

<b>REPORT FROM:</b>	<b>HOUSING, HEALTH AND ECONOMIC DEVELOPMENT SERVICES MANAGER</b>
<b>TO:</b>	<b>EXECUTIVE</b>
<b>DATE:</b>	<b>16<sup>th</sup> MARCH, 2017</b>

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## **PROPOSED COLNE SELECTIVE LICENSING AREA**

### **PURPOSE OF REPORT**

To seek approval from the Executive to designate parts of Waterside, Vivary Bridge and Horsfield wards ('the Colne Selective Licensing Area') as a selective licensing area. This would require all privately rented houses within the designated area to be licensed under the Housing Act 2004

### **RECOMMENDATIONS**

- (1) That the Executive accepts that there is evidence and public support for the selective licensing of private rented properties in the identified areas.
- (2) That the Executive approve the new proposed designation boundary as shown in Appendix 2 with the full list of streets shown in Appendix 3.
- (3) That the Executive approve the fees and fee structure as set out in Appendix 4.
- (4) That the Executive note that following a 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. The implementation date for the

designation to be 1 July 2017 to give a full 3 months and a clear start date for the scheme.

## **REASONS FOR RECOMMENDATIONS**

- (1) The Council have satisfied the statutory tests in Section 80 of the Housing Act 2004 in relation to the conditions required to designate an area for selective licensing.
- (2) Selective licensing is the most appropriate action available to Council that compels landlords to consider how they manage rented properties and where required, make improvements to their properties and management practices.

## **Background**

Section 80 of the Housing Act 2004 provides for the introduction of a selective licensing scheme. Selective licensing is intended to address the impact of poor quality private landlords and anti-social tenants. It was primarily developed with the need to tackle problems in the areas of low demand and also for areas with issues of significant anti-social behaviour, poor property conditions, high levels of migration, high levels of deprivation and high levels of crime.

The private rented sector is an important and essential part of housing provision and housing choice in the Borough. However, badly managed private rented properties are the source of many problems and place high demands and costs across the Council and partner services as well as disruptive impact on local communities. Selective licensing aims to address the problems with poor quality and badly managed private rented housing and in turn reduce the burden on Council services.

The Council can recover costs associated with administering and performing the relevant functions of a selective licensing scheme. To achieve a cost neutral scheme the licence fees have to be calculated with a view to recovering this cost over the 5 year period. Councils are not allowed to 'make a profit' from licence fees, or use it for other purposes.

The initial objectives for the scheme are:

- To improve the management of the private rented stock in the area.
- To increase the value of properties in the selected area.
- To reduce the turnover of occupants to create sustainable communities.
- To reduce the number of vacant properties and the length of time they remain vacant.
- To reduce the levels of anti-social behaviour.
- To build on the Council's other initiatives in the area.

The Housing Act 2004 Section 80 (9) states that when considering designating an area the local housing authority must:

- Take reasonable steps to consult persons who are likely to be affected by the designation
- Consider any representations made in accordance with the consultation.

A decision on 17<sup>th</sup> March 2016 was made by the Executive to consult with residents, landlords and businesses on the proposed introduction of selective licensing within certain areas of Colne. A large scale consultation exercise was carried out over the period from 22<sup>nd</sup> August 2016 to 22<sup>nd</sup> February 2017 and a summary of the responses is included in this report.

## **THE CONSULTATION**

Consultation was officially started on 22<sup>nd</sup> August 2016 for a minimum of 10 weeks, as required by the Housing Act 2004, to gain views on the proposal to introduce a selective licensing scheme for private rented properties in parts of Colne. Residents of the area and known landlords and agents with an interest in the Waterside, Vivary Bridge and Horsfield wards of Colne were consulted during the period. Originally, the consultation was due to close on 7<sup>th</sup> November 2016, however, the Housing Act and guidance states that the consultation must remain open whilst it is meaningful. As we were still responding to comments and receiving further questions at the time we concluded that the consultation should remain open. The consultation was then officially closed on the 22<sup>nd</sup> February 2017.

This consultation period of 26 weeks significantly exceeded the statutory minimum consultation period required under Part 3 of the Housing Act 2004.

The consultation process included:

- A designated webpage on the Council website, which included a map of the area, the consultation documents and an online survey for residents.
- Surveys posted to all landlords and management agencies with properties in the area known to the Council.
- Surveys posted to all premises within the proposed boundary and those which fell into the wider consultation boundary.
- Leaflets hand delivered to all properties within the designated area.
- The consultation was promoted via social media and press release.
- Three designated drop-in sessions were held in the proposed area open to local residents and landlords.
- Two meetings were held for landlords/managing agents to meet with ward councillors and members of the Council Executive.

Residents at more than 6800 addresses within both the proposed designated boundary and the wider consultation boundary were invited to complete a survey, allowing them to give their views on selective licensing as a means dealing with any adverse effects that may be linked to the growth of private rented sector housing. Over 400 letters and surveys were sent out to all landlords and managing agents known to operate within the proposed designation area. It should be noted that some landlords/agents manage multiple properties in the area.

