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Report of: *Janet Sharpe*

Report to: *Jayne Dunn*

Date of Decision: *20th November 2017*

Subject: *Approval to consult on a proposed Selective Licensing scheme in London Road, Abbeydale Road and Chesterfield Road*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>Place</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>(Insert name of Committee)</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

Purpose of Report:

This report seeks approval to consult on a proposed scheme of Selective Licensing for the private rented properties on London Road, Abbeydale Road and Chesterfield Road. The map for the proposed area for Consultation is set out at Appendix 1, the corresponding address list for the consultation area is Appendix 2 , the map for the proposed designation area is Appendix 3 and a full address list of the proposed designation area is Appendix 4.

Selective Licensing is a discretionary power that Councils may use where private rented properties cause problems in the community.

Before a local authority may introduce a selective licensing scheme they are required to take reasonable steps to consult with persons likely to be affected by the scheme and consider their representations. We will therefore ensure that we are clear about our reasons for proposing the selective licensing scheme, have proper regard to the views of everyone that a scheme would affect, whilst being open and accountable in its administration.

This report sets out why a scheme is being considered, how the community would be consulted, and what the next steps would be.

Recommendations:

It is recommended that;

- a) the Cabinet Member for Neighbourhoods and Community Safety approves the proposals to consult on a proposed Selective Licensing scheme as set out in this report.
- b) the Director of Housing and Neighbourhood Services has delegated authority to design, develop and implement the consultation

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Paul Schofield
		Legal: <i>Brenan Twomey</i>
		Equalities: Louise Nunn
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	<i>Laraine Manley</i>
3	Cabinet Member consulted:	<i>Cllr Jayne Dunn</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Michelle Houston</i>	Job Title: <i>Service Manager</i>
	Date: 11 th October 2017	

1 PROPOSAL

- 1.2 The Council has a statutory duty to regulate the private rented sector. There are around 38,000 private rented properties in Sheffield. This has doubled in the past 10 years and is expected to continue growing. The expansion means that the private rented sector is now about the same size as our own council housing stock.
- 1.3 Over the past two years, we received a number of referral complaints about the housing and management standards of a number of properties in the London Road, Abbeydale Road and Chesterfield Road area of the city.
- 1.4 Upon inspection of the individual properties, concerns grew as there appeared to be common and inherent problems with layout, hazards and lack of proper management by the landlords.
- 1.5 Officers also found properties that had been illegally converted, did not meet basic repair standards and where the ownership and leases were complex – resulting in tenants not knowing who to contact for repairs and other problems.
- 1.6 We carried out a review of housing conditions in the area, commencing a programme of pro-active inspections to identify whether there were problems in many of the properties, or whether it was just a small number of individual properties that needed intervention.
- 1.7 Having carried out the review and collating the inspection results, we found that there are serious issues of disrepair, dangerous living conditions and poor management in properties along London Road, Abbeydale Road and Chesterfield Road. Of particular concern are the conditions being identified in the flats above shops. We concluded that it is appropriate for a significant number of properties in this area to be inspected, with a view of determining whether there are category 1 or 2 hazards present. The inspections will enable the Council to decide the appropriate enforcement action to improve housing conditions. The evidence gathered as part of the review, which supports this conclusion is set out in Appendix 5 of this report.
- 1.8 It was further concluded that making a selective licensing designation in respect of the area, when combined with other measures taken in the area and any licensing conditions that maybe imposed, will contribute to an improvement in general housing conditions in the area. We are therefore considering making a selective licensing designation in respect of the area. Paragraph 1.15 of this report provides a summary on selective licensing.
- 1.9 Before a local authority may designate an area for selective licensing it must satisfy at least one or more of the six statutory conditions, under the Housing Act 2004. The relevant statutory condition is the

housing condition. Under this condition the local authority should have carried out a review of housing conditions and consider that it is appropriate for a significant number of properties be inspected with a view of determining whether there are category 1 or 2 hazards present. Further that the inspections are carried out with a view to carrying out the necessary enforcement action.

