

EXECUTIVE – 14 SEPTEMBER 2017

LICENSING PRIVATE RENTED ACCOMMODATION - PROPOSAL TO MAKE A SELECTIVE LICENSING DESIGNATION IN PART OF CANALSIDE WARD

Executive Summary

The Council currently operates a 'Mandatory HMO Licensing' scheme as set out by the Housing Act 2004 for larger houses in multiple occupation (with three or more storeys occupied by five or more people living in two or more households). The Housing Act 2004 also sets out powers for the Council to implement discretionary licensing schemes including so-called 'selective licensing' which requires all private rented properties in a specific area to be licensed by the Council.

Selective licensing aims to deliver improvements to the management of private rented accommodation through the imposition of licence conditions. For example there are mandatory conditions requiring the provision of adequate smoke alarms, and written tenancy agreements, and the Council is able to apply a range of conditions relating specifically to the management of the property.

Selective licensing schemes may only be implemented under certain circumstances set out in the legislation, and the Council is required to demonstrate that any proposed selective licensing designation meets the necessary criteria.

In March 2014 (EXE14-295) the Executive resolved that Officers 'develop, advertise and consult on a scheme for the selective licensing of the private rented sector under the Housing Act 2004 for adoption by the Council'. This work culminated with a public consultation that ended in April 2017 proposing that the Council designate a part of Canalside Ward as a selective licensing scheme.

The area of Canalside Ward was chosen following the completion of a stock condition survey within the area that identified the area as having a high proportion of private renting allied with poor housing conditions associated with those private rented properties. These conditions met the statutory criteria for the designation of a selective licensing scheme.

The proposal to introduce a selective licensing scheme was consulted widely as is required, and an independent market research organisation was engaged to analyse the consultation responses received. Additionally, Officers undertook a range of consultation events, and consulted individually with the key private rented sector stakeholders.

Reasons for Decision

Following completion of the public consultation in respect of the proposal to introduce a selective licensing scheme in part of Canalside Ward, it is now appropriate for a decision to be made whether to proceed with the scheme.

If it is agreed that the scheme be introduced, the Council is required to make a designation for the scheme and delegated authority is required for this purpose.

The introduction of the scheme will also require amendments to the Council's Houses in Multiple Occupation Licensing Policy to incorporate the selective licensing scheme, and it is proposed that this policy be renamed. The provision of delegated authority to make minor amendments to this policy will ensure that the policy can readily be updated to reflect minor legislative change.

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Recommendations

The Executive is requested to:

RECOMMEND to Council That

- i) the Head of Democratic and Legal Services be delegated authority to designate a selective licensing designation under the Housing Act 2004 within the area of Canalside Ward set out in the report and at Appendix 1 and Appendix 2 to the report;
- ii) the selective licensing designation come into force on 01 March 2018;
- iii) the selective licensing designation cease on 28 February 2023;
- iv) the fee structure for the selective licensing scheme set out in Appendix 9 to the report be adopted and subsequently reviewed as part of the Council's fees and charges setting process;
- v) the Strategic Director for Housing, in consultation with the Portfolio Holder, be delegated authority to amend the Council's Houses in Multiple Occupation Licensing Policy to incorporate the introduction of selective licensing and rename as the Housing Standards Licensing Policy; and
- vi) the Strategic Director for Housing, in consultation with the Portfolio Holder, be delegated authority to make minor amendments to the Housing Standards Licensing Policy.

The recommendations above will need to be dealt with by way of a recommendation to the Council.