In total, 1082 surveys were returned. Of these, 1,011 were completed by residents and 71 by landlords/ agents, giving a response rate of 14.7% for residents and 16.4% for landlords and agents.

Overall, 63.4% of residents strongly or tend to agree with the proposal to introduce Selective Licensing in the Colne area, 22% neither agree nor disagree and 14.6% strongly or tend to disagree. Results from the landlord survey found that only 9.8% strongly agree or tend to agree with the proposal to introduce the scheme, 8.5% neither agree nor disagree and 81.7% strongly or tend to disagree. The landlords/agents who attended the meetings with Councillors all disagreed with the proposal.

### **The key findings from surveys submitted by residents**

Those in favour of licensing mentioned perceived advantages including:

- Making landlords more accountable for the condition of their properties.
- Landlords will have to improve the management of their properties.
- Improving the neighbourhoods within Colne.
- Reduce the number of empty properties.
- Deal with anti-social behaviour issues.

Residents that opposed licensing expressed views that it would:

- Be a money making scheme for the council.
- Increase rents.
- Not reduce levels of anti-social behaviour.
- Deter landlords from investing in Colne

### **The key findings from surveys submitted by landlords and managing agent surveys**

Those landlords in favour of licensing believe it would:

- Reduce levels of anti-social behaviour.
- Improve the management and amenity of neighbourhoods.
- Give landlords and tenants responsibility for their behaviour and the way properties are managed.

Many landlords and agents opposed to selective licensing expressed concern that:

- The proposed fee of £770 is too high.
- Good landlords would be penalised, bad landlords should be targeted.
- Be a money making scheme for the council.
- The area would gain a poor reputation if it became a designated area
- Several stated that the licence fee would be passed on to tenants making properties less affordable for tenants on benefits and low incomes.
- Some would have to sell their properties or no longer let them out – potentially leading to an increase in empty properties.
- There are other areas in Pendle that are worse than Colne.

The Consultation Summary Report (Appendix 1) provides a more detailed breakdown of the findings of the consultation.

### **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. We have not been able to identify evidence that these adverse consequences have occurred in other 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.

### **Anti-Social Behaviour**

A number of landlords felt that there was insufficient evidence that anti-social behaviour was being caused by private rented sector tenants.

Our Community Protection and Localities Team report that, since we started using the legislation in February 2015, of the twelve Community Protection referrals received within the selective licensing area, eleven involved a private sector landlord property and one a social housing property.

Of the referrals of victims of Anti Social Behaviour at risk of harm living in the selective licensing area to the Anti Social Behaviour Risk Assessment Conference since December 2010, fifteen of the seventeen perpetrators of the harm have involved a private sector landlord property and two a social housing property.

The evidence points to the majority of the Anti Social Behaviour in the proposed area being caused by tenants in private rented properties.

### **Proposed Fee**

The licence fee proposed within the consultation is £770 over the 5 years (which is around £3 per week) with a discount if this is paid within 6 months of designation. There is a concern, predominantly from landlords, that the proposed licensing fee per property is too much. Also, to be expected to make payment upfront, would severely affect landlords businesses.

The Council is not able to make a profit out of this scheme and all fee income will be used within the area. We consider that the proposed fee level is the minimum required to manage and operate the scheme. It will be used to pay for the following dedicated staffing:

- Environmental Health Officer (1FTE)
- Anti-Social Behaviour Officer (1FTE for Yrs1-3 reducing to 0.6FTE for Yrs 4-5)
- Administrative Officer (0.5 FTE)

The fee will also pay towards the costs of operating the scheme such as land registry checks, invoicing and postage

This is the best assumption that can be made at this stage of what staffing resources are required and what the costs of operating the scheme will be. It will be reviewed during the operation of the scheme and resources reallocated if necessary.

The fee level has been 'benchmarked' against other local authorities in the area and is comparable to the fee charged in other Selective Licensing areas in Pennine Lancashire, so we consider it to be reasonable.

There was concern from some landlords about having to pay the fee upfront. We have built into the fee structure that where the applicant experiences difficulty in paying the full amount a payment plan may be agreed, enabling the full amounts to be paid in instalments, at the Council's discretion.

## **CONCLUSION**

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

As a result of the consultation, officers believe that there are sufficient grounds to introduce selective licensing to the Colne area, but with the originally proposed designation area reduced. The proposal to reduce the area has largely been based on feedback acquired during the consultation process. The proposed boundary of

the Colne Selective Licensing Area is shown in Appendix 2, with the list of streets to be included in Appendix 3.

We consider that the proposed fee level of around £3 per week per property is reasonable and comparable with other neighbouring authorities. It will provide dedicated staffing resources to implement the scheme along with necessary operating costs. The detailed fee structure is set out in Appendix 4.

As there is a 3 month period before the area can be formally designated it is proposed that this period starts on 1 July 2017.

## **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, the costs, in determining the area to be designated cannot be included in the calculation of the fee. The proposed licence fee is set out in Appendix 4 which will provide dedicated staffing and operating costs.

