

REPORT FROM: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER

TO: EXECUTIVE

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SELECTIVE LICENSING UPDATE

PURPOSE OF REPORT

To update the members on the progress being made with the investigation into the need to introduce Selective Licensing in parts of the Borough.

RECOMMENDATIONS

- (1) That we continue to look at data for the Waterside and adjoining wards to identify the specific area that would benefit from selective licensing
- (2) A report is submitted to a future meeting of the Executive for approval to consult on the introduction of selective licensing.

REASONS FOR RECOMMENDATIONS

- (1) To ensure that the area to be designated can be shown to be an area of low demand housing
- (2) To seek approval to consult on the designated area with the community and partner organisations in line with government guidance

Background

The legislation governing the introduction of selective licencing is contained in the Housing Act 2004 and supported by guidance documents published by the Department of Communities and Local Government.

Selective licensing is a regulatory tool provided by Part 3 of the Housing Act 2004 and gives Local authorities power to designate the whole or parts of their district providing one of two specific conditions are met:

- a. The area is, or is likely to become an area of low housing demand and that making a designation will, when combined with other measures taken in the area by the local housing authority, or by persons together with the local housing authority, contribute to the improvement of the social or economic conditions in the area; or
- b. that the area is experiencing a significant and persistent problem caused by anti-social behaviour; and that some of or all of the private landlords who have let premises in the area (whether under lease or licence) are failing to take action to combat the problem that it would be appropriate for them to take; and that making a designation will, when combined with other measures taken in the area by the local housing authority, or by persons together with the local housing authority, lead to a reduction in, or the elimination of, the problem.

The Act goes further to state that: 'In order to determine whether the area is an area of low demand the local housing authority must consider the values of residential properties in an area compared to properties in a similar area, the turnover of occupiers of residential premises and the numbers of residential premises to buy or rent in an area and the length of time that they remain unoccupied.' The guidance suggests we must also consider the mix of tenure in an area, the lack of facilities and the impact that the rental sector is having on the local community through poor property conditions anti-social behaviour and criminal activity.

Section 81 of the Act requires local authorities to show how selective licensing will improve an area and how it will work alongside other measures that are already being taken. In particular the authority must ensure that in exercising the powers it is consistent with the Council's overall housing strategy, its homeless and empty homes policies.

In March 2015 the government introduced additional conditions for selective licensing to include, in addition to Low demand and Antisocial behaviour, Poor property condition, High levels of migration, High levels of deprivation and High levels of crime.

There have also been changes in the guidance issued to local authorities concerning the Secretary of States approval to designate a Selective Licensing Area. The Council is still able to designate a selective Licensing area provided we are not intending to designate more than 20% of the Local Authorities geographical area or the designation does not covers more than 20% of the private rented homes in the area. Whilst this change will not affect the designation of a single area in the borough the Council must be mindful that if we were to look to introduce further areas across the borough we may need to refer them to the Secretary of State for Communities and Local Government for approval.

The Council must only make a designation if they have considered other courses of action available to them to achieve the improvement of the area, that they consider that making the designation will assist in achieving the improvements and that they have taken reasonable steps to consult all persons that are likely to be affected by the designation and that all representations are considered and responded to.

The guidance issued by the Department of Communities and Local Government sets out a minimum consultation period of ten weeks. However this is qualified and the consultation must not be brought to an end if there is still meaningful dialogue between the council and interested parties.

The Executive at its meeting on the 22nd January 2015 agreed that we should continue to look at the data for the Southfield wards to identify a specific area that would benefit from selective licensing. This was later updated by the Executive in May 2015 to suspend the continued investigation in Southfield and investigate the implementation of a selective licensing area in and around the Waterside ward of Colne.

Low Demand

There are currently 39,620 houses in the Borough of Pendle. The housing stock is substantially different from the national average with 55% built before 1919 compared with 23.6% nationally. This is especially the case in the inner areas of the three main towns of the Borough. These inner areas are also characterised by a high proportion of two up, two down terraced housing which makes up 58% of the housing in these areas.

The tenure statistics from the 2011 census show that owner occupation across the borough was 75.1% in Pendle compared with 68.7% for England and Wales and that the percentage of private rented properties was 18% compared to 16.7% nationally and with only 11% rented from social landlords compared to 18% nationally.

The level of vacant housing across the borough is currently 3.9%. However, there are clusters of vacant properties in some parts of the borough with vacancy rates as high as 10%. Selective licensing is not specifically designed to reduce the levels of empty properties but there is anecdotal evidence from other local authorities that suggests the introduction of Licensing has had an impact on numbers of empty properties.

The low demand for housing in parts of Pendle has been a problem for some time and manifests itself in a high level of vacant properties low property values and high levels of private renting coupled with poor housing conditions.

