



## Report to Safer and Stronger Communities Scrutiny & Policy Development Committee

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**Report of:** Janet Sharpe

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**Subject:** The private rented sector in Sheffield

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**Author of Report:** Michelle Houston, Service Manager  
0114 2734680 or [michelle.houston@sheffield.gov.uk](mailto:michelle.houston@sheffield.gov.uk)

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### Summary:

Over half a million people live in Sheffield. Of those, around 75% of households are in the private sector; either as an owner occupier or a private renter.

The private rented sector has doubled in the past 10 years. It is now approaching the same size as our own council stock. With decreasing social housing and more people in housing need – we are more reliant on private landlords helping us to meet our statutory housing duties, and helping us to keep people safe and well in their homes.

We have more landlords and more properties. Whilst we have tremendous ambitions for the sector, like many other public services, we are managing this with extremely tight resources and limited service provision.

This report provides information about the size and condition of the private rented sector in Sheffield.

It also highlights the legal duties and powers we use to regulate the sector and encourage landlords to comply with their legal responsibilities.

A presentation was due to be delivered at two previous meetings<sup>1</sup>, and a further request was that it was presented as a report instead. It was requested that the report included reference to the changing nature of the sector, and that it included an update on the Page Hall Multi Agency Team.

The report focusses on the private rented sector, but does make reference to the owner occupied and council housing sector for comparison and for context.

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<sup>1</sup> 29 January 2015 meeting was cancelled due to bad weather, 26 March 2015 – meeting overran so item was not presented

**Type of item:** The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	Y
Other	

**The Scrutiny Committee is being asked to:**

The Committee are asked to provide their views and comments on the current and future regulation of the sector, with consideration of the resource and legislative frameworks described in the report.

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**Background Papers:**

Background and more detailed reports are provided as Appendices

**Category of Report:** OPEN

# **Report of the Director of Housing and Neighbourhood Services**

## **The Private Rented Sector in Sheffield**

### **1. INTRODUCTION**

1.1. Over half a million people live in Sheffield. Of those, around 75% of households are in the private sector; either as an owner occupier or a private renter.

1.2. The most dramatic change has been to the private rented sector. It has grown rapidly. Having doubled in the past 10 years, it is now approaching the same size as our own council stock. We have more landlords, more properties and whilst we have tremendous ambitions for the sector, are managing the extremely tight resources and limited service provision.

1.3. Yet we are even more reliant on good landlords to help us to meet housing need; whether it is a homeless family, an independent client with Learning Disabilities, or a professional moving to Sheffield for employment in our growing technological industries.

1.4. The Council is the enforcing and prosecuting authority for key statutory duties regarding the safety and management of owner occupied and private rented housing in the city. However, whilst the sector has doubled, the team responsible for management, regulation and enforcement in the sector reduced by 60% in 2011 to comply with savings requirements.

1.5. Despite the reductions, the team have performed well in delivering the services and regulation that was retained and have been successful in modernising practice and culture. Flagship schemes have been launched and staff have been called on to provide views and expertise to other local authorities, external bodies such as Shelter and Central Government.

1.6. The team generally provides a 'reactive' service only;

- Regulating standards in the city's 35,000<sup>2</sup> private rented houses
- Administration, inspection and regulation of the 1,800 licensable (larger) Houses in Multiple Occupation (HMOs)
- Regulating the smaller HMOs, of which there are around 7,000
- Taking enquiries from tenants and other stakeholders about disrepair, providing advice and assistance, inspecting and enforcing where necessary
- Resolving Category 1 (serious) hazards in privately rented properties
- Advising on and preventing harassment and illegal eviction and prosecuting landlords as appropriate
- Enforcing standards on owners of problematic long term empty homes and developing procedures for bringing them back into use as occupied/affordable rented homes

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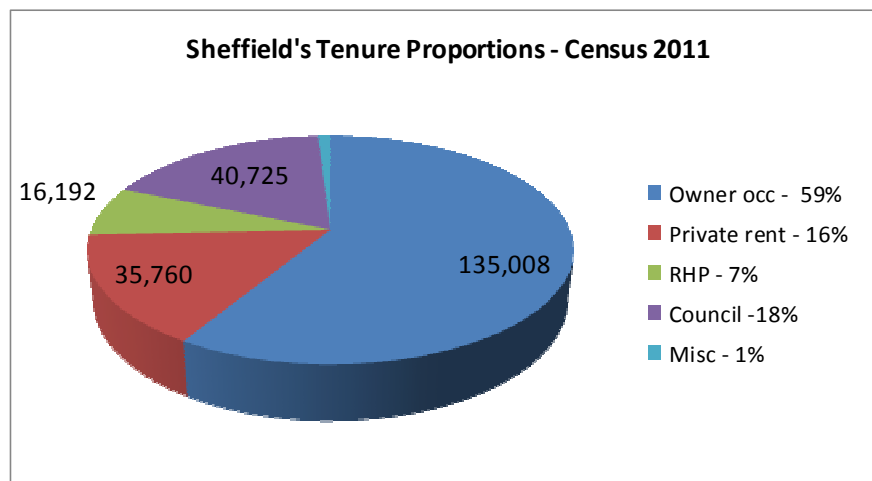
<sup>2</sup> A more accurate figure should be available following the Housing Market Assessment

- Taking enforcement/court action where landlords do not comply with legal Notices
- Administration, inspection and regulation of around 350 private rented properties in Page Hall which has been subject to a Selective Licensing scheme since April 2014.

## 2. MORE ABOUT THE SECTOR

2.1. The 2011 census data revealed that Sheffield experienced an above average increase of 7.7% in its population since the Census in 2001<sup>3</sup>. The economic downturn, low levels of private and social rent house building and growing numbers of people unable to access mortgages, leaves very little choice for many of Sheffield's residents. It is of no surprise then, that the Census also stated that there are now around 36,000 households in the city's private rented sector – making up around 16% of the city's housing stock.

2.2. The sector has almost doubled in size over the last 10 years. As a comparator, there are just under 41,000 households in council housing, so we can see how the private rented sector now provides a similar proportion to our own stock.



2.3 Our 2009 House Condition survey indicated that 26%, up to 9,000 homes in the private rented sector had a Category 1 hazard<sup>4</sup>. It is the highest percentage in terms of tenure. However, in terms of scale of problem, the largest problem by all means is in the owner occupied sector; where 21% were shown to have a Category 1 hazard which relates to around 32,000 properties in the city.

2.4 We eradicate Category 1 (serious) hazards in around 350 private rented properties per year. Our remedy rate is clearly a drop in the ocean compared with the figures and is not enough to have a significant impact on the safety of the private rented sector. Worryingly, we do not have any strategies or resources at all to address or remedy hazards in the owner occupied sector. So it is far from delivering a strategic response to eradicating the total proportion.

<sup>3</sup> State of Sheffield 2013, Sheffield First Partnership publication

<sup>4</sup> Housing Health and Safety Rating System (HHSRS), is the method for risk assessing how serious a disrepair issue is. A Category 1 is likely to cause someone serious harm or even be fatal.