**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 are 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 - Consultation Summary Report**

**Appendix 2 - Proposed Designation Boundary**

**Appendix 3 - List of Streets within the Selective Licensing Area**

**Appendix 4 - Fees and Fee Structure**



**APPENDIX 1**

**PROPOSALS FOR A SELECTIVE LICENSING  
DESIGNATION FOR THE COLNE AREA**

**CONSULTATION SUMMARY**

**Housing Health & Economic Development  
Pendle Borough Council  
February 2017**



## CONTENTS

INTRODUCTION.....	2
THE CONSULTATION PROCESS .....	2
THE CONSULTATION RESULTS .....	5
BOUNDARY CHANGES .....	8
CONCLUSION .....	8
MAP 1 – ORIGINAL SELECTIVE LICENSING BOUNDARY AND CONSULTATION AREA .....	9
MAP 2 – REVISED SELECTIVE LICENSING BOUNDARY .....	10
APPENDIX 1 – MINUTES FROM LANDLORD MEETINGS .....	11

## **INTRODUCTION**

1. Pendle Council's Executive made a decision on 17<sup>th</sup> March 2016 to consult with residents, landlords and businesses on the proposed introduction of selective licensing within certain areas of Colne. A large scale consultation exercise was carried out over the period from 22<sup>nd</sup> August 2016 to 22<sup>nd</sup> February 2017 and this report details the process and the responses.

## **THE CONSULTATION PROCESS**

2. The consultation started on 22<sup>nd</sup> August 2016 for a minimum period of 10 weeks, as required by the Housing Act 2004, to gain views on the proposal to introduce a selective licensing scheme for private rented properties in parts of Colne. Residents of the area and known landlords and agents with an interest in the Waterside, Vivary Bridge and Horsfield wards of Colne were consulted during the period.
3. Originally, the consultation was due to close 7<sup>th</sup> November 2016, however, the Housing Act and guidance states that the consultation must remain open whilst it is meaningful and as we were still responding to comments and receiving further questions at the time we concluded that the consultation should remain open. The consultation was then officially closed on the 22<sup>nd</sup> February 2017.
4. This period of 26 weeks exceeded the statutory minimum consultation period of 10 weeks required under Part 3 of the Housing Act 2004.

### **Council Website**

5. A designated webpage was set up on the Council website, which included a map of the area, the consultation documents and an online survey for residents.

### **Letters to Landlords and Agents**

6. The Council wrote to over 400 landlords and agents known to be operating in the proposed designation area regarding the proposal to introduce selective licensing. The letters included a map of the area and a paper copy of a survey specifically aimed at landlords along with a freepost envelope.
7. The letters also directed landlords to the Council's website for further information, where they could also view proposal documents, including the council's reasons for proposing the area, the proposed licence conditions, proposed fit and proper person criteria and management standards, proposed fee structure, a larger map of the proposed area and information regarding the drop-in sessions which were held during the consultation period.

8. Contact details for the selective licensing team were also included on the letter for landlords to make queries/representations, or to request further paper copies of the survey. This was particularly important as for many affected properties within the designated area the Council had an agent listed as the responsible party – the agent could then inform the landlord of the receipt of the letter and pass the details on for them to obtain further information.

### **Letters to Local Residents and Businesses**

9. The Council also wrote to over 6800 addresses within the proposed area and the wider consultation boundary immediately outside of the proposed area (See Map 1). The letters included a map of the area and a survey specifically aimed at local residents/businesses along with a freepost envelope. The letters also directed residents/businesses to the Council website for further information on the proposed scheme.
10. Contact details for the selective licensing team were also included on the letter to answer any potential queries regarding the scheme.

### **Survey**

11. Surveys were created for those that may be affected by the proposal which included residents, businesses, landlords and agents within the proposed area. The surveys allowed them to give their views on selective licensing as a means of dealing with any adverse effects that may be linked to the growth of private rented sector housing. Respondents were asked to give their experience of living/operating in the area. It also asked for their thoughts on the proposed scheme and whether or not they agreed with the proposals. Paper copies were also available to complete at all consultation events.

### **Leaflets**

12. Leaflets providing information on the proposed selective licensing scheme were hand delivered to all properties within the designated area. The leaflets provided a basic overview of what the scheme entailed, a map of the area, details of the drop-in sessions and a link to the Council website for further information.

### **Social Media**

13. The consultation was promoted via social media and press release.

## **Drop-In Sessions and Meetings**

14. Events were held within the proposed designation area to ensure they were accessible and convenient for those wishing to attend. Officers were available at St John's Methodist Church from 2pm-5pm for a daytime drop-in session and from 6.30pm-9pm for two evening drop-in sessions. The sessions were open to both local residents and landlords. Given the vast number of people invited to attend, each drop-in session had a small turnout of less than 20 attendees at each.

## **Landlord Meetings**

15. Two additional meetings were held for landlords, at their request, to meet with ward councillors and members of the Council Executive to voice their concerns and ask questions. The first meeting was attended by 36 landlords/agents and the second meeting by over 50 landlords/agents (some attended both meetings). Appendix 1 sets out the issues and questions from those meetings.

