

Subject: **PRIVATE RENTED HOUSING; PROPOSAL FOR A SELECTIVE LICENSING SCHEME WITHIN NELSON / CENTRAL AND NORTHGATE WARDS**

Report to: Full Council 2nd November 2017

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SUBJECT MATTER/RECOMMENDATIONS

This report seeks to inform Members of the proposal for a Selective Licencing scheme to address issues connected with the private rented sector within Nelson Ward. The committee is recommended to;

1. Agree that the Council moves forwards with the introduction of a Selective Licencing in accordance with the timescales set out within the business case. The expected final decision by Council following statutory consultation will be in July 2018
2. Agree to the release of £38,788 from the Special Project reserve to fund the development of the scheme to include the appointment of a Housing Licensing Manager to commence consultation and finalise details of proposed scheme
3. Receive regular updates at Housing and Neighbourhoods Committee on the progress of the project

1 INTRODUCTION

- 1.1 This report sets out a proposal for the Council to implement a Selective Licensing scheme in relation to a geographic area comprising parts of the Nelson and Central and Northgate wards of Great Yarmouth in accordance with the provisions of the Housing Act 2004. The scheme aims to tackle significant and persistent levels of Anti-Social Behaviour (ASB), crime and poor housing conditions related to the private rented housing sector.
- 1.2 Bounded by the seafront to the East and South, Regent Road to the North, and South Quay to the west, Nelson Ward in the centre of Great Yarmouth consists

mainly of high density residential areas typically built during the Victorian era. Please see the map at Appendix 1.

- 1.3 The Central and Northgate Ward is bounded by Salisbury Road to the North, the Broads to the West, the sea to the East and Regent Road/Street to the South, forming a boundary with Nelson Ward. Please see map at Appendix 2
- 1.4 Once the heartland of small hotels and guest houses, the nature of the area has changed as holiday styles have changed leaving owners of large properties with little financial alternative but to open their rooms up to residents who need living accommodation hence the growth in the number of houses in multiple occupation (HMO) within the ward. Whilst there are many good landlords with whom the Council has a good relationship with, this situation does lead to a higher risk of unethical landlords that exploit the plight of their tenants, some of whom are the most vulnerable in society. This Council has evidence of this.
- 1.5 Piecemeal interventions by a number of agencies over the years have secured improvements to some of the housing on a generally reactive basis, although it is recognized that attempts at wider area schemes such as the SHARP project have delivered localised improvements to the housing stock.
- 1.6 Coupled with a rise in the number of complaints to agencies such as the police about low level crime and anti-social behaviour, the area has become one of low housing demand where only a significant investment in resources on an area wide basis can secure improvements for residents.
- 1.7 According to the ONS Indices of Deprivation 2015, the Nelson and Central and Northgate wards are amongst the most 10% deprived wards in the Country with parts of the Nelson Ward ranking 20th out of 32, 844 neighbourhoods in England for multiple deprivations.

2 OPTIONS APPRAISAL

- 2.1 The business case for a selective licencing scheme is attached as Appendix 2. As part of this, alternatives to selective licensing were looked at to see if they offered an alternative to achieve the general aims of reducing crime and ASB and improving the housing conditions for residents.
- 2.2 Option 1 – Do Nothing

Maintain current reactive strategy in respect of private rented houses in single occupation. Houses in Multiple Occupation (HMO) of 3 or more storeys rented to 5 or more persons forming 2 or more households are covered by Mandatory Licensing under the Housing Act 2004. The cost of inspection and administration of this scheme is covered by fees according to the size of the building. To do nothing will not bring about wholesale improvements to the area, there being only around 60 licensed HMOs within the whole Borough

2.3 Option 2 - Implement Additional Licensing

This scheme would allow the Council to licence all HMOs throughout a designated area of the Borough, irrespective of number of storeys although person and household tests would still be applicable. Overall costs would be partly recoverable via the licence fees. Whilst this option will provide greater scope to tackle more HMOs, there is a lack of evidence to show that it alone will support the overall aims of the proposed area particularly around ASB and crime

2.4 Option 3 – Implement Selective Licensing within a specific geographical area

Selective licensing will allow the Council to introduce a scheme to licence all private rented properties, irrespective of tenure and building size. This scheme considers the wider health and community issues associated with poor housing and irresponsible landlords, involving a significant multi-agency approach. The general costs of inspection and administration of the scheme are covered by fees levied for each licence depending on the property description and how it is occupied.

- 2.5 It is considered that a Selective Licensing scheme will be able to best deliver the Council's and partners aspirations for the area and is the preferred option. The options available to Local Authorities is covered in the business case.

3 FINANCIAL IMPLICATIONS

- 3.1 Setting up a major scheme such as the Selective Licencing scheme proposed in this report will require significant resources to cover administration and enforcement. The scheme is set to run over 5 years although there are options for the Council should it wish to extend the scheme. A proposed timeline for the

development and implementation of the scheme is included within the business case and at Appendix 3 to this report.

- 3.2 Appendix C of the business case details the predicted financial summary. It should be noted that there is a proposal for the costs incurred within the current financial year to come from the Special Projects Reserve. These have been estimated at £38,788. Income from licence fees has been based on data from Councils that have implemented a selective licencing scheme and will ensure the project is well funded in future years.
- 3.3 In 2021/22, as the project draws to a close a decision will be made on whether the project can cease and the duties absorbed into the day to day work of the existing team. At this time it should also been known whether the project is likely to require an extension.
- 3.4 Funding of the project will be based on the income from licencing fees. A suggested fees and charges schedule is included at Appendix B of the business case. The level of fees and charges will need to be kept under review during the life of the project and adjustments made as necessary to ensure the project is as much self-funding as possible.
- 3.5 The development costs have been estimated at approximately £38,788 which will be funded by the Special Projects Reserve. These will include the employment of a Project Manager and intelligence and data gathering via a third party, printing and stationery etc.
- 3.6 Experience of Councils who have already introduced Selective Licensing suggest that the bulk of licence applications will be received by the end of Year 2 with a reduced but steady income being received through the following years from new and late applications along with that from non-compliant landlords.

4 RISK IMPLICATIONS

- 4.1 There is the risk that the scheme may not receive applications and fees from the predicted number of properties that are assumed to be within the area. However, a very conservative estimate has been used and in part this has been informed by the experiences of other local authorities who have introduced such a scheme and setting realistic fees for the majority of landlords.

