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**REPORT FOR: CABINET**

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<b>Date of Meeting:</b>	18 February 2016
<b>Subject:</b>	Selective Licensing of private rented accommodation in Wealdstone Ward
<b>Key Decision:</b>	No
<b>Responsible Officer:</b>	Tom McCourt, Corporate Director of Community
<b>Portfolio Holder:</b>	Councillor Graham Henson, Portfolio Holder for Environment, Crime and Community Safety
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	Wealdstone
<b>Enclosures:</b>	Appendix A – DCLG Guidance Appendix B – Project Report on Selective Licensing Appendix C – Proposal for Introduction of Selective Licensing Scheme Consultation Report Appendix D – Designation of Selective Licensing Appendix E – Draft Conditions Appendix F – Fee breakdown Appendix G - Equality Impact Assessment

## **Section 1 – Summary and Recommendations**

This report proposes the introduction of a Selective Licensing Scheme in the ward of Wealdstone, which would require private rented accommodation to be licensed and meet conditions, in order to address significant and persistent problems with anti-social behaviour in that area.

### **Recommendations:**

Cabinet is requested to:

1. Consider the evidence, consultation responses and other information forming part of this report, and determine whether the Wealdstone ward (as delineated and edged in red on the map at **Appendix D**) should be designated as being subject to Selective Licensing.
2. If the Wealdstone ward is to be designated as being subject to selective licensing, confirm that the designation is to take effect from 1<sup>st</sup> June 2016 for a period of five years.
3. Agree that the Council can begin to accept applications for Selective Licensing (if approved) from 1<sup>st</sup> March 2016, in anticipation of the scheme coming into effect on 1<sup>st</sup> June 2016.
4. Agree to set the fee for a licence under this scheme at £550 for the 5 year licensing period.
5. If the scheme is approved, delegate authority to the Corporate Director of Community, following consultation with the Portfolio Holder for Environment, Crime and Community Safety, to take all steps necessary to publicise, commence and administer the scheme.
6. Note that the Selective Licensing scheme (if approved) and the operation of the designation will be reviewed as and when required in line with Guidance
7. Delegate authority to the Corporate Director of Community, following consultation with the Portfolio Holder for Environment, Crime and Community Safety, to amend and approve discretionary licensing conditions
8. To note the future proposed roll out of the scheme (2.18)
9. Agree that a review of the schemes will go to quarterly Improvement Board

### **Reason: (For recommendation)**

To address issues of anti-social behaviour, deprivation, migration and crime in the Wealdstone ward, in line with the corporate priorities of making a difference to residents, community, businesses and the vulnerable.

## Section 2 – Report

### 1. Introduction

- 1.1 Harrow Council is committed to maintaining a clean and safe environment for the benefit of everyone in the borough. The commitment recognises the Council’s responsibility to keep the local environment clear of litter, fly-tipping and vandalism; encourage behaviour change to initiate improvements; and reduce the fear of any crime in the Borough. This includes tackling rogue landlords, but assisting those that need help.
- 1.2 A project was set up in 2012-13 to identify areas within the Borough that were suffering from high levels of anti-social behaviour and environmental issues. This included using data held on the private rented sector, including council tax data.
- 1.3 As a result, three areas were identified that suffered from a high levels of issues, evidenced in the project report in **Appendix B**. This included Wealdstone, which showed above Borough average rates for serious crime and ASB, high levels of fly-tipping and a large volume of noise nuisance (especially from private rented properties)
- 1.4 The data was analysed for the period 2012-13 and addresses were cross-referenced with council tax data to determine how many ASB and housing related complaints related to private rented properties, which was 53% for Wealdstone.
- 1.5 The Housing Act 2004, Part III, allows Local Authorities to introduce a Selective Licensing Scheme if certain conditions are met for the area. The Department for Communities and Local Government “Selective Licensing in the Private Rented Sector” Guide for Local Authorities states that the an area must have one or more of the following being experienced:
  - i. low housing demand (not applicable in Wealdstone),
  - ii. significant and persistent problem caused by anti-social behaviour (ASB),
  - iii. poor property conditions,
  - iv. high levels of migration,
  - v. high level of deprivation
  - vi. high levels of crime
- 1.6 Details of what factors can be considered is set out in pages 8 to 13 of the guidance that can be found in **Appendix A**
- 1.7 By designating an area for Selective Licensing, in combination with other actions, it should lead to a reduction in, or the elimination of, the problems being experienced.
- 1.8 The designation of an area as being subject to selective licensing is intended to lead to all private rented properties in the area, subject to certain statutory exemptions, having to be licensed by the local authority, unless the property is a House in Multiple Occupation (HMO) and therefore subject to another licensing scheme.
- 1.9 The Local Housing Authority can decide to designate an area, or part of an area, subject to meeting the requirements, without Secretary of State approval, unless it exceeds 20% of the Borough geographical area or would affect more than 20% of private rented properties in the local authority area, in which case it will need such approval.

## Objectives and outcomes of a selective licensing scheme

- 1.10 The purpose of a Selective Licensing Scheme is to directly tackle issues affecting an area, as detailed in 1.5 above, attributable to private rented accommodation.
- 1.11 In addition, Harrow has unfortunately witnessed increasing issues with housing standards over the last few years, especially in terms of overcrowding and inappropriate letting of premises (e.g. “Beds in Sheds”), which has led to increased environmental and ASB issues. This has included increased fly tipping due to lack of suitable numbers of bins for the occupants in place.
- 1.12 The evidence, obtained through partners and complaints to the council, as well as the exercises undertaken by the council detailed in **Appendix B**, show the issues faced in the Wealdstone Ward especially in terms of environmental and anti-social behaviour matters. Added to this, the consultation indicates a transient population within the Ward, which brings its own issues in terms of consistent approach to problems and what those problems can be.
- 1.13 By introducing Selective Licensing, it can put in place proactive measures to address potential tenant issues as well as ensure suitable conditions are ensured at premises to maximise the potential to prevent anti-social behaviour and environmental concerns. This can be seen in the mandatory conditions, set in Statute, and proposed conditions to be applied to the licences.
- 1.14 With the introduction of a clear licensing regime, it is intended to bring confidence to the private rented sector within the Ward, with all parties understanding the standards that all rented accommodation will operate to. This, as well as targeted enforcement against rogue landlords, will help ensure a fair playing field in that area to encourage good landlords to operate.
- 1.15 Encouragement is given to good landlords with a discount being offered for membership of an accredited landlord scheme. This is in line with the DCLG Guidance which encourages support of voluntary arrangements such as accreditation.
- 1.16 From a tenant aspect, it will be clear what is expected of them as Selective Licensing will require tenancy agreements to clearly define tenants obligations regarding preventing anti-social behaviour. This, as well as the requirement for references prior to tenancy, will aid in ensuring that those actually living in the area become part of the solution regarding issues previously faced, rather than the actual problem.
- 1.17 For the vast majority of landlords that the Council encounters in terms of non-compliant premises, the problem tends to stem from a lack of understanding of standards or inexperience of managing a premise. Selective Licensing, in conjunction with educational work that officers routinely carry out, will aid in setting down clear guidance and standards to actually assist rather than penalise.
- 1.18 For “rogue” landlords, the introduction of selective licensing introduces elements that discourage their activities. For instance a landlord that operates without a licence can be made, by Court Order, to repay rent paid in respect of the unlicensed premise.

