

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

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| 1. | Meeting: | Cabinet |
| 2. | Date: | 17th December 2014 |
| 3. | Title: | Private Rented Housing - Selective Licensing |
| 4. | Directorate: | Neighbourhoods and Adult Services |

5. Summary

Reports concerning the process involved in the possible introducing the Selective Licensing of Private Rented Sector properties in parts of the Borough have been presented to Cabinet on two previous occasions.

Following the update report to Cabinet on the 19th March 2014, the public consultation on proposals closed on 24th March 2014 and this report provides detail of the feedback from the consultation (in which over 2/3rds of residents expressed support for a mandatory Selective Licensing scheme), and makes recommendations based on the responses, comments and representations made.

6. Recommendations

It is recommended that Cabinet;

- 6.1 Accepts that there is evidence and considerable public support for the Selective Licensing of Private Rented properties in identified neighbourhoods of the Borough.
- 6.2 Resolves to designate the four areas detailed in this report as Housing Act 2004 Part 3 Selective Licensing areas as per the designations and maps in Appendix 5, together with the standard Licence Conditions in Appendix 9.
- 6.3 Requests a further report to the Cabinet on the 18th March 2015, to agree the licence fees.
- 6.4 Notes that, following decision to introduce a Selective Licensing scheme, a public notification period of 3 months is statutorily required ahead of implementation in order to communicate the decision to consultation respondents and the public.
- 6.5 Seeks the agreement of the Mayor to exempt this from the provisions of the call in procedure on the grounds that it is urgent in that it is legally required to start publicity within 7 days of the decision to designate.

7.0 Proposals and Details

7.1 Background

There are a number of areas within the Borough that have been assessed as having housing and neighbourhood standards where past and current approaches where sustained improvement have not been successful. The Council asked that other broader enforcement/regulation be considered. Consequently, the use of Housing Act 2004 Selective Licensing powers has been considered and a Business Case to demonstrate that the implementation of such a scheme may have merit.

The Business Case presented to Cabinet in November 2013 showed that:

- Selective Licensing has been used in other parts of the country. The general objectives of Selective Licensing schemes being to:
- Ensure private rented properties meet minimum condition standards
- Help to reduce tenancy turnover which will in turn help to achieve more stable and better cared for communities.
- Reduce the rates of empty properties through the promotion of the areas for both the buying and letting of residential property.
- Help to reduce crime and Anti-Social Behaviour (ASB) by promoting community stability and tenancy management.
- Assessment had shown that Selective Licensing designations under the Housing Act 2004 could be introduced in three areas. These being:
 - **Rotherham Central**, including the Town Centre, Canklow, South Central & Boston Castle, Eastwood and Masbrough
 - **Dinnington**
 - **Maltby South East**
- In these areas all privately rented properties within the identified boundary (subject to statutory exemptions) would be licenced for up to 5 years from the date the designation takes effect.
- the anticipated maximum cost of a licence in Rotherham was £687 for the 5 year period (equivalent to £137.40 per year), with some proposed reductions for accredited landlords and for single payments. This would cover the costs to process and support 2,029 applications and pre-licensing inspections but would exclude associated enforcement work.

Cabinet resolved that consideration of Selective Licensing in the areas identified be approved and that the required public consultation be commenced:

Since that time the consultation has been carried out and a further interim report presented to Cabinet on the 19th March 2014. In addition, a presentation covering the Private Rented Sector (PRS) was made to the Improving Places Select Commission (IPSC) on the 26th March and again on the 23rd July to present the options contained in this report.

This report presents the findings of the consultation and presents an options appraisal in relation to the proposals in the business case.

7.2 Consultation process

The consultation process represented an intention on behalf of the Council to canvass broad opinion on the proposals, and to listen and react to what was said as a result.