2.5 Some hazards which could potentially cause an accident or harm, are easily remedied (such as installing a handrail) and inspecting officers are confident that simply educating and raising awareness of these amongst landlords and tenants would improve the safety of homes across the city. This is therefore an encouragement and education programme as much as enforcement yet would provide excellent value for money in terms of prevention.

2.6 Despite the size and growth in the sector, the team's evidence and years of experience is that the vast majority of the sector is good or excellent. The student sector is good condition and professionally managed – more so because of the market competition. Many 'accidental' landlords seek help from us, and a significant number of landlords have been so through generations of families and have kept up with legislation required of them. Of the 2,000 complaints we get in a year – many are duplicates of the same landlord/agent or the same property which may suffer from a recurring defect such as mould.

2.7 But Sheffield is still facing significant inequalities between some neighbourhoods and client groups, so it is recognised that 'one size fits all' solutions are not the appropriate, legal or most effective options. It makes sense to tailor to different needs. This is in line with the Fairness commission report principles of "Those in greatest need should take priority" and "Prevention is better than cure"<sup>5</sup>

2.8 The map attached in **Appendix A** indicates the areas of the city, or groups of customers where private rented housing is dominant.

### 3 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE?

3.1 More and more people are living in the private rented sector. With less social housing and mortgages more difficult to acquire, private renting is the only sector available to a growing number of people.

3.2 Sheffield's owner occupied and private rented properties are getting older; many are less fit for purpose and they are increasingly the homes of the elderly, vulnerable, and health vulnerable.<sup>6</sup>

3.3 As a local authority, it is our duty to take account and make plans for all of the housing in our city. Yet there is extreme disparity in the resources we allocate to the private sector, compared with the investment into the social housing sector.

3.4 We have ambition ideas and an innovative vision for a future private sector that is in better condition, better managed, better educated and more capable of being a safe and suitable home for the sector's 400,000 Sheffield people.

### 4 THE KEY LEGISLATION IN USE

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<sup>5</sup> Sheffield Fairness Commission, Making Sheffield Fairer report 2012, Page 2

<sup>6</sup> 21% of Sheffield households are aged 65 and over; Census 2011

- 4.1 The obvious difference to our work, is that we do not own the property we are taking action on. We are therefore required to work within many legal and policy regulations.
- 4.2 The occupants and owners are at best surprised, at worst very angry that the local authority becomes involved. So we are open to high levels of financial and legal challenge. The team must therefore be open and accountable in its decision making.
- 4.3 The **Housing Act 2004** introduced the majority of legislation now in use in the team.
- 4.4 The **HHSRS**<sup>7</sup> is the risk assessment toolkit used to determine whether a defect is classed as a Category 1 (serious) hazard. We have the legal duty to address Category 1 hazards. Ultimately, landlords can be prosecuted for non-compliance.
- 4.5 **Mandatory licensing of larger Houses in Multiple Occupation** (HMOs, requires landlords/owners of larger HMOs to apply to the Council for a licence to 'run' their property. We set down various standards and conditions which the landlord must comply with. If the landlord doesn't comply, either by applying or meeting the conditions, the local authority can prosecute through the courts. Higher risk HMOs, generally properties that are for 5 people or more, on 3 floors or more are subject to mandatory licensing.
- 4.6 Outside of the Housing Act 2004, all Houses in Multiple Occupation, whether licensable or not, are required to comply with the **HMO Management Regulations**. Some of the requirements of the regulations are;
- i) To make sure that any garden belonging to the HMO is kept in a safe and tidy condition, including handrails, fences and boundary walls
  - ii) To ensure the good order, repair and cleanliness of the common parts of the house:
  - iii) To maintain the means of escape from fire, including any fire apparatus
- 4.7 Along with the mandatory licensing of HMOs, the Act provided the opportunity to introduce **discretionary licensing schemes** for other groups of private rented properties in a city/borough where the Local Authority had concerns about the properties or their management.
- 4.8 **Selective Licensing** is an initiative to tackle the poor condition and/or management of private rented housing. It imposes financial and practical responsibilities so it must be clearly demonstrated that the housing is a significant problem before it can be considered. This has been introduced in the Page Hall area of the city and a report of progress is included at **Appendix B**.

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<sup>7</sup> Housing Health and Safety Rating System

- 4.9 In addition to the Selective Licensing work; the **Page Hall Multi-Agency Team** was created to provide a locality based centre for the coordination of partner resources to prevent and tackle a wide range of issues, primarily anti-social behaviour and environmental concerns.
- 4.10 The team is based at Earl Marshall Youth Club in the heart of Page Hall and is made up of a council Neighbourhood Manager, police officers and colleagues from Sheffield Futures. Whilst not permanently located at Earl Marshall, the team has strong links with colleagues from EPS, Selective Licensing and MAST with joint working a key tool for tackling priority issues. Work is currently being undertaken to expand the team to help support and strengthen community engagement in the area, working with the pre-existing multi-agency team.
- 4.11 There is an appetite to consider Selective Licensing in other areas of the city too. Importantly, it must be pointed out that it is a 'housing' tool, and must not be mistaken for a way to deal with other issues such as particular tenants or communities, or environmental issues such as litter or crime and antisocial behaviour.
- 4.12 Government are clear that set criteria must be evidenced. A statutory consultation programme has to take place, and Councils are open to legal challenge, ultimately Judicial Review should they make a designation without proper regard to the criteria and the consultation. Importantly, the Council must be able to demonstrate that Selective Licensing is part of a much wider programme of regeneration and partnership working and that other methods of improving the properties and area have been attempted.
- 4.13 The sector in Sheffield is good condition and well managed on the whole, so could not legally be designated as a Selective Licensing area. This has been our stance since its introduction and is qualified by our lawyers. Recent case-law has also substantiated this. Moreover, the Government's changes to Selective Licensing regulations has further established that this is not a tool for borough wide use and must be explicitly used for 'problematic' areas of private rented housing.
- 4.14 A House of Commons briefing paper<sup>8</sup>, states;

"This instrument specifies conditions which if a local authority considers are satisfied in relation to an area, the local authority is able to designate the area as subject to selective licensing. Such a designation would have the effect of requiring landlords of private rented sector properties in the designated area to obtain a licence for their property.

The instrument sets out that for an area to be designated as subject to selective licensing, the area must contain a high proportion of properties in the private rented sector, in relation to the total housing accommodation in that area, and that these properties must be occupied under assured

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<sup>8</sup> SN/SP/4634, 17 March 2015, Wendy Wilson

tenancies or licenses to occupy. Further, it requires that one or more of the four additional sets of conditions must be satisfied.

These relate to poor property conditions, current or recent experience of large amounts of inward migration, areas which have a high level of deprivation, or areas which have high levels of crime. The conditions specified in this Order are in addition to the two sets of general conditions under which an area can already be designated as subject to selective licensing, as contained in section 80 of the Housing Act 2004 ("the 2004 Act").

4.15 **Additional Licensing** makes provision to designate all HMOs, whether high risk or not, as licensable. This would require the further administration of setting up another scheme, receiving and processing licences, monitoring and inspecting. Legislation allows for the reasonable costs associated with administering the scheme to be recovered through licensing costs. However, it is essential that this must not be confused with using licensing as a means of generating income which is not permitted. In fact, it could even place an additional financial burden on the authority as it uncovers other problems which must be addressed – not covered by the licence fee. This would therefore require additional resources rather than to provide it. Decisions to set up licensing schemes, along with the fees are challengeable through tribunals so must be open and auditable.