- 4.2 A number of schemes across the country have been subject to Judicial Review raised by landlords and landlord associations. These have been successful where Councils have failed to follow the correct processes or have been unable to justify part of their scheme, proposals or evidence base. There is the potential for additional and unfunded legal work to meet any challenges or cases which are brought against the Council.
- 4.3 Effective communication and robust enforcement at the start of the scheme should enable risks to be reduced as much as possible. The early appointment of the Project Manager is seen as critical to ensure early communication with various landlord organisations and to develop a scheme which has considered their views and concerns at an early stage.
- 4.4 Nationally there is a move to extend the current mandatory licensing scheme. If this does take effect and Great Yarmouth has implemented a selective licensing scheme, we will in fact be in a better position to administer and resource this.

5 CONCLUSIONS

- 5.1 The Nelson and Central and Northgate Ward areas experiences community issues around low level crime, ASB and unsatisfactory housing conditions and is classified as an area of low housing demand (Housing Act 2004). Current and previous interventions have failed to secure widespread improvements – a new approach is required. Selective licencing has been shown to work in other areas of the country and delivered in conjunction with other partners and will allow for comprehensive improvements within the Ward.
- The scheme will cover an estimated approximately 1400 properties
 - All properties will be licenced for 5 years and be required to adhere to set conditions.
 - A fees and charging structure will be introduced and finalised during the development stage
 - All HMOs specifically will be covered
 - The Councils housing amenity and fire safety standards will be reviewed as part of the development process and will be applied to the licence conditions.
 - A designated project team will be formed to run the scheme with the initial appointment of the Project Manager to develop the scheme.
 - By its end, the scheme, should have brought about notable improvements in housing and social conditions within the area and with it knock on benefits for health and well

being of the residents and encouraging positive investment.

6 RECOMMENDATIONS

6.1 The Council is recommended to;

- Agree that the Council moves forwards with the introduction of a Selective Licencing in accordance with the timescales set out within the business case. The expected final decision by Council following statutory consultation will be in July 2018
- Agree to the release of £38,788 from the Special Project reserve to fund the development of the scheme to include the appointment of a Housing Licensing Manager to commence consultation and finalise details of proposed scheme
- Receive regular updates at Housing and Neighbourhoods Committee on the progress of the project

7 BACKGROUND PAPERS

Selective Licencing of Private Rented Dwellings: Business case.

Area for consideration	Comment
Monitoring Officer Consultation:	Yes
Section 151 Officer Consultation:	Yes
Existing Council Policies:	Yes
Financial Implications:	Yes
Legal Implications (including human rights):	Yes
Risk Implications:	Yes
Equality Issues/EQIA assessment:	Yes
Crime & Disorder:	Yes
Every Child Matters:	Yes



Selective Licensing of Private Rented Dwellings Business Case

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2.0 Document Control

Date	Version	Status	Reason	Amended By
14/9/17	V1	Draft	First draft	Jason Williams
15/9/17	V2	Draft	First review	Kate Watts
22/9/17	V3	Draft	Second Review	Jason Williams
23/10/17	V4	Final	Third Review	Jason Williams

3.0 Executive Summary

This business case examines the potential for the Council, in accordance with the Housing Act 2004, to implement a Selective Licensing scheme in relation to privately rented housing in the Nelson and Central and Northgate (NC&N) Wards of Great Yarmouth. The aim of this scheme is to tackle significant and persistent levels of Anti-Social Behaviour (ASB), crime and poor housing conditions related to private rented tenancies.

A review of information on the Borough's ASB, crime rates and housing conditions has been carried out. Analysis of this data concluded that there are consistent indicators of increased ASB and crime rates in the NC&N Wards and high rates of disrepair.

Data gathered from the 2011 Census, extrapolated against the current upward trend in the private rented sector, suggests that there are in the region of 1400 private rented properties that may fall within a Selective Licensing scheme in the NC&N Wards.

Liaison with other Local Authorities who have implemented a selective licensing scheme, alongside calculations regarding the predicted number of licensable properties has determined the number of officers necessary to develop and manage the scheme alongside carrying out the predicted number of property inspections.

Outline fees have also been calculated in this way and it is suggested that the fee for a five year Licence should be set at £250, with reduced fees for accredited landlords and landlords/agents who take advantage of an "Early Application" facility set at £100, if paid within the first 3 months of the scheme. Houses in multiple occupation should conform to the existing payment regime for mandatory licencing which is suggested be set at £770.

4.0 Introduction

The Council and other partner organisations such as the Police, have raised concerns that the NC & N Wards in Great Yarmouth suffer from low housing demand and increased Anti-Social Behaviour (ASB) and general low-level crime. These concerns persist despite the Council and its partners using their enforcement powers and providing guidance to Private Rented Sector (PRS) housing landlords to improve standards over many years.

Low demand is indicated by factors which demonstrate that areas are not as desirable as others, such as high rates of empty property, high rates of occupier turnover, low property values and other social factors.

In addition, according to the ONS Indices of Deprivation 2015, the NC&N wards are amongst the most 10% deprived wards in the Country with parts of the Nelson Ward ranking 20th out of 32, 844 neighbourhoods in England for multiple deprivations.

This Business Case presents the case for setting up a Selective Licensing scheme to tackle these issues which impact on the quality of life of the wider community

and can bring a perception of destabilisation into the neighbourhood. To effectively tackle the problems associated with low housing demand it is necessary to ensure that all stakeholders take their share of responsibility in the areas in which they live, work and invest.

Historically, intervention with problem tenants and properties has been focussed on criminal enforcement methods, which tackle the individual problem at the time, rather than the area as a whole. By ensuring landlords have an investment in their communities, as well as the properties they own, we will influence and enable a reduction in ASB incidents. In a similar way, reactive housing enforcement to complaints about poor housing standards and landlord/tenant relationships can only have a limited and short term impact in areas with entrenched problems.

Poor housing conditions and excessively cold and damp properties have significant health impacts on those occupiers, in addition to the physical safety risks to tenants of poorly maintained property.

The PRS is growing in response to the demand for lower cost housing outside of the social rented sector, and the Council is committed to supporting and promoting private landlords to provide quality and affordable housing. However, there are concerns that standards within the PRS are falling below the minimum expected under the Housing Act 2004.

Because of the concerns about low demand, ASB and the limited impact being made through existing interventions in some of our neighbourhoods, the use of Selective Licensing under the Housing Act 2004 is being considered as a means of ensuring private sector landlords to manage their properties better and to ensure tenants fulfil their responsibilities to the communities they live and work within.