The consultation process was described in the report of the 19th March 2014 and included the following:

- *A dedicated consultation website*
- *An on-line questionnaire.*
- *A consultation questionnaire and a summary of the proposals was sent to every postal address in the proposed designation areas as well as streets immediately adjacent to the areas, covering 15,597 addresses.*
- *Emails and letters to local landlords and national associations, and a number of constructive meetings have consequently been held.*
- *Drop-in sessions were arranged in each area to enable local people and landlords to find out more about the proposals based on the summary they had been sent in the post. The programme of the drop-ins was curtailed however each proposed licencing area did have a drop in session held locally.*
- *Meetings of tenant and resident associations in the proposed areas, other groups and the parish council liaison meeting were attended to present the proposals.*
- *The Rotherham and District Residential Landlord Association hosted a meeting for the proposals to be presented to their members and for landlords to find out more.*
- *Promotion of the consultation through social media and press releases.*

7.3 Consultation Response

7.3.1 There were 1,755 consultation questionnaires completed. Approximately 1,500 of those were paper questionnaire returns with a further 10% being done on line. There were more than 450 individual comments in those questionnaires and in other correspondence. There have also been a number of representations made by national organisations including the National Landlords Association and the Residential Landlords Association. **Appendix 1** presents, detail from the consultation returns.

7.3.2 A snapshot of the results showed **63% of the total respondents were in favour of the proposals**, with the vast majority of those in support being residents.

Of the respondents to the questionnaires, **1,536 were residents, 148 were landlords and 44 were local businesses**. Where a respondent indicated that their background agreed with more than one category their responses were counted for each category. Therefore, if a landlord had said they were an owner occupier, landlord and a local business owner, they would have had all their responses counted three times. It is therefore reasonable to suggest that the following results over reports the views of landlords. The position, therefore, in summary is:

| | Yes | No | No response | Yes | No | No response |
|----------|------|-----|-------------|-----|-----|-------------|
| Business | 21 | 22 | 1 | 48% | 50% | 2% |
| Landlord | 18 | 124 | 6 | 12% | 84% | 4% |
| Resident | 1072 | 437 | 54 | 69% | 28% | 3% |

Table 1 – Answers to question 7 on the questionnaire:

Do you agree with the Council's proposal to introduce Selective Licensing in this area?

This data has been broken down in this way to demonstrate the opinions of the cross section of respondents due to the overwhelmingly large response from residents and

a smaller response from landlords. A similar pattern was found for each of the geographic areas covered by the proposed scheme.

Residents and local businesses tended to agree with the following questions, while landlords had the converse view in relation to the same questions:

- Question 1 - The value of residential properties in these areas are lower than other similar areas of Rotherham
- Question 3 - There is a high turnover of tenants in the area
- Question 5 - Anti-social behaviour is a problem within the area
- Question 6 - The Council should intervene in areas suffering from low housing demand

Residents and landlords had similar views on the rental values of property (Question 2), with only 48% of residents and 30% of landlords agreeing that it was cheaper to rent property in the proposed Selective Licensing areas than in other areas of Rotherham.

While 66% of residents and 73% of local businesses thought that long term empty properties were contributing to a decline of the area (Question 4), only 48% of landlords agreed.

7.3.3 In addition a formal response to the consultation from the National Landlords Association (NLA), was received which contained a number of specific questions and comments. The issues raised, together with responses, are shown in **Appendix 2**.

7.3.4 The overall consultation response raised a number of qualitative issues that were consistent across the groups. These include, with assessment commentary, the following:

- **Responsibility**; it was expressed that landlords need to take more responsibility for the management of their property and the local neighbourhood.
- **Cost**; there is a concern predominantly from landlords, that the licensing fee per property is too much. Also that, expecting payment upfront, would severely affect landlords businesses.

Comment:

In response to this concern, only the costs of administering the licensing process can and will be paid for from licensing fees, and have been revised based on a change in how the processing of applications will take place. It is planned that the licence fee will be no more than £625. Effectively this will be achieved through electronic receipt and processing only, lower numbers of staff and a more streamlined process. There has also been a review of costs for multiple property applications and this has been streamlined in the costs calculations too. If possible the figure will be reduced further prior to any implementation through the use of automated application processes which are currently being explored, for implementation prior to any scheme going live. The cost of the HHSRS inspection is also likely to be lower than £100 per property assumed to date, however this cannot be confirmed until a formal procurement process has been concluded.

- **Geography**; two opinions were expressed. Firstly, it was viewed by some to be unfair not to include all privately rented housing in the Borough. Whilst, in some of the mapped areas, it was expressed that not all the streets should be included (see 7.3.3. below).

