



**Prosperous Communities
Committee**

Tuesday 3rd May 2022

Subject: Selective Licensing – Follow Up on Council Motion

Report by:

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Contact Officer:

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Purpose / Summary:

To provide feedback on the outcome of the selective licensing consultation and seek clarity on the next steps following on from the approved motion at Full Council on 7th March.

RECOMMENDATION(S):

Committee are asked to:

- a) Note the outcome of the consultation period at the time of the halt of the Selective Licensing consultation on 07 March 2022 and the associated report.
- b) Consider and provide response to the questions set out in 3.4 relating to the Full Council motion passed on the 7th March 2022, and provide clarity and direction for officers to enable them to take the next steps in line with the motion.
- c) Agree that a report is then brought back to Prosperous Communities Committee on the 19th July 2022 setting out options for moving forward.

IMPLICATIONS

Legal:

The legal framework for the Selective Licensing is found in Part 3 (Sections 79 to 100) of the Housing Act 2004. Alongside this, The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 sets out additional conditions for the purposes of a designation under Section 80.

Financial: FIN13/23/SSc

As per the report to Prosperous Communities Committee in November 2021, the consultation element of the work was scheduled to cost £122,860. Corporate Policy and Resources Committee approved the use of £84,200 of general fund balance for this work, the remaining funds were already available.

The proposed costs were intended be recovered via income from the scheme. This will not be achieved until a scheme is put in place.

It does mean however that the work undertaken up the point of halting cannot be used for any formal submission of a scheme as the required period of consultation has not taken place. We do believe that any future consultation will cost significantly less as most of the preparatory work for it has already been undertaken and can be reused.

The above amount does not include the internal officer time spent on the project, which has been funded from the existing revenue budgets. This time is significant given the extent of work that has been undertaken for the project across various teams within the Council.

Staffing :

None noted.

Equality and Diversity including Human Rights :

None noted.

Data Protection Implications :

None noted.

Climate Related Risks and Opportunities :

Not proceeding with the scheme as proposed or any scheme in the future is likely to have an impact on the Council's ability to improve property conditions, which in some cases would have a positive impact in terms of climate change.

Section 17 Crime and Disorder Considerations :

None noted.

Health Implications:

The improvement of property conditions is well documented as having a positive impact on the health of occupants.

Title and Location of any Background Papers used in the preparation of this report:

The most recent Government review of the use and effectiveness of selective licensing can be found here and was used to inform the approach taken <https://www.gov.uk/government/publications/selective-licensing-review>

Decision to approve consultation proposals at Prosperous Communities Committee:

<https://democracy.west-lindsey.gov.uk/ieListDocuments.aspx?CIId=176&MIId=2897&Ver=4>

Selective Licensing Consultation Evidence Pack and Data Report

<https://www.west-lindsey.gov.uk/my-services/housing-and-home-choices/improving-housing-standards/selective-licensing/>

Motion 2 approved at Full Council on 7th March 2022: <https://democracy.west-lindsey.gov.uk/mqAi.aspx?ID=17427>

Risk Assessment :

None noted.

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1. Introduction

- 1.1. At Prosperous Communities Committee on the 2nd of November 2021, Councillors agreed to proceed with consultation on proposals for a selective licensing scheme which across its two designations would cover 5 of the Council's wards. These wards are Gainsborough North, Gainsborough South West, Hemswell, Wold View and Market Rasen.
- 1.2. The Committee asked officers to prepare the consultation details and seek approval of these via the delegated authority of the Chief Executive and the Chairman of the committee:
- 1.3. The consultation on these proposals commenced on the 17th January 2022 and was scheduled to take place for the required statutory 10-week period and was due to end on the 11th April 2022.
- 1.4. The consultation was halted after 7 weeks, following on from the approval of the motion at Full Council on the 7th March 2022. A consultation summary can be found in appendix 1; a full consultation report can be found in appendix 2; and a response to the main themes of the consultation can be found in appendix 3.
- 1.5. This report seeks to;
 - Provide information on the results of the 7-week consultation period undertaken to 7th March 2022.
 - Provide information on the motion passed at Full Council and the associated statement to aid a discussion on what the response and decisions are from the committee to the motion and feedback on the consultation.
 - Obtain direction from the committee in regards to the actions required of officers following on from the passed motion.