1.19 Overall, Selective licensing aims to improve premises conditions in an area, as well as their management and occupation, and contribute to the community they are within. It will aid in protecting the welfare of tenants, provide confidence in the rented sector, and put clear standards in place for the good of all. It will be more conducive to good landlords but provide an environment that is less opportunistic and attractive for rogue landlords. It will also give the authority and landlords more powers in dealing with those tenants that chose to cause anti-social behaviour.

**Aims:**

To ensure:

1. A regulated standard of management and condition of private rented properties. Improving the standards to ensure landlords improve their properties and manage tenancy agreements to reduce anti-social behaviour
2. A more settled and diverse community living with improved security and a sense of community
3. Homes owners who do not sell up purely because of frustration / fear that their area is considered less appealing and house prices falling compared to neighbouring areas
4. Encourage the good tenants to stay in the area and avoid displacement of tenants
5. The area to be considered an attractive area to live and work, which can result in improved economic future for local businesses
6. A more fair market for good landlords to operate

**Objectives:**

A reduction in:

1. Accumulation of waste
2. Drug and alcohol related crime
3. Gang nuisance
4. Illegal conversions
5. Negativity due to badly managed and poorly maintained properties
6. Overcrowding
7. Sub-letting
8. Vandalism
9. Transient population, leading to a more stable community

**Ward Area Approach**

1.20 The National Landlord Association view have stated that Selective Licensing can be an effective tool for councils in improving standards when carried out properly, but must be fully resourced<sup>1</sup>. This is in line with the DCLG Guidance, which sets out that Local Housing Authorities should ensure that their schemes are adequately resourced and include services to engage with landlords and tenants who need their assistance.

1.21 A large number of Authorities have adopted a Borough wide approach, which has resulted in a high influx of staffing to address the whole Borough requiring licensing. Due to the licence lasting 5 years, this has led to a high level of fee being received at the start of the scheme, but then petering out over the 5 year licence period. As a result, resources to engage with landlords and sustain the scheme diminish.

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<sup>1</sup> <http://www.londonpropertylicensing.co.uk/harrow-council-implement-selective-licensing-scheme>

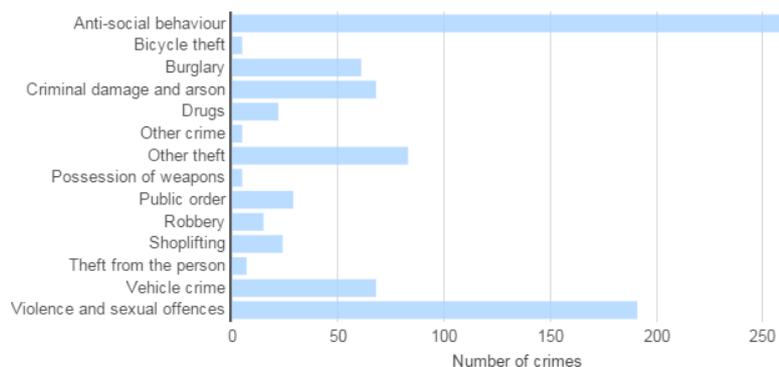
- 1.22 Harrow has adopted the approach of looking at the key locality areas identified by the previous project, being those with clear links between the private rented sector and matters of ASB and Environmental issues. By addressing these on an individual basis it ensures that they receive attention for their own specific needs, allows consultation on those areas, and ensures any fee from the introduction of a local scheme is sufficient to adequately manage it including providing support elements to landlords and tenants.
- 1.23 Harrow therefore agreed in 2014 to pilot some of the key areas identified in the project, namely Edgware, Wealdstone and South Harrow. Edgware was consulted on and introduced in December 2015. Wealdstone was the next area to be assessed and consulted upon.
- 1.24 There is nothing to prevent this approach, and it can be argued that this approach is more in line with the requirements of the legislation and the guidance. This is because it allows the requirements for such a scheme to be introduced, shown in 1.5 above, to be considered for each area rather than assumed for the whole borough
- 1.25 The DCLG guidance states “A designation may be made to combat problems in an area experiencing poor property conditions, an influx of migration, a high level of deprivation or high levels of crime”. It is not feasible, as it stands, to argue that the whole Borough of Harrow suffers from such elements, and it is for this reason that a whole borough approach is not considered.
- 1.26 Taking the individual area approach in Harrow, it is has/is expected that:
- Allow targeting of areas of need rather than a generic borough approach;
  - Allow addressing of the specific issues in each area, showing the evidence base linked to the DCLG guidance; and
  - Allow sustained resources as schemes are introduced over 5 years, leading to licensing funding taking place over the time period
- 1.27 There have been two concerns raised as part of the consultation process to this approach, being:
- a. It is seen as an attempt to introduce a scheme to avoid the 20% criteria set out in 1.9 above; and
  - b. There are far worse areas in Harrow that are not being consulted on
- 1.28 The DCLG Guidance is very clear in that “if the local housing authority makes one or more designations that are in force partly concurrent to an existing scheme, and cumulatively all the designations cover more than 20% of the area or the private rented stock, those new designations will need to be submitted to the Secretary of State for approval”. Therefore the concerns in a. above are addressed in the guidance and the Council has no intention of avoiding the requirements of the legislative requirements set out in 2015 covering this.
- 1.29 In terms of areas selected, the requirements of the legislation and guidance is to identify if an area suffers from one or more of the criteria set out, as detailed in 1.9. The fact that other areas may also meet the criteria is relevant for future schemes but not a deciding factor in terms of order of approach or whether any one area is applicable for such a scheme.

- 1.30 This appears to be supported by the DCLG guidance, for example under the element of “High levels of crime” is stated “whether the crime rate in the area is significantly higher than in other parts of the local authority area or that the crime rate is higher than the national average”. It does not state it must be higher than all other areas in the Borough or that even it must be the worst in the Borough.

## Wealdstone – Evidence Base

- 1.31 To meet the requirements to introduce selective licensing, it must be shown that Wealdstone Ward meets one or more criteria set out in the DCLG Selective Licensing Guidance (see point 1.9 above)
- 1.32 Government census data shows Wealdstone to have 3882 households of which 26.92% are private rented. This is above the average for Harrow (21.74%). One of the requirements of the DCLG guidance on Selective Licensing is to show an area has a high proportion of private rented sector, with anything above the national average of 19% meeting this criterion.
- 1.33 Wealdstone Ward has had Anti-Social Behaviour designated as a priority<sup>2</sup> due to it being the biggest crime issue for the Ward as can be seen in the table below:

### Comparison of crime types in this area between November 2014 and October 2015



- 1.34 Anti-Social Behaviour accounted for 31.57% of all crime types over the period November 2014 to October 2015 in Wealdstone Ward. This is above neighbouring wards, including Marlborough (28.29%), Belmont (23.23%) and Harrow Weald (27.33%)
- 1.35 Government census data<sup>3</sup> also shows that Wealdstone Ward has a high level of migrant population, accounting for 46.86% of the population. This includes high levels of transient population in the ward, which can have a direct effect on the economic stability of an area. This is recognised in the DCLG Guidance.
- 1.36 Wealdstone Ward is one of the smallest wards in Harrow, but is the densest in terms of population, with 96 persons per hectare compared to a Harrow average of 47.4pph. The population of Wealdstone Ward has increased by 27.1% in the last 10 years which has added to this issue. This is compared to around 13% increase in population in Greater London in the same period.