Comment: It is not feasible to include all rented property in the borough because there has to be a justification to include an area. The originally defined areas have been adjusted to take account of some of the concerns raised (this is discussed in more detail in paragraph 7.3.3 below).
- **Council & partner activity**; a view was expressed that all powers available to the enforcing agencies have not been used. Some people suggest landlords are being unfairly criticised as they cannot always influence the behaviour of their tenants.

Comment: The Council has used all the available tools and powers to tackle the issues around low demand and these are detailed in the business case. However those tools have not been successful, hence the consideration of introducing further controls through Selective Licensing.
- **Mandatory requirement**; arising predominantly from the landlord’s questionnaires there is a disagreement that all landlords should be treated the same. It is suggested any scheme should recognise good management practices and focus on those landlords that do not adhere to such practices. Voluntary agreements are suggested as an alternative to Selective Licensing. One Landlord led voluntary scheme has been developed to significant detail.

Comment: The Selective Licensing Scheme does recognise where there is good practice in the industry. If landlords are members of an accredited scheme then their licence fee will be lower as they will not have to pay for the HHSRS inspection prior to obtaining a licence. An overview of the more developed voluntary scheme is discussed below as Option 2.
- **Housing market**; a number of people expressed the fear that a Selective Licensing scheme would have adverse consequences. These could include increasing insurance costs, driving down house prices and could negatively influence decisions by some financial institutions to provide “buy to let” mortgages. This negative impact is influenced by the perception of the scheme being based on high ASB levels.

Comment: There has been some evidence presented to the Council of an impact on the buy to let mortgage market with some lenders, in that they see lending on buy to let properties as a higher risk but each would be decided upon on a case by cases basis. The council is not able to identify evidence showing a link between increased costs or reduced house values and Selective Licensing areas. However, if an area is designated for Selective Licensing it is, of course, anticipated that there will be a beneficial effect on demand for housing in that area throughout the period of the designation and beyond.
- **Compliance**; A concern that there is inadequate capacity within the Council to enforce the scheme was identified. Consequently a scheme where landlords played a stronger role would be more deliverable.

Comment: The capacity to enforce the scheme has been factored into the business case and further prioritisation of services and existing proactive work will be the source of the additional capacity to take the required enforcement actions. This resource is from within existing resources of the Community

Protection service. Annual reviews of the scheme will also detail the additional enforcement carried out in relation to the scheme.

7.3.5 Boundary Adjustments for Selective Licensing Areas: The consultation brought forward a number of opinions relating to which properties and streets should be included (or not) in the areas. These comments included three petitions received relating to streets which should be excluded. Following these representations a review was carried out to identify the low demand factors in these areas at a postcode level which may provide a reason to assess inclusion or exclusion of areas. This assessment included the consideration of comments received for the following:

- **White City Estate in Maltby:** was suggested for exclusion due to good management standards by the landlords who owned larger numbers of properties in that area, low rates of empty properties and their knowledge of low rates of turnover in the properties which they own.
- **Blyth Road area in Maltby, Moorgate and Broom Valley Road areas in the central Rotherham (Petition), Fenton Fields area in Bradgate and the New Road and Swinston Hill Road areas of Dinnington:** have been suggested for exclusion due to the nature and value of the property and there is little risk of displacement of problems into these areas.
- **Ferham Road area in Masbrough:** A petition was received requesting that these streets are excluded from any designations.

As part of assessing whether boundary changes are needed the data for empty property levels (both short and long term) and occupier turnover has been examined on a postcode basis. This has allowed assessment of the feasibility of the requests for property exclusions and is presented in map form in **Appendix 3**.

The maps need to be considered carefully. Although some postcode areas on these maps show no turnover or empty properties this does not mean they should be excluded from the proposals. The similar nature of the properties, their relative value and proximity to moderate to high turnover and empty property streets presents a risk of a migration of the low demand issues to those streets.

The intention is that Selective Licensing will maintain and then improve standards for the whole area that is designated, not to cherry pick individual streets which would present a risk to the wider community. However it is also recognised that some areas and parts of areas are distinctly different in the nature or the property that it makes it unnecessary to introduce Selective Licensing at this stage. The reasons for the proposed boundary changes are below.

a. Masbrough

Although the Jordan and Bradgate Super Output Areas demonstrate low housing demand, when compared with the Masbrough East and West SOA's there are valid reasons for excluding both areas. These are:

- These areas have a distinct geographical separation from the others and the housing is of a different type.