Background Papers:

Public consultation proposal document
Canalside stock condition survey headline report
Canalside stock condition survey report
Public consultation analysis report

Sustainability Impact Assessment
Equalities Impact Assessment

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Date Published:

8 September 2017

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1.0 Introduction

- 1.1 The Council's strategic vision sets out a number of aims including improving health and well-being and creating a sustainable community where people want to be. Key to fulfilling these aims is ensuring that the housing stock across Woking provides a decent place to live that also supports the health and well-being of residents.
- 1.2 The private rented sector is often the only tenure choice for the most vulnerable households, and this remains the case in Woking. However, spiralling private rents have resulted in some forms of private rented accommodation becoming unaffordable for many residents, and this is especially the case for those on low incomes and/or in receipt of means-tested benefits.
- 1.3 The increasing demand for affordable private rented accommodation which has resulted in an unwelcome supply of poor quality accommodation within the private rented sector, and this combination of poor conditions, escalating rents, and lack of security of tenure is a key cause of homelessness.
- 1.4 The Council currently operates a 'Mandatory HMO Licensing' scheme as set out by the Housing Act 2004 for larger houses in multiple occupation (with three or more storeys occupied by five or more people living in two or more households). The Housing Act 2004 also sets out powers for the Council to implement discretionary licensing schemes including so-called 'selective licensing' which requires all private rented properties in a specific area to be licensed by the Council.
- 1.5 Selective licensing delivers improvements to the management of private rented accommodation through the imposition of licence conditions, and the Council is able to apply a range of conditions relating specifically to the management of the property.
- 1.6 Selective licensing schemes may only be implemented under certain circumstances set out in the relevant legislation, and the Council is required to demonstrate that any proposed selective licensing designation meets the necessary criteria.
- 1.7 The Executive has previously resolved that Officers 'develop, advertise and consult on a scheme for the selective licensing of the private rented sector under the Housing Act 2004 for adoption by the Council' (EXE14-295). This work culminated with a public consultation that ended in April 2017 proposing that the Council designate a part of Canalside Ward as a selective licensing scheme.

Background

- 1.8 The Council's discretionary power to implement selective licensing of the private rented sector is set out in Part 3 of the Housing Act 2004. This enables the Council to require either all private rented properties within an area to be licensed with the Council (selective licensing), and/or to extend the mandatory licensing of certain HMOs to encompass additional sizes of HMOs (additional HMO licensing).
- 1.9 The designation requirements are set out in Sections 80–84 of the Housing Act 2004 and specify limited criteria that the Council must demonstrate apply to any selective licensing scheme. These were supplemented by The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 which amended Section 80 in April 2015 to provide further additional conditions. Ministerial guidance (Selective Licensing in the private rented sector – A guide for local authorities) was issued in 2015 that accompanied the Order.

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- 1.10 As such, the proposed area must satisfy at least one of the following conditions (summarised):
- i) Low housing demand;
 - ii) Significant and persistent problem caused by anti-social behaviour (ASB);
 - iii) Poor property conditions;
 - iv) High levels of migration;
 - v) High levels of deprivation; or
 - vi) High levels of crime.
- 1.11 Also, where a designation is considered on the grounds of property conditions, migration, deprivation, or crime the area must have a high proportion of private rented sector properties, and this is currently considered as being a minimum of 19% of the total stock in the area.
- 1.12 A selective licensing designation may only be implemented by a Council where the area in question comprises both less than 20% of the private rented sector in the borough and comprises an area of less than 20% of the total borough . Schemes that do not meet these criteria require approval from the Secretary of State.
- 1.13 A selective licensing scheme may last for a period of up to 5 years, and the scheme may be renewed providing the criteria for the designation remain, and the Council undertakes a further public consultation etc.
- 1.14 Where a licence is granted the licence will require the landlord to meet a range of licence conditions. Once the proposed designation has come into force, it will be a criminal offence for a private landlord to operate any private rented accommodation in the area without a licence. This offence is punishable by the Council issuing a civil penalty of up to £30,000, or alternatively an unlimited fine on summary conviction in the Magistrates' Court. The Council may also apply to the First-tier Tribunal for a Rent Repayment Order (RRO), to recover certain housing benefit payments made in respect of the unlicensed property.
- 1.15 Where the Council issues financial penalties, this power has been delegated to the Head of Democratic and Legal Services through the agreement of Executive recommendations to Council in respect of the adoption of the Housing Standards Enforcement Policy (EXE17-040).