4.16 The criteria, which could not generally be met in Sheffield, are that before making a designation, a local authority must ;

consider that a significant proportion of the HMOs of that description in the area are managed sufficiently ineffectively...

consider whether there are any other courses of action available to them.that might provide an effective method of dealing with the problem...

that making the designation will significantly assist them to deal with the problem..."

4.17 Although there might be specific properties and/or landlords in certain areas that we are working with to improve conditions of the property and management, we are certainly not in a situation where it is a 'significant proportion'. We recognise that the majority of our landlords are professional and co-operative. There are of course a small minority where we have to intervene and enforce our legislative powers and these are spread across the city in various property types. The current enforcement report is being written and will be brought to the meeting for information.

4.18 To show a comparison, our officers have strong links with officers nationally and when Oxford introduced mandatory licensing, stated that their position is much different to ours. Oxford for example quoted at that time that their HMOs "generate more than 2,000 complaints a year out of their 7,000 properties...and about 70% of the properties are deemed unsafe." In comparison, we still get less than 200 complaints regarding HMOs in a year, which is a low figure in consideration of the 8,000 HMOs across the city.



- 4.19 A range of other tools are also available such as **Management Orders and Empty Dwelling Management Orders**. We have developed protocols for these, although we have yet needed to implement any. Experience across the country is that they are resource intensive to administer and are unwieldy in their legal requirements. We have therefore resolved many issues informally without having to resort to these. We will of course make use of them should we have to.
- 4.20 The **Letting and Managing Agents Redress** is new. From 1 October 2014, regulations come into force which provide that persons involved in letting agency work or/and property management work in the private rented sector, are required to be registered with an approved redress scheme.
- 4.21 The Council is the enforcing authority for this statutory requirement and is required to take enforcement action where it is aware a person engaged in letting agency or property management work is not registered with an approved redress scheme. A financial penalty of up to £5,000 can be levied by the authority for non-compliance.
- 4.22 We were one of the first authorities in the country to implement this and are also one of the first – if not the first to be successful in imposing penalties.
- 4.23 **Protection from Eviction and harassment** is a very serious criminal offence which is regulated by us. Our legal and policy officer responsible for this work area is nationally known and is the chair of ATRO<sup>9</sup>. He is regularly called on for his legal expertise and has been responsible for many successful prosecutions, including landlords being sent to prison on two occasions. He has provided the team with a wealth of knowledge and training for other team members and external organisations such as South Yorkshire Police.
- 4.24 The **Town and Country Planning Acts, Building Acts and Environmental Health Acts** are also used regularly especially in terms of the enforcement of problematic empty homes. The city has properties that have been empty for up to 20 years. Many of us find it odd that a property owner can leave their house to fall into disrepair and structural failure – yet this is happening citywide. Our enforcement officer has for many years delivered new methods to investigate ownership and bring back into use. Most recently he has influenced our legal services to use a piece of legislation for the first time, which if successful will again be the first use of its type in the country.
- 4.25 This section therefore shows just some of the different tools available and in use across the team. It also shows the high levels of knowledge and legal support that is needed to regulate the sector.

## 5 FINANCIAL IMPLICATIONS

- 5.1 The Council must continue to fund those activities that are mandatory, to prevent the Council being at risk of serious legal, financial and reputational damage.

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<sup>9</sup> Association of Tenancy Relations Officers

5.2 Any new initiatives such as exploring further licensing, or developing more flagship schemes would require initial investment before any potential income or fees could be collected.

5.3 Any future licensing schemes would also require one off costs, which could not be funded through licence fees, for preparation, data collection and reporting and consultation. These costs would be proportionate depending on the size of the area.

## **6 HUMAN RESOURCES IMPLICATIONS**

6.1 The existing resources to a degree, deliver the current reactive service. Any future schemes, consultation or proposals would require additional staffing and they must be skilled in the work area.

6.2 However – it should also be recognised that of the new roles, some will be specialist that require certain skills or qualifications, so it should be accepted that these may require external recruitment campaigns to attract quality staff with the experience needed.

## **7 LEGAL IMPLICATIONS**

7.1 As previously mentioned in the report – our work area is highly legislative. This brings with it a high level of risk and must therefore be registered and mitigated. Members are reminded to consider these legal restrictions.

## **8 CONCLUSION**

8.1 The Council has legal duties to take account of and enforce statutory conditions in all of its housing. It has also made a clear commitment in its new Corporate Plan to improving standards in the city's private housing sector.

8.2 We must not underestimate the massive impact that people's housing has on their general health and wellbeing. We must address and plan for this as we are faced with thousands of people whose homes are no longer fit for them to live in – or are causing actual harm to them.

8.3 We are lucky in Sheffield to have a majority of landlords in the city who are responsible and professional. But those that aren't need serious legal enforcement by the regulatory authority. So far, we have only touched the surface and are keen to drive out landlords that do not meet our expectations. We want them to comply, or move out. We want them to know we will no longer tolerate irresponsible unsafe landlords in our city.

8.4 Importantly, we must not miss an opportunity to work alongside our council housing colleagues to develop more holistic approaches to managing housing in the city, whilst supporting those residents that need it.