- The area of the Bradgate SOA which has the highest level of turnover is an area of new build housing, which has distorted the figures.
- In the Jordan area, although there is one area with a high level of turnover this is one small street in the middle of an area with a medium level of turnover.
- When we look at the short term empty properties in the Jordan area we also see a much smaller area with moderate to high levels of empty properties.

Therefore these two areas should be excluded from the proposed Licensing area. Based on the additional mapping there is no justification to exclude the Ferham Road area as there are high levels of both short term empty property and occupier turnover.

b. Town Centre

The Moorgate area should be excluded due to the different relative value of the property and the low risk of movement of problem tenants to the area and low value property.

The Westgate and St Anne's Road areas mostly have similar property profiles and high turnover, and this area should therefore be included in a Selective Licensing scheme. It will be most appropriate to link this area to the Eastwood Selective Licensing area. This would reduce the number of areas to four areas while challenging the major issues of low housing demand.

c. Canklow

A significant change in the boundary of the proposed Selective Licensing scheme in Canklow is recommended. This addresses local housing profiles where a large concentration of empty properties in the southern part of the area (caused by the existence of new build properties) and a number of streets with significant levels of vacant properties which are subject to a regeneration programme. These circumstances are caused by new build property that was vacant prior to letting by the Council and a housing association. The remaining area has moderate levels of empty property and turnover and does not meet the primary indicators of low housing demand.

d. Eastwood

Doncaster Road on the boundary with East Dene and Clifton should be excluded as the boundary was originally drawn in the middle of the road and the property on the opposite side was excluded from the original area. The size of the property on this road presents a low risk of any movement of problems to this street from the main Eastwood Area. Also, in the original proposals only the northern side of the road was included and a boundary line behind the properties on Doncaster Road would be more appropriate.

e. Dinnington

From reviewing the empty property data and the turnover data by postcode which demonstrates low levels of both on these streets, the boundary should be adjusted to remove the New Street areas and some surrounding Streets as well as the Shelly Drive and Swinton Hill Road areas.

f. Maltby

The Blyth Road, White City and the Ryton Close/Charnall Avenue areas suffer from relatively low levels of occupier turnover and empty properties and are on the

periphery of the original area and should be excluded from the proposed licensing area.

7.3.6 Licence Fee adjustments: The fee structure and staffing needs have been reviewed in order to reduce the maximum licence fee. Although there have been further efficiencies on the expected handling the reduction in the number of affected properties means that the reduction so far is modest. This is covered in the options appraisal and the finance section. If an automated processing system can be introduced this could be reduced further but until this matter is decided by the council this cannot be confirmed due to the need to engage third party ICT providers. A further report on the final licence fee will be presented to Cabinet prior to the implementation date of any licensing scheme.

7.4 Option Appraisal

In considering, the use of Selective Licensing powers the assessment provides a range of considerations which need to be balanced in determining the way forward. There have been three options appraised; (i) to designate areas for Selective Licensing, (ii) support for a landlord led voluntary scheme or (iii) to do nothing. These options are discussed below and reflect the current position arising from the initial Business Case, consultation and the consequential changes highlighted in 7.3 above. The appraisal presents evidence for and against each option.

7.4.1 Option 1 – Cabinet agree to designate areas for Selective Licensing.

With all regulatory activity, the emphasis is on a proportionate and measured approach to enforcement.

The comparative benefits of the Selective Licensing and voluntary schemes are detailed in **Appendix 4**.

A formal designation is the only way that a high degree of certainty can be achieved that all landlords will be involved in the scheme, as it involves legal penalties for failing to obtain a licence or complying with the conditions of a licence.

The results of the consultation demonstrate considerable support from residents for the introduction of a Selective Licensing Scheme and the business case supports the introduction on the basis that in these areas there is a need for the scheme arising out of the low housing demand criteria.

The opportunity to fully consider matters arising from the consultation, particularly in the re-assessment of the initial Selective Licensing boundaries, has resulted in the proposal now narrowing down the areas that should be included in the designated areas. These recently assessed changes are detailed in section 7.3.3 of this report. The consultation and further consideration by officers also identified a number of adjustments based on their enforceability.