Woking demographics

- 1.16 Woking has a smaller private rented sector (16.6%) than the national average (currently 19.0%), and the private rented stock is not uniformly distributed across the Borough, with higher densities found linked to transport arteries and also in areas where the housing stock is older and where newer housing stock has been delivered for the property investment market.
- 1.17 Analysis of census data shows that with the exception of small localised hot spots (for example where a single block of flats is predominantly private rented) the highest incidence of private renting in Woking is located in and around the town centre area where easy access is afforded to both transport links and employment.

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- 1.18 In Woking town centre and the surrounding areas there are 10,707 properties (27% of the total housing stock) providing 2,827 private rented properties which equates to 43% of the total private rented stock across Woking.

Identifying an area for intervention

- 1.19 The distribution of service requests relating to the wide range of housing standards issues broadly matches the distribution of private renting across the Borough. Similarly the distribution of enforcement activity broadly mirrors the distribution of private rented accommodation.
- 1.20 There are areas of Woking where higher levels of private sector housing enforcement have been instigated that do not necessarily correlate with areas experiencing high levels of private renting. This can be attributed to enforcement activity relating to pockets of private renting within a small neighbourhood area rather than highlighting a key concern with the private rented stock within the neighbourhood.
- 1.21 The distribution of cases where private landlords have been subject to prosecution proceedings due to breaching housing-related legislation highlights that private landlords managing rented accommodation within the Maybury area north of the railway line have been subject to proceedings more often than landlords operating elsewhere in the Borough.
- 1.22 It can also be seen that there are other areas of Woking where high levels of requests for service and/or enforcement interventions do not then result in the instigation of prosecution proceedings, and this suggests that private landlords operating in other parts of the Borough are more likely to comply with legislative requirements than those operating with parts of Canalside Ward.
- 1.23 Canalside Ward also features consistently as an area of high private renting, with the exception of the Sheerwater area (which predominantly comprises social housing).
- 1.24 The area of Canalside Ward including the town centre and part of Maybury (shown in the map at Appendix 1 and containing the residential addresses set out at Appendix 2) comprises an area that exhibits both high levels of private renting and high levels of private sector housing enforcement action. The area is also defined by clear boundaries - i.e. the mainline railway to the south east, main roads to the majority of all other boundaries, and areas of light industrial use bordering the residential area. It is this area of Canalside Ward that is the subject of the proposal to introduce a licensing scheme for all private rented accommodation.

Assessing property conditions in the proposed selective licensing area

- 1.25 During October 2016 a housing stock condition survey was commissioned within the proposed area of Canalside Ward. The stock condition survey was undertaken by David Adamson & Partners Ltd who have a proven track record of undertaking stock condition surveys to recognised surveying and statistical standards.
- 1.26 Prior to the survey, based on Census data the area was believed to contain around 1,630 dwellings of which around 620 were thought to be privately rented. The survey comprised 300 physical surveys of dwellings within the area across all tenures. This represented a far larger sample than would normally be the case for a stock condition survey of this type, and was intended to ensure optimum accuracy and statistical robustness.

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- 1.27 The survey report detailing the results of the stock condition survey is available at Appendix 3 with the executive summary at Appendix 4, and a summary of the results is as follows:
- i) The number of dwellings in the area totals 1,827;
 - ii) The proportion of properties that fail the decent homes standard is higher than the national average;
 - iii) The number of dwellings rented privately is 804 (44%);
 - iv) The number of private rented dwellings that fail the decent homes standard is 151 (19.4%);
 - v) The proportion of owner-occupied homes (33%) is far lower than the national average (63%);
 - vi) Two-thirds of the properties in the area are flats, with one-third being houses; and
 - vii) Over three-quarters of the private rented properties are flats.
- 1.28 With 44% of the properties in the area rented privately, and almost one in five of those private rented properties currently failing the decent homes standard, the area is considered to meet the criteria for introducing a selective licensing scheme.