5. Background

The Housing Act 2004 (the Act) provides Councils with the power to introduce the licensing of privately rented properties in specific areas. This is with the aim of improving conditions for local occupiers and the surrounding community. Local Authorities can designate areas of their District/Borough in which private sector rented accommodation must be licenced. A Licence fee for each property must be paid for by the landlord or agent and each Licence contains a set of conditions that the landlord must meet.

Before the council can consider making a selective licensing designation, it needs to ensure that the area in question meets certain legal tests, known as condition, set out in the Housing Act 2004. The council may designate an area if:

- (i) It is, or is likely to become, an area of low housing demand; or
- (ii) It has a significant and persistent problem with anti-social behaviour where the inaction of private landlords is a contributory factor; or
- (iii) Following a review of housing conditions, it is believed that the area is suffering from significant housing condition problems and the council intends to inspect the dwellings concerned; or

- (iv) It has experienced a recent influx in migration, and where the migrants are primarily occupying privately rented accommodation; or
It suffers from a high level of deprivation which particularly affects the occupiers of privately rented accommodation; or
- (v) It suffers from a high level of crime that affects residents and businesses in the area.

6. Initial Scoping

Following analysis of complaint data held by the Council, along with statistics on crime provided by the Police, it was identified that the NC&N Wards satisfies five of the six tests above. Data on ASB, Crime and Housing disrepair are attached in Appendix A which demonstrates that the NC&N Wards suffers significantly in these areas compared to the rest of the Borough.

The area suffers from low housing demand, ASB is disproportionately high, and poor housing conditions are widespread. The area is also one of the most deprived in England and crime levels are disproportionately high. However, the argument for migration is less convincing as Government guidance suggests that the migration test should relate to relatively sudden increases in migration (say 15% over a 12 month period).

Movement into the area is not a new phenomenon as higher than average levels of migration have been a theme for some years.

While Government has increased the scope for selective licensing, it has also restricted how large schemes can be before Secretary of State approval is needed. Approval must now be sought for any scheme that is more than 20% of the geographical area of the district, or applies to more than 20% of all privately rented properties in the district. It is thought that the designation under consideration would not exceed any of the two 20% tests, and so the council would have general approval to designate the NC&N Wards area for Selective Licensing.

In reaching a decision on whether Selective Licensing is appropriate the Council is required to consider what other courses of action are available that might provide an effective method of achieving the same objectives and that it considers the introduction will significantly assist it in achieving those objectives. Where Selective Licensing is introduced it should form part of a coordinated approach to tackling the problems and not be used in isolation.

Alternative approaches to achieve the objectives

As part of the process of deciding whether or not Selective Licensing should be introduced there is a need to assess whether there are alternative approaches that may achieve the same objectives.

The alternative to the Selective Licensing option is the use of accreditation schemes for landlords. As has been demonstrated, however, previous accreditation schemes have not worked due to a lack of take up by landlords and would require additional resources to facilitate. Experience has shown that accreditation would

only attract the landlords who do want to let properties responsibly and will not effectively tackle the landlords who fail to engage and fail to meet their obligations.

To meet the concerns of landlords who are behaving responsibly and within the law, accreditation should be used as part of any Licensing scheme to provide lighter touch regulation to those landlords who are accredited. Such an accreditation scheme would place additional resource demands on the Council if it were to be the facilitator and alternative national schemes should be explored and promoted as part of any Licensing scheme. Any landlord/ Licence Holder from outside the Borough holds an accreditation with another Local Authority should also benefit from this self-regulation approach.

To intensively manage empty properties in these areas would require additional resources to prioritise property owners and funding to compulsorily purchase those houses which remained empty. However, to manage and process cases at a pace which would have a significant impact as a standalone tool, would require significant additional resources. In addition to this, the Compulsory Purchase Order and Enforced Sale processes do not guarantee that the property will be reoccupied; it will only result in the property being sold.

Reducing crime and ASB is one of the highest priorities in Great Yarmouth. Continuing with the existing and traditional enforcement techniques will not make tenants and landlords manage their own behaviour better. Admittedly, it is not feasible for landlords to tackle crime and ASB they have no direct control over, however, regular checks on properties, better letting practices, ensuring proper tenancy agreements are in place and making sure that tenants are advised of their responsibilities early are all achievable and reasonable actions that all landlords could take.

As an alternative to licensing for ensuring minimum standards are met by landlords for the safety of properties, it would be possible for additional and targeted HHSRS inspections to take place. However, there is short lived success with such activities and they are extremely resource intensive. In addition to this, the lack of accurate information about property ownership and lettings prevents the Council from efficiently targeting properties which are known to be privately rented, on which to then carry out inspection. Licensing would ensure that the rented property in these areas is identified, subject to regulation and initial licensing inspections. Tenants will be more aware of their rights and what they should expect from landlords.

7.0 Options appraisal (cost/benefits)

Option 1 - Do nothing

Maintain current reactive strategy in respect of private rented houses in single occupation. Houses in Multiple Occupation (HMO) of 3 or more storeys comprising over 5 persons forming 2 or more households covered by Mandatory Licensing. Cost of inspection and administration of the scheme covered by fees according to the size of the building. This option has been ruled out due to the minor impact of the scheme.

Option 2 - Implement Additional Licensing of HMOs.

This would involve the licensing of all HMOs throughout the Borough, irrespective of number of storeys although person and household tests would still be applicable. Costs recoverable through licence fees. This option has been ruled out for although it will provide greater scope to tackle more HMO's there is a lack of evidence to show that the scheme will support the overall aims of the proposed area.

Option 3 - Implement Selective Licensing within specific geographical area.

To licence all private rented properties, irrespective of tenure and building size. This scheme considers the wider health and community issues associated with poor housing and irresponsible landlords, involving a significant multi-agency approach. Costs of inspection and administration of the scheme covered by fees. It is considered that a Selective Licensing scheme will be able to best deliver the Council's and partners aspirations for the area and is the preferred option.

8.0 Recommendation

Proposals for a Selective Licensing Scheme

Making designations for Selective Licensing, along with other partnership interventions, will lead to a reduction in the problems which cause low housing demand. It is considered the scheme will drive up housing demand and lead to an improvement in housing standards and see a reduction in ASB and crime.

A designation would require all privately rented properties within the identified boundaries of the NC&N Wards to be licensed for up to 5 years. Each Licence will be charged at a standard rate with the potential for reduced fees.