<sup>2</sup> Police.uk

<sup>3</sup> [http://www.harrow.gov.uk/download/downloads/id/2017/2011\\_census\\_briefing\\_note\\_13](http://www.harrow.gov.uk/download/downloads/id/2017/2011_census_briefing_note_13)

- 1.37 The average household size in Wealdstone is 2.93 compared to a Harrow Borough average of 2.81. Due to the increase in size of population and relatively high level of occupancy levels, there are tangible concerns over properties becoming overcrowded. This is a consideration under the DCLG Guidance.
- 1.38 The CLG indices of deprivation show that Wealdstone is the Ward with the highest level of multiple deprivation, followed by Roxbourne, Greenhill and Marlborough.<sup>4</sup> It has the highest levels deprivation of the Borough around income, education, skills, training and employment. In terms of Income Deprivation Domain, being the proportion of people aged under 60 in an area that are living in low income households and claiming certain out-of-work means tested benefits, Wealdstone Ward is the most deprived Ward in the Borough.
- 1.39 These deprivation levels mean that Wealdstone Ward falls within the remit of high level of deprivation as defined under DCLG Selective Licensing Guidance. This is due to meeting multiple deprivation levels and having a high proportion of rented accommodation (Page 12, DCLG Guidance – **Appendix A**)
- 1.40 Wealdstone has fallen in to the top 5 wards in Harrow for crime levels over the last 5 years running, with particular emphasis on criminal damage, drink and drugs<sup>5</sup>. It also has experienced above average levels of deliberate fires. As stated, Anti Social Behaviour is one of the top crime areas, and at 38 incidents per 1000 persons, is above the London average (31) and England & Wales (35)
- 1.41 The private rented sector in Wealdstone is also subject to numerous complaints that are directly linked to the criteria of Selective Licensing, including rubbish (lack of bins / fly tipping), noise (music and DIY), poor conditions (damp, overcrowding)

## **Consistent with Housing Strategy**

### **Ensure it is consistent with the Authority's overall housing strategy**

- 1.42 A person's home can have a major impact on their quality of life and general health and wellbeing. It plays a key role in sustaining communities. Everyone wants to live in a home that is warm, dry, secure, affordable and suitable for their needs.
- 1.43 The DCLG Guidance on Selective Licensing states that any designation is consistent with the overall housing strategy, in line with Section 81(2) of the Housing Act 2004
- 1.44 The Council's Housing Strategy<sup>6</sup> (2013-2018) sets out the Council's strategic housing aims and highlights in particular the increasing importance of the private rented housing sector in meeting housing needs. Selective Licensing fits into the objectives set out in the strategy being:

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<sup>4</sup> [http://www.harrow.gov.uk/download/downloads/id/3791/2011\\_2013\\_deprivation](http://www.harrow.gov.uk/download/downloads/id/3791/2011_2013_deprivation)

<sup>5</sup> Greater London Authority - Met Police recorded offences per ward for London

<sup>6</sup> Harrow Strategies can be found at:

[http://www.harrow.gov.uk/info/200003/housing\\_policies\\_and\\_planning\\_for\\_housing/184/housing\\_changes/2](http://www.harrow.gov.uk/info/200003/housing_policies_and_planning_for_housing/184/housing_changes/2)

<b>Housing Strategy Objectives</b>	<b>Private Sector Housing Strategy Objectives</b>
Increase the supply of housing, including locally affordable housing and make best use of existing social housing stock	<ol style="list-style-type: none"> <li>1. Increase the supply of privately rented accommodation within the borough</li> <li>2. Enable and enforce better housing conditions in the private sector</li> </ol>
Continue to tackle homelessness by improving access to, and improving standards in the private rented sector	<ol style="list-style-type: none"> <li>3. Bring empty properties back into use</li> </ol>
Enhanced housing options, promoting mobility and choice	<ol style="list-style-type: none"> <li>4. Meet the needs of vulnerable households living in the private sector</li> </ol>
Improving neighbourhoods and the quality of existing homes	<ol style="list-style-type: none"> <li>5. Improve energy efficiency and reduce fuel poverty</li> <li>6. Develop new and strengthen existing partnerships to support private sector housing</li> </ol>

1.44 In setting a designation, a set of conditions applicable to the area are applied and enforced under a licensing scheme. As can be seen in **Appendix E** (draft conditions), aspects of management, energy efficiency and protection of those using the premises is covered.

1.45 The use of Selective Licensing is therefore in line with the Council Housing Strategy.

#### **Co-ordinated Approach in Connection with Homelessness, empty properties and ASB affecting the Private Rented Sector**

1.46 Section 81(3) of the Housing Act 2004 sets out that a local housing authority must seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector.

1.47 The aspect of Selective Licensing is just one aspect of the Public Protection Service, who also oversees the Anti-Social Behaviour Team, inspection of private rented accommodation and enforcement of environmental issues (e.g. fly tipping caused by persons including tenants). This team also liaises with the Council Housing Anti-Social Behaviour element to ensure a consistent approach to issues.

1.48 The Anti-Social Behaviour, Crime and Disorder Act 2014 introduced new powers that can be used to address issues of ASB, including absolute grounds for possession as well as conduct causing nuisance to landlord etc. These powers, as well as those considered under Section 2 (Options considered) will be used in parallel with any Selective Licensing Scheme to improve an area.

1.49 Key to the success of the services conducted, and schemes such as Selective Licensing, is partnership working and for that reason Officers meet regularly with the Council Housing Service to ensure a consistent approach to Homelessness, empty properties and emergency accommodation.

1.50 It is through such schemes as Selective Licensing that standards of properties are proactively improved and maintained, providing a better standard and quantity of housing stock to be used to address issues.

- 1.51 It is understood that other aspects can have an impact on landlords, for example changes to tax and stamp duty. Therefore meetings between Public Protection and Housing Provision will continue to assess steps that can be taken to assist landlords with understanding the changes and how to meet their obligations. This includes regular newsletters to landlords involved in the Selective Licensing areas.
- 1.51 Additionally, the Residential Licensing Unit of Public Protection is one of the key partners addressing the “beds in sheds” issue that Planning Enforcement lead on.
- 1.52 Officers also undertake a substantial volume of partnership work with the Police, Immigration and Social Services around the private rented sector, to ensure issues are addressed and solutions found. This includes a number of raids on unlicensed and unsuitable premises, with focus on protecting the vulnerable.
- 1.53 The Edgware Selective Licensing Scheme has already seen this in action. Inspections are conducted on all licensed premises and, as a result of one, found that the tenant was involved in drug offences. Licensing Officers, Police, ASB and Social Workers have combined to protect the children involved in the accommodation and assist the landlord who was unaware of the activity taking place.
- 1.54 By having a well-managed private rented sector, it is more likely to have increased residential stock of suitable standard for the purposes of addressing homelessness and emergency accommodation. The improvement of this sector is also likely to increase demand of housing and attract good landlords to an area, which will hopefully encourage the bringing back into use of any empty homes.

