Most applauded the Council's intentions, but re-iterated comments made by others - that it is unfair in its application to compliant landlords. There were also issues raised about the evidence and whether it was valid or would achieve the aims set out for the scheme. Many respondents also cited that the Council already has the necessary tools to target non-compliant landlords.
- 3.23. The RLA also raised concerns regarding the methodology for granting licences and the charging provisions for them. They essentially considered that it would be unlawful for the length of licence to be decided in advance of considering the application.
- 3.24. To put it another way, it would improperly fetter discretion to decide in advance that only those who have obtained pre-approval through a specific accreditation scheme, or have some other specified history with the Council, will get a full-term licence.
- 3.25. A petition was received on the 7th August 2019 setting out the following:
- We the undersigned wish to register our opposition to the imposition of selective licensing and additional licensing schemes.

Coventry Council want to initiate selective licensing and additional licensing schemes that will affect 9000 homes. The Council claim that these schemes will improve the condition of housing, tackle anti-social behaviour of tenants and address environmental issues.

The truth is, anti-social behaviour and fly-tipping caused by some tenants are out of the control of landlords. The tenants should be fined, not landlords in the name of licensing fees. The rental market is very competitive now due to the purpose built properties in city centre areas. Landlords are updating their properties to attract tenants. The new laws are ever stricter. The proposed licencing schemes will not add value to relevant stakeholders, other than getting more income for the Council. Intervention by the Council is unnecessary and we should let the market play its role here.

We request the Council to release the consultation results related to the licensing schemes and make the information public.

We also request to stop the proposed licensing schemes.

4. Response to consultation

- 4.1. As can be seen there was a mixed view on the introduction of Selective Licensing, with particular concern around the data used being out of date and the resultant boundary not including all areas necessary.
- 4.2. The Council has considered the learning outcomes from other Local Authorities that have introduced similar schemes and the findings from the Government Select Committee review of Selective Licensing 2019.
- 4.3. The research found that as of the 1 January 2019, 44 Local Authorities had one or more active Selective Licensing schemes in operation. 4 of those schemes cover the whole of the local area and a further 9 had schemes that covered more than 20% of the areas and as such required approval from Government.
- 4.4. Most Local Authorities reported that their schemes were, at least “fairly effective” in tackling one or more of the issues licensing was introduced to address.
- 4.5. Several factors that can impede the effectiveness of Selective Licensing were also identified and included:
 - a) Local Authorities are not permitted to include conditions on the licence relating directly to property conditions, despite that often being the key reasons for designation.
 - b) Identifying the true extent of the private rented sector. Virtually all Local Authorities reported finding more privately rented properties than anticipated, with consequent pressure on resources causing delays and other difficulties.
 - c) To be effective, any scheme must maintain a focus on identifying unlicensed properties; the research highlighted a high correlation between failure to licence and unsatisfactory management and property conditions. An effective policy for identifying such properties (with intelligence gathering a key factor) should be developed at the planning stage.
 - d) The need for examples of best practice in a range of areas and for formal guidance in respect of evidence requirements, fee setting, enforcement policy, licence conditions, etc.
 - e) The process of making a designation is perceived to be highly complex and unnecessarily bureaucratic, requiring significant time, money and other resources.

- f) The importance of thorough consultation was stressed by numerous stakeholders.
- g) Size of the scheme - as schemes get larger, any problems caused by unanticipated circumstances are magnified. Many costs cannot be set directly against the licence fee (e.g. landlord training, tenant support, increased workload for the legal department) and the larger a scheme is, the more problematic resourcing such services can prove. Larger schemes also tend to suffer particular difficulties with recruitment and retention of staff. Any inadequacies in initial fee setting can be severely exposed.
- h) Inflexible licence fees - most licence fees take no account of the remaining time of the licensing designation, with landlords required to pay the full cost of re-licensing after holding a licence for a short time only. This can result in understandable resentment and increased non-compliance from landlords.
- i) Genuinely self-supporting (no subsidy) schemes are in the minority and typically have higher licence fees.
- j) The largest single cost of operating a scheme is staffing; setting a fee too low can have significant consequences – usually a reduction in the percentage of properties inspected, delays in issuing licences etc.
- k) The 20% criterion was criticised by some contributors for the disproportionate impact it can have on small Local Authorities. There is also a perceived lack of clarity about the process of validation itself, along with concerns about potentially significant delays.
- l) Several respondents reported that completion of the application form was often undesirably onerous, with a typical application form comprising 15-25 pages.
- m) Currently the only legal mechanism available to challenge a designation is an application for Judicial Review. This is a complex and extremely expensive process and, limits the opportunity for external review, whilst the threat of such action in some cases is enough to dissuade authorities from introducing licensing even where there is a legitimate need.