Each Licence Holder will receive a standard set of conditions. As part of the initial development of this scheme the Council's current conditions would be reviewed to ensure clarity between the conditions required of a single let property and the conditions required if an HMO is run.

These conditions will be monitored through the administration of the scheme and are currently being reviewed.

As part of any application the applicant and, if another person is nominated, the proposed Licence Holder, will be required to declare any relevant unspent criminal convictions and that they are a fit and proper person to hold a Licence. Where gas is supplied to the property, landlords will be required to provide a copy of a current and valid Gas Safety Certificate for the property with their application. Without either of these a Licence would not be granted, as an application would be considered to be incomplete.

The objectives of a designation should be based on the evidence on which the designations are made and these should be:

- Reductions in the turnover of occupiers in areas which will in turn provide a more stable community and greater pride by residents in their area,
- Reductions in rates of empty properties,
- Ensure minimum standards are met by landlords for the safety of properties
- Reductions in crime and ASB as a by-product of more stable communities,
- Increased engagement with landlords and tenants to enable the responsible letting of properties and improved landlord-tenant-GYBC relations.

The Selective Licensing scheme proposals in this report are consistent with the aims and objectives of the Council's Housing Strategy and support the Council's overall aim of providing 'An attractive mix of housing, that will be fit for purpose for all and meet both the borough's existing and future needs. There will be good quality housing for all sectors of the community and workforce.' (The Plan 2015 -2020)

The proposed Licensing scheme will also consider links to the aims of the Council's homelessness strategy in providing advice and support to tenants and landlords and referring people to support services where appropriate. In addition the draft Licence conditions are consistent with the suitability criteria set out in the Localism Act 2011 for placing homeless people in private rented property.

9.0 Programme of Work/Timeline

December 2017	-	Manager in post (to develop and implement scheme) Employ contractor to carry out data and intelligence review Initial discussions with internal stakeholders on aims of scheme Discussions with other local authorities with existing schemes Presentation and discussion with Eastern Landlords Association Liaison with software suppliers on set-up of IT system Devise admin processes Discussions with external stakeholders on wider health multi-agency working Agree and produce MoUs with external stakeholders Develop stakeholder consultation document Revise Amenity and Fire Standards for dwellings
April 2018	-	Produce JD for Admin Support Interviews for Admin Support Begin stakeholder consultation
July 2018	-	Stakeholder consultation ends Admin Support in place
August 2018	-	Seek Designation approval from members and amend if necessary Produce JD for Housing Licensing Officers Conduct interviews for Housing Licensing Officers
September 2018	-	Designate Selective Licensing area Full media rollout IT system online and taking payments
November 2018	-	Housing Licensing Officers in post
December 2018	-	Begin inspections
September 2023	-	Scheme ends (if not renewed)

10.0 Resources

The administration, compliance monitoring and support for the scheme will be financed in part from the Licence fees received.

Research of other Local Authority Schemes revealed fees ranging from £400 (Liverpool City Council) to £900 (Peterborough Council) per licence. The median licence fee was in the region £550 per licence

Due to uncertainties around levels of landlord compliance in submitting applications, it was decided to benchmark with Thanet Council, a similar local authority who had successfully implemented a 5-year scheme in a similar area in size and demographic. Discussions with Thanet's Project Leader provided a wealth of information on likely compliance rates and Early Application take-up. The indicative fee schedule included at Appendix B has been formulated according to Thanet's data extrapolated against the predicted number of private rented properties in NC&N Wards that would be subject to licensing. Due to the potential variance of predicted against actual numbers that may fall within the scheme, the fee schedule will be subject to review during development and fees will be recommended to the Council. An Early Application fee could be set at £100.

It is expected that the first two years of the scheme will be focussed on processing payments and carrying out inspections of properties let by compliant landlords, followed by a two-year period of investigation of non-compliant landlords. The scheme will be assessed in 2021/22 to determine reasonable staffing levels and how the scheme should be funded to its conclusion. A decision will then be made on whether the Council should seek a re-designation of the scheme for a further 5 years or if the scheme should be ended. A cost analysis of income against expenditure is included in Appendix C. It is projected that the scheme would be self-funding. Initial set-up costs, to be secured via the Special Projects Reserve fund have been calculated at £38,788.

In order to provide the best value for money for landlords, it is desirable that the application handling be fully digital, with online application and automated processing which will reduce the processing time for applications. This will enable the staffing costs for administering the scheme to be kept to a minimum. As a majority of transactions are expected within the first two years of the scheme, it is suggested that the digital platform be procured for an initial two year period. This will allow for a review of the options available as the scheme moves towards the investigation phase.

The proposed staffing needs are:

Title and duration	Role
Housing Licensing Manager 5 year contract	To develop and implement the scheme and review the current housing standards to better define single let property conditions alongside HMO property conditions. To become the Single Point of Contact for landlords

	<p>and licence holder and manager of the administration of the scheme.</p> <p>Responsible for ensuring proper and effective staff management and annual review of the schemes achievements and outcomes. Lead officer in respect of the identification of non-compliant landlords and licence holders. To attend multi-agency meetings around wider remit of licensing schemes and to attend public consultation meetings.</p>
<p>Housing Licensing Officer x 3</p> <p>1FTE – 4 year contract</p> <p>1FTE – 3 year contract</p> <p>1FTE – 2 year contract</p>	<p>Housing inspection specialists to inspect and audit properties against licence conditions and relevant housing legislation, following the receipt of licence applications. To produce written reports and schedules and to undertake enforcement as appropriate.</p>