## **Regeneration**

- 1.55 Wealdstone is subject to a regeneration plan, with details found at: <http://www.harrow.gov.uk/www2/documents/s117992/Harrow%20Regeneration%20Strategy.pdf>
- 1.56 This regeneration includes aspects of Wealdstone, including the old Colart factory, to increase residential accommodation.
- 1.57 The introduction of Selective Licensing will work in conjunction with such regeneration to improve the area for those working, living and visiting the area.

## **2. Options considered**

- 2.1 Section 81(4) of the Housing Act 2004 sets out the requirement that Councils must have considered other potential courses of action available to provide an effective method of achieving the objective or objectives that the designation would intend to achieve, and that making the designation will significantly assist them to achieve the objective(s).
- 2.2 Discussion about these options took place as part of the consultation, including at the landlord and Ward forums. For some, such as the additional and mandatory HMO licensing schemes, these are already in place.

## **Do Nothing**

- 2.3 Evidence has shown that the area is subject to conditions that require intervention, for the purpose of helping the community.
- 2.4 Consultation shows that issues have remained in place despite other forms of intervention taking place.
- 2.5 In line with Council commitments and requirements of putting the community first, the option of doing nothing is not an option. If no action is taken the problems experienced in the ward are likely to continue.

## **Mandatory Licensing**

- 2.6 Mandatory licensing refers to the licensing of Houses in Multiple Occupation (HMO) where the premises are three or more storey's and occupied by five or more people who form two or more households. This licensing regime has been in place in Harrow since 2006, but only covers a small portion of the rented accommodation sector.
- 2.7 Despite being in place for nearly ten years, with proactive enforcement being in place, some of the issues highlighted in the evidence above have still continued to occur.
- 2.8 Mandatory Licensing is able to ensure that standards are in place for specific, individual premises but not able to raise them in an area per se. Therefore the use of this licensing regime alone would not meet the objectives set out by a Selective Licensing scheme.
- 2.9 This scheme is already in place, but only affects HMOs, and so does not deal with issues affecting the area resulting from other privately rented properties.
- 2.10 Additional Licensing covers Houses in Multiple Occupation not subject to the mandatory scheme noted above. In Harrow this covers two storey properties occupied by different households. Harrow had such a scheme in place from 2010, with the 5 year designation ending in November 2015. The scheme will come back into force from 1<sup>st</sup> March 2016 after approval by Cabinet in November 2015.
- 2.11 Again, this addresses matters of multi occupied premises, but does not ensure a consistent approach across the rented sector in an area to bring standards up.
- 2.12 This would only address one aspect of the private rented sector and most of the private rented accommodation in Wealdstone would not fall within Selective Licensing.
- 2.13 Additional licensing has been in place for the past 5 years until November 2015, and will come back into force on 1<sup>st</sup> March 2016 (if approved), but on its own does not ensure a consistent management approach across the private rented sector.

## **Borough Wide Designation under Selective Licensing**

- 2.14 Some councils have adopted Borough Wide schemes, such as seen in Newham, but Harrow has been keen to ensure that such a scheme is used only where it is required for a targeted approach, and in line with legal requirements. Additionally, it is important that there is a clear evidence base to support any scheme, and for the areas proposed, which is established for Wealdstone but is currently not in place for the whole Borough.

- 2.15 It should be noted that there has been wide spread support for selective licensing on a larger scale, but this in itself cannot be evidence to justify introducing a wider scheme. Additionally, all areas will probably suffer from aspects of anti-social behaviour linked to private rented accommodation, but it is imperative that a proportionate, evidenced approach is taken to target and tackle areas.
- 2.16 It is important that any such scheme is actually seen to work, and it therefore makes operational sense to introduce gradually in areas identified by the project to understand how it works and ensure it does deliver the outcomes required. This has occurred in Edgware, and further supported by the introduction in Wealdstone.
- 2.17 It is the intention of the Council, if Selective Licensing is agreed in Wealdstone, to monitor the implementation of the scheme as well as look at the other identified areas to understand the evidence base and to consult on these as necessary.
- 2.18 The likely timetable for such action would be the consideration of Roxeth / Roxbourne areas (identified in the original project report) in 2016, then remaining areas identified in the project report or meeting the criteria in 2017.
- 2.19 As it currently stands, there is not the evidence to justify a Borough wide roll out of such a scheme, and the area approach will provide good evidence to show effect and need going forward.

### **Accredited Landlord Scheme**

- 2.19 There are accredited landlord schemes in operation that put in place a consistent standard and lead to improved standards of accommodation, but not necessarily matters of ASB. While such schemes are valuable, it is imperative that all landlords in an area engage in improving it. Such a scheme is voluntary and so take up is variable. Therefore it is felt that a more intensive intervention is required, making it mandatory on all landlords to comply with conditions in order to address the problems being experienced in the area.
- 2.20 As part of the selective licensing scheme, it is proposed that a £75 discount is applied to the initial application if the landlord is a member of an accredited scheme. This recognises the actions of landlords to be proactive in approach and already have signed up to agreed set standards.
- 2.21 This option is already in place, but merely complements licensing and does not address the wider issues that selective licensing is expected to help with.

### **Action against Individual Cases**

- 2.22 Legislation allows enforcement action to be taken against cases of nuisance and fly tipping (Environmental Protection Act 1990), Anti-Social Behaviour (ASB, Crime and Policing Act 2014) and other related matters
- 2.23 The Council has introduced Fixed Penalty Notices for environmental issues, such as littering across the Borough
- 2.24 The Anti-Social Behaviour, Crime and Policing Act 2014 also introduced additional powers to local housing authorities by way of absolute grounds for possession in housing cases where certain conditions are met, although this will only assist with council tenancies.

- 2.25 The issue with reliance on these powers is that it affects property and / or person specific issues and does not necessarily address a wider issue, although it may have some deterrent effect.
- 2.26 The DCLG Guidance recognises that Selective Licensing is not a tool that can be used in isolation, and the above enforcement powers can be used to compliment a change in culture and address issues.
- 2.27 This option is already in place, but has localised effect on its own.

### **Special Interim Management Order**

- 2.28 A Special Interim Management Order transfers the management of a residential property to the local housing authority for a period of up to 12 months and can only be made if approved by a residential property tribunal.
- 2.29 These orders are used to address matters of anti-social behaviour emanating from a property that the landlord is failing to take appropriate action to deal with. The order is then made to protect the health, safety or welfare of persons occupying, visiting or engaged in lawful activities in the locality of the house.
- 2.30 These are strong powers to deal with isolated individual problems of individual anti-social behaviour which nevertheless seriously impact upon the community.
- 2.31 This option is already in place, but has localised effect on its own and can be used where a focused approach is needed.