It is clear through this research that the effectiveness of Selective Licensing schemes is varied.

- 4.6. In terms of the size of schemes it is apparent that there are a number of Local Authorities that have considered Selective Licensing in defined areas but very few that have adopted citywide schemes. Liverpool City Council adopted a citywide Selective Licensing scheme in 2015. This was however, at a time when the criteria relating to the designation of such schemes was less prescriptive, namely that there was no requirement to meet the first test relating to the 20% threshold.
- 4.7. Liverpool's scheme was solely based on low demand and the Council is currently in the process of renewing their scheme, but it is unclear whether they will retain the citywide status with the introduction of the additional requirement to show that the areas included have over 20% of private rented houses.
- 4.8. A similar comparative example of a scheme that has been affected through the introduction of the 20% threshold is that of the London Borough of Newham who also had a citywide licensing scheme in 2012 before the new criteria was introduced. Newham recently renewed their scheme but was unable to include all parts of the city because of these changes and the lack of evidence to justify a citywide designation.
- 4.9. The availability and accuracy of data is therefore a key consideration in deciding on the size of any scheme. This was recognised in the Government's review of 2019 when it was acknowledged that:

- a) The 20% criterion creates a disproportionate impact on small local authorities. There is a perceived lack of clarity about the process of validation itself, along with concerns about potentially significant delays; and
 - b) Government should consider reviewing this threshold to ensure:
 - i. That it relates to up-to-date data sources in the absence of a recent census;
 - ii. That smaller authorities are not disadvantaged by the criteria; and
 - iii. That it is not based on the current size of the private rented sector in a local authority, given the difficulties inherent in enumerating this accurately.
- 4.10. The current criterion places a responsibility on the Council to show that its area has above national average's of private rented accommodation and where this cannot be proven then the scheme is likely to be fragmented and not citywide. This will remain the case until new evidence can be found to support a larger scheme or until the outcomes of the Government's review are concluded.
- 4.11. To consider the proposals in more detail an analysis of schemes that did not proceed was also carried out and is provided below.
- 4.12. Bournemouth Borough Council rejected selective licensing because they were concerned costs would be passed on to tenants in higher rent.
- 4.13. Manchester City Council, which decided to withdraw their selective licensing scheme after five years, stated: "Members and landlords have criticised the scheme as being overly bureaucratic, with too much effort focused on the paperwork and administration and not enough on tackling the poorer landlords through enforcement.
- 4.14. Rochdale Council which, despite having had selective licensing for 10 years, continued to have problems of "poor quality landlords offering very poor quality and often illegal properties for rent".
- 4.15. The concerns regarding the granting of licences and different fees (as detailed in paragraphs 3.22 to 3.24 above) has been reviewed and although it is entirely plausible for the Council to adopt this approach it must be done to ensure that the decision about the amount of the fee is not made before the decision about the actual terms (length) of the licence.
- 4.16. If an applicant gets a full-length licence because he or she has established through accreditation or something similar that the licence is unlikely to create compliance costs, then it would be proper for the fee to be less than that for a licence which is anticipated to create compliance costs. So, where the Council has such concerns that it imposes conditions or grants what is effectively a probationary licence, it is rational to charge more for the compliance component.
- 4.17. The Council therefore set out an approach by which it would decide on the length of the licence having decided whether to grant it, that in doing so it will take into account all the information which it has on the applicant, and that evidence of competence such as accreditation or a known history of compliance with the Council, would weigh in favour of a longer licence.
- 4.18. This approach is entirely consistent with the powers provided and the requirements placed upon the Council by caselaw in the recent Hemming case.

