

<b>Key Decision Required</b>	<b>No</b>	<b>In the Forward Plan</b>	<b>No</b>
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## CABINET

24 APRIL 2015

### REFERENCE FROM SERVICE DEVELOPMENT AND DELIVERY SCRUTINY COMMITTEE OF 2 MARCH 2015

#### **A.2 COMPULSORY LICENSING OF PRIVATE LANDLORDS**

(Report Prepared by Colin Sweeney)

#### **BACKGROUND**

At its meeting held on 2 March 2015, the Committee received a presentation from the Council's Environmental Health Team Leader, which informed the Committee that 12% (7,883) of the District's housing stock was made up of private, rented homes with 7.4% (584) of the private stock being Houses of Multiple Occupation (HMO's), which included self-contained flat conversions, shared houses and low risk Category 'A' HMO's. He added that 36 properties were licensed under Part 2 of the Housing Act 2004 as part of the mandatory licensing scheme. He further informed the Committee that the Housing Act 2004 had introduced the following three licensing options to local authorities:

1. Mandatory Licensing, which applied to HMO's that met the following criteria:

- Had five or more unrelated households;
- Over three or more storeys in height;
- Shared one or more basic amenity (kitchen or bathroom);
- Open Register;
- Cost of licence was £585.00 for five years, then £290 on renewal;
- Inspect property within five years and issue a licence, which may include necessary remedial works to remove Category 1 hazards as licence conditions;
- Failure to comply with conditions would lead to enforcement action or revocation of licence; and
- Licence holder must be a fit and proper person.

**TDC currently only carried out mandatory licensing and that 36 properties were licensed as part of the mandatory licensing scheme.**

2. Additional Licensing of HMO's:

- Needed to be a significant proportion of HMO's being managed ineffectively;
- Consultation required;
- Mandatory licensing covered the most problematic HMO's as lots of conversions were done in the 1970's and 80's, which did not follow building control regulations and the Council had to make sure those flats were up to standard; and

- Issues were being tackled through Antisocial Behaviour (ASB) Task Group and licence conditions.

3. Selective Licensing – Part 3 of the Act – this was usually for domestic or private landlords and required applying to the Secretary of State:

- Must be designated as an area of low housing demand;
- Must improve social and economic conditions solely or with other organisations;
- Significant or persistent Antisocial Behaviour;
- Failing Landlords;
- All of the above must be eliminated;
- Must link in with the Council's Housing Strategy;
- This also needed a coordinated approach with the Council's Homelessness Team;
- Must fit in with the Council's Empty Homes Strategy and its ASB Policy; and
- Only consider selective licensing if the Council had exhausted all other enforcement avenues or solutions; e.g. landlord accreditation (ELAS).

Members were given details of various opinions on Selective Licensing and said that Landlords felt there was too much regulation, which forced them out of the private renting sector. It was noted that home owners in the designated areas were complaining that licensing reduced house prices, whilst tenants feared increases to rents, fuel poverty and deprivation.

Members were provided with examples of some of the known twelve UK local authorities that had adopted selective licensing. The Committee was also advised that there was evidence of some Banks being unwilling to give buy-to-let mortgages in areas where selective licensing had been adopted, however, NatWest Bank had been named as a main provider with other Banks giving due consideration.

Members noted that Licensing in the Private Sector should only cover costs incurred by the Council (the licence – but did not include set-up costs, consultation and enforcement) and be not for profit.

In conclusion, Officers said they did not think Private Sector Licensing would be of any benefit to Tendring at the moment and that all other avenues of enforcement needed to be exhausted first.

### **COMMITTEE RECOMMENDATIONS AND COMMENTS TO CABINET**

Cabinet is now asked to consider the recommendation of the Service Development and Delivery Committee determine its response if any:

The Committee **COMMENTS** to **CABINET** that the Committee:

- (a) Expressed its satisfaction with the work that was being done, particularly with regard to meeting with landlords to encourage improvements to their properties, where such improvement was required; and

- (b) Urged Cabinet to give its full support to this work, in order that the excellent work being carried out could continue.

**PORTFOLIO HOLDER'S COMMENTS AND RECOMMENDATIONS TO CABINET**

Comments will be provided directly at the meeting.