Public consultation

- 1.29 Before designating an area for selective licensing, the Council is required to undertake a public consultation of at least 10 weeks duration, and this took place from 1st February until 30th April 2017.
- 1.30 The public consultation exercise set out the Council's proposal to introduce a selective licensing scheme within a part of Canalside Ward, and was accompanied by a supporting document that set out the reasons why selective licensing was being considered, the evidence base, and the justification for implementing the scheme.
- 1.31 The supporting document (set out at Appendix 5) also set out the proposed fee structure for the scheme and licence conditions that would be attached to all licences issued under the scheme.
- 1.32 The consultation included an online survey that sought views of landlords, residents, and private tenants. The survey was prepared and managed by The Halo Works Ltd for the Council to ensure objectivity, and the analysis of results was also undertaken by them.
- 1.33 The consultation exercise was promoted with an initial press release, and the major private landlord associations (The National Landlords Association, Residential Landlords Association, Southern Landlords Association, and the Guild of Residential Landlords) were specifically invited to take part in the consultation.
- 1.34 The public consultation was supported by a range of activities:
- i) Specific consultation events held for letting agents and private landlords;
 - ii) Drop-in information events held for residents and private tenants;
 - iii) Information flyer included in all Council Tax bills distributed across the Borough, and delivered to each address within the proposed selective licensing area;
 - iv) Promotion through twitter and facebook;

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- v) Officer attendance at National Landlords Association meetings held in Woking and Guildford;
 - vi) Officer attendance at Southern Landlords Association meeting held in Woking; and
 - vii) Officer interview aired on Eagle Radio.
- 1.35 The consultation was also promoted by the National Landlords Association, Residential Landlords Association, and Southern Landlords Association through their websites, and the Southern Landlords Association placed an advert in the housing supplement of a local paper.
- 1.36 Throughout the consultation, interested parties were encouraged to complete the online survey, and a total of 189 responses were received. Almost half the responses were from private landlords (49%), and only 12% of responses were received from private tenants.
- 1.37 The report provided by The Halo Works Ltd (see Appendix 6) sets out the full analysis of the survey responses, and the key findings are:
- i) 89% of respondents agreed that landlords should be required to maintain properties to a high standard;
 - ii) 50% of respondents agreed that the Council should be taking action to improve the management of private rented accommodation;
 - iii) Respondents did not agree that the introduction of selective licensing would improve housing conditions;
 - iv) 45% of landlords and letting agents felt that the proposed 3 year licensing period was too short;
 - v) 73% of respondents considered the proposed licence fee of £560 was too high and 49% also considered the discounted fee for accredited landlords as being too high; and
 - vi) There were generally mixed opinions in respect of the proposed licensing conditions.
- 1.38 These results reflect the feedback received during the various events attended by landlords during the consultation, who expressed concern that the introduction of a selective licensing scheme would penalise professional landlords.
- 1.39 Landlords were particularly concerned that the proposed scheme provided no fee exemption for landlords who operated professionally, and that there were no proposals for fee discounts for portfolio landlords operating multiple properties within the proposed area.
- 1.40 Landlords also expressed the view that the Council already possessed sufficient powers to tackle criminal landlords, and that the implementation of a selective licensing scheme was not a proportionate response.
- 1.41 Consultation responses were received separately from the National Landlords Association and Residential Landlords Association and are included at Appendix 7 and Appendix 8.

The decision whether to implement a selective licensing scheme

- 1.42 There is no obligation on the Council to implement the selective licensing designation within part of Canalside Ward as set out in the public consultation. However, the poor housing conditions that have been identified within the area subject to the proposal, allied with the poor levels of compliance exhibited by a number of private landlords operating

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within the area suggest that it is necessary for the Council to intervene to improve the current position in respect of private rented accommodation in the area.