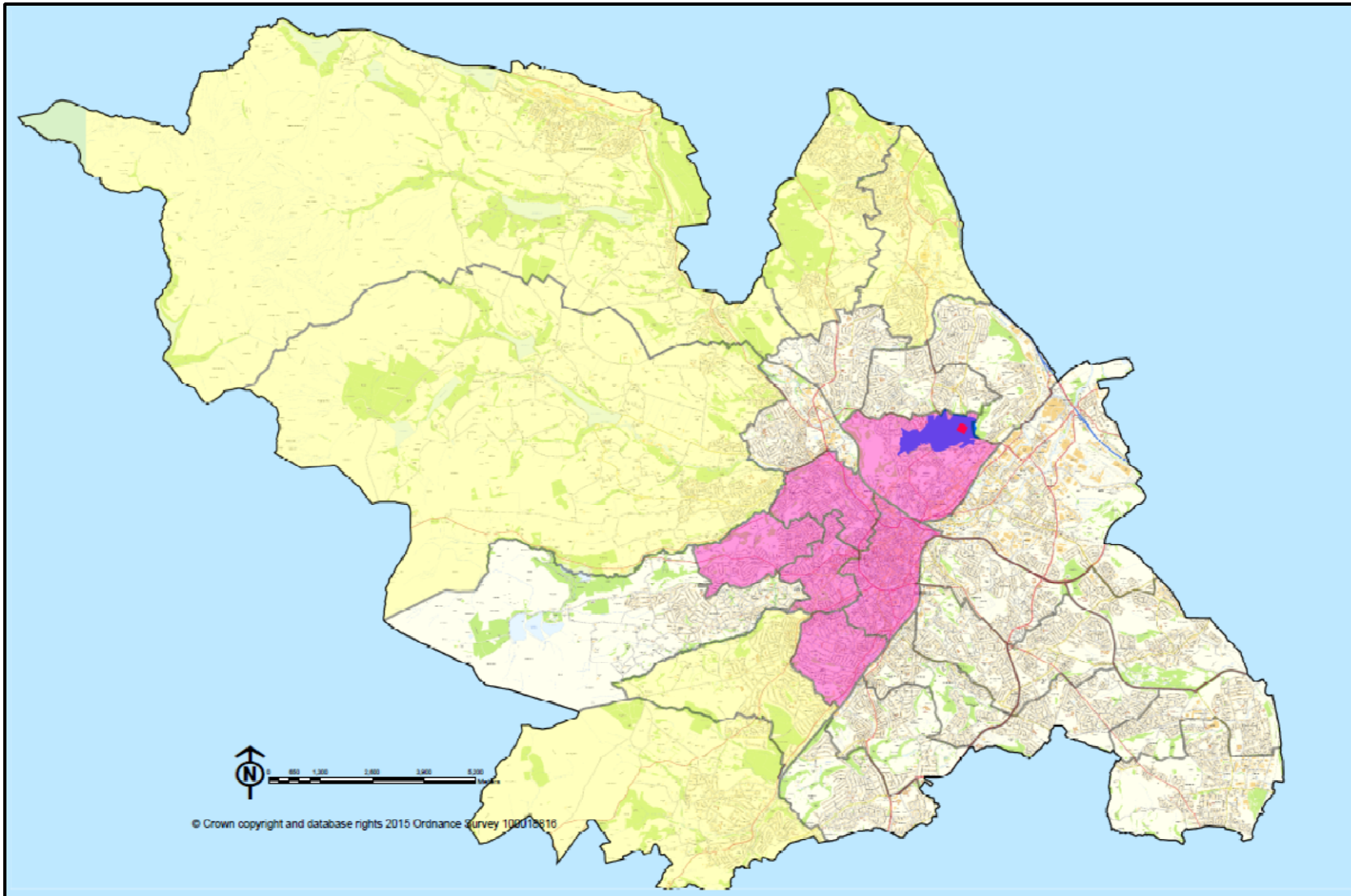
8.5 Working more proactively, and therefore identifying and addressing issues earlier, will also mean that many households are prevented from escalating into more complex needs, thereby reducing the demand on other Council services for more costly interventions and support.

8.6 The team are ambitious in its goals. We do not want to miss the opportunity to work and learn with our council housing colleagues to deliver a strategy for the whole of the city's housing. We want our Council to be the leading authority in new initiatives to manage the sector. We are absolutely committed to this challenge, so that people will choose and be confident in Sheffield's private sector.

## **9 Recommendation**

9.1 The Committee is asked to provide views and comments about the current and future regulation of the sector

9.2 The Committee are also asked to consider and communicate the resource and legislative restrictions.



# Sheffield City Council

## Private Housing Standards

June 2015

<b>PAGE HALL SELECTIVE LICENSING - ONE YEAR ON</b>
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### 1. Purpose of the report

- 1.1. To record the progress made regarding the first year of the Page Hall Selective Licensing Scheme.
- 1.2. To look back at the reasons for considering Selective Licensing, the decision making process, the progress made so far, lessons learned and the next steps that are going to be taken.

### 2. Background

- 2.1. The Selective Licensing legislation was introduced in the Housing Act 2004. The Act provides for Councils to introduce; or 'designate' a scheme where there are significant problems in a neighbourhood or borough associated with problematic private rented housing.
- 2.2. To introduce a scheme, there are various requirements that must be met for it to be legitimate. These designations can be legally challenged and some local authorities have been ordered by the courts to quash their schemes. However, Rotherham Metropolitan Borough Council has recently won an appeal in the High Courts to recommence theirs, overturning an initial challenge and victory by landlords.
- 2.3. The Government has published guidance about Selective Licensing, which sets out the criteria you must meet, and to ensure the scheme works alongside other strategies which results in a community wide solution. It is therefore essential that councils only propose a Selective Licensing scheme where they are confident they have attempted other options first, and that it would achieve a positive outcome over the five year life of the scheme.

### 3. Selective Licensing in Page Hall

- 3.1. We have been considering the option of a Selective Licensing Scheme in Page Hall for many years.
- 3.2. Since around 2009, referrals coming into the team showed an escalation of issues in that particular part of the city regarding poor condition housing, absent landlords, irresponsible letting and overcrowding.

- 3.3. Despite the escalation of problems, we were committed to working on voluntary measures in that area, to encourage landlords to co-operate with us and take advice about how to improve the condition and management of their properties. Dedicated project staff worked with housing inspectors and colleagues in children's services, waste management, Pakistan Advice Centre as well as police officers and residents.
- 3.4. Some wards in the East of the city have traditionally been areas of housing market weakness. There has been significant investment of regeneration funding over the years, but there continues to be high levels of older terraced housing. Some of these streets have up to 50% of homes that are privately rented. Economic migrants have been attracted to these areas because of the accessibility of the private rented sector, initial low rents and because they are joining a community where there are existing migrants as a support network.
- 3.5. For some years, the Council had invested resources in the area to respond to the impact the migration has had on the existing community and residents. In the main, the differences in lifestyle and culture have provided problems for integration and cohesion. Along with language and translation issues there is a general suspicion of public authority figures due to the migrants' previous experiences which provided an additional barrier.
- 3.6. The only sector the migrants have access to when they arrive in the country is the private rented sector. Some landlords have seen this as an opportunity to let poorer quality houses without the appropriate management. Tenancy obligations have probably not been explained properly along with the expectations about living in an established community. However, it must also be pointed out that a great deal of issues the housing team have dealt with are a result of tenant damage/neglect and overcrowding which the landlord was not necessarily in direct control of.
- 3.7. More general issues are concentrated around children missing from education, low level Anti-social Behaviour; large groups of people congregating in streets which existing residents find intimidating and resulted in a police Section 30 Dispersal Order. There was also a significant environmental problem with dumping of rubbish, fly-tipping and instances of waste in backyards and the streets themselves. This had resulted in Public Health issues such as Hepatitis, Tuberculosis and diphtheria.
- 3.8. Exhibitions, training sessions, door knocking, information leaflets and advice surgeries were targeted at landlords. However, over a number of years of work, it was clear that landlords would not come forward to work with us voluntarily, and did not accept their role in improving problems in the neighbourhood.
- 3.9. Our housing inspectors spent increasing amounts of time in the area, and working with other council colleagues and agencies such as the Police. Over time it produced more evidence that there was irresponsible letting taking place and landlords were not actively managing the properties and tenancies. Our work was funded by the European Housing Market Renewal programme, then by the Migration Impact Fund from central government. By the time the funding ended in 2011/12, it was clear that a more rigorous approach was needed.

#### **4. Data collection and consultation**

- 4.1. In late 2012, early 2013, officers began to collect and collate the data available for the area; such as House Prices, deprivation indices, numbers of referrals to the PHS team and number of harassment and illegal eviction complaints. Door knocking took place to try and gain information about tenants and landlords, and whether the house was owner occupied or private rented. This gave us an initial database of information to work from.
- 4.2. Detailed legal advice was taken and it was agreed that the data collected did show that the area met the Government eligibility criteria, especially since we had done so much proactive work in the area beforehand.
- 4.3. In the weeks up to the consultation, following Member representations, the proposed area was extended. This ensured that any final designation would have captured the views of specific and surrounding properties.
- 4.4. A 10 week statutory consultation programme ran between July and September 2013, which included tenants, residents, landlords, local businesses and other stakeholders in the area.
- 4.5. The consultation process was extensive and a significant amount of information was presented and collected.
- 4.6. We were however shocked at the animosity shown by landlords. Verbal and physical aggression was encountered and officers faced regular abuse. This was clearly a concern to officers, especially when they were in the process of considering whether these landlords had the professionalism and capability to manage such a large area of private rented housing.