2. Main Concerns and Consideration

2.1. The Motion to Council (shown in full in section 3) raised some themes which are identified and addressed below. This section does not seek to respond to every point raised, mainly those that relate to the overall approach taken.

2.1.1. Legality of the consultation: the methodology proposed is in line with the statutory requirements and there is confidence that the approach would have stood up to any scrutiny. The Council commissioned a proven company to deliver its consultation to ensure that it met the required standards. The company engaged to work with the Council on the proposals have already successfully gained approval for 4 large selective licensing schemes, a further 2 in the process of being determine and 2 additional commissions being developed. The process undertaken by the Council up to the

point of the consultation halting is in line with the requirements of the legislation and is the same approach that many other consultation processes have taken. Specifically, it is believed that the Council were going above and beyond reasonable steps to ensure that those likely to be affected by the designations were consulted, and the consultation was carried out in accordance with legislation and guidance. Assurance on the approach has been sought from the Department for Levelling Up, Housing and Communities prior to the consultation and after the motion was passed to halt the consultation.

2.1.2. Consultation methods: the consultation had a very broad reach, as demonstrated by the response numbers achieved. Concerns were raised as to whether actual face to face meetings should have occurred. At the point of making this decision and proceeding with the consultation the restrictions relating to the Omicron variant were very current and informed the approach. There are pros and cons to the face to face versus online approach, so a combined method was agreed with the physical options being planned later in the consultation and there is no legal requirement to hold physical face to face consultation. This approach reflects other consultation that the Council have undertaken during the pandemic such as the budget consultation.

2.1.3. Engagement with specific stakeholder groups: the consultation did seek views from a range of stakeholders. Specific requests were made to meet face to face with very specific group of stakeholders, which given the number of other groups impacted was not feasible or necessary within the consultation. Various stakeholders including managing and estate agents, large land holding bodies and representative bodies such as the Country Land and Business Association also engaged in the consultation and online sessions. All Parish Councils were also made aware of the consultation and invited to engage.

2.1.4. Engagement with landlords: concerns were raised that landlords were not engaged effectively in the process, nor were their views used to inform any proposals. Landlords have engaged in the consultation and provided feedback on the proposals. All previously licensed landlords were directly contacted by e mail about the proposals and a specific online session aimed at those landlords was held early on in the consultation. Three previously licensed landlords also engaged in a specific focus group to look at how the proposals could be improved and to reflect on the previous scheme. Over 90 landlords had responded to the survey at the point of it being halted and various landlord organisations, such as DASH accreditation and the National Residential Landlords Association had also attended online engagement sessions.

2.1.5. Data and evidence (use of algorithms): there is a clear directive from Government to utilise data in this way for selective licensing schemes. The tenure intelligence approach has been adopted by

more than 20 local housing authorities across England to help understand the distribution of privately rented housing and related stressors. Validation of this approach typically results in an 80%-90% positive prediction rate. This data is combined with and informed by local frontline data provided by the Council including, complaints, council enforcement interventions, anti-social behaviour, council tax and electoral register data

2.1.6. Consultation response: concerns were raised that views would not be considered and accounted within the process. The consultations sole purpose was to seek to understand the views of stakeholders and then, where appropriate make amendments to the proposals to accommodate them. Based on the consultation responses to date, there could have been a number of amendments made to any proposals put forward to committee for agreement.

2.1.7. Learning has not been taken from the previous scheme: a report to Prosperous Communities Committee in September 2021 identified key learning points from the previous scheme that were considered within the future proposals (i.e. a specific resource to deal with ASB and additional support for landlords). Any further suggestions made in the consultation would have been considered for inclusion.

3. Motion to Council and further direction

3.1. The motion passed at Full Council on the 7th March 2022 brought the consultation to a halt. The motion in full is shown below for information:

“In England the private housing sector accounts for 4.4 million or 19% of households compared with 4.0 million or 17% households in the social rented sector. Therefore private landlords clearly play an important role in supporting local authorities meeting local housing demand.

