

Notice of:	EXECUTIVE
Relevant Officer:	Andrew Foot, Head of Housing
Relevant Cabinet Member:	Councillor Mrs Christine Wright, Cabinet Member for Housing
Date of Meeting:	12 March 2018

SELECTIVE LICENSING FOR THE CENTRAL AREA

1.0 Purpose of the report:

- 1.1 This report seeks approval to consult on a new Selective Licensing proposal for the Central area of Blackpool, covering most of Talbot ward and parts of Brunswick and Bloomfield wards. Selective Licensing requires that, other than very limited exceptions, all privately rented properties are required to be licensed. Selective Licensing schemes are designed to improve the management of privately rented homes.
- 1.2 Executive resolved on 20 February 2017 to introduce a new Selective Licensing scheme into the Central area that would apply to the majority of privately rented homes in the Central area that are not already covered by HMO mandatory licensing and the HMO Additional Licensing scheme introduced to the area from July 2016. The Selective Licensing scheme required Secretary of State confirmation, but this was not received because of concerns by civil servants about the length of time since public consultation in summer 2015 and how the scheme would be implemented.
- 1.3 This report now sets out the details of a revised Selective Licensing scheme for the Central area.

2.0 Recommendation(s):

- 2.1 To begin a new consultation on the revised Selective Licensing proposal for the Central area.
- 2.2 To bring a report with a final proposal for approval back to Executive following consultation.

3.0 Reasons for recommendation(s):

- 3.1 Selective Licensing is a key component of the Council's approach to address issues commonly occurring as a result of poor quality privately rented accommodation; it will improve management, reduce the impact of anti-social behaviour arising from

privately rented homes and help improve the quality of life for local residents.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

Alternative options to Selective Licensing for addressing poor conditions and anti-social behaviour are set out in the proposal document. Alternative approaches have not been considered to be sufficient given the scale and severity of issues associated with poorly managed homes in the Central area.

4.0 Council Priority:

4.1 The relevant Council priority is "Communities: Creating stronger communities and increasing resilience".

5.0 Background Information

5.1 A report was approved by Executive on the 20 July 2011 to develop work to introduce Selective Licensing to a number of inner areas of Blackpool. Following the introduction of Selective Licensing to South Beach in March 2012 and Selective and HMO Additional Licensing to Claremont in July 2014, the remaining areas were brought together as the "Central area" and formal public consultation on a draft proposal for selective and HMO Additional Licensing took place between 17 July and 25 September 2015.

5.2 While the consultation proposed both Selective and HMO Additional Licensing in the Central area, as a result of considering consultation responses, and having reviewed the proposals generally, the Council decided to introduce only an HMO Additional Licensing scheme in the first instance, from July 2016. In February 2017, Executive resolved to approve a Selective Licensing scheme for the Central area and an application was made for Secretary of State confirmation on 24 March 2017.

5.3 After delays caused by the change in Government, in mid-August 2017 the Department for Communities and Local Government provided feedback that in their opinion the length of time that had passed since the consultation in summer 2015 was too long and recommended a fresh consultation; they were also nervous about the proposed co-regulation approach. It was clear that Department for Communities and Local Government officials would not recommend confirmation to the Secretary of State and for this reason, the Council withdrew its application. At a face a face

meeting with Department for Communities and Local Government officials on 20 September 2017, the Department for Communities and Local Government made it clear that they had no concern about the evidence base and the robustness of the case presented, but that their only concerns were to do with the use of co-regulation in the Council's proposal and the length of time since consultation.