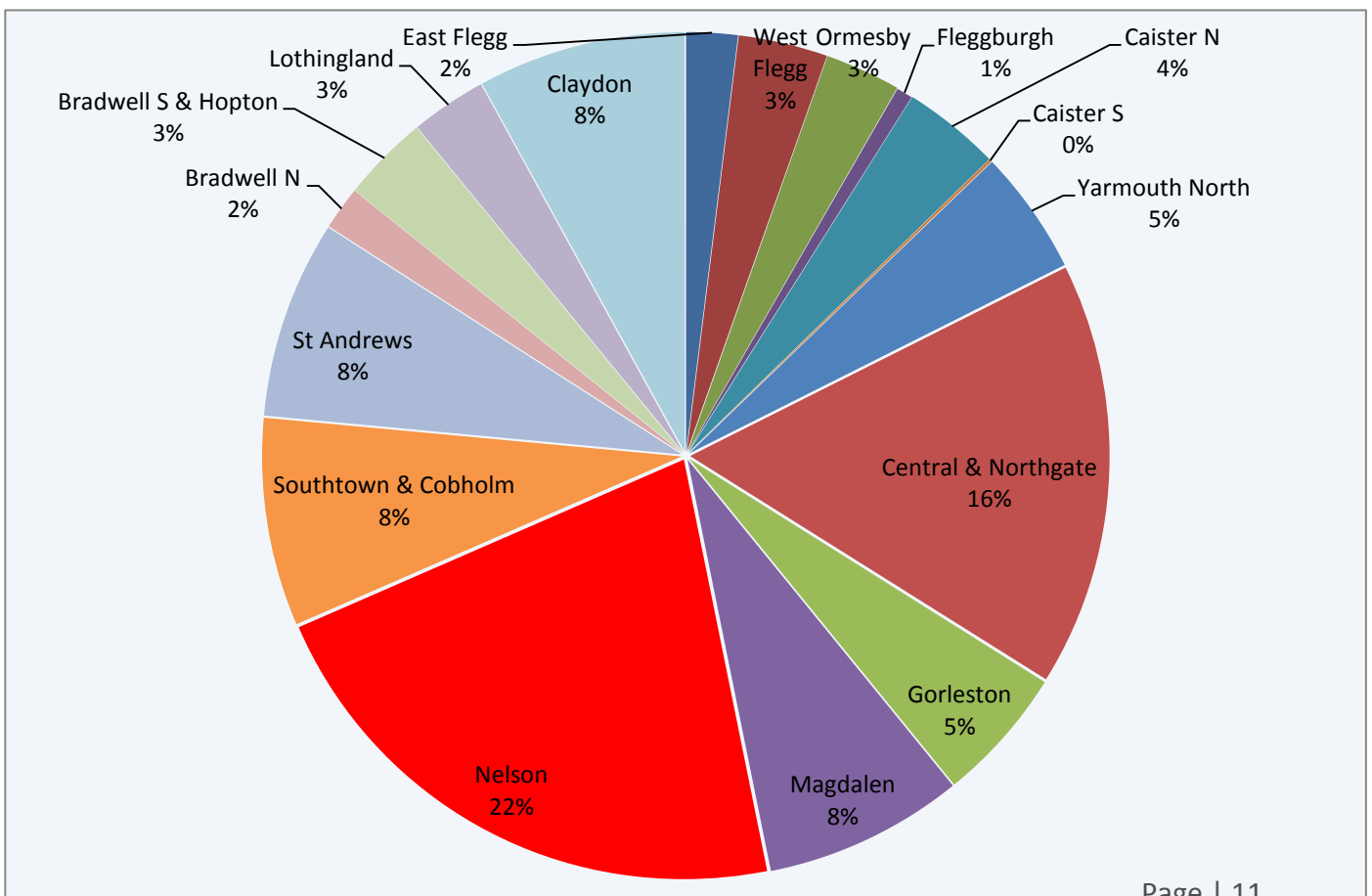
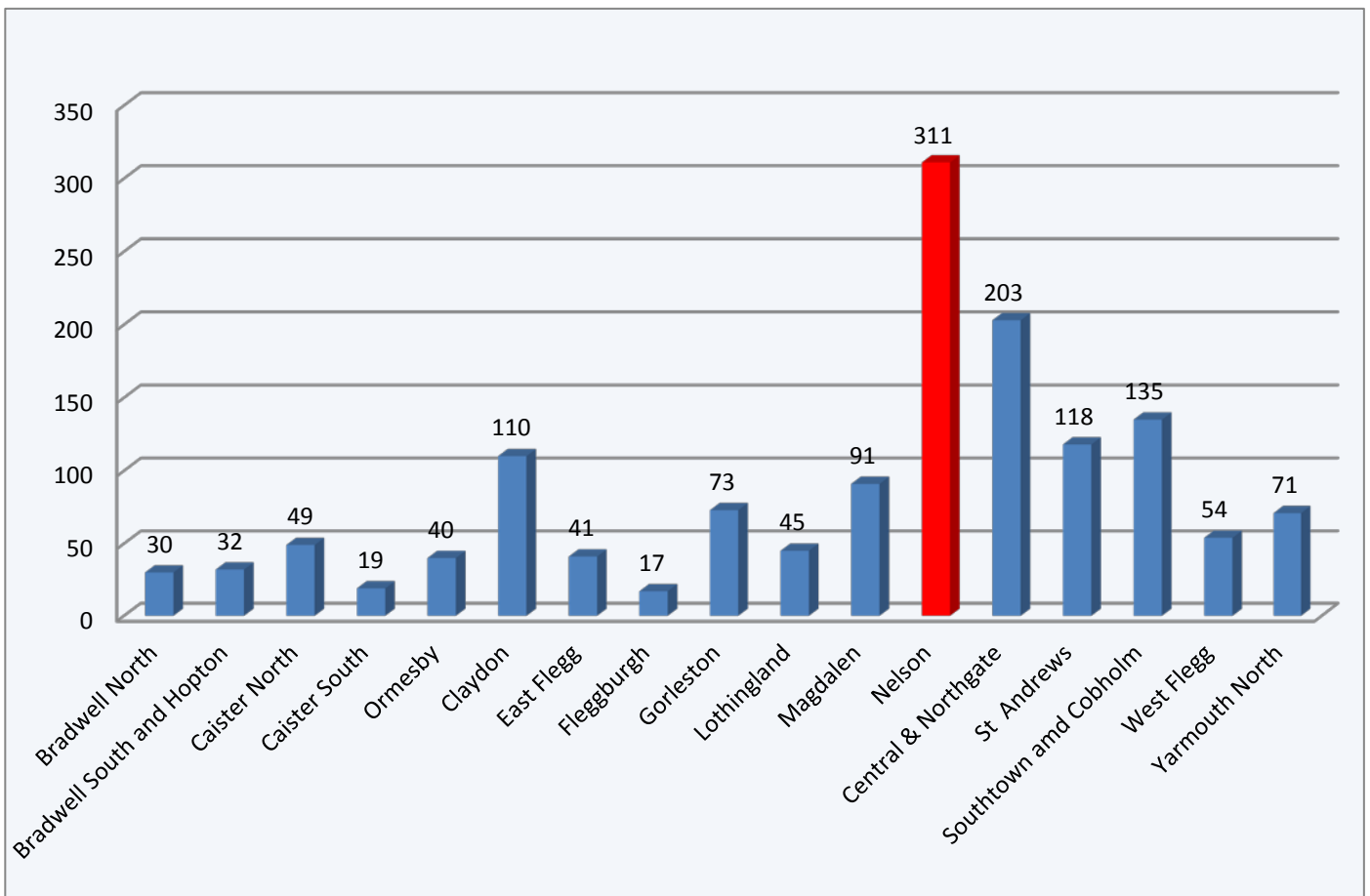
11. Project Risks & Mitigation

This is a risk of a significant budget shortfall if the scheme does not receive applications and fees from the anticipated number of licensable premises. This has been mitigated by taking a realistic view on the number of potentially licensable premises in the areas concerned and keeping the proposed Licence fee to a minimum.