The exclusion of these areas reduces the number of licensable privately rented houses covered by the scheme to approximately 1,394 from the previous total of 2,029.

It is critical that all landlords with properties in the rationalised areas actively engage in improving the areas. The only way to guarantee this co-operation is via a mandatory scheme. This assessment is substantiated with the statutory criteria required to prove the need for Selective Licensing as shown in section 9.4 being met. On balance, therefore, a mandatory Selective Licensing scheme in the areas defined in **Appendix 5** is recommended.

If Cabinet decide to designate areas for Selective Licensing there will then be a statutory 3 month implementation period where the outcome of the consultation and decision is to be communicated. This will enable a sufficient period of time to put in place staffing, processes and ICT arrangements in place and to be able to present the final fee setting report to the Cabinet on 18th March 2015 which will confirm the maximum fee for a licence taking into account a further desktop study of the resources required for the smaller areas.

It is also recommended that the implementation date for the designations be the 1st May 2015 to give a full 3 months and a clear start date for the scheme.

In determining whether a mandatory selective scheme is the way forward in the areas identified, it should be noted that such an approach would not exclude the Council supporting a voluntary scheme in other parts of the Borough to compliment any Selective Licensing scheme implemented, in addressing the problem of low demand. In fact, such a proactive approach, now recognised by the PRS industry as being relevant for the Borough, would be welcomed so that the benefits could impact in other areas not assessed currently as a priority for a regulatory scheme.

7.4.2 **Option 2** – Landlord led Voluntary Quality Landlord Scheme

Considerable work has been put into an alternative proposal to mandatory licensing, by a group of landlords with assistance from the National landlords Association. This has produced a comprehensive and credible proposal.

The introduction of a landlord led voluntary scheme has been seen previously to be one to merit support and achieve some of the benefits sought from a mandatory scheme (see Appendix 4 for comparison).

Guidance relating to Selective Licensing makes clear that realistic alternatives should be sought to a mandatory scheme in the first instance and this was taken into account within the report presented to the IPSC on 23rd July 2014 where it was recommended that a voluntary scheme should be tested prior to introducing a mandatory scheme (should it have proved necessary).

Since the IPSC, however, further work has taken place to consider the outcome of the consultation. This has resulted in a significant reduction, as detailed in 7.4.1, in the geographical areas under consideration. Consequently, it is apparent that these newly defined smaller geographical areas will have a greater concentration of issues which will require more intensive intervention, than those areas previously considered. To achieve this it will be imperative that all landlords with properties in the rationalised areas actively engage in improving the areas. The only way to guarantee this cooperation is via a mandatory scheme. This factor sways the earlier views expressed to the IPSC and suggests that the emphasis placed on support for a voluntary scheme is now inappropriate.

Contrary to the focused and more targeted approach, the industry's proposals would involve a borough wide scheme, with specific marketing in the 5 areas the Council had identified in the business case for Selective Licensing. This would involve landlords voluntarily signing up to a code of conduct, obtaining independent housing standards assessments and payment of a fee to the independent company which would be set up to administer the scheme. The Council would have access to those landlord details on demand. It would also involve lighter touch regulation of those registered properties by the Council to enable more landlords to become involved.

A previous attempt to introduce a voluntary accreditation scheme was made several years ago. This did not achieve widespread support. However it could be argued that more landlords are now sympathetic to the need for a scheme and there is greater support. Equally it can be argued that a voluntary registration scheme by its very nature will not attract those landlords who cause the most concern, and from whom the most significant change would be expected.

The voluntary scheme's NLA representative has stated that they can expect a take-up in the identified priority areas that would match, within the first year of operation, the Council's Selective Licensing scheme targets i.e. 50% of the licensable properties. However, to ensure that the scheme is on target to meet this expected take-up, a target of 25% take-up within 6 months of operation has been included. The scheme would also attract interest from landlords with private rented properties outside of these areas. However such compliance cannot be guaranteed, and will only be demonstrated or not with the passing of time.

Whilst it is believed that with the co-operation of the landlords, the benefits of the mandatory scheme can be achieved to some degree via the voluntary route, it would not present a situation where landlords who wished to avoid the scheme would be compelled to join if they wanted to let properties.