- 1.43 As was raised during the public consultation, the Council currently has a wide range of enforcement powers to intervene in raising housing conditions within the private rented sector, and the recent introduction of the power to issue financial penalties for certain housing offences enables the Council to secure income to fund its private sector housing enforcement service.
- 1.44 As an alternative to implementing selective licensing, the Council could implement a proactive inspection programme of private rented accommodation within the focussed neighbourhood area. This approach would also enable private rented accommodation to be inspected and housing standards improved.
- 1.45 A neighbourhood enforcement programme not supported by a selective licensing scheme is likely to be resource intensive as the Council does not have automatic powers of entry to enter private rented accommodation to carry out property inspections. Consequently where entry is denied, Council Officers would need to apply for a warrant of entry from the Magistrates' Court to gain entry, and this may result in the need to be force entry which is disruptive to tenants and would incur Council costs.
- 1.46 There is a risk therefore that those private landlords who operate at the bottom end of the private rented market and who are more likely to exploit their tenants are less likely to be exposed where the Council has no automatic power of entry, and their properties are therefore less likely to be brought up to a decent standard.
- 1.47 A number of private landlords operating within the area have expressed the desire to work with the Council to demonstrate that their properties meet the required legislative standards. This would assist a neighbourhood enforcement programme, however the question remains as to how the Council would identify and inspect properties operated by criminal private landlords who would not wish to co-operate with the Council.
- 1.48 Many private tenants who are living in poor housing operated by criminal landlords are also fearful of harassment, intimidation, and even losing their home, and often choose not to co-operate with Officers undertaking inspections, and this can also create a significant challenge.
- 1.49 The National Landlords Association (NLA) have also cited the Leeds Rental Standard as an alternative approach for the Council to consider to improve the standard of private rented accommodation within Canalside Ward. This scheme is voluntary and provides landlords with a bespoke service from the Council if they join the scheme and become accredited.
- 1.50 It is not considered that this type of approach will have any impact on the criminal landlords that the Council seeks to address, and that such a scheme would largely replicate the existing accreditation scheme that the Council operates in partnership with the NLA. The Leeds Rental Standard also aims to tackle a specific issue with student housing market that is not currently an issue in Woking.
- 1.51 This power of entry is key to ensuring that criminal landlords who operate outside of the law and who exploit vulnerable tenants, as it would enable Officers to inspect all properties without needing to establish that an offence has been committed to be able to secure a warrant of entry.

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- 1.52 The proposal to introduce selective licensing has largely been criticised by private landlords as disproportionate due to the fees proposed, and the burden placed on professional landlords who perceive themselves to be operating to high standards.
- 1.53 The removal of costs for licence applications would ensure therefore that there would be no monetary costs associated with selective licensing for all private landlords who comply with the scheme application requirements.
- 1.54 The proposed 3-year designation has also been criticised as being too short to deliver the relevant property improvements, and the increase of the proposed designation to the maximum 5-year length addresses this concern.
- 1.55 In addition to offering free applications prior to the commencement of the scheme, it is considered that the reduction of the licence period offered for applications received after the scheme commences, (i.e. when an offence of operating a property without a licence) from 5 years to 12 months would further reinforce operating lawfully.
- 1.56 Free applications are also proposed where private landlords purchase properties within the selective licensing area. To be eligible for a free application, where sitting tenants are in occupation the valid application is to be made within 28 days of the property purchase, or in the case of an empty property, the valid application is to be made prior to occupation by new tenants.
- 1.57 On balance, it is considered that the introduction of a selective licensing scheme within part of Canalside Ward, as set out in the public consultation is the most appropriate course of action to improve housing standards within the area for the following reasons:
- i) The proposal to introduce a selective licensing scheme within the defined area of Canalside Ward meets the criteria set out in the relevant legislation, and as such should the Council introduce a selective licensing designation is likely to be considered lawful;
 - ii) The implementation of a selective licensing scheme would provide the Council with an additional tool to manage the private rented sector in the area, and significantly it would provide specific powers of entry to every property to determine whether the accommodation is private rented;
 - iii) The licence conditions would support the responsible management of private rented accommodation within the designated area;
 - iv) The increased 5 year length of selective licensing designation is appropriate to maximise the effectiveness of the scheme;
 - v) Selective licensing is considered to be the most effective method for improving housing standards within the proposed area, and as such support the health and well-being of private sector tenants;
 - vi) The introduction of financial penalties for a range of housing offences supports the implementation of a selective licensing scheme with financial penalties recovered from criminal landlords who do not comply with licensing being used to further the enforcement aims of the scheme;
 - vii) The implementation of a zero cost application process for all valid applications (i.e. complete applications with all required documents provided) received before the commencement date of the scheme would address landlord's concerns regarding

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the potential financial burden of the scheme. This would enable professional landlords to apply for a licence for no costs, and would demonstrate a clear dis-benefit to landlords who fail to apply before the commencement of the scheme; and

- viii) The implementation of a selective licensing scheme may dissuade criminal landlords from operating within the area and across the Borough.