### **Part 1 of the Housing Act 2004**

- 2.32 These enforcement powers are designed to effectively deal with hazards within a property and though effective at getting landlords to remedy such hazards, Part 1 of the Act does not offer a wider strategic procedure to improve a designated area.

### **Empty Property Strategy**

- 2.33 The council already has an intervention team dedicated to bringing long-term empty dwellings back into use but this initiative is only restricted to empty homes and cannot deal with poorly managed private rented accommodation.

### **Landlords Forum**

- 2.34 The council has been hosting landlord forums for years which have shown a lot of interest from landlords and is a great way of exchanging information and educating our landlords who operate in the borough but this does not offer a comprehensive, structure for managing private rented properties and tenants and offers no enforcement to ensure that such a structure is adhered to.

### **Designation of the Wealdstone Ward for Selective Licensing**

- 2.35 Selective licensing applies to privately rented homes which are not HMOs.

- 2.36 In light of the consultation outcome, in conjunction with the evidential reports within the appendices including the consultation feedback, it appears that a Selective Licensing scheme designation for the Wealdstone Ward would help to tackle the issues identified.
- 2.37 The introduction of such a designation would allow a consistent approach across the Ward that works in conjunction with the Mandatory and proposed Additional Licensing Schemes, as well as enforcement powers, to address the issues highlighted in the area.
- 2.38 It should be noted that a premises that is subject to Mandatory or Additional Licensing would not also need to apply for a Selective License.
- 2.39 This option is recommended to Cabinet to put in place a Ward wide approach to deal with the issues being experienced in the ward.

### 3. Community Consultation

- 3.1 The Department of Communities and Local Government Selective Licensing Guidance recommends that any consultation on a scheme is for a minimum 10 weeks.
- 3.2 Consultation must cover local residents, landlords and tenants (and any other person likely to be affected by the selective licensing 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 Department of Culture and Local Government Guidance sets out that this involves “reasonable steps”. Case law relating to consultation (including R v Brent London Borough Council, ex parte Gunning (1985), Regas, R (On the Application of) v London Borough of Enfield, and Croydon Property Forum Ltd, R (on the application of) v The London Borough of Croydon) has also been taken into account.
- 3.3 The consultation on the introduction of a selective licensing scheme in the ward of Wealdstone ran from 6<sup>th</sup> July 2015 to 1st November 2015. The aim of the consultation was to seek the views of residents, landlords, local businesses and other stakeholders in the area and neighbouring boroughs about the issues in the Ward and the potential introduction of the selective licensing scheme. It included details of the draft licensing conditions and fee that would be involved.
- 3.4 The consultation was both on line and also available in hard copy. A team of Environmental Health Students were employed to carry out a door to door mail shot of details of the consultation and copies of the relevant consultation form. Approximately a third of the Ward had door knocks to encourage participation at the start of the consultation. Copies of the form are attached in **Appendix C**. Consultation was not restricted to any one area, and accepted views from any person / business that had a view or would be affected.
- 3.5 In addition, a Wealdstone specific forum was conducted on 28<sup>th</sup> October 2015, giving an overview of the proposal, including the evidence base and conditions being looked at, and to also give feedback. The event was supported by the three Ward Councillors.
- 3.6 An annual landlord forum (which discussed the proposed schemes for Harrow) was conducted on 20<sup>th</sup> April 2015 in Central Harrow, attended by the Portfolio Holder for Environment, Crime and Community Safety with invitations to landlords, tenants, businesses, partners and other relevant Councillors. Information about the possible scheme, fee, conditions and evidence was given, detailing the 3 main areas that were being looked at.

- 3.7 A landlord forum was also conducted on 10<sup>th</sup> November 2015 at Harrow Leisure Centre with over 200 landlords present. Selective Licensing was discussed both in a presentation to the landlords, as well as at a stand. Views of landlords were encouraged and consultation forms and details of the proposed conditions and fee were available.
- 3.8 A specific Wealdstone landlord drop in day was also held at the Civic Centre on 21<sup>st</sup> January 2016, held from 7am to 1pm, to capture further views as well as answer questions and provide information on the scheme. This was advertised through posters in the areas and letters.
- 3.9 Consultation was also conducted with neighbouring Boroughs due to potential concerns over displacement of issues, as well as being in line with recent case law. This included provision of the consultation document to neighbouring ward premises that could be impacted.
- 3.10 Feedback from the consultation is contained in **Appendix C**, with a summary below.
- 3.11 A Home Office Peer Review of Harrow for violence and vulnerability carried out recently (October 2015) also recommended progression of a Selective Licensing Scheme for Wealdstone, which they recognised as an area subject to meeting the needs of such a scheme.
- 3.12 Formal consultation also took place with other relevant partners, including Housing Needs, due to the need to ensure a tie in with any approach addressing homelessness and empty homes. The method of consultation, especially the door survey, will help provide information to these services including identification of empty premises in the Ward.
- 3.13 Considering other Councils who have introduced a Selective Licensing scheme, there appears to be no evidence base to suggest an increase in homelessness as a result of such a scheme being introduced. This ties in with the lack of evidence as a result of introducing additional and mandatory HMO licensing in the Borough.
- 3.14 It should be noted that although consultation officially ended on the 1<sup>st</sup> November 2015, the service has continued to accept consultation feedback and comments. This is important to take on board all views and work with the area to improve it. Such aspects of the licensing scheme, for instance the discretionary conditions, can be adapted should there be a need so it is important that any feedback is taken into account as part of an on-going review process.
- 3.15 Section 84 of the Housing Act 2004 requires local housing authorities to review the operation of a designation made by them from time to time. It is important to note that the Designation can be revoked if the authority considers it appropriate to do so, eg. as it is no longer needed or not contributing to the aims and objectives set out.

### **Summary of Consultation**

- 3.16 The consultation showed significant support for selective licensing across tenants, service providers and landlords, as well as owner occupied premises. A specific question was asked to explore what other options people believed would achieve the same objectives as selective licensing, and the response was very limited with respondents wanting landlords to take more responsibility.

- 3.17 What was also apparent from the consultation, is that the majority of people felt that a selective licensing scheme in Wealdstone would help reduce anti-social behaviour, which supported the evidence base provided in **Appendix B**
- 3.18 Comments made throughout the consultation from residents clearly highlighted serious concerns over matters that selective licensing would directly impact through the introduction of the conditions proposed. This included:
- 82% of those who responded agree or strongly agree with the introduction of Selective Licensing in Wealdstone, compared to 13.9% who disagree;
  - 66% of those who responded agree or strongly agree with the £550 fee, compared to 17.9% who disagree;
  - 17% of tenants state their premise is not kept in a good state of repair;
  - 22.8% of tenants did not have to provide references;
  - 7% of tenants do not have annual gas safety checks
  - 52.8% of respondents do not think landlords are taking enough action against tenants who cause a nuisance or ASB, compared to 7.8% who do;
  - 50% of respondents do not think the Council is taking enough action against landlords who neglect their properties, compared to 7.5% who do;
- 3.18 Therefore the consultation shows strong support for the introduction of a Selective Licensing Scheme in the Wealdstone Ward, especially to address issues of ASB, crime and poor property conditions.