#### **5. Implementation and progress**

- 5.1. On 15 January 2014, the Page Hall Selective Licensing Scheme was approved by the Council's Cabinet, to come into force on 22 April 2014. The designation covered approximately 650 homes, of which around 350 were privately rented.
- 5.2. We had also been successful in a funding bid to the Department for Communities and Local Government for resources to fund additional enforcement staff as part of their campaign to tackle rogue landlords. This has been a tremendous boost to the running of the scheme and allowed for a tremendous amount of data collection and door knocking to take place before the scheme went live.
- 5.3. The scheme covered the 'core' streets which caused the most problems. In the remaining area of the consultation, a voluntary scheme – suggested by landlords was recommended to Cabinet and this was also approved on 15 January 2014. The focus for the Council was of course on the formal designation.
- 5.4. The lead in period of three months is a statutory requirement, and this included advertising the in-coming scheme and posting legal Notices in the press. We also wrote to landlords about the need to licence, and to supply the necessary paperwork to make an application. It became clear over the following months

that a lot of details we held were inaccurate, and owners had not informed Council Tax and Land Registry about changes to ownership or their addresses.

- 5.5. Following the decision to implement the scheme, meetings were held with landlords to explain the licence conditions and standards. Officers' experience was that much time in these meetings was taken by landlords using the meetings to make further representations raising objections about the need for licensing, despite the consultation process having finished and the scheme having become council policy. Good quality feedback was gained at the meetings and some of the licensing standards were subsequently revised from that feedback.
- 5.6. Applications were slow in arriving as expected but by the deadline date of 22 April, we had 207 applications.
- 5.7. There were also 85 applications for exemption from licensing; such as being occupied by close family members and empty properties.
- 5.8. However, a large majority of the applications were not complete, and a great deal of resource was spent on chasing missing or investigating inaccurate information. For example, gas certificates were out of date, or applicant names were not the same as those on Land Registry or our existing records.
- 5.9. Once investigated, it was found that only 53 of the 85 exemptions claimed were legitimate; the others being made to apply the higher fee and/or prosecuted.
- 5.10. One year on, the number of applications had risen to 276; some of those applications being made through actual or the threat of prosecution action.

## **6. The licensing process**

### **6.1. Application**

- 6.1.1. The licensing process is not straightforward. We are required to ask for and check a number of documents relating to the property and its ownership. Whilst it is complex – this has been a positive experience as it has uncovered many details and inaccuracies which we have been able to follow up on. It has also helped landlords to gain the basic certificates and documents necessary to comply with certain responsibilities.
- 6.1.2. These details accompanied the application form and the licence fee. For many applications, this took some months to complete as significant applications were not complete. In order for it to become valid, we must have all the information requested. It was increasingly clear that landlords were not compliant even at this early stage. For example, we found that less than half of the properties had a valid gas safety certificate at the time of application. This is symptomatic of the poor management of a lot of properties in the area. A lack of something so basic, yet so important, justified our concerns.

### **6.2. Fit and Proper**



- 6.2.1. When everything has been received, it becomes a 'live' application. The next step is for a 'Fit and Proper' assessment to be carried out. This is set down in law and allows the Council to consider whether the landlord/owner is able to carry out his duties and obligations properly. We consider any criminal convictions, the dealings we've had with the landlord before, and also whether their management arrangements are satisfactory.
- 6.2.2. There is onus on the council to be satisfied about the status and management arrangements before a licence can be issued.
- 6.2.3. Over the last year, we have brought in 17 landlords and agents for interview to share our concerns and give them their opportunity to correct any information we have. It also provides the opportunity to form a dialogue with us. This improves communications, so that landlords can seek advice from us and we can achieve improvements more easily and quickly. All beneficial for the tenants.
- 6.2.4. A refusal of Fit and Proper status means they are not allowed to manage a house in the Selective licensing area. It would also affect those that have a licensable House in Multiple Occupation (HMO), or a larger House in Multiple Occupation.
- 6.2.5. Pending a formal refusal; landlords/owners are given an opportunity to engage someone else to manage the house on their behalf. If they do not – the council can apply to take over the management and take a management fee from the rent.
- 6.2.6. The Fit and Proper process has a significant impact as one of the main reasons for introducing Selective Licensing is to make sure the landlords are responsible and willing to face up to their legal and moral obligations.
- 6.2.7. We have already made the decision that 5 individual landlords and two Letting/Managing agents operating in the area are not suitable and have given the owners the option of managing the properties themselves or finding an alternative manager or agent.
- 6.2.8.** A summary of the findings and actions relating to the assessment of fit and proper status are detailed in **Appendix C**

### **6.3. Draft and final licences**

- 6.3.1. Legally, we must issue a 'draft' licence first. It must go to all parties that have an interest in the house; such as owners, mortgage companies and managing agents.
- 6.3.2. The licence has schedules which list the standards, such as for fire detection, as well as the conditions, such as numbers permitted to prevent overcrowding.
- 6.3.3. There is much more emphasis on tenancy management, as we identified this as one of the determinants of introducing the scheme.

6.3.4. We must give them a month to consider the standards and conditions on the licence – and they are able to make representations to us if there are any inaccuracies, or we have scheduled not appropriate for that property.

6.3.5. When we have taken into account any representations made, a full and final licence can be issued.

## **7. Licence standards and conditions**

7.1. It was important to make sure the licence conditions were appropriate and enforceable, and this involved taking legal advice about some of the standards and conditions initially proposed. We already have significant experience in managing licensing for large shared houses in Sheffield and wanted to make sure that we were being consistent.

7.2. It was concluded that there was a slight difference between the way the HMO Licensing and the Selective Licensing rules were framed. Following this advice we revised the licence conditions to match the legal advice.

7.3. Licences are issued with varying schedules and timescales:

7.3.1. The management standards are a mixture of ongoing responsibilities applicable from the issue of the licence and responsibilities relating to new lettings after the issue of the licence.

7.3.2. The overcrowding standards give a 12 month obligation to deal with any existing overcrowding. New lettings are to comply with the stricter licensing standards for the area. There is a continuing obligation for landlords to inform us of any increases in occupation and they must stipulate the maximum occupancy on the tenancy agreement.

7.3.3. Some of the property standards affect only new lettings. There is a requirement to do works in 2 weeks where there are serious safety issues, 3 months for some other safety issues and a requirement to complete work in 12 months for other work.

7.4. Landlords must also attend a training course within 6 months from issue of the licence. Landlords who have attended suitable training already are exempt. But those who seek exemption simply because of the time they have been a landlord are made to attend. Experience does not offset legal knowledge.