To introduce such a scheme would delay formal interventions by a further 18 months and would require a fresh consultation. A formal performance framework would also be required if such a voluntary scheme was introduced in order to ensure delivery of critical success factors. Such a performance framework is shown at **Appendix 6**.

7.4.3 **Option 3** – No further action

The option of "no further action" has also been considered. However, due to the evidence related to low demand within the target areas, the significant level of concern showed by the public on this matter and the overwhelmingly positive response to the proposals it is an option that is not recommended. The Cabinet has previously agreed that there is a business case to support Selective Licensing of privately rented property and the consultation has agreed with that viewpoint.

7.5 **Improving Places Select Commission**

Presentation of the options were presented to the IPSC on 23rd July 2014 and after considerable debate and questioning the Select Commission concluded that, in the areas identified, there was a need for action with regard to PRS properties, and, if legal advice was that the Council had to pursue a voluntary scheme, it should be the first course of action. The IPSC, however, made the caveat that, if a voluntary scheme failed, they would wish to see the Council move to a mandatory scheme as quickly as possible. The associated minute of the Select Commission meeting is attached at **Appendix 7**.

8 Finance

The originally suggested fee of £687 has been reviewed as a result of the expected reduction in the number of licensable properties and a review of the processing methods for applications, with the aim of reducing the burden on applicants. Comments in the consultation about allowing multiple applications on one form have been considered as appropriate and models from other authorities have been reviewed.

A reduced number of full time equivalent staff required for processing and enquiry handling, along with a reduction in the random annual sample inspections to 10% will deliver a licence fee of no more than £625, with similar cost reductions as detailed in the business case (£100 reduction for Accredited licence holders and £10 reduction for payment in advance), despite a reduction in the number of licensable properties. An updated finance model is contained in **Appendix 8**.

9 Risks and Uncertainties

9.1 Option 1 – Regulatory Selective Licensing Option

Legally it is required that Councils, before they implement any Selective Licensing scheme, must have considered any other course of action that might provide an effective method of achieving the objectives that such a scheme would bring.

This may include voluntary measures such as accreditation and give the opportunity for local landlords to prove that they are committed to ensuring the quality of the private housing rental sector. Such a voluntary scheme does bring a set of standards relating to the management or physical condition of privately rented accommodation and, in that, it does recognise and reward landlords who manage their properties to a good standard. It does not bring, however, a mandatory test of a landlord being a fit and proper person to be the license holder or a mandatory requirement to comply with licence conditions

A number of landlords have indicated that they are more receptive to a voluntary scheme than the mandatory scheme.

The Selective Licensing scheme does not include the enforcement function and as such the necessary compliance inspections and associated legal action would impact on the existing enforcement team in the Community Protection Unit (estimated to be 2FTE of current resourcing) and consequential legal support from Legal Services. Therefore, the introduction of Selective Licensing could have service implications that reduce service performance in those teams, and further work is ongoing to consider additional resource to boost this enforcement function.

In implementing Option 1 and the introduction of Housing Act 2004 Part 3 Selective Licensing areas the designations and maps in **Appendix 5**, together with the standard Licence Conditions in **Appendix 9** shall be adopted. These appendices reflect the variations brought by the consultative process.

A statutory notification period of 3 months via public announcement is required.

On balance this is the preferred option.

9.2 Option 2 – Landlord Led Voluntary Quality Landlord Scheme

The option does not reflect the positive consultative response from 2/3rds of private households who were in favour of a mandatory Selective Licensing scheme. Although some benefits of the mandatory scheme can be achieved by a voluntary scheme (see Appendix 3), a voluntary scheme will not provide any compulsion to register or penalty for failing to register.

Previous attempts at voluntary accreditation schemes have not received sufficient take-up and have therefore been unsuccessful. Voluntary schemes do not oblige the landlords, who need to improve their tenancy and property management, to join and they are able to avoid any further obligations unless they are detected through routine enforcement methods.

There is a risk that this option once in operation may fail to meet the success factors required and a mandatory Selective Licensing scheme would be required. This would require intensive resource to re-examine and present a business case ahead of a further consultative process. This would cause significant delay.