## **Analysis of Consultation**

16. All completed questionnaires (paper and online) were statistically analysed. All written comments or queries received as part of the questionnaires, or by post/email were placed into a transcript relating to each area and responded to by officers where required.

## CONSULTATION RESULTS

17. In total, 1082 surveys were returned. Of these, 1,011 were completed by residents and 71 by landlords/ agents, giving a response rate of 14.7% for residents and 16.4% for landlords and agents.
18. Overall, 63.4% of respondents strongly or tend to agree with the proposal to introduce Selective Licensing in the Colne area, 22% neither agree nor disagree and 14.6% strongly or tend to disagree. Results from the landlord survey found that only 9.8% strongly agree or tend to agree with the proposal to introduce the scheme, 8.5% neither agree nor disagree and 81.7% strongly or tend to disagree (see Table below).

	Resident	Landlord
Strongly agree	391 (39.9%)	3 (4.2%)
Tend to agree	230 (23.5)	4 (5.6%)
Neither agree nor disagree	216 (22%)	6 (8.5%)
Tend to disagree	56 (5.7%)	9 (12.7%)
Strongly disagree	87 (8.9%)	49 (69.%)

### Resident/business surveys

19. One of the most reported issues found within the surveys was anti-social behaviour problems.
20. Of the respondents that answered Question 8 'In the last 12 months, have you encountered any of the following problems regarding your property?', 60.4% had reported anti-social behaviour problems within the neighbourhood.
21. It was also found that of those that answered Question 9 'Have you used any of the following services in the last 12 months?', 25.9% stated that they had dealings with the anti-social behaviour team.
22. For Question 10, respondents were asked 'Have you made any complaints about?', 30.2% stated that they had complained about noisy neighbours or loud parties.
23. Question 12 asked respondents 'In the Colne area, have you ever...?
- a) Been a victim of anti-social behaviour, or
  - b) Witnessed anti-social behaviour

It was found that 30% of respondents that answered the question and stated that they had been a victim of anti-social behaviour within the last 12 months or over 12 months ago. In regards to witnessing anti-social behaviour, 42.7% of respondents answered yes within the last 12 months or over 12 months ago.

24. There were 392 individual comments noted for Question 13 'If you answered 'yes to Q12, please provide us with some details.'

25. Those in favour of licensing mentioned perceived advantages including:

- Making landlords more accountable for the condition of their properties.
- Landlords will have to improve the management of their properties.
- Improving the neighbourhoods within Colne.
- Reduce the number of empty properties.
- Deal with anti-social behaviour issues.

26. Residents that opposed licensing expressed views that it would:

- Be a money making scheme for the council.
- Increase rents.
- Not reduce levels of anti-social behaviour.
- Deter landlords from investing in Colne

### **Landlord/agent surveys**

27. Within the landlord/agent surveys of those that answered Question 5 'In the last 12 months, have you encountered any of the following problems regarding your property?', it was found that of the respondents that answered the question 33.3% stated that they had experience difficulties in finding new tenants over the last 12 months, 44.4% had experienced problems in neighbouring properties affecting their property or tenants and 38.9% stated that they had experienced problems in evicting tenants.

28. Question 15 asked respondents 'Would you say that the demand for properties in the Colne are over the last two years has

Increased - 30%

Remained the same - 35.7%

Decreased - 4.3%

Don't know – 30%

29. Those landlords in favour of licensing believe it would:

- Reduce levels of anti-social behaviour.
- Improve the management and amenity of neighbourhoods.
- Give landlords and tenants responsibility for their behaviour and the way properties are managed.

30. Many landlords and agents opposed to selective licensing expressed concern that:

- The proposed fee of £770 is too high.
- Good landlords would be penalised, bad landlords should be targeted.
- Be a money making scheme for the council.
- The area would gain a poor reputation if it became a designated area
- Several stated that the licence fee would be passed on to tenants making properties less affordable for tenants on benefits and low incomes.
- Some would have to sell their properties or no longer let them out – potentially leading to an increase in empty properties.
- There are other areas in Pendle that are worse than Colne.

31. Average length of owning/managing properties in Colne is 15.5 years

### **The Council's Responses to The Most Frequently Raised Concerns**

32. All comments and concerns raised by interested parties during the consultation have been considered and responded to by the Council where necessary. The most frequent concerns raised relate to:

33. **The proposed fee of £770 is too high** - there is a concern predominantly from landlords, that the licensing fee per property is too much. Also, to be expected to make payment upfront, would severely affect landlords businesses. **We responded** that if a landlord was finding it difficult to pay upfront we would look at payment plans

34. **Good landlords would be penalised, bad landlords should be targeted –** **We responded** that Selective licensing is part of a wider strategy with the aim of attracting people to live in the borough and encouraging businesses to invest in Pendle. A poor private rented sector detracts from this aspiration and deters people from living or remaining in a neighbourhood. Although there are many good, responsible landlords, there are many landlords that are not addressing their responsibilities and need to improve their practices. Working with landlords, tenants and managing agents we want to improve the sector and the reputation. Experience has shown that many landlords will not engage through voluntary schemes. Selective Licensing is a way of compelling



landlords to engage with the Council and to have appropriate management standards to take action where breaches occur in tenancy agreements before they start to affect the wider community. The legislation does not facilitate the targeting of “bad” landlords only, it is based on an area and any landlord operating within that area then has to apply for a licence.