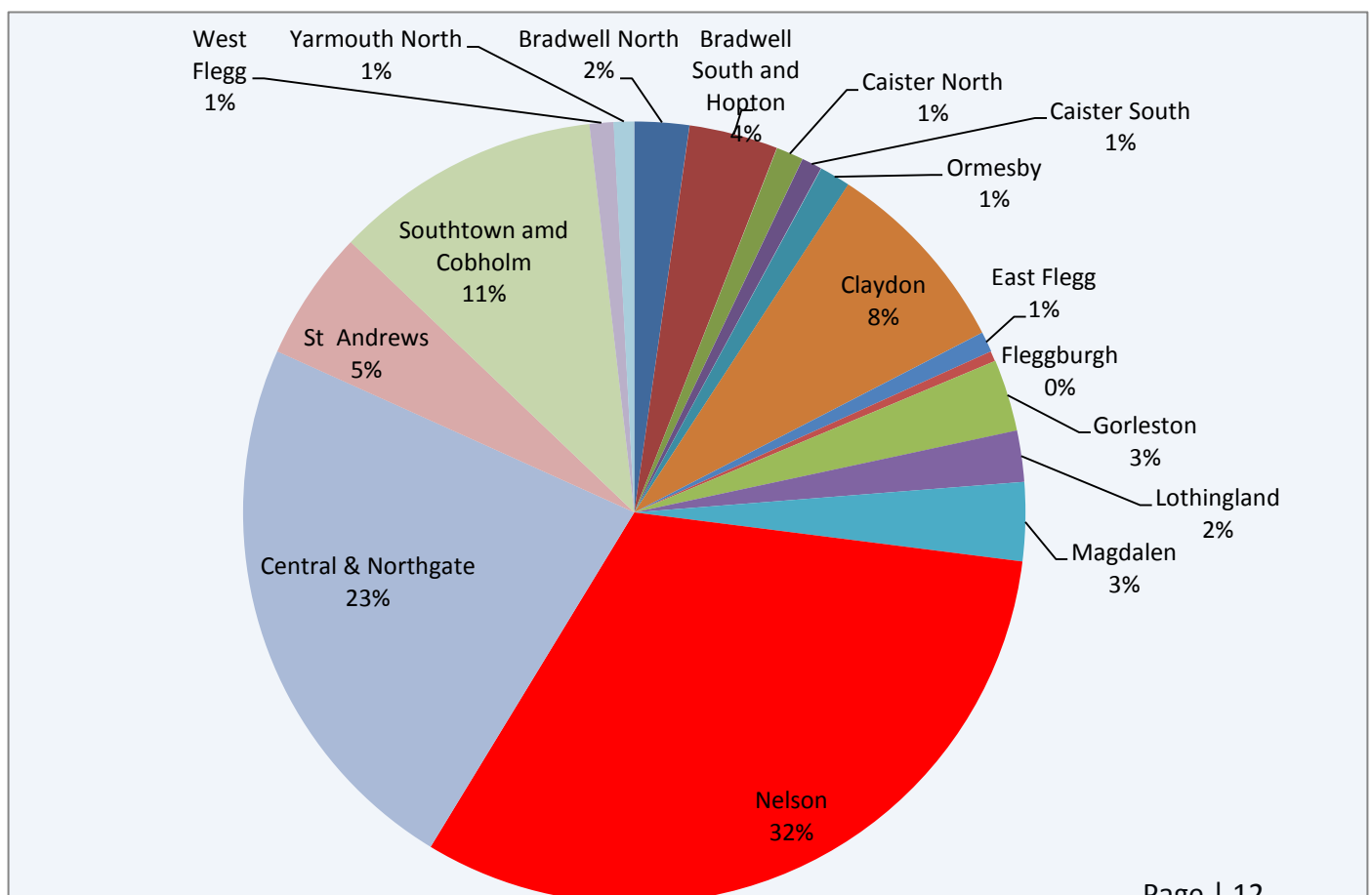
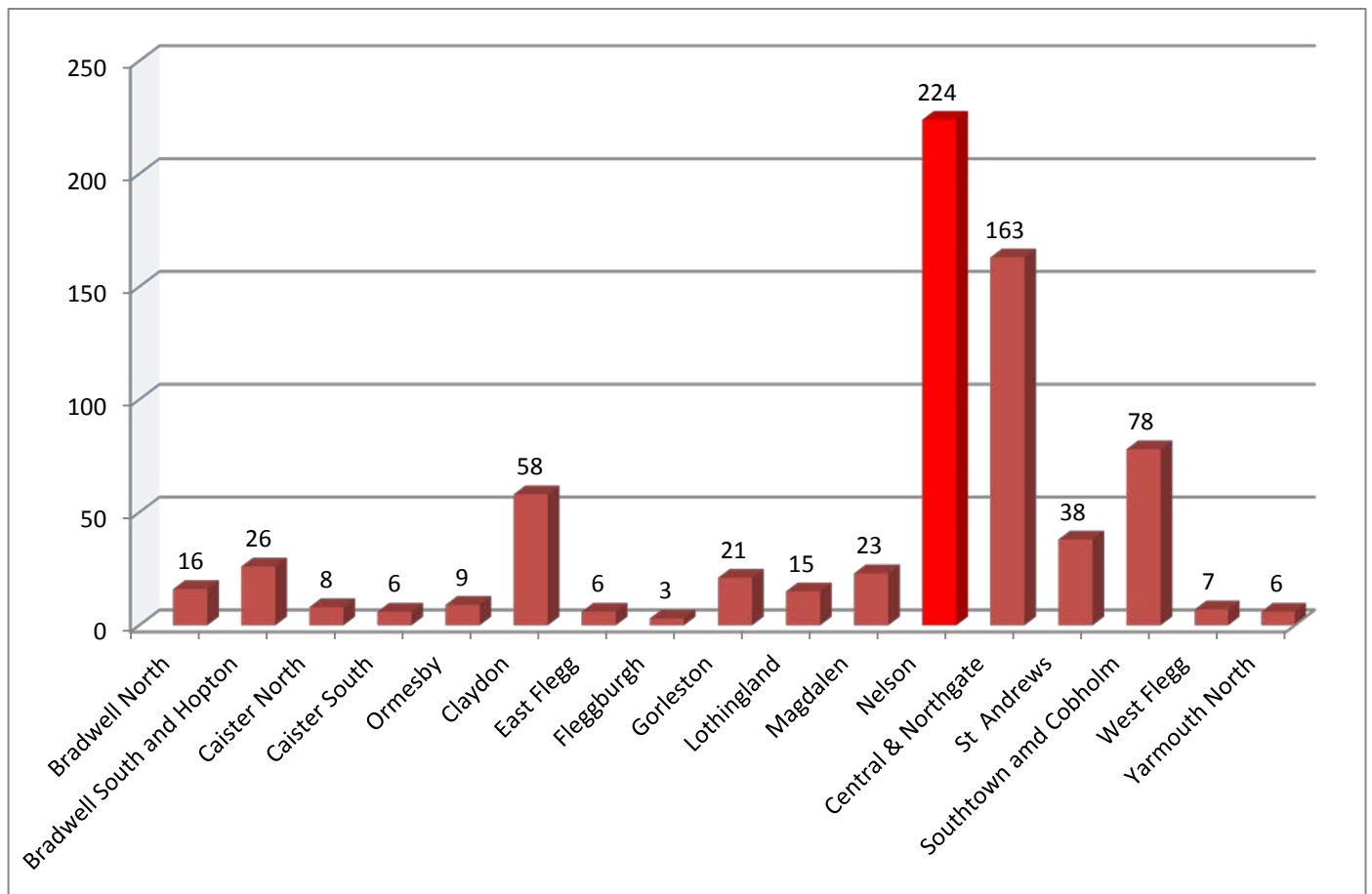
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There is a risk that increased enforcement actions may place an additional burden on the Team along with associated legal costs. Effective communication and robust enforcement at the start of the scheme should enable this risk to be reduced as much as possible and reduce the number of enforcement actions required.