Proposed selective licensing fees

- 1.58 The consultation exercise produced a number of responses from private landlords who were dissatisfied with the proposed fee structure. This was in the main due to the requirement for all private landlords to pay a licensing fee regardless of their level of co-operation and professionalism.
- 1.59 It was also considered that the fee discount for accredited landlords was not sufficient, despite representing one of the best fee reductions for a licensing scheme available to accredited landlords.
- 1.60 To address these concerns it is proposed that all landlords who make valid licence applications before the commencement of the scheme are not charged for their licence application. This provides all landlords who comply with the requirement to apply for a licence the ability to apply with no financial burden.
- 1.61 Where landlords fail to apply before the commencement of the scheme they will be committing a criminal offence for which the Council has a number of enforcement options available, and it is therefore appropriate for the licence fees to apply. As a criminal offence has been committed any licence issued after the commencement of the scheme will be for a maximum one year and a licence renewal application will be required to be made before the one year licence expires.
- 1.62 With the exception of the zero cost for applications received prior to commencement of the scheme, and a fee exemption for certain applications where ownership changes after the commencement of the scheme, the proposed fees remain unchanged from the consultation. The proposed fee structure can be found at Appendix 9.

Proposed licence conditions

- 1.63 Where selective licences are granted, they will include a set of conditions that the licence holder is required to comply with during the life of the licence. These include conditions that aim to maintain high levels of management competency and property standards.
- 1.64 Failure to comply with these conditions constitutes a criminal offence and the Council has a range of enforcement powers that it may use to address offences.
- 1.65 During the public consultation comments were received regarding amendments to the proposed licence conditions, and in particular from the National Landlords Association (NLA). As a result the proposed licence conditions include a number of amendments and can be found at Appendix 10.

Implementation timetable

- 1.66 If the report recommendations are agreed by Executive and Council, the selective licensing designation cannot come into force within 3 months of the Council's decision.

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- 1.67 To encourage as many professional landlords as possible to take advantage of the zero cost application process before the designation comes into force, it is considered appropriate to provide a further period before the designation comes into force.
- 1.68 It is proposed therefore, that the designation come into force on 01 February 2018 which provides an additional two weeks above the minimum time period for the designation.
- 1.69 The Council is required to take a series of steps to publicise the designation, and in addition the designation will be promoted through landlord and tenant forums in addition to the Council website.

2.0 Implications

Financial

- 2.1 The implementation of the Selective Licensing scheme will require additional staffing resources to deliver the scheme within the 5 year designation period.
- 2.2 It is assumed that 789 properties will require selective licensing (i.e. not including properties that are already licensed under the Mandatory HMO Licensing regime) and these properties will also require inspections during the duration of the selective licensing scheme.
- 2.3 This will require an additional staffing resource comprising 3.0 FTE Housing Standards Officers and 2.5 FTE Housing Standards Support Officers resulting in a staffing cost of £183k for each of the five years (assuming appointment at the mid-point of the career grade for the posts).
- 2.4 The level of income generated by the scheme through licence fees and financial penalties resulting from enforcement action will vary depending on the level of compliance. The level of licence fee income is also subject to variation due to the proportion of accredited landlords who submit a licence application that attracts a fee (due to the proposed fee discount).
- 2.5 If all private landlords complied with the requirement to licence before the commencement of the scheme no income would result. However this is considered highly unlikely and it is expected that a proportion of landlords will submit valid applications after commencement of the scheme and that there will be a small number of landlords who will fail to apply and will be subject to enforcement action.
- 2.6 Where landlords fail to comply with the requirement to licence their property under the selective licensing scheme the Council has a power to issue a financial penalty of up to £30k in lieu of instigating prosecution proceedings (as set out in the Housing Standards Enforcement Policy)
- 2.7 The individual circumstances of each case will influence the level of financial penalty issued, and in some cases it is unlikely to be appropriate to issue a financial penalty. Consequently it is estimated that an average £1,100 financial penalty would apply to all cases that have failed to apply for a licence under the scheme.
- 2.8 The total income (i.e. application fee income and financial penalties) to be generated through the scheme is expected to range between zero (where 100% of applications received prior to commencement) to £644k (where 60% of applications received prior to commencement and 20% of landlords paying licence fees qualify for the accreditation discount).