## 4. Licensing Requirements and Impact

- 4.1 Under the Housing Act 2004, Selective Licensing is subject to certain mandatory conditions that would be applied to all licences.
- 4.2 Further, discretionary conditions can also be applied in relation to certain aspects; it is proposed to include these to directly address elements of anti-social behaviour, including environmental impact. All proposed conditions, together with the mandatory ones, are shown in **Appendix E**.
- 4.3 The discretionary conditions are linked to the management of the premise and the tenancy use, and are aimed not to put any further financial burden on any party. Additionally, it includes the requirement to inform the Authority of any material change to the premise or any legal action / convictions that occur. This is aimed to maintain confidence in the licensing scheme, and ensure statutory requirements are met.
- 4.4 The original assessment of a selective licensing scheme (Report seen in **Appendix B**) addressed the conditions that would be applicable, and these formed the basis of those proposed and subject to discussion during consultation.
- 4.5 Further consultation covered the aspect of what the conditions were to address including information given (e.g. The Selective Licensing Leaflet) as well as during forums and door-to-door survey discussions. As a result of the consultation process, these conditions were amended and adjusted to ensure direct impact to address the areas of evidenced concern in the area.
- 4.6 The conditions have also been set in line with those applied by neighbouring boroughs, to ensure consistency of approach as landlords and tenants operate across boundaries, and therefore trying to minimise the burden on landlords by minimising conflicting or additional burdens and to minimise displacing any issues.

- 4.7 The fee set on application covers the reasonable monitoring of these conditions to ensure compliance, with the majority expected to be in place at the application and approval stages, as well as covering the initial administration costs.
- 4.8 It should be noted that the Council has no influence on the mandatory conditions that are applied regardless of the area and extent of any Selective Licensing Scheme. It is accepted that, to ensure that the scheme addresses issues in the area, that the discretionary conditions are subject to change.
- 4.9 In terms of fee, this is proposed at £550, with a £75 discount for accredited landlords. The breakdown of the Fee, in terms of how it is reached, can be found in **Appendix F**
- 4.10 The statutory requirements that govern the fee can be found in Section 7 below.
- 4.11 It is understood that the introduction of such a scheme can be seen as having a negative impact, as raises the matter of any fee being passed on to the tenant or discourages investment in an area.
- 4.12 The fee of £550 is for a licence up to 5 years, which equates to £2.11 additional cost a week. When taken into context of a current 11.8% annual rise in rent in Harrow<sup>7</sup>, and a 7.5% increase in Greater London rents in 2015<sup>8</sup>, this fee does not appear to impose any restrictive element to the market.
- 4.13 The fee does not include enforcement costs, or additional costs from non-compliance. Therefore the cost to a compliant landlord remains low. For those who breach the legislation, and enforcement is considered in line with policy and procedure, costs can be recovered against these persons through the enforcement process.
- 4.14 From the schemes introduced throughout the Country to date, there appears no evidence that the authority is aware of, of any detrimental effect on an area by the introduction of a Selective Licensing scheme.
- 4.15 Unfortunately other London Boroughs that have implemented Selective either are not comparable size, composition etc. (e.g. Newham with 40%+ rented accommodation, 36% social housing), or have not been carrying it out long enough (e.g. Croydon), or been carrying out a Borough wide version to provide a comparison of a similar scheme to show impact to date. Hyndburn Council introduced it in 2012 and is similar in make-up:

	<u>Harrow</u>	<u>Hyndburn</u>
Start Date	<b>7/12/15</b>	<b>1/12/12</b>
Social Housing	8.9%	12%
Rented	24.6%	18%
Selective Staff	5	5
Fee	£550	£740 (£820 if late)
Insp to date	128	76
Licences Issued	128	906

<sup>7</sup> <http://www.itv.com/news/london/2014-05-19/london-house-prices-up-by-16-3-borough-by-borough-breakdown/> 19 May 2014 report

<sup>8</sup> <http://homelet.co.uk/assets/documents/HomeLet-Rental-Index-November-2015.pdf>

- 4.16 While it is noted that the Hyndburn scheme came into place pre-2015 changes to the Selective Licensing DCLG Guidance, examples of positive practice and effects have been gained from their experience and review including around regeneration that it is hoped the Wealdstone area will also experience ([http://www.hyndburnbc.gov.uk/downloads/Hyndburn\\_Selective\\_Licensing\\_Scheme\\_Review\\_2015.pdf](http://www.hyndburnbc.gov.uk/downloads/Hyndburn_Selective_Licensing_Scheme_Review_2015.pdf)) This includes the use of newsletters as mentioned in 1.51 above.
- 4.17 As well as looking at other Schemes to learn from their experience, Harrow has also listened to Landlords, Landlord Associations and other relevant bodies in understanding what would make a positive difference. As a result, Harrow is committed to carrying out inspections of all properties it licences to ensure standards are met and maintained, and this can be seen in the comparison above. This will aim to help meet the aims and objectives set out previously.
- 4.18 The Edgware Selective Licensing Scheme has demonstrated the Council's commitment since coming into effect from 7<sup>th</sup> December 2015. 192 applications have been received, with 128 processed, inspections conducted, schedule of works and fire requirements sent out and draft licences being issued.
- 4.19 The Edgware scheme has already seen a direct impact on the area, with working with a landlord regarding a drug matter (see 1.53 above), identifying a number of Houses in Multiple Occupation and identifying and resolving issues around faulty boilers.
- 4.20 Harrow is committed to actually having a positive effect on the areas involved, but also on the landlords and their properties. The feedback from Edgware Landlords to date when submitting applications has been positive in the majority, understanding the aims of the scheme and the beneficial impact to the area.

## 5. Designation

- 5.1 Should Cabinet agree to the introduction of a Selective Licensing Scheme, a Designation Notice must be issued which gives formal notification of the scheme. This Designation Notice must comply with the requirements set out in Section 83 of the Housing Act 2004, including the proper publication of it.
- 5.2 A period of no less than three (3) months (from the designation being made) must pass before the scheme then comes into force. This period is to be used to advertise the scheme, work with landlords and ensure the successful implementation.
- 5.3 Based on the above, it is proposed that the designation of the scheme comes into force on 1<sup>st</sup> June 2016, which meets the 3 month period and allows for the call in period.

## 6. Implications of the Recommendation

### Resources

- 6.1 The administration of the Mandatory and Additional Licensing of Houses in Multiple Occupation schemes is currently managed by the Licensing Team, with one specific officer involved. Compliance visits to, and enforcement of, Houses in Multiple Occupation is conducted by the Domestic Environmental Health Team who are also responsible for all other private sector housing enforcement and environmental protection matters.

- 6.2 To handle the increase in applications expected, especially in year one, as well as initial licensing and compliance visits, further to the Edgware Selective Licensing scheme being effected, additional staffing has been put in place to cover the tasks set out in the fee breakdown, and this staffing will also cover this scheme.