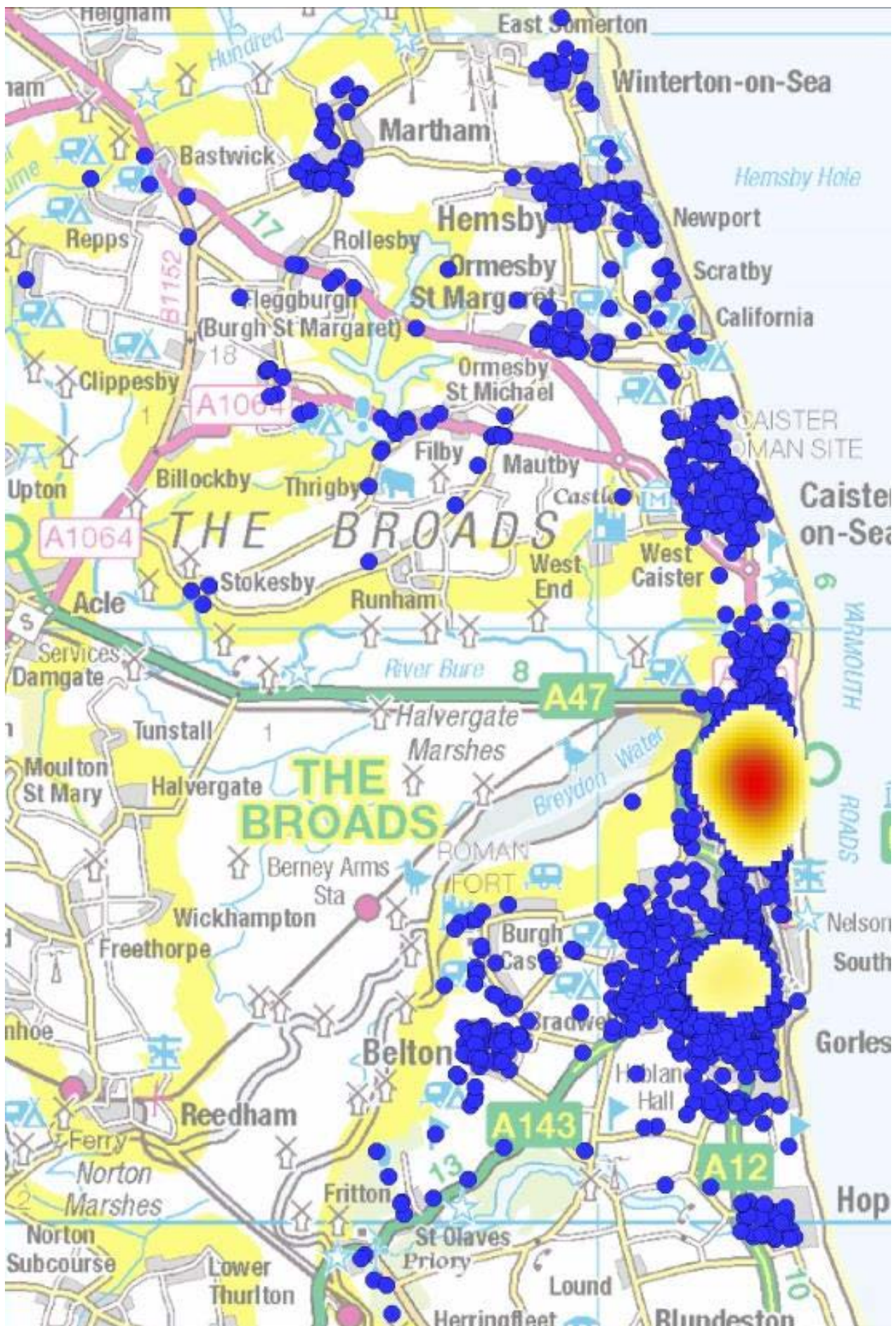
Appendix A – Complaints of Anti-Social Behaviour 3/2014 – 9/2016



Housing complaints 3/2014 – 9/2016



Police ASB complaints



Appendix B

Selective Licensing: Fee Schedule (Indicative)

The fees are for the whole period of the Selective Licensing designation, which is for 5 years from December 2018 to November 2023. Fees are based on the running cost and management of the overall scheme. There are a range of fees, which differ for single and multiple unit properties. There are also a range of reduced fees and penalties which relate to certain circumstances.