We previously looked at the introduction of selective licensing in parts of the Borough in 2007 but the guidance we received at the time was that the conditions were not bad enough to warrant Selective licensing. At that time approval was needed from the Secretary of State whereas now it is for local Councils to agree designation.

Parts of the Borough were designated as being in low demand under the Governments Housing Market Renewal pathfinder in 2002 and the boundary was drawn up using data on three key variables Property prices, empty homes and numbers of privately rented homes. The boundary of this intervention area defined an area that was considered to be in low demand and the areas under consideration all fell in this boundary.

Whilst significant effort was put in to the improvement of these areas with the curtailment of the Housing Market Renewal pathfinder programme there are still significant problems in some parts of the borough.

The following criteria were introduced in March 2015 and in order for the Council to use them we will need to consider the following factors

Poor property conditions

In order for the property condition to be used to inform any decision the authority would need to carry out a comprehensive review of the condition of the properties and from that determine that the area contains a high proportion of private rented properties and that these homes have category one and two hazards present as determined by the Housing Health and Safety Rating System (HHSRS). The authority must also intend to take enforcement action under the Housing Act 2004 to remedy the poor property condition.

Deprivation

For this condition to be met the authority must demonstrate that the area is suffering from a high level of deprivation which affects a significant number of occupiers of private rented properties.

And that making a selective licensing area the council together with its partners will contribute to the levels of deprivation in the area.

There are several criteria which should be considered when determining whether an area is suffering from a high level of deprivation. These include employment status, average house hold income, the health of Household, level of crime and access to education and training.

Crime

We are now able to designate an area if we can demonstrate that the area suffers from a high level of crime and that the criminal activity affects those living in private rented properties and other households and businesses. This criteria can only be used if we can show that the measures that we intend to take together with partners will significantly reduce the levels of crime in the area.

Waterside Colne

Low demand

We have looked at the data available for the Waterside ward and compared it to the averages for the borough as a whole. The information indicates that there are five factors above the Pendle average that would indicate that there is a low demand for housing. A third of the properties in the area change occupier at least once over a year. The private rented sector accounts for 28% significantly above the Pendle Average of 18% and the level of empty properties in the ward is 4.5% which again is above the Pendle average of 3.3%

Anti-Social Behaviour

The level of reported antisocial behaviour across the district has fallen by 16% over the last 12 months compared with the previous year. However, Waterside has seen an increase of 2% compared with the previous year. Whilst this can be taken account of in the overall consideration it is not high enough to warrant the introduction of selective licensing on its own

Poor property conditions

The authority has not carried out a stock condition survey since June 2009. However, at that time it was shown that 200 of the 656 rented properties had category one hazards and from our own evidence from enforcement action we can say that properties that we inspect in the waterside area contain multiple category one hazard and a number of category two hazards

Deprivation

There are three Lower super output areas covering Waterside, of these two are ranked in the top 10% of all LSOA. 50.3% of Waterside's working age residents are considered economically active which is lower than the Pendle average and 28% of females are considered economically in active and 14.9% are claiming benefits which are some 7.4% higher than the national average and 6% higher than the Pendle average. The health of the households is also significantly worse than with the proportion of Waterside residents having a limiting long term illness being 6% above the national average.

Crime

The levels of crime in Waterside are higher than for the rest of Pendle with 667 calls being made to the police compared with a Pendle average of 279. On all measures Watersides crime statistics

are higher than the Pendle average and the Lancashire average. However this is a reduction on the previous year of nearly 12%

The tables in appendices show the significant data covering the Waterside ward against the Pendle average

Conclusion

Whilst the data sets are not complete the evidence appears to support the designation of a Selective Licensing area based on low demand but supported by antisocial behaviour, level of crime and level of deprivation. However, the data need to be mapped to street level to enable us to determine the boundaries to the area. The evidence supports the continuation of the project and the production of the final report. This report will be submitted to the Executive in February 2016 to seek approval to consult with the residents, landlords and those that will be affected by the introduction of Selective Licensing in Waterside.

IMPLICATIONS

Policy: There are no policy implications arising from this report. The Pennine Lancashire Housing Strategy includes for the use of Selective licensing.

Financial: Selective Licencing should be self-financing, with the costs of the licencing regime being met from licence fees paid by Landlords in the designated area. However, there are up-front costs, as yet to be determined, in determining the area to be designated and in establishing the Scheme. Equally, work is still to be undertaken on the overall costs of the Scheme and, therefore, what the likely level of the license fee for Landlords will be.

Legal: The designation of Selective licensing is covered in the Housing Act 2004 and all local authorities have been given the powers to designate a licensing area without the consent of the Secretary of State. However if the designation covers more than 20% of the geographical area of the borough or covers more than 20% of the Private rented homes in the area then approval to designation a selective licensing area must be obtained from the Secretary of State. In either case the designation can be subject to legal challenge through judicial review.