7.5. Many landlords attended training ahead of the issue of licences. We have completed 5 courses already and 3 more are planned in May, June and August 2015. So far 145 landlords have already attended training. We will determine the need for more cases on completion of these three courses.

7.6. The training sessions were seen by some landlords as an opportunity voice further opposition to selective licensing. Despite that, the feedback has been good, with an 88% satisfaction rate.

7.7. In addition to the licence condition schedules there are two more sections issued with the licence:

7.7.1. There are items that we can enforce straight away through service of a legal notice under the Housing Act 2004. As part of this; landlords have been issued with a 3 months requirement for the fire escape works and 12 months for other matters.

7.7.2. In addition there is a section detailing work that we would like to be carried out for the success of the area, but which we cannot insist upon or enforce. For example, we have asked that landlords provide appliances that have at least an 'A' rating to contribute towards lower running costs and energy efficiency. We have found some landlords to be very positive about this approach as they too are keen to raise the market value and appearance of the neighbourhood. These are the landlords that have shown responsibility and a commitment to providing a good quality housing and management service. Indeed, they have been buying up more properties that have become empty and involving our housing inspectors at the very start of their improvement works.

## 8. Outstanding licence applications

8.1. There are complex issues with 25 incomplete or outstanding licence applications. These are subject to ongoing in-depth investigations; such as Fit and Proper or establishing correct ownership of the property. It has of course been more efficient to deal with the straightforward cases first.

8.2. A summary of the current position is included as **Appendix A** to this report

## 9. Failure to apply for a licence

9.1. Some landlords failed to apply for their licence, a number refused to supply all the required information and two landlords, owning multiple properties wanted to pay by instalments – which was not allowed by the scheme. Failure to make a valid application for a licence is a criminal offence.

9.2. We have learned a great deal from our early experiences in court. One of the main findings was that Magistrates and Judges had very little knowledge of Selective Licensing. Although the legislation came into force through the Housing Act 2004, this is the first designation in Sheffield<sup>10</sup>.

9.3. We also found that some landlords did not respond at all until they received the Court Summons. Perhaps there was a lack of understanding by the landlord of the seriousness of the offence. It could also suggest a symptomatic response to people who do not see themselves as 'landlords' in a business sense.

9.4. Once in court, the landlord may give us the information or explanation we needed. In these cases it is appropriate to withdraw the case, which we have done on a number of occasions. This demonstrates that we are acting

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<sup>10</sup> This designation covers only 1% of the private rented stock in Sheffield.

reasonably and ensuring that landlords have full opportunity to explain their actions to us. It also shows that any cases we do pursue have had serious consideration beforehand and are in the public interest to pursue.

9.5. We are confident that as time goes on, strong messages will go to landlords and the Courts; that the council is doing everything to help landlords meet their obligations. But where they don't – we are committed to taking the appropriate legal action. Officers and colleagues are working hard to increase Magistrates' and Judges' knowledge of Selective Licensing.

9.6. Seventeen cases have been or are in the court system so far. A table of the prosecutions is included as **Appendix B** to this report. Current ones are anonymised for the landlord's protection. Now that licences have been issued – further prosecutions will be about failure to comply with standards such as fire detection, or conditions such as overcrowding.

9.7. Whilst each case has to be considered on its own merits, a continued failure to licence or breach of other property law, is likely to result in a decision to that the owner is unsuitable to hold a licence.

## **10. Ongoing Actions**

10.1. In the first stages of the process, it has been necessary to focus on assessing and processing applications and investigating and taking action on those who have not applied for a licence. This part was inevitably the administrative side of the paperwork and data recording. It also began to discourage those landlords who know that they will not be able to meet the standards, from operating in the area.

10.2. Licences and draft licences are still being issued, and work to deal with the outstanding applications is currently taking place.

10.3. Enforcement officers are continuing investigations; involving a visit to those remaining properties where information provided needs clarification.

10.4. A new programme of inspections has been drawn up to verify whether the licence conditions that required action in 3 months have been completed, and to check whether the fire escape requirements have been carried out.

10.5. Court papers are being collated for ongoing prosecutions.

## **11. Tenancy Reference service**

11.1. One of the mandatory conditions on the licence is for landlords to require references for all new tenancies. We have developed a comprehensive tenancy reference service for those unable to supply references.

11.2. Tenancy Relations Officers run through the rights and obligations with the landlord and the tenant/s. Where the officers are satisfied that all parties are

clear on what is required of them, they become the authorised referee. This does not act as a guarantor for rent – but meets the mandatory licence condition.

11.3. There has only been one request for this service. This is of concern as we have no doubts that many new tenancies have been created since the introduction of Selective Licensing, and that many new arrivals will not have provided tenancy references.

11.4. Again it suggests that some landlords are still not taking their tenancy management responsibilities seriously. Our Tenancy Relations Officers have developed a good quality tenancy agreement template which landlords are able to use, all to aid their management of the tenancy and it is important that the explanation and use of agreements is enforced. This element is part of the next programme of investigation visits.

## **12. Partner referrals**

12.1. Selective Licensing has already enabled us to build excellent relationships with the UK Revenue Protection Agency (UKRPA) because we have referred cases where tampering or bypassing of gas and electricity meters was found or suspected. Already, some meters have been replaced and some have even been removed – often for safety reasons.

12.2. Selective Licensing has forged closer working with Multi Agency Support Teams (MAST) where there are children or vulnerable occupants. We have carried out several briefing sessions to MAST and other teams to expand knowledge about our role and the purposes of Selective Licensing. They have been very supportive of our work and its value to them in highlighting issues of concern. Many of these issues may well have not come to light, or not have come to light so early, were it not for the involvement of Private Housing Standards officers in the area.

## **13. Other legal action**

13.1. Through our officers' activities and property inspections in the area, enforcement activity continues. Notices have been served to address situations where high risk hazards in the home have been found, matters likely to be a risk to the health of the occupants are present, and to prohibit the use of bedrooms which are undersized or inadequately adapted. Over 700 full or partial inspections have been carried out of the rented properties in the area.

13.2. Early visible improvement resulted from us serving a number of 'gutter Notices'. In all but one of cases the landlord has fully carried out the works required and the other has not expired yet. This has improved the property and

also the quality of home for the tenant, as defective guttering is a major cause of water penetrating into the house and causing damp and mould – a severe health risk especially for those with asthma or other breathing problems. It is also likely to affect neighbouring properties so we take this seriously especially as owner occupiers may be affected too.

13.3. Landlords' compliance with all Notices is being closely monitored in addition to those works required under the licence. We are operating a zero tolerance approach in the area now as landlords have been given every opportunity to work positively with us. Failure to comply is resulting in proceedings against the owners or agents. Where repairs are not being done, we are using our legal powers to do them using our own contractors and charging the owners. This increases the costs to the owners but is again necessary where they are failing to comply.

13.4. Aside from assessing, processing and issuing licences, the key effects at this early stage of licensing are around the imposition of safety standards in properties which will be ongoing over the next year or so. Many landlords have been forced to obtain gas safety certificates for the first time as applications could not be made without them. The effects of raising these safety standards are unlikely to be very visible or obvious in the early days of licensing since the intended benefit is to improve property and management conditions – and ultimately regulate the tenancies on a much stricter basis.