There are 4 fee scenarios, dependent on the type of building and ownership, as follows:

- 1 **Single unit properties:** This is for dwellings, which are a single unit, which could be a house, or a self-contained flat or non-self contained flat. The standard fee of £250 applies in this case and this requires only one licence or £100 for the early bird fee.
- 2 **Multiple unit properties where the landlord controls the freehold:** Where the landlord has the freehold of a block of flats a single licence will be issued for all the flats owned by the landlord plus the common parts of the building. The licence fee will be the standard fee of £250 for the first flats plus £100 for each extra flat within the same building. So if a landlord with the freehold owns 4 flats in the block, then the total licence fee will be £550 (£250 for the first flat and £300 for the other 3 flats). Where applicable, reduced fees will be applied to the total cost of the licence (see below).
- 3 **Multiple unit properties where the landlord does not control the freehold:** Where the landlord owns multiple flats within a building but does not own the freehold, then each flat will require a separate licence. The licence fee for the first flat will be the standard fee of £250, whilst the licence fee for any extra flats in the block will be £100 for each extra flat. So if a landlord who does not own the freehold owns 3 flats in the block, then they will pay a sum of £450 (£250 for the first licence and £100 each for the other 2 licences). Reduced fees will only be applied to the total cost of the flats to be licensed in the block and will not apply to each individual flat in the block, as the licence fee for the extra flats has already been substantially reduced.
- 4 **Houses in Multiple Occupation:** These are not subject to selective licencing where they are subject to existing mandatory licencing. The proposal is for all other HMOs within the NC&N Wards to pay the same amount for their licence as for those covered by the existing mandatory scheme. This is likely to be £770 in 18/19.

Standard Fees

Property Type	Standard Fee
Single occupancy household For each dwelling which is occupied by a single household (eg house, self-contained flat or non self-contained flat)	£250 / £100 (Early Application)
Buildings containing flats where the landlord owns the freehold⁽¹⁾ A single licence will be issued covering all of the flats within the control of the landlord	£250 for first flat and then £100 for each additional flat within the same building
Buildings containing flats where the landlord owns more than one flat in a building without owning the freehold As the landlord does not own the freehold, then each flat will require an individual licence	£250 for first flat and then £100 for each additional flat within the same building
Houses in multiple occupation falling outside the mandatory licensing criteria Fee in line with 18/19 proposed changes to mandatory licence fees.	£770

Reduced rates ⁽²⁾	Amount
Membership of selected organisation Reduced fees will apply to members of one of the following organisations: National Landlords Association Residential Landlords Association National Approved Lettings Scheme	£100
Early application reduced fee Applies to all licence applications received and fully completed with all requested documentation by March 2019 (ie within first 3 months of commencement of scheme).	£100

Penalties⁽¹⁾

Penalty	Amount
Late Application⁽²⁾ Applications received after June 2018 (ie 6 months after commencement of scheme).	£1000 Applies to each licence application
Finder's Fee⁽³⁾ Applies where a licensable property is identified by the Council after June 2018 and no application has been submitted. Landlords who have failed to licence any such property may also be subject to prosecution by the Council.	£1000 Applies to each licence application
Incomplete application Incomplete application: e.g. incomplete information, application form not signed, failure to provide certificates and requested documentation within an agreed timescale.	£100 Applies to each licence application

Notes

- (1) This only applies where the applicant is in control of the whole building (e.g. a landlord who owns the whole block). In cases where the applicant has one or more flats within a building, but do not have full control of the block, then the applicant will require individual licence applications for each flat in the block.
- (2) Properties in multiple occupation falling outside the mandatory licensing definition will not be eligible for reduced fees. HMOs subject to mandatory licensing under Part 2 of the Housing Act 2004 or those currently licensed within the additional licensing scheme are exempt from selective licensing.
- (3). Where applicable, all reduced rates can apply to the same licence application. In the case of multiple flats within the same building where the landlord is not the freeholder, the rate will only apply to the initial application

Applicants will not be entitled to reduced fees where a penalty fee has been applied.

Payment schedule

Fees should be paid in full at the time of application

Appendix C – Cost analysis – Income / Expenditure (Indicative)

Special Projects Reserve Proposal								
Full costs including payback period								
			Note	2017/18	2018/19	2019/20	2020/21	2021/22
			Ref.	Year 0	Year 1	Year 2	Year 3	Year 4
				£'s	£'s	£'s	£'s	£'s
BUDGET								
Current Budget including cost centres			1					
				0	0	0	0	0
COSTS								
Employee: (incl oncosts)								
Housing Licensing Manager - Band 8 Dec 17			2	13,663	42,828	46,024	49,831	50,827
Housing Officer - Band 6 From Nov 18					12,775	32,091	33,816	34,492
Housing Officer - Band 6 Nov 18 - 3 years					12,775	32,091	33,816	20,121
Housing Officer - Band 6 Nov 18 - 2 years					12,775	32,091	19,726	
Other Costs:								
Additional costs – Licensing software from July 18 – Year 1 - £13,300 Year 2 - £9,300				12,625	9,975			
IT/training/printing & stationery/subs/clothing/ phone/ppe/meetings			4	1,000	6,500	3,000	2,000	2,000
Intelligence and data gathering				12,000				
Recruitment costs				500	1,500			
Total cost in year				39,788	99,127	145,297	139,189	107,440
INCOME								
	Fee	No of applications						
Fee Income - Early Bird applications	£100	500			50,000			
Fee Income - Standard Fees	£150	500			75,000			
Fee Income - Late applications / Penalty fees	£1,000	300				120,000	100,000	80,000
Other income - HMO fees	£770	90			69,300			
Total income in year				0	194,300	120,000	100,000	80,000
Net Cost/(Saving) in year					(95,173)	25,297	39,189	27,440
Cumulative cost/(saving)					(95,173)	(69,876)	(30,687)	(3,247)
Special Projects Reserve			3	38,788				
Notes:								
These should provide explanations/clarification around the costs/budgets included above.								
1. Current budgeted position.								
2. Actual costs in current year if proposal is introducing a change part way through the year.								
3. One off costs to be funded from the invest to save reserve.								
4. Laptops, furniture included								
General Notes re completion:								
Note - this template is for non staff related, if staffing related and part of a restructure - use restructuring template in liaison with HR.								
Payback period should be within 4 years. If longer, justification needs to be provided								