9.3 Option 3 – No Further Action

The risks of doing nothing are:

- The gap in our most deprived neighbourhoods continues to widen
- We are unable to sustain current levels of resources that are deployed in a reactive way to resolve private rented sector issues
- Empty properties blight neighbourhoods negatively affecting the local housing market

These risks can be mitigated by introducing the interventions described in either Option 1 or 2.

9.4 Legal Risks

When determining whether to introduce a Selective Licensing Scheme, a voluntary scheme, or no scheme at all Cabinet must weigh in the balance all relevant considerations and disregard any irrelevant considerations.

Should Cabinet wish to proceed to implement Selective Licensing without the need for implementing a non-mandatory option first it must be satisfied that there is evidence to support moving straight to the mandatory option. Cabinet will also have to:

- be satisfied that the use of Selective Licensing is consistent with the Council's overall housing strategy;
- be satisfied that the Council is seeking to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour, both as regards combining Selective Licensing with other courses of action available to the Council and measures taken by others;
- consider whether there are any other courses of action available to the Council (of whatever nature) that might provide an effective method of achieving the objectives of the Selective Licensing scheme; and

- consider that making the designation will significantly assist the Council to achieve the objectives (whether or not any other courses of action are taken as well).

Cabinet must also, in accordance with s 149 of the Equality Act 2010, pay due regard to the need to:-

- (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

In dealing with this duty, the Council must have due regard in particular, to the need to:

- (i) Remove or minimise disadvantages suffered by persons who share a relevant characteristic that are connected to that characteristic
- (ii) Take steps to meet the needs of people who share a relevant protected characteristic that are different to the needs of persons who do not share it
- (iii) Encourage persons who share a relevant characteristic to participate in public life or any other activities where their participation is disproportionately low

Protected characteristics include disability, age, race, sex, religion or belief, gender reassignment, marriage and civil partnership, pregnancy/maternity and sexual orientation.

The equality analysis is attached to the report at **Appendix 10**. All members should read and take account of the potential impacts of imposing a Selective Licensing Scheme and the steps that can be taken to mitigate any impact.

As the consultation demonstrated that there is support for both Options 1 and 2 the possibility of a legal challenge, should either option be chosen, exists.

10. Policy and Performance Agenda Implications

Improving the Private Rented Sector housing in Rotherham has a positive impact on helping to narrow the gap in our most deprived neighbourhoods and is a commitment in Rotherham's Housing Strategy, namely.;

- Commitment 2: We will increase and improve the supply of affordable rented housing
- Commitment 6: We will help people to access the support they need
- Commitment 7: We will help people in Rotherham's most disadvantaged communities

An Equalities Assessment has been conducted and is presented in Appendix 10.

The objectives of the proposals are consistent with aims of the Council's Housing Strategy and Homelessness Strategy.

Driving up standards in the private rented sector will also contribute to tackling Anti-Social Behaviour which is a key priority and set out in the RMBC Corporate Plan

- *helping to create safe and healthy communities, and*
- *ensuring people feel safe where they live, particularly that Anti-Social behaviour and crime is reduced and people from different backgrounds get on well together.*

In particular improving housing standards in this sector will contribute in ensuring that;

- People feel safe where they live
- ASB and crime is reduced
- Our streets are cleaner

Through the effective use of Council resources, in this case the Community Protection Unit and Legal & Democratic Services and, in conjunction with other regenerative initiatives, the Council is delivering required improvements in the private rented sector and offering a viable alternative to social affordable housing which is in great demand and so demonstrating value for money.

Ensuring access to housing is as fair as possible will contribute to two of the priorities of Rotherham Partnerships Community Strategy;

- Ensure the best start in life for children and families, and
- Support those that are vulnerable within our communities

11. Background Papers and Consultation

Cabinet, Minute No.131, Business Case to consider the Selective Licensing of Private Rented Accommodation in Rotherham; 27th November, 2013

Business Case:

http://www.rotherham.gov.uk/downloads/file/357/selective_licensing_business_case
http://www.rotherham.gov.uk/downloads/file/358/selective_licensing_business_case_appendices

RMBC. Legal and Democratic Services

Cabinet, Minute No.216, Interim Report in respect of Selective Licensing Consultation; 19th March 2014

Improving Places Select Commission, 23rd July 2014

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