## **14. Lessons learned**

14.1. A scheme of this nature obviously provides many learning opportunities. We were always satisfied that our evidence was strong, and this is important when facing a legal challenge. We also now have strong processes in place to regulate the scheme – but these were not all complete by the 'go live' date. So, any future consultation and implementation of licensing will incorporate the things that went well, in addition to the things we learned. In summary, the key themes of any future schemes are;

### **14.2. Good quality evidence**

14.2.1. Ensure you have good quality evidence to demonstrate you can meet the Government criteria. This is essential when facing potential legal or public challenge

### **14.3. Knowledge of the area**

14.3.1. Base any staff working on the initial data collection in the area being considered. Intelligence 'from the streets' is invaluable and often

contradicts historical records. We have found it has also contradicted information given by the landlords themselves.

14.3.2. Check address databases to ensure mail-merges don't produce invalid addresses or names or miss off the postcodes. This can be detrimental when proving a landlord has received certain pieces of communication.

#### 14.4. **Staffing resource**

14.4.1. Make sure you have enough staff to manage the scheme throughout, and enough Manager support to deal with challenges, Freedom of Information requests and monitoring the project milestones and risks.

14.4.2. Even before a statutory consultation takes place, resources are needed to prepare the information, check addresses, collate all the background data that will be needed for a Cabinet/Committee report. This is legally challengeable so the work involved should not be underestimated.

14.4.3. Take into account any internal recruitment barriers and allow contingency for this. Also remember that the existing 'day job' will continue – so any scheme work needs 'additional' resource.

#### 14.5. **Financial resources**

14.5.1. Do the figures and look at multiple options. Consider all options and risks and have mitigation in place. Make sure you work out the cost of running the scheme, including contingency for delays and changes to the proposals.

14.5.2. Ensure that the number of properties 'likely' to apply for a licence is as close as possible. We were surprised at the number of exemption applications – whether legitimate or not.

14.5.3. The cost of the fees should then be worked out by dividing the cost over 5 years, with the likely number of applications.

14.5.4. Remember that the cost of delivering the scheme, and the subsequent fees are challengeable and accountable and you should ensure you can justify the calculations.

14.5.5. Be open about what the costs are made up of so you can refer people to this when they ask questions. It is a financial risk to restrict costs simply to produce a lower licence fee. We have focussed on making sure

the fees would fully fund the scheme, but without making any profit, which is not permitted by the legislation

#### 14.6. **Processes, practices and infrastructure**

- 14.6.1. Have as much ready/in place as you can. Treat it as a project and scope out as much as possible, using learning from other authorities.
- 14.6.2. Make room for the paperwork! Until landlords have capacity to provide everything electronically, there will be a lot of information coming in.
- 14.6.3. Get databases and filing systems ready to control the documents and information, bearing in mind information security and tracking the whereabouts of files.
- 14.6.4. Enable computer systems can receive online payments, or finance departments are briefed on direct debit payments. Fees must be collected and tracked.
- 14.6.5. Decide how you are going to manage the Fit and Proper process. This will depend on how strictly you use this provision. This is something that we were clear on from the start. We have been keen to challenge the detail of the legislation, especially in terms of satisfactory management arrangements. This still is treading new waters but the outcomes so far have far outweighed the work gone into it.

#### 14.7. **Be clear on the need for good quality communications**

- 14.7.1. It is likely that any area being considered for Selective Licensing is already in the attention of the media/press. Withdrawing all communication increases reputational risk for the council as the public are not kept aware of what it being done to improve the situation. It also allows the press/media to create their own story and miscommunicate when the facts are not in the public arena.
- 14.7.2. Meet the needs of your target audience. Different groups need different information. Set a communications plan and monitor it throughout the period.
- 14.7.3. Reinforce key messages about what the scheme was and was not intended to achieve. Ensure these are promoted in any media attention.

#### 14.8. **Mean what you say**



14.8.1. Don't threaten what you are not willing to carry out. If you are sending strong messages but do not pursue enforcement, it is of no value. Be clear amongst the service, Executive, Elected Members and the public what can and cannot be achieved through Selective Licensing.

14.8.2. Gain a mandate from the Cabinet Member or equivalent so that you are clear what the scheme is intended to deliver. Our experience in practice was more or less identical to the anecdotal and instinct 'evidence' collected over the years.

14.8.3. Because of our years of proactive work, and the wealth of advice and information we had been offering to landlords; the message was clear. We provide every opportunity for you to comply and be a landlord that takes their property and tenancy management seriously. But if you don't – we can and will take action straight away.

#### 14.9. **Create dedicated legal resource**

14.9.1. By far one of the most beneficial aspects of our scheme has been to have a part time agency solicitor who has worked extremely closely on the development of the scheme, the legal Notice requirements as well as taking our prosecution cases to court. With reference to the previous summary point, Selective Licensing should be a last resort, so if landlords do not comply you must have the will and resource to pursue enforcement.

#### 14.10. **Key messages**

14.10.1. Make sure everyone is saying the same thing. Making false promises about what Selective Licensing can achieve is damaging to the reputation of the Council. Keep expectations realistic and have a plan for the other issues present in the area; such as waste and ASB.

### **15. Next Steps**

15.1. We will be;

15.1.1. Beginning a new programme of inspections whilst monitoring the outcomes of last year's inspection programme.

15.1.2. Ensuring that all enforcement Notices are served and charged for

15.1.3. Completing the final round of prosecutions for those that have not complied or supplied the correct information or payment

15.1.4. Communicating the achievements so far – on the Council's website and through a leaflet distributed to all occupants in the area.

- 15.1.5. Continuing investigations and prosecutions as required of those landlords who may have falsely applied for exemptions from licensing.
- 15.1.6. Giving more attention to the investigation of management standards breaches. This will be the beginning of having a greater effect on the behaviour and practices of landlords and agents in the area.
- 15.1.7. Considering the implications of new Selective Licensing legislation<sup>11</sup>.
- 15.1.8. Monitoring other data such as house prices and ASB statistics
- 15.1.9. Preparing information for the new Cabinet Member regarding the existing Voluntary scheme area for future direction.

**Paul Rotherham / Dave Hickling**

**Legal & Policy Officers**

June 2015

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<sup>11</sup> Just before the election, the Government introduced some additions to the Selective licensing legislation. This increased the criteria on which you can base a designation, arguably making it easier to qualify.

## Appendix A

### Selective Licensing Application Overview

<b>PRIVATE RENTED PROPERTIES</b>	
Expected number of eligible private rented properties	350
Exemptions Requested / eg Empties or family members	85
Confirmed Exempt / Empty	49
Total applications expected	301

<b>OTHER PROPERTIES</b>	
Confirmed Owner Occupiers	123
Confirmed Council & Housing Association Properties	68
Possible New Landlords/owners written to	36

<b>APPLICATIONS</b>	
Number of applications received	276
Number of valid applications (can be processed)	253
Applications where information still outstanding	25

<b>LEGAL ACTION</b>	
<b>Court cases already complete</b>	<b>17</b>
<b>Number of new cases with Solicitor/awaiting court date/being prepared</b>	<b>11</b>

<b>LICENCES ISSUED</b>	
<b>Draft Licences Issued</b>	<b>244</b>
<b>Final Licences issued</b>	<b>240</b>

<b>Percentage of valid applications issued as Draft licence</b>	<b>96%</b>
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<b>Percentage of valid applications issued as Final Licence</b>	<b>95%</b>
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Overall, a total of **93%** of properties are compliant with regards to their requirement to apply or register their exemption.