- 1.10 Also that the making of the designation, when combined with other measures, including license conditions, will contribute to an improvements in general housing conditions in the area, within the life time of the designation. Given that we have carried out a survey of the area and our conclusion and intentions discussed above, we consider that the housing condition is satisfied.
- 1.11 Before a local authority may consider designating a selective licensing area it is required to take reasonable steps to consult with persons likely to be affected by the designation and consider their representations. The report therefore seeks approval to consult with the community about the introduction of a Selective Licensing scheme in the London Road, Abbeydale Road and Chesterfield Road area. The proposed area for Consultation is set out at Appendix 1 of this report, the corresponding address list for the consultation area is Appendix 2, the proposed designation area is set out at Appendix 3 and a full address list of the designation area is at Appendix 4.
- 1.12 The consultation will involve consulting with tenants, residents, landlords, agents and the business community who would be affected by the designation and having regard to their representations when deciding whether to proceed with the selective licensing proposals.
- 1.13 The DCLG guidance states that Local Authorities 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. In order to ensure we speak to residents that may be affected a consultation boundary has been set which includes over 4,800 properties (this is in addition to the properties in the proposed designation area). There is potential for any proposed selective licensing scheme to impact on the surrounding area for a number of reasons. For example landlords may try to avoid licensing by moving tenants into properties in the surrounding area which may then result in management standards being driven down, which in turn would impact on those existing residents in that surrounding area. We also want to give consideration to the views of residents in this consultation area as they will be familiar with the proposed designation area and they are likely to make use of the services and facilities.
- 1.14 We intend to report to Cabinet on the consultation findings, with recommendations on whether a scheme should or should not be introduced.

1.15 This paragraph provides a summary on Selective Licensing.

Selective Licensing is a discretionary power, introduced in the Housing Act 2004. It imposes a legal requirement for all landlords in a designated area to apply for a licence for each property they rent out in the area. The Council are able to impose conditions to the licence that will improve property and management standards. In addition, there are a number of conditions, that under the 2004 Act we are required to include in the license. The proposed license conditions are set out in Appendix 6 which the Council will have regard to when deciding the conditions to impose for individual licenses.

Before issuing a licence, the Council has to be satisfied that the landlord or agent is “Fit and Proper”. In deciding this, the council needs to assess a number of factors including certain criminal convictions and any contravention of housing and tenant law. In other licensing schemes run by the Council, where this is a requirement, it has been effective in ensuring landlords and agents who are not fit and proper, do not acquire a license.

Selective Licensing schemes last for up to 5 years.

It is an offence for a landlords to let properties without a licence or breach a license condition, and if convicted are liable to a fine. In addition where there is a breach of a licensing condition, the licence may be revoked.

License holders may be charged a licence fee in respect of each property. Local authorities may recover the costs of administering and maintaining the scheme from the license fee. It is proposed that the Council charge a license fee and that a reduced fee be charged where landlords are compliant and make an application on time, and a higher fee for those landlords who delay in applying for license and may need to be pursued. The Council’s proposed fee structure is set out in appendix 9.

2 HOW DOES THIS DECISION CONTRIBUTE?

- 2.2 Sheffield Councils vision is for housing to be at the heart of high quality, safe and distinctive places to live, enabling Sheffield’s communities to thrive and be successful.
- 2.3 Within the strategy London Road, Abbeydale Road and Chesterfield Road have been identified as key areas where investment is required to bring economic and social stability to the area.
- 2.4 The proposed selective licensing scheme is primarily aimed at improving standards within the private rented sector. The Council believes that the positive impacts of the selective licensing proposal

would contribute to the wider objectives and outcomes in the following way –

2.4.1 Economic Success of the City

Sheffield Council and its partners are ambitious for economic growth and to build on the success of making Sheffield an attractive place to start a business.

By ensuring further investment in housing selective licensing will support and compliment the cities ambition to be a growing city economically. Improving the condition and safety of homes is vital to the overall attractiveness of the area and is a key component to why people choose to live and work in the area.

2.4.2 Thriving Neighbourhoods and Communities

Investment and support to improve housing will help increase the confidence in the area and encourage empty properties to be brought back into use. Targeted housing interventions will help build resilience within the local community to thrive in the face of social and economic pressures.

2.4.3 Better Health and Wellbeing

Addressing hazards in the home, poor property conditions and management practices in privately rented accommodation will help create safer home environments contributing to an overall improvement in physical, mental and emotional health and wellbeing.

2.4.4 Tackling inequalities

By tackling private rented accommodation where landlords let high risk dangerous properties the proposal of Selective Licensing will improve the living conditions of residents who live in substandard accommodation, improving the safety and wellbeing to for some of the most vulnerable occupiers.

3 HAS THERE BEEN ANY CONSULTATION?

- 3.1 Where a local authority is considering designating a selective licensing area, it is required to consult. The government recommends the consultation period should be at least 10 weeks and must include all people that are likely to be affected by the scheme¹.
- 3.2 It is essential that the consultation is thorough and addresses all the key issues. The Council must also give proper consideration of the views and representations made.
- 3.3 The Council wants to ensure that everyone affected by the scheme is consulted, including ensuring that we offer a range of opportunities to consult and ensure that the consultation is accessible to all.
- 3.4 We will consult with residents, landlords and other interested parties connected to the proposed Selective Licensing area as well as the adjacent streets in the surrounding area. The consultation process will be guided by the Department for Communities and Local Government document – “Selective licensing in the private rented sector - A Guide for local authorities”, The DCLG guidance says that:

Consultation should include “tenants, landlords and where appropriate their managing agents and other members of the community who live or operate businesses or provide services within the proposed designation. It should also include local residents and those who operate businesses or provide services in the surrounding area outside of the proposed designation that will be affected.”