WLDC introduced a Selective Licensing Scheme of Private Landlords in parts of the Gainsborough South West Ward in 2016 and the authority is currently carrying out a consultation process with a view of extending the scheme to other areas of the district in 2023.

Whilst we welcome the consultation it has to be recognised that an online process has limitations regarding the current challenges faced by the private rented sector in our urban and rural areas.

Clearly there are many advantages for the authority building improved partnerships with the private rented sector, including meeting our statutory requirements regarding homelessness, employment, domestic violence, mental health etc. They also support the authority meeting the housing needs of many individuals who have exhausted their options regarding social housing.

Our citizens deserve good housing standards, the selective licensing scheme can improve the quality of accommodation however it has had limited success

in many other areas such as anti- social behaviour, community safety and crime levels.

It is therefore essential before we extend the selective licensing scheme we gain a far better understanding of how many of these other issues can be addressed, Therefore we ‘move’

- 1. The consultation process is halted and reformulated to address the limitations of the online consultation process including a district wide meeting between elected Members and the private landlords of the designated areas.*
- 2. The key findings are considered and implemented into the new selective licensing scheme.*
- 3. A report is produced and presented to the following Prosperous Communities Committee prior to the new licensing scheme being implemented.*

We so Move

*Councillor Trevor Young
Gainsborough South-West Ward*

*Councillor Stephen Bunney
Market Rasen Ward*

*Councillor Paul Howitt Cowan
Hemswell Ward*

*Councillor Tom Regis
Wold View Ward”*

- 3.2. Communication with the four Councillors - via email and in a face to face meeting - who proposed the motion has commenced to engage them and to seek to clarify and understand further the elements of the motion and to ensure that its requirements are met.
- 3.3. At this stage the feedback from the Councillors who proposed the motion has provided an outline of the concerns that they had about the consultation and also the scheme as a whole.
- 3.4. In terms of the motion specifically, Committee are asked to consider and discuss the following points made within it and the debate alongside it at Full Council to help provide direction to Officers moving forward:

a) Consultation limitations:

- What are these deemed to be specifically?
- Why was the process in place causing concern?

- Why was the online aspect of the consultation not deemed suitable?
- How can these limitations be overcome?

b) District wide meeting with Elected Members and Private Landlords:

- What are the expectations in regards to this? (number of attendees and format)
- How would these activities take place?
- When does this happen? (prior to any further consultation?)
Who would lead and facilitate this meeting? (Councillors and/or Officers)
- What is the subject of any meeting?
- Would Councillors wish to meet with all stakeholder groups who would be contacted about any proposals? (There is an extensive list of these and it would be required in order to demonstrate that the consultation had reached all those potentially impacted).

c) Methodology (Data, evidence and use of algorithms)

- What it is about the evidence that is causing concern?
- What other approach would Councillors suggest?
- What additional evidence is deemed to be required?

d) Overall Proposals

The decision made by Prosperous Communities Committee in November 2021 provided the authority to consult on the proposals, based on the evidence provided. This decision remains valid, until a decision not to progress is agreed.

(Whilst not mentioned in the motion itself, the subsequent debate at Full Council highlighted broader concerns about the scheme itself).

- What are these concerns?
- What are the reasons behind the perceived lack of integrity?
- How can these concerns be mitigated?

e) Councillor Engagement

- How do Councillors wish to be engaged in this process moving forward?

4. Financial Impact

4.1. As per the report to Prosperous Communities Committee in November 2021, the consultation element of the work was scheduled to cost £122,860. Corporate Policy and Resources Committee approved the use of £84,200 of general fund balance for this work, the remaining funds were already available.

- 4.2. The proposed costs were intended be recovered via income from the scheme. This will not be achieved until a scheme is put in place.
- 4.3. It does mean however that the work undertaken up the point of halting cannot be used for any formal submission of a scheme as the required period of consultation has not taken place. We do believe that any future consultation will cost significantly less as most of the preparatory work for it has already been undertaken and can be reused.
- 4.4. The above amount does not include the internal officer time spent on the project, which has been funded from the existing revenue budgets. This time is significant given the extent of work that has been undertaken for the project across various teams within the Council.

END