35. **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. ***We responded*** that we were 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.

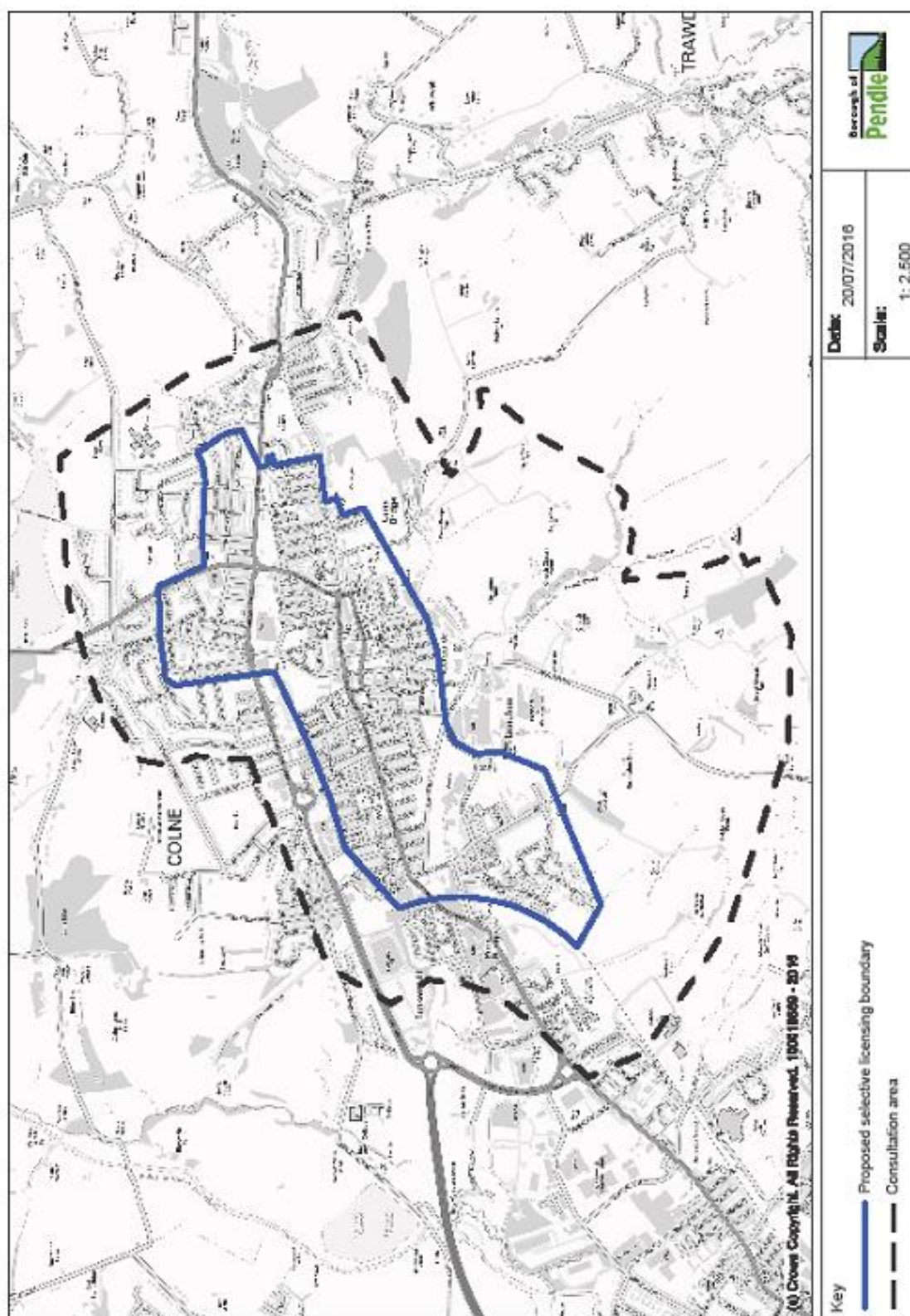
## PROPOSED BOUNDARY

36. The consultation brought forward a number of opinions relating to which properties and streets should be included (or not) in the areas from residents, landlords and councillors.
37. **Knotts Drive and surrounding streets** - it was felt that the area had a high proportion of owner occupier properties and low levels of reported anti-social behaviour.
38. **Oak Street and surrounding streets** – it was raised that a number of properties were social housing. Further research was carried out as a result of the comments and it was found to have high numbers of properties owned by a social housing provider which legislation states cannot be included within a selective licensing scheme.
39. **Rutland Street and surrounding streets** - following the consultation comments it was felt that in comparison to other areas, there were lower levels of disrepair complaints, empty properties and reported anti-social behaviour.

## CONCLUSION

40. The information gathered during the consultation period and the statistical evidence contained within the Selective Licensing Proposal document shows the proposed area to be suffering from the effects of low demand for housing. It is most manifested in low property values, high numbers of private rented properties and empty properties. In addition there are reports of anti-social behaviour, which have a negative impact on the demand within the areas further weakening the housing market. Following the consultation process it is felt that some of the proposed areas should be removed and the boundary revised.