Figures are as of end May 2015. Please note these figures change as properties become let, empty, bought or sold.

## Details of legal proceedings, Year One - Appendix B

	Name and Defendants address	Place of offence	Offence	Details and comment	Status/outcome
1	Anon	Hinde Street	Failure to licence Housing Act 2014 Section 95	There was no application for Selective Licensing	Listed in court on 26 June 2014 Case withdrawn following discussions with landlord. Not in the public interest to pursue
2	Anon	Popple Street	Failure to licence Housing Act 2014 Section 95	There was no application for Selective Licensing	Listed in court on 26 June 2014 Case withdrawn as considered not in the public interest to pursue at that time.
3	Anon	Lloyd Street	Failure to licence Housing Act 2014 Section 95	There was inadequate information with the application.	Withdrawn as information was provided. Not in the public interest to pursue.
4	Mr Abdul Qayum	119 Popple Street	Failure to licence Housing Act 2014 Section 95	There was no application for Selective Licensing	Guilty plea. There were mitigating circumstances. Mr Qayum was given a conditional discharge and ordered to pay £200 costs and victim surcharge. He has since applied and paid the higher fee for his licence.

5	Mr Mohammed Sajid Bashir 64 Page Hall Road	39 and 81 Willoughby Street, 38 Hinde Street,96 Lloyd Street, 63 Robey Street, 135 Popple Street	Failure to licence Housing Act 2014 Section 95	Mr Bashir attempted to pay by instalments but has paid less than half the amount required.	First hearing was on 8 January 2015. Mr Bashir pleaded not guilty. Trial date set for 3 July 2015
5a	Mrs Kauser Sajid Bashir 64 Page Hall Road	39 and 81 Willoughby Street, 63 Robey Street	Failure to licence Housing Act 2014 Section 95	Mrs Bashir owns or part owns three of the properties being managed by Mr Bashir	As above
6	Mr Tabarak Sadiq	10 Lloyd Street	Failure to licence Housing Act 2014 Section 95	There was no application for Selective Licensing	First Hearing 5 February 2015, pleaded guilty. Total fines and costs £570
7	Mr Terry Jones trading as Castle Estates		Failure to licence Housing Act 2014 Section 95	Agent did not pass on details regarding the landlords' requirement to licence and delayed in acting.	At trial on 10 April 2015 the Agent was found not guilty on the basis that they had not received the early communication about SL.
8	Mr Amer Javed – 3 offences	54 Popple Street and 75 Lloyd Street	Failure to licence	Amer Javed has failed to licence either property. He has been prosecuted for 54 Popple Street once and twice for 75 Lloyd Street	First prosecution for 75 Lloyd Street – total fines and costs fined £722.34. Prosecution for 54 Popple – fined £750, full costs and victim surcharge. At second prosecution on 12 March pleaded guilty and received total fines and costs of £900. Amer Javed has now sold one of these properties

9	Mr Tahir Sadiq	121 Popple Street, 75 Wade Street, 76 Willoughby Street	Failure to licence	He wanted to pay by instalments which are not allowed by the scheme. Owner was therefore non-compliant.	Court hearing 15 January 2015, pleaded guilty and received total fines and costs of £2,000 plus the costs of the SL fees.
10	Mr Imran and Mrs Adnan Iqbal	90 and 92 Page Hall road	Failure to licence Housing Act 2014 Section 95	Incomplete Selective Licencing applications	Court hearing 26 February 2015 both pleaded guilty – total fines and costs of £1,300. Now applied and paid the higher fee for both licences
11	Dr Frank Ononye and Mrs Bertha Ononye	21 Robey Street and 86 Lloyd Street	Failure to licence Housing Act 2014 Section 95	Failing to apply for a Selective licence	Defendants didn't attend and the case was proved in their absence. Total fines and costs of £4,825. An application has been made for one of these properties and we are working with the owners to reach adequate solution for the other.
12	Mr Ibrar Hussain	44 Willoughby Street	Failure to licence Housing Act 2014 Section 95	Failing to apply for a Selective licence	First hearing was 23 April 2015. Mr Hussain is introducing a new party into the proceedings.
13	Mr Raja Iqbal	115 Popple Street	Failure to licence	Failure to apply for a licence	Defendant didn't attend and the case was proved in his absence. Total fines and costs of £631.80.
14	Ms Naseem Akhtar	76 Robey Street	Failure to licence	Failure to apply for a licence	Defendant attended and pleaded guilty. Total fine and costs £170

15	Mr Amjid Khalil	52 Popple Street	Failure to licence	Failure to apply for a licence	Defendant attended and pleaded guilty. Total fines and costs of £170.
16	Anon		Failure to licence Housing Act 2014 Section 95	Anon informed us that the property was occupied by his brother and sister so was exempt. An investigation has revealed that it was occupied throughout the licence period by non-relatives	Pending prosecution and other offences being considered.
17	A property Company and 3 directors	Willoughby Street, Popple Street	Failure to licence Housing Act 2014 Section 95	The company manage numbers of properties in the selective licensing area. Three of these do not have a licence	Evidence is being prepared

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Please note that fines are kept by the Courts. The Council can claim back its costs. This will fund future prosecution cases.



## Appendix C

### Summary of Fit and Proper/ test of suitable management arrangements –

The test of fit and proper is set out in Section 66 of the Housing Act 2004. It states that when considering if an applicant is fit and proper, the Council must take into account any evidence that you have: committed any offence involving fraud, violence, drugs or any sexual offences; practiced unlawful discrimination in the course of business; or contravened any provisions of housing or landlord and tenant law.

We must also consider any evidence that a person associated with you has done any of the things set out above and we consider this is relevant to the question of whether you are a fit and proper person to be the licence holder.

In considering whether the management arrangements are satisfactory, we must take into account: whether any proposed person to be involved with the management has a sufficient level of competence, whether they are a fit and proper person, and if management structures and funding arrangements are suitable.

All potential <b>licence holders</b> are subject to a fit and proper test and test of suitable management arrangements	
All potential <b>managers</b> are subject to fit and proper test and test of suitable management arrangements	
	<b>Number</b>
<b>Number of potential licence holders identified with issues associated with the fit and proper test and test of suitable management arrangements</b>	<b>14</b>
<ul style="list-style-type: none"><li>• Issues resolved by appointment of an alternative</li></ul>	2
<ul style="list-style-type: none"><li>• Issues resolved following a thorough examination of the issues with the licence holder</li></ul>	7
<ul style="list-style-type: none"><li>• Formal refusal of licence</li></ul>	5
<b>Number of potential managers identified with issues</b>	<b>3</b>
<ul style="list-style-type: none"><li>• Number of properties affected</li></ul>	21
<ul style="list-style-type: none"><li>• Properties where new management has been required/gained</li></ul>	19
<ul style="list-style-type: none"><li>• Properties where the manager has subsequently been accepted as suitable</li></ul>	2

As of May 2015

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