## **Performance Issues**

- 6.3 Improving the private rented sector in Wealdstone will have a positive impact on helping make a difference to families, businesses and communities. It fits in with Harrow's Housing Strategy to provide good quality private sector housing locally, which recognises the contribution that a healthy private rented sector can make to the provision of housing solutions for those who cannot access home ownership or affordable housing.
- 6.4 The process to consult with, and introduce the selective licensing scheme has also enabled the identification of empty properties. The Council can enable and encourage property owners by offering a range of grants, funded with both external and council resources, to bring properties up to a standard suitable for letting. Selective Licensing will enable the environment that encourages the right responsible landlords, but with assistance to them to help with tenancies, to contribute to the area.
- 6.5 By introducing the scheme, with clear conditions that must be met, the Council can assist and enable landlords and owners to achieve good standards, but recognising that it will be easier to target and achieve compliance with those landlords who seek to provide sub-standard accommodation. This will hopefully provide more suitable accommodation that the Council could also use for the purpose of housing homeless, knowing that minimum standards are ensured.
- 6.6 The introduction of Selective Licensing also ties in with the Council's Private Sector Housing Strategy for 2013-2018, using additional powers to address areas where private sector housing can be seen to contribute to issues faced in the community and need addressing. It is to work with good landlords to provide them the environment where their properties will be successful and can be managed successfully
- 6.7 With strategy and with the introduction of such scheme, Harrow Council believes that, through investment in private sector housing and by ensuring that good standards are maintained, wider benefits for the residents of Harrow will be delivered.
- 6.8 In view of the Council's limited resources, the Private Sector Housing Strategy focuses on what can be done to encourage and facilitate the continued provision of a good quality private housing sector, including private rented housing. This will be achieved by working in partnership with other boroughs, landlords, developers and private tenants and residents, whilst using available enforcement resources to tackle the worst conditions in the sector. Selective Licensing builds on, and encourages this process and allow a sustainable approach.
- 6.9 The introduction of Selective Licensing will make a difference to the community within Wealdstone, by directly influencing the ASB, property standards and environmental issues affecting the area. It will introduce conditions that the private rented sector will have to meet to ensure that their properties are maintained and managed properly. And it will encourage a sustainable private rented sector market.
- 6.10 If the scheme is not introduced, then it will limit the options the Council has to make change across an area, with resources being focused on individual problem premises and people and not addressing the wider issues.

## Environmental Implications

- 6.11 The aspects seeking approval are expected to have a hugely positive impact on the Environment, by putting in place a proactive scheme that addresses matters evidenced within the area.
- 6.12 The conditions on the licences will also directly relate to environmental matters, for instance in the aspect of refuse storage, and ensure that all parties connected to private residential properties play their part in improving the area they reside in.

## Risk Management Implications

- 6.13 This scheme does not feature in the Directorate or any other corporate risk register.
- 6.14 The consultation and processes undertaken to get to the stage of recommending selective licensing were carried out in line with government guidance and minimises legal risk. It has also taken on board legal challenges faced by other Councils that introduced, or looked to introduce, selective licensing schemes such as Enfield and Rotherham.
- 6.15 The introduction of a consistent standard across an area also enables that properties, and those connected to them, are treated fairly and consistently, minimising any complaint regarding process or policy.
- 6.16 The aspect of resources is covered in 6.1 and there are no health & safety implications associated with this proposal.

## 7. Legal Implications

### Selective Licensing designations

- 7.1 Sections 80 to 84 of the Housing Act 2004 (hereinafter referred to as ‘the Act’), specifically covers the designation of selective licensing areas. Section 80(1) allows a local housing authority (the council) to designate either the whole of its area or an area within it to be subject to selective licensing.
- 7.2 However, under section 80(2) of the Act, before introducing a selective licensing scheme, the Council must consider that:
- a) the first or second set of general conditions mentioned in section 80(3) or (6) of the Act;  
or
  - b) any conditions specified in an order under section 80(7) of the Act as an additional set of conditions
- are satisfied in relation to the area
- 7.3 Section 80(3) of the Act states:

*“(3) The first set of general conditions are—*

*(a) that the area is, or is likely to become, an area of low housing demand; and*

*(b) that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, contribute to the improvement of the social or economic conditions in the area.”*

7.4 Section 80(6) of the Act states:

*“(6) The second set of general conditions are—*

*(a) that the area is experiencing a significant and persistent problem caused by anti-social behaviour;*

*(b) that some or all of the private sector landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat the problem that it would be appropriate for them to take; and*

*(c) that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, lead to a reduction in, or the elimination of, the problem.*

*“Private sector landlord” does not include [a non-profit registered provider of social housing or] a registered social landlord within the meaning of Part 1 of the Housing Act 1996 (c 52).”*

7.5 Section 57(5) of the Act sets out the definition of “anti-social behaviour”.

### **Consultation & other requirements and options**

7.6 Before making a (selective licensing) designation, the local housing authority is required by section 80(9) of the Act, to:

*“(a) take reasonable steps to consult persons who are likely to be affected by the designation; and*

*(b) consider any representations made in accordance with the consultation and not withdrawn.”*

7.7 The consultation should run for at least 10 weeks. As noted elsewhere in this report the consultation for the proposed Wealdstone ward scheme ran for much longer than this minimum period. Details of the consultation carried out to meet this requirement are set out in **Appendix C**.

7.8 Section 81(2) of the Act requires the local housing authority to “*ensure that any exercise of the power (selective licensing designation) is consistent with the authority’s overall housing strategy.*” Section 81(3) of the Act goes on to require that the authority seeks to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour.

7.9 Section 81(4) of the Act states that a designation should not be made unless the authority:

*“(a) ...have considered whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of achieving the objective or objectives that the designation would be intended to achieve, and*

*(b) they consider that making the designation will significantly assist them to achieve the objective or objectives (whether or not they take any other course of action as well)."*

7.10 In addition, under the Selective Licensing of Housing (Additional Conditions) (England) Order 2015, article 3 requires:

*"(1) The following conditions are specified as additional conditions for the purposes of section 80(2)(b) of the 2004 Act, which a local housing authority must consider are satisfied in relation to the area before making a selective licensing designation under this provision—*

*(a) that the area contains a high proportion of properties in the private rented sector, in relation to the total number of properties in the area;*

*(b) that the properties referred to in sub-paragraph (a) are occupied either under assured tenancies or licences to occupy; and*

*(c) that one or more of the sets of conditions in articles 4 to 7 is satisfied.*

*(2) For the purposes of this article, a property shall not be regarded as being in the private rented sector where the landlord is a private registered provider of social housing, as defined by section 80 of the Housing and Regeneration Act 2008."*

7.11 Articles 4-7 cover conditions relating to housing conditions, migration, deprivation, and crime.

7.12 From 1 April 2015, a local housing authority will need to apply to the Secretary of State for Communities and Local Government for confirmation of any scheme which would cover more than 20% of its geographical area or that would affect more than 20% of privately rented homes in their area. The proposed designation in this case will not require Secretary of State confirmation.