- 5.4 A new proposal has now been developed for public consultation. The Council now has further evidence to inform the new proposal, principally evaluation of the impact of the South Beach licensing scheme, reported to Executive on 15 January 2018, and experience of 12 months of inspections in the Central area under the HMO Additional Licensing scheme that was introduced in July 2016. The current level of licence applications and experience from property inspections in the area suggests that approximately only 350 properties in the area are likely to be covered by HMO Additional Licensing, leaving around 2,300 private rented properties in the area outside of a licensing regime. Issues of poor management are prevalent across the whole privately rented stock and not confined to HMOs. The most effective approach to tackling these issues is by the introduction of Selective Licensing alongside the existing HMO Additional Licensing scheme.
- 5.5 The new proposal sets out the prevalence of poorly managed privately rented homes in the Central area, and the impact that this is having on tenants and the wider community. The proposal sets out how the statutory criteria of a significant and persistent problem caused by anti-social behaviour, high levels of crime, a high level of deprivation and poor property conditions are met. It shows that selective licensing is an essential tool to help ensure that landlords comply with a minimum standard of property management, and how Selective Licensing will operate alongside other measures to address the issues within the area.
- 5.6 The new proposal introduces a Blackpool Standard. The Blackpool Standard is essentially a Code of Practice that landlords can choose to align themselves to, which is set above current minimum legal requirements. Landlords who meet this Standard will receive a 30% reduction in licence fees. This Standard will be endorsed as best practice and promoted to tenants. In this way, those landlords who already let properties responsibly will be recognised, allowing enforcement to focus on tackling those who do not. The names of those landlords and letting agents who meet the Blackpool Standard will be published on Blackpool Council's website and given the Blackpool Standard kite mark to use on their marketing material and letterheads.
- 5.7 The licensing fees have been re-set to reflect the actual costs of delivering recent licensing schemes. This has led to an increase in fees for landlords who do not meet the Blackpool Standard, but lower fees for those who do, and a continuation of early bird discounts for landlords who apply promptly at the start of the licensing scheme.

- 5.8 The new proposal incorporates the funding of dedicated Anti-Social Behaviour officers, so that there will be two officers for the Central area, reflecting the large size of the area compared with Claremont and South Beach which each had one dedicated officer. This role is important to work with landlords on tackling problem tenants.
- 5.9 The new licensing scheme would include more regular reporting of progress and impact against a clear evaluation framework.
- 5.10 Public consultation on the new licensing proposal will meet statutory requirements, with a 10-week duration starting from April 2018, so that a revised proposal should be ready for consideration in July 2018. Following a further report to Executive, confirmation will need to be sought from the Secretary of State because alongside the current Claremont scheme, the total number of homes subject to selective licensing in Blackpool will exceed 20% of the borough's private rented sector.

5.11 Is the Corporate Delivery Unit aware of this report? Yes

The Corporate Delivery Unit has been consulted and has no issues to raise.

5.12 Does the information submitted include any exempt information? No

5.13 **List of Appendices:**

Appendix 5(a) – Consultation proposal for Selective Licensing in the Central area.

6.0 Legal considerations:

- 6.1 Part 3 of the Housing Act 2004 allows the local authority to introduce a selective licensing scheme provided a range of conditions are demonstrated, and defined processes are followed. Advice has previously been sought from Counsel to confirm that the proposal demonstrates that the criteria for selective licensing have been met in the Central area.
- 6.2 Following approval by the Council to introduce a Selective Licensing scheme for the Central area, confirmation will then be required from the Secretary of State before the new scheme can be brought into effect.

7.0 Human Resources considerations:

- 7.1 If following consultation a new scheme is approved, dedicated staff will be retained to deliver the local authority's responsibilities in the Selective Licensing scheme.

8.0 Equalities considerations:

8.1 A draft Equalities Impact Assessment has been completed to meet the requirements of S.149 of the Equality Act 2010. The assessment found that the Selective Licensing proposal would not adversely affect people with any of the key protected characteristics. A final assessment will be completed following consultation to reflect a final licensing proposal.

9.0 Financial considerations:

9.1 Proposed fees have been set so that the scheme would be self-financing, with the fees reflecting the costs to the local authority of administering the scheme. Where landlords choose to meet the Blackpool Standard, the fees due to the local authority are reduced, reflecting the reduced role of the local authority in dealing with better managed properties.

10.0 Risk management considerations:

10.1 There is a risk of judicial review of the scheme if following consultation a scheme is approved, but the process and case has been planned in accordance with the relevant statute.

10.2 Another risk is that by tackling problems in the private rented sector around the management and condition of properties some landlords may shut their properties down, leading to a threat of empty properties and some homelessness. As in the previous Selective and Additional Licensing schemes, Housing Options staff will work closely with the licensing team to provide support to any tenants affected by the shutting down of sub-standard properties.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 Extensive public consultation will be undertaken subject to approval of this report and associated licensing proposal.

13.0 Background papers:

13.1 Proposal to designate the Central area for selective licensing

14.0 Key decision information:

14.1 Is this a key decision? No

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency:

15.0 Call-in information:

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed:

Date approved:

17.0 Declarations of interest (if applicable):

17.1 None

18.0 Executive decision:

18.1

18.2 **Date of Decision:**

19.0 Reason(s) for decision:

19.1 **Date Decision published:**

20.0 **Executive Members in attendance:**

20.1

21.0 **Call-in:**

21.1

22.0 **Notes:**

22.1