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- 2.9 Notwithstanding the above, an estimated maximum compliance level of 75% is anticipated, which would result in a net income for the scheme of £401k over the five year scheme duration.
- 2.10 There is a risk that recovery levels of any financial penalties issued may impact on the scheme costs.
- 2.11 There will be a number of set-up costs for a selective licensing scheme, including statutory publicity requirements and Land Registry costs to establish ownership information etc. It is suggested that a project budget of £10k be established for this expenditure.
- 2.12 There is currently no provision for this scheme in the draft 2018/19 budget.

Human Resource/Training and Development

- 2.13 The implementation of a selective licensing scheme will require additional staffing resources to ensure its effective delivery as set out above.
- 2.14 The lead-in period for the scheme provides a realistic opportunity for new staff to be recruited, and if there are recruitment delays, existing resources can, in the short term, be directed to deliver the selective licensing scheme.

Community Safety

- 2.15 The designation of a selective licensing scheme within the proposed area of Canalside Ward is considered to contribute positively to community safety in the area.

Risk Management

- 2.16 If the Council chooses to make a selective licensing designation, the decision is subject to the risk of a judicial review application. The risk of judicial review has been minimised through the liaison with Legal Services throughout the process and the compliance with relevant guidance and legislative requirements.
- 2.17 If the decision to designate the selective licensing scheme is subject to judicial review this may result in delays in the scheme commencing and any additional staff recruited to deliver the scheme will be reallocated to other housing standards activities. A judicial review is likely therefore to significantly impact the budgetary planning for the scheme as well as incur additional legal costs.
- 2.18 The zero cost application process may result in high levels of applications received immediately prior to the commencement date for the scheme. It is planned to provide training to other support staff within the housing service to assist with processing any peaks in demand prior to the designation coming into force.
- 2.19 The performance of the scheme will be regularly reviewed to identify whether staffing resources may be reduced or whether the 5 year designation may be revoked early should the scheme deliver the required property inspections early.
- 2.20 There is a risk that additional staff of sufficient expertise may not be readily recruited. The absence of technical staff will be addressed through the use of temporary staff at a cost within the proposed staffing budget.
- 2.21 The introduction of the selective licensing scheme may displace the poorest quality landlords from the selective licensing area into adjacent neighbourhood areas. Any

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displacement will be actively monitored, and during the operation of the selective licensing scheme additional resources will be directed to undertake proactive enforcement activities in the neighbouring residential areas.

Sustainability

- 2.22 The introduction of a selective licensing scheme will improve standards within private rented accommodation and hence improve the provision of affordable housing within the selective licensing area.
- 2.23 Improved standards in private rented accommodation safeguards personal safety and reduces the likelihood of acquisitive crime.
- 2.24 Housing is a key determinant of health and improved standards in private rented accommodation that will be delivered through the selective licensing scheme will directly reduce health inequalities for residents living in private rented accommodation in the area.

Equalities

- 2.25 Younger people, people with learning difficulties, and people with mental health problems and are often over-represented in the private rented sector, and improved accommodation standards delivered through the selective licensing scheme will provide a positive impact.
- 2.26 The area proposed for the selective licensing scheme includes lower super output areas ranked within the 5th decile for multiple deprivation, and the selective licensing scheme is likely to provide a positive impact for residents from lower socio-economic backgrounds.

3.0 Consultations

- 3.1 The proposal was consulted widely as set out in the body of the report above.

REPORT ENDS
EXE17-041

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APPENDICES

Equality Impact Assessment

The purpose of this assessment is to improve the work of the Council by making sure that it does not discriminate against any individual or group and that, where possible, it promotes equality. The Council has a legal duty to comply with equalities legislation and this template enables you to consider the impact (positive or negative) a strategy, policy, project or service may have upon the protected groups.