- 4.19. In order to address the final issue pertaining to the restriction on training for the accreditation scheme the Council will be introducing webinars and online training so that participants can access this from any location and receive the training electronically. This issue is relevant to mandatory licensing and additional licensing, as such the change to the scheme will be made whatever the outcome of Selective Licensing.

5. Conclusions

- 5.1. The mixed response to the consultation has enabled the Council to review the proposals taking into consideration the findings of the Government review and the experiences of other Local Authorities.
- 5.2. The recent Government review identified a number of factors that can impede the effectiveness of Selective Licensing as mentioned in paragraph 4.5 above, that are directly applicable to the Council's proposals, for example – the Council is not permitted to include conditions on the licence relating to property conditions; the process of making a designation is highly complex and unnecessarily bureaucratic; the size of the scheme and the associated structure required to deliver it effectively – larger schemes tend to suffer particular difficulties with recruitment and retention of staff; and self-supporting schemes typically have higher licence fees.
- 5.3. The Council's aim includes the need to improve living conditions in the private rented sector and whilst it is confident that this could be achieved it is unlikely that licensing would be the main contributory factor because such requirements cannot be included as licence conditions.
- 5.4. The criticisms of the validity of the data being relied upon to designate the scheme is also a concern with this being such a complex area it is important that the data reflects the most up to date situation.
- 5.5. Furthermore, the size of the scheme would mean that satisfactory resources are secured to deliver it effectively. The fees and charges have been structured to ensure that the scheme is completely self-financing to ensure no additional financial burden is placed upon the Council's budgets. There is a risk that the licence fees would be passed onto tenants through rent increases and the Council has limited ability to prevent this.
- 5.6. The consultation has raised concerns about the methodology adopted in arriving at the areas likely to be affected as detailed in report.
- 5.7. This has raised some important considerations for the Council and moving forward officers would like to keep Selective Licensing under review alongside the implementation of the Additional Licensing scheme which is subject to a separate report and recommendations until the conclusions of the Independent Review of Selective Licensing are finalised. Once the results of the review by Government are published officers should be in a better position to apply a more accurate, up to date statistical assessment, using appropriate evidence that should also become available.
- 5.8. In addition, the implementation of only Additional Licensing will not only address the quality of HMOs but will also enable existing resources to be used more effectively to enforce and drive up quality within the non HMO private rented sector through the use of the existing powers.

6. Comments from Director of Finance and Corporate Services

6.1. Financial implications

The recommendation is to not implement Selective Licensing, at this stage, so there are no direct financial implications. The costs associated with the process so far have been absorbed within existing budgets. Moving forward these will also be covered by existing budgets. Should the Council be minded to proceed with Selective Licensing then the costs associated with the scheme would be covered by the fees and charges set out in the attached Selective Licensing Policy (Appendix 3).

6.2. Legal implications

As the proposal is to not implement Selective Licensing, at this stage, there are no legal implications.

7. Other implications

7.1. How will this contribute to achievement of the Council's Plan?

The continued work by the Housing Enforcement team will contribute to the achievement of the Council's Plan i.e. enforcement – proposed Additional Licensing, Mandatory Licensing.

7.2. How is risk being managed?

The consultation was designed to ensure compliance with legislation and the statutory guidance, thereby minimising the risk of legal challenge. The recommendations have very limited/ no risk of challenge.

7.3. What is the impact on the organisation?

The approval of the recommendations of this report should have limited impact on the organisation. There is no human resource, financial or ICT implications.

7.4. Equalities / EIA

The report makes links to the Council's Equality and Diversity Policies and a specific Equalities Assessment has been completed for this report and is attached at Appendix 4.

7.5. Implications for (or impact on) the environment?

None.

7.6. Implications for partner organisations?

None.

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Darren O'Shaughnessy	Comms	Place	04.10.19	4.10.19
Gillian Carter	Legal	Place	03.10.19	4.10.19
Martin Yardley	Deputy Chief Executive	Place	0.3.10.19	4.10.19
Councillor A S Khan	Cabinet Member for Policing and Equalities		21.10.19	21.10.19
Councillor T Khan	Cabinet Member for Housing and Communities		21.10.19	21.10.19

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