# MAP 1 – ORIGINAL SELECTIVE LICENSING BOUNDARY AND CONSULTATION AREA



## **Appendix 1 to Consultation Report – Minutes from landlord meetings**

### **CONSULTATION MEETING WITH LANDLORDS/MANAGING AGENTS 6.00pm Monday 16<sup>th</sup> January 2017**

#### **Present**

Cllr Tony Greaves (Deputy Leader of the Council and Waterside Ward Councillor)  
Julie Whittaker, Housing Health & Economic Development Manager, Pendle BC  
Paul Lloyd, Private Sector Housing Manager, Pendle BC  
36 Landlords/Managing Agents (some owning/managing multiple properties)

#### **Apologies**

Cllr Mohammed Iqbal (Leader of the Council)  
Cllr Asjad Mahmood (Executive Member for Housing)

#### **General Comments by Landlords/Agents**

- Landlords did not always get letters about the proposal
- The data being used is out of date and the area is improving
- The statistics seem vague
- Manchester stopped Selective Licensing due to the cost
- The fees paid by landlords will be passed on to the tenants in higher rents
- Many tenants wouldn't be able to afford higher rents and they could be evicted which will cause more problems for the Council
- There will be a higher turnover of tenants
- Trinity in Burnley has not seen any improvement with Selective Licensing
- The area is good and properties are easy to let – it is not a low demand area
- Laws are in favour of the tenant and it is difficult to get them out
- This will blight a nice town. A few streets could be improved but most are OK
- I don't believe that selective licensing will improve the private rented sector, improve ASB, or increase property prices
- Good landlords are not being heard
- You should be encouraging private landlords to help meet housing need
- Good landlords will sell up

## **Questions and Answers**

**Q** – When will a decision be made? Can we speak at the meeting?

**A** – The intention is for a decision to be made at Pendle's Executive meeting on 16<sup>th</sup> March. Yes, landlords/agents can speak at the meeting

**Q** – Which Councillors are on the Executive?

**A** – Paul Lloyd will email the list to those attending

**Q** – What will the money raised be spent on? Can the Council guarantee it will be used in the area?

**A** – It is a legal requirement that the scheme should be cost neutral. All money raised from licence fees will be spent in the area and will fund staff to specifically work in the area. We need to show separately in our accounts how the money is spent and landlords will get a report on this each year.

**Q** – Why has only one Councillor attended the meeting?

**A** – The Leader of the Council and the Executive Member for Housing were both unable to attend due to family illness. Cllrs Lord, Clegg and Roach had other commitments.

**Q** – How will this help us deal with poor tenants?

**A** – Officers will be employed specifically to deal with Anti-Social Behaviour (ASB) and will visit tenants to tackle the problems. The Council have more powers now under legislation but problems are not solved overnight.

**Q** – Why are you proposing to charge landlords rather than all taxpayers?

**A** – To give us more funding to do a better job in tackling ASB in the area. Government has capped increases in CTax at 2% so we are not able to raise sufficient funding to support the work we want to do.

**Q** – Building Societies won't give mortgages in Selective Licensing areas so won't this make things worse in the area?

**A** – We have not found any evidence that this is the case in other areas

**Q** – A lot of the problems are in 'Council Housing' so why aren't they included?

**A** – The Council no longer own any housing itself as it was transferred to Housing Pendle so is now classed as social housing. The regulations say that social housing cannot be included.

**Q** – Could the area be smaller?

**A** – Yes, it is being considered. The Executive could decide to declare a smaller area but would need objections and justification for taking areas out.

**Q** – How will you deal with bad landlords who won't pay?

**A** – We will have to take them to Court if necessary. The maximum fine is £20k for not registering.

**Q** – I only have one property and cannot afford to pay £770.

**A** – We could agree a payment plan for landlords who could not afford the full amount at once

**Q** – We are already covered by legislation. Why do you need more?

**A** – To put extra resources into the area to improve it. Council and police staff resources are rapidly declining

**Q** – Have all Councillors registered conflicts of interest when voting, including those from Nelson? They should declare a Pendle wide interest

**A** – Councillors have to register financial interests and declare an interest at a meeting. They would only need to declare an interest if they owned a property in the proposed Selective Licensing area, not if they had a property elsewhere in Pendle.

**Q** – Why was Colne chosen to be first instead of Nelson? Nelson and Brierfield are worse

**A** – We first looked at Selective Licensing in 2006 but at the time it was more controlled by Central Government. The Council looked at Waterside in Colne and Southfield in Nelson but at the time they didn't meet the Government criteria. The Government have now made it easier to designate and we have looked at it again. In 2014 the Conservative/Liberal Democrat Executive decided they wanted to progress a scheme in Colne as that was the area they represented and felt it would benefit. Both Colne and Nelson were looked at and the officer report said that Nelson was worse. Control of the Council changed to Labour/Liberal Democrat and both parties still wanted to look at Colne first and then Nelson if Colne was successful. Colne Area Committee get a lot of reports of rubbish being dumped at privately rented properties and these are the sorts of things we want to tackle.