		Positive impact?			Negative impact?	No specific impact	What will the impact be? If the impact is negative how can it be mitigated? (action) THIS SECTION NEEDS TO BE COMPLETED AS EVIDENCE OF WHAT THE POSITIVE IMPACT IS OR WHAT ACTIONS ARE BEING TAKEN TO MITIGATE ANY NEGATIVE IMPACTS
		Eliminate discrimination	Advance equality	Good relations			
Gender	Men					X	
	Women					X	
Gender Reassignment						X	
Race	White					X	
	Mixed/Multiple ethnic groups					X	
	Asian/Asian British					X	
	Black/African/Caribbean/Black British					X	
	Gypsies / travellers					X	
	Other ethnic group					X	

		Positive impact?			Negative impact?	No specific impact	What will the impact be? If the impact is negative how can it be mitigated? (action) THIS SECTION NEEDS TO BE COMPLETED AS EVIDENCE OF WHAT THE POSITIVE IMPACT IS OR WHAT ACTIONS ARE BEING TAKEN TO MITIGATE ANY NEGATIVE IMPACTS
		Eliminate discrimination	Advance equality	Good relations			
Disability	Physical					X	
	Sensory					X	
	Learning Difficulties		X				People with learning difficulties are often over-represented in the private rented sector, and improved accommodation standards will provide a positive impact.
	Mental Health		X				People with a mental health problem are often over-represented in the private rented sector, and improved accommodation standards will provide a positive impact.
Sexual Orientation	Lesbian, gay men, bisexual					X	
Age	Older people (50+)					X	
	Younger people (16 - 25)		X				Younger people are over-represented in the private rented sector, and improving accommodation standards will provide a positive impact.
Religion or Belief	Faith Groups					X	
Pregnancy & maternity						X	
Marriage & Civil Partnership						X	

Socio-economic Background	X			The area proposed for a selective licensing scheme includes lower super output areas ranked within the 5 th decile for multiple deprivation.
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The purpose of the Equality Impact Assessment is to improve the work of the Council by making sure it does not discriminate against any individual or group and that, where possible, it promotes equality. The assessment is quick and straightforward to undertake but it is an important step to make sure that individuals and teams think carefully about the likely impact of their work on people in Woking and take action to improve strategies, policies, services and projects, where appropriate. Further details and guidance on completing the form are [available](#).

Sustainability Impact Assessment

Officers preparing a committee report are required to complete a Sustainability Impact Assessment. Sustainability is one of the Council's 'cross-cutting themes' and the Council has made a corporate commitment to address the social, economic and environmental effects of activities across Business Units. The purpose of this Impact Assessment is to record any positive or negative impacts this decision, project or programme is likely to have on each of the Council's Sustainability Themes. For assistance with completing the Impact Assessment, please refer to the instructions below. Further details and guidance on completing the form are [available](#).

Theme (Potential impacts of the project)	Positive Impact	Negative Impact	No specific impact	What will the impact be? If the impact is negative, how can it be mitigated? (action)
Use of energy, water, minerals and materials			X	
Waste generation / sustainable waste management			X	
Pollution to air, land and water			X	
Factors that contribute to Climate Change			X	
Protection of and access to the natural environment			X	
Travel choices that do not rely on the car			X	
A strong, diverse and sustainable local economy			X	
Meet local needs locally			X	
Opportunities for education and information			X	
Provision of appropriate and sustainable housing	X			The introduction of a selective licensing scheme will improve standards within private rented accommodation.
Personal safety and reduced fear of crime	X			Improved standards in private rented accommodation safeguards personal safety and reduces the likelihood of acquisitive crime.
Equality in health and good health	X			Housing is a key determinant of health and improved standards in private rented accommodation directly reduces health inequalities.
Access to cultural and leisure facilities			X	

Social inclusion / engage and consult communities			X	
Equal opportunities for the whole community			X	
Contribute to Woking's pride of place	X			Improved standards in private rented accommodation will result in improvements to the visual amenity within neighbourhoods.