### **Commencement, duration and notification**

7.13 Under section 82 of the Act, a designation cannot come in to force earlier than 3 months after the date on which the designation is made. Any designation cannot be for no longer than a 5 year period and the local housing authority is expected to review the operation of the designation from time to time, and can revoke it if appropriate (section 84).

7.14 As soon as a designation is made, the authority is required to publicise this in accordance with the requirements of section 83 of the Act.

### **Conditions**

7.15 Section 90 of the Act states that a licence can include such conditions as the local housing authority consider appropriate for regulating the management, use or occupation of the house concerned, and section 91 of the Act sets out general conditions that apply to licences.

7.16 The Licensing of Houses in Multiple Occupation and other houses (Miscellaneous Provisions) (England) Regulations 2006 sets out the mandatory conditions that need to go on to a licence (under a selective licensing scheme).

7.17 There are procedures under the Act relating to appeals against decisions relating to licences, and the Act also sets out offences (and other consequences) relating to licensing requirements.

## Relevant case law

7.18 Recent case law on the subject of selective licensing schemes has raised challenges against local authorities on issues such as:

- compliance with the consultation requirements (adequacy of consultation, length of it, who was consulted and also how long before the designation it was obtained),
- the level of evidence to support a selective licensing scheme,
- inadequate consideration of alternative options to a selective licensing scheme.

## Licence Fees

7.19 Section 87(7) of the HA 2004 states as follows regarding fixing licensing fees for selective licensing:

*“(7) When fixing fees under this section, the local housing authority may (subject to any regulations made under subsection (5)) take into account—*

*(a) all costs incurred by the authority in carrying out their functions under this Part, and*

*(b) all costs incurred by them in carrying out their functions under Chapter 1 of Part 4 in relation to Part 3 houses (so far as they are not recoverable under or by virtue of any provision of that Chapter).”*

7.20 However, the EU Directive and the Provision of Services Regulations 2009 which was subsequently passed states, at Regulation 18(4):

*“Any charges provided for or by a competent authority which applicants may incur under an authorisation scheme must be reasonable and proportionate to the cost of the procedures and formalities under the scheme and must not exceed the cost of those procedures and formalities.”*

## 8. Financial Implications

8.1 Section 87(7) of the Housing Act 2004 states that “when fixing fees under this section, the local housing authority may (subject to any regulations made under subsection (5)) take into account:

(a) all costs incurred by the authority in carrying out their functions under this Part [i.e. Part 3 of the HA 2004 relating to selective licensing], and

(b) all costs incurred by them in carrying out their functions under Chapter 1 of Part 4 in relation to Part 3 houses (so far as they are not recoverable under or by virtue of any provision of that Chapter).

8.2 However, the EU Directive and the Provision of Services Regulations 2009 which was subsequently passed states, at Regulation 18(4):

*“Any charges provided for or by a competent authority which applicants may incur under an authorisation scheme must be reasonable and proportionate to the cost of the procedures and formalities under the scheme and must not exceed the cost of those procedures and formalities.”*

- 8.3 Once fees are set, the Council is expected to review its fees and adjust them where necessary to reflect previous deficits or surpluses. It can take into account the cost of administering the licence over a 5 year period.
- 8.4 Based on the scheme intending to be self-financing, for the life of the licensing period (5 years), a fee of £550 is proposed per application, and is set at a level where the total revenue from the fee is intended to cover the costs as stated above.
- 8.5 An initial discount of £75 is proposed for landlords who are a member of an accredited landlord scheme. This is in line with recognising the DCLG guidance that Selective Licensing is to be used in conjunction with other action to improve the private rented sector. Ultimately, the ideal would be for the private sector to manage itself, addressing the issues, and the recognition of accredited schemes assists in encouraging this.
- 8.6 A licence will not be issued until a complete application and full payment has been received by the Local Authority, to ensure that costs are covered.
- 8.7 The Edgware Ward was effectively the pilot, with Wealdstone being the second area identified in the initial screening of data, but there could be further selective licensing areas being proposed going forward depending on the evidence base to justify it. It is not the intention of the Authority to look to licence the whole Borough, but only where the evidence justifies it, within the limits of the DCLG requirements.
- 8.8 If further areas are identified and warranted, to ensure sustainability, any introduction of selective licensed areas would be staggered across a 5 year period to ensure resources can manage the applications and inspections to ensure the scheme(s) are successful, as well as ensure costs are able to be covered over a 5 year period. This is likely to mean no more than 2 areas looked at in any given year.
- 8.9 The introduction of a cost neutral Selective Licensing will reduce any impact on the service costs of Public Protection.

## **9. Equalities implications / Public Sector Equality Duty**

- 9.1 Pursuant to section 149 of the Equality Act 2010 (“the Act”), the council, in the exercise of its functions, has to have ‘due regard’ to (i) eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (ii) advancing equality of opportunity between those with a relevant protected characteristic and those without; and (iii) fostering good relations between those who have a relevant protected characteristic and those without.
- 9.2 The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership, but to a limited extent.
- 9.3 In line with this, an Equalities Impact Assessment (EqIA) has been conducted and took into account the consultation feedback. The EqIA can be found in **Appendix G**, and to summarise, found that no group would be adversely impacted by the introduction of this scheme.
- 9.4 Additionally, the policies and procedures governing, that oversee the licensing process and enforcement, address equalities and ensure a fair, balanced approach in line with statutory requirements and guidance.

## 10. Council Priorities

The Council's vision:

### Working Together to Make a Difference for Harrow

The introduction of selective licensing in Wealdstone aids in meeting all the priorities of the Council including:

#### **Making a difference to communities:**

Fundamentally, links into this priority, by addressing environmental and anti-social behaviour, and improving an area for its residents, visitors and businesses especially in terms of rented accommodation and ASB.

#### **Making a difference to businesses:**

The tackling of environmental and ASB crime fits in with supporting businesses, ensuring a vibrant business environment.

#### **Making a difference to the most vulnerable:**

By putting in place a proactive approach to ensuring a minimum standard of housing, especially in terms of safety aspects, it aids in protecting those that may be considered vulnerable in the private sector housing market.

#### **Making a difference to families:**

The tackling of environmental and ASB crime helps build confidence in an area families live, as well as ensure a minimum housing standard families can expect in the housing market.

## Section 3 - Statutory Officer Clearance

Name: Jessie Man	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 4 January 2016		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 8 February 2016		

<b>Ward Councillors notified:</b>	<b>YES</b>
<b>EqIA carried out:</b>	<b>YES</b>
<b>EqIA cleared by:</b>	Dave Corby

## **Section 4 - Contact Details and Background Papers**

**Contact:** Richard Le-Brun, Environmental Services Manager (Public Protection),  
020 8424 6267, Richard.lebrun@harrow.gov.uk

### **Background Papers:**

Department of Culture and Local Government: Selective Licensing in the private rented sector – a guide for local authorities (see enclosure – Appendix A)

<b>Call-In Waived by the Chairman of Overview and Scrutiny Committee</b>	<b>NOT APPLICABLE</b> <i>[Call-in applies]</i>
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