“The consultation should be informative, clear and to the point, so the proposal is readily understood. It should inform local residents, landlords, letting agents and businesses about the proposed designation, giving the reasons for proposing it, why alternative remedies are insufficient, demonstrating how it will tackle specific problems together with other specified measures, and describing the proposed outcome of the designation. It should also set out the proposed fee structure and level of fees the authority is minded to charge. Consultees should be invited to give their views, and these should all be considered and responded to.”

- 3.5 The details of the Consultation process are attached in the Communications Plan at Appendix 7.

4 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 In carrying out any of its functions, the Council needs to be mindful of the Public Sector Equality Duty (‘PSED’) contained in Section 149 of the Equality Act 2010. Amongst other things this duty requires the Council to

¹ Housing Act 2004, Volume 5, General Consent Order 2010, pg 41354/1533

have due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race; religion or belief, sex and sexual orientation.

- 4.1.2 As noted at appendix 7, which sets out the consultation process, residents and other consultees may be from different cultural backgrounds or country of origin where their understanding of spoken and or written English is poor. The process indicates the steps taken to ensure the documentation is translated into the appropriate language, ensuring proper engagement from these groups. These steps ensure that the consultation process complies with the Council's PSED.
- 4.4.3 An initial EIA has been prepared as part of the feasibility and research phase of the project which identifies a number of potential equality impacts and actions to address these. It is anticipated that there will be a series of EIAs produced for the project and that this will be an iterative process as the project progresses. This will help to ensure that equality issues are embedded and properly considered throughout the project to decide whether to adopt Selective Licensing.
- 4.1.4 In addition an EIA for the consultation plan has been completed and is attached at Appendix 8.

4.2 Financial and Commercial Implications

- 4.2.1 The legislation regarding Selective Licensing schemes is clear that the cost of running the scheme may be recovered through licensing fees.
- 4.2.2 Councils must not make any profit from schemes, and all fees must be allocated to the running of the scheme.
- 4.2.3 It is proposed that the licence fees is calculated by assessing how much the scheme will cost to run over the 5 year licensing period, then dividing it by the number of licences that will be issued.
- 4.2.4 In determining the proposed fee structure and level of fees we have used various assumptions on property numbers. However it is expected, as a consequence of the consultation process that we will gain a better understanding of the number of properties to be licensed. Consequently the proposed fee structure and fee may be subject to change. The financial information can be seen at Appendix 9.

4.3 Legal Implications

- 4.3.1 Under the Housing Act 2004, before designating an area for selective licensing the Council must take reasonable steps to consult persons who

are likely to be affected by the designation and to consider any representations made. The Government has provided guidance on how this function should be exercised. The consultation process detailed in this report complies with the statutory requirement and is in line with government guidance.

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 The report proposes that the Council, as required by the Housing Act 2004, go out to consultation on the proposed selective licensing scheme in the London Road, Abbeydale Road and Chesterfield Road area. Given the statutory requirement, no other alternative options were considered.

6 REASONS FOR RECOMMENDATIONS

6.2 The Council acknowledges that the majority of landlords in Sheffield are professional, providing accommodation that is well managed and safe. There are however a number of irresponsible landlords who continue to let properties in a poor state of repair, neglect their management responsibilities demonstrating little regard to their tenants' safety and well-being. Neglected and poorly managed properties not only impacts on the health and well-being of tenants but also has a detrimental impact on the local area.

6.3 Selective Licensing would introduce conditions that the private rented sector will have to meet to ensure that their properties are safe, well maintained and managed to a high standard. As a result residents' health and well-being will improve and confidence in the private rented sector will grow. The area will become a more attractive place to live and work which will enhance the economic and social viability of the area.

6.4 Selective licensing is being proposed as it increases landlords accountable for the management of their properties and tenants. The Council considers that selective licensing will be an effective way to address badly managed and poorly maintained properties along the proposed area of London Road, Abbeydale Road and Chesterfield Road.

6.4 Given the Council's selective licensing proposals it is required to take reasonable steps to consult with persons likely to be affected by the designation and consider their representations. The recommendations seek approval for the Council to carry out that consultation.