Risk Management: None

Health and Safety: None

Sustainability: The designation of a selective licensing area should encourage neighbourhoods to become stable communities

Community Safety: The introduction of licencing in an area should reduce the incidence of crime and antisocial behaviour

Equality and Diversity: None

APPENDICES

Appendix 1

Table showing data for Waterside

Appendix 2

Table showing Crime data for Waterside

LIST OF BACKGROUND PAPERS

Council tax data

2011 census

Pendle ASB statistics

2007 EHCS

Pendle crime statistics

Waterside Ward Profiles

Appendix 1

		Waterside		Pendle	
		No.	%	No.	%
Tenure	Owner Occupier	1327		25580	
	Social Rented	388		4333	
	Private Rented	656		6760	
	Living Rent Free	31		602	
Empty Properties	Empty up to 6 months	52	31.14	947	38.92
	Empty between 6 mths to 2yrs	49	29.34	779	32.02
	Empty over 2 years	66	39.52	707	29.06
	Total (on 01/04/15)	167		2433	
House Sale/Property Turnover	Mean House Sales - Annual % Change (2014)		21.00		0.34
	Mean House Sales - Annual % Change (2013)		-29.22		10.56
	Median House Sales - Annual % Change (2014)		37.00		0.58
	Median House Sales - Annual % Change (2013)		-24.67		6.28
	New Council Records Created (09/12/13 - 08/12/14)	745		10657	
Housing Disrepair	Total Cases 2014/15	16		106	
	Total Cases 2013/14	20		156	
	Total Cases 2012/13	16		166	
Enviro-Crime	Dogs Related	26			
	Accumulation of Waste	78			
	Property Open to Access	10			
	Defective Premises	8			
	Total	122			
Age Profile	0-4	383	7.39	6362	7.11
	5-10	345	6.66	6561	7.33
	11-16	354	6.83	6473	7.24
	17-29	965	18.63	15296	17.10
	30-45	1162	22.43	18561	20.75
	46-65	1335	25.77	22741	25.42
	66-75	397	7.66	7339	8.20
	76-89	220	4.25	5509	6.16
	90+	19	0.37	610	0.68
	Total	5180		89452	
Benefit Claimant	JSA Claimants	180	3.5	2100	2.3
	DWP Benefits Claim	590	11.4	6065	6.8
Crime and Calls	Crimes (per thousand)	114.9			
	Police	2814			
	Fire	75			
	Ambulance	825			

Appendix 2

	Actual Crimes /Incident			Rates per thousand population, except Domestic Burglary which is rate per thousand households				
	July 2013 to June 2014	July 2014 to June 2015	Year on Year Difference	Percentage Change	July 2013 to June 2014	July 2014 to June 2015	Pendle Ave. July 2014 to June 2015	Lancs Ave. July 2014 to June 2015
Calls to the Police	3059	2814	-245	-8%	590.5	543.2	321.7	355.6
Calls to the Ambulance Services	854	825	-29	-3.4%	164.9	159.3	131.5	146.6
Calls to the Fire & Rescue Services	66	75	9	13.6%	12.7	14.5	8	9.3
Total Recorded Crime	653	595	-58	-8.9%	126.1	114.9	55.5	63.1
Violence Against The Person	108	127	19	17.6%	20.8	24.5	13.1	16.1
Calls to the Police about Domestic Violence	107	108	1	0.9%	20.7	20.8	13	13.1
Calls to the Ambulance Services where Violence Involved	8	6	-2	-25%	1.5	1.2	1.2	1.3
All Drug Offences	16	18	2	12.5%	3.1	3.5	2	1.9
Numbers Killed or Serious Injured on the Road	2	2	0	0%	0.4	0.4	0.3	0.3
Serious Acquisitive Crime	103	97	-6	-5.8%	19.9	18.7	9.6	8.7
Robbery	4	4	0	0%	0.8	0.8	0.3	0.4
All Burglary	115	107	-8	-7%	47.7	44.4	19.2	19.4
Domestic Burglaries	29	50	21	72.4%	12	20.8	8.6	7.9
All Vehicle Crime	83	53	-30	-36.1%	16	10.2	6.7	6
Theft of a Vehicle	12	4	-8	66.7%	2.3	0.8	1.2	1.3
Theft from a Vehicle	58	39	-19	32.8%	11.2	7.5	4.6	3.8
All Criminal Damage (inc. Arson)	75	80	5	6.7%	14.5	15.4	9	10.5
Deliberate Fires	28	16	-12	-42.9%	5.4	3.1	1.3	1.6
Deliberate Vehicle Fires	0	0	0	0%	0	0	0	0
Calls to the Police about Anti-Social Behaviour	455	394	-61	-13.4%	87.8	76.1	50	53.7