**Q** – Why don't you pursue tenants not landlords for rubbish in backyards?

**A** – Pendle use s215 of the Town and Country Planning Act which has to be used against the owner of a property whereas many other authorities use s80 of the Environmental Protection Act which can be used against a tenant. We will look into this further.

**Q** – Can Pendle decide not to progress with a scheme in Colne?

**A** – Yes, the Executive could decide that but it would set us back 2 years starting with a new area

**Q** – What evidence is there that it will work?

**A** – It has worked in other areas

**Q** – Why don't you just do one licence per landlord rather than one per property?

**A** – The legislation requires us to licence the property and not the landlord

**Q** – Can the charge be less?

**A** – If it is too low we won't be able to achieve what we want for the area

**Q** – How much will the licensing fees bring in?

**A** – It will be about £500k over 5 years

**Q** – Can the scheme be stopped before the end of 5 years? If so, can fees be refunded?

**A** – Yes, the Council could stop the scheme. There is an ongoing legal case in relation to repayment of fees

### **Next Steps**

Notes of the meeting will be written up and circulated to all Councillors who had been invited and the landlords/agents who attended the meeting.

A commitment was given to seek to arrange another meeting when more Councillors could attend, before the decision is made.

**PROPOSED SELECTIVE LICENSING IN COLNE  
CONSULTATION MEETING WITH LANDLORDS/MANAGING AGENTS  
6.00pm Monday 16<sup>th</sup> February 2017**

**Present**

**Councillors**

Mohammed Iqbal (Leader of the Council)  
Tony Greaves (Deputy Leader of the Council and Waterside Ward Councillor)  
David Clegg (Executive Member and Vivary Bridge Ward Councillor)  
Sarah Cockburn-Price (Chair of Colne Town Council and Boulsworth Ward Councillor)  
Paul White (Boulsworth Ward Councillor)  
Neil Butterworth (Horsfield Ward Councillor)  
Jonathan Nixon (Horsfield Ward Councillor)

**Officers**

Julie Whittaker, Housing Health & Economic Development Manager, Pendle BC  
Paul Lloyd, Private Sector Housing Manager, Pendle BC

c.50 Landlords/Managing Agents (some owning/managing multiple properties)

**Apologies**

Cllr Asjad Mahmood (Executive Member for Housing)

**General Comments by Landlords/Agents**

- The scheme relies on evidence from elsewhere that Selective Licensing works. Manchester ran the first scheme and have dropped it as they could not attribute improvements to it. They are now piloting other methods in targeted areas
- It will stigmatise the Town Centre which will set back its economic renaissance
- With the decline of public sector housing the private sector will be helping to meet need and demand and should be supported
- Rents will have to rise in line with the levy and extra administration costs
- There will be more transient tenants
- Colne may be low value but it is not low demand
- Selective licensing does not work
- The public sector properties need sorting out as well
- There will be a blanket charge for all properties so the cheaper properties with lower rental levels will be disadvantaged

- Good landlords should not have to pay for bad landlords
- There is an assumption that all anti-social behaviour is caused by landlords in the private rented sector
- The police have worked on anti-social behaviour for years and not stamped it is out. It is not the job of landlords to do community work
- Properties that are part of the Landlord Accreditation scheme are included in the area and this is wrong
- Colne is a good area and Nelson has more problems but councillors don't want it there
- Southfield Action Group got grants to paint window boards of empty properties to improve the area and that area needs the scheme more than Colne
- Landlords will have to pay the extra if tenants are on Housing Benefit as they won't be able to put up the rents
- We will have to sell properties and this will increase the number of empty ones
- Bad landlords won't register
- In Burnley Selective Licensing areas house prices have remained stagnant or gone down. A survey was done in Burnley and local residents there had seen no improvement in 5 years
- The scheme is just a money making scheme for the Council and landlords should not have to fund Council services
- The local authority have powers to deal with bad landlords
- Landlords will have to use the money they would have spent improving their houses to fund the charge so improvements will take longer to do
- It is a disincentive to being a landlord as you will be fined if you fall foul of the scheme
- Tenants won't be able to pay the additional rental costs that are passed on
- There are conflicts of interest in Nelson as two Executive Councillors own 38 properties in Nelson and none in Colne
- It is disappointing that not all the Executive are here to hear landlords views
- Landlords have invested in Colne to raise the standard and are using local builders
- The money raised is only a small part of the Council's budget and the Council have a choice about how to raise money
- Anti-social behaviour is a social problem and taxes should be increased for everyone and not just landlords

### **Questions and answers**

**Q** – Why are public sector properties not included?

**A** – We cannot legally include properties owned by Registered Providers

**Q** – About £500k will be raised. What will the money raised be spent on?



**A** – It has to be spent in the Selective Licensing area and will fund staff working on anti-social behaviour, land lord and tenant relationships and enforcement work

**Q** – Where is the evidence from elsewhere that values and rental levels will go up?

**A** – Research by other authorities has shown it happens

**Q** – Why were those landlords not living in the proposed area contacted directly as part of the consultation?

**A** – We do not have the addresses of all the landlords

**Q** – How much anti-social behaviour is in private rented properties rather than registered provider properties?

**A** – We will get some more information from the Police and Community Safety officers for the Executive Report

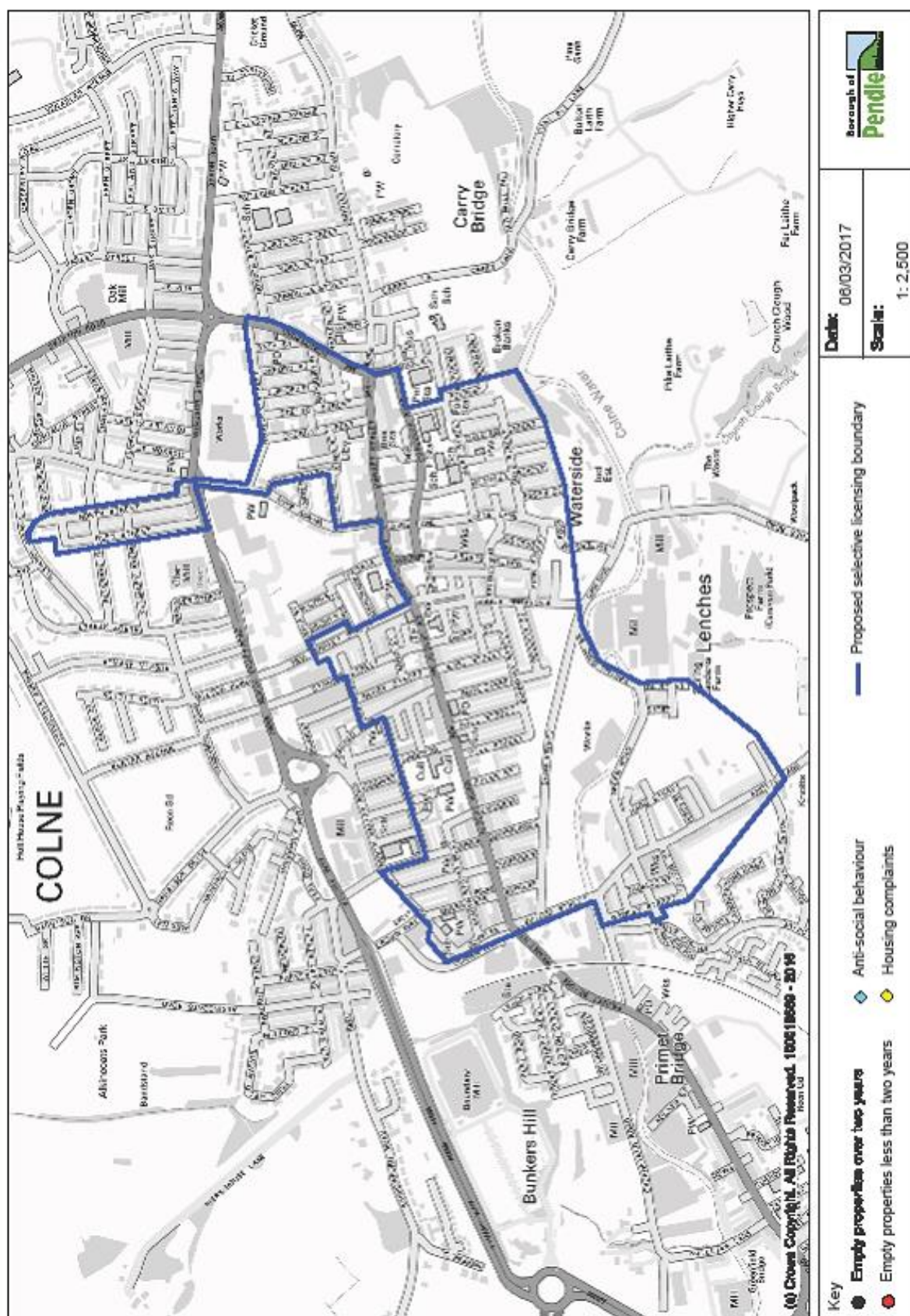
**Q** - If the scheme goes ahead could landlords be involved once a month in seeing how it is going rather than relying on a yearly update as was promised at the last meeting?

**A** – We can look at how to involve landlords more

**Q** – Could the person involved in dealing with anti-social behaviour just focus on landlord properties

**A** – Yes, that is what they would do

## APPENDIX 2 - PROPOSED DESIGNATION BOUNDARY



## APPENDIX 3 - LIST OF STREETS TO BE INCLUDED IN THE SELECTIVE LICENSING AREA

All	Albert Road	Evens	High Street
All	Angel Way	All	Hill Street
All	Atkinson Street	All	Khyber Street
All	Back Albert Road	All	King Street
All	Back Atkinson Street	36-140 Evens, Odds All	Knotts Lane
All	Back Bond Street	All	Knowsley Street
All	Back Boundary Street	All	Laithe Street
All	Back Brown Street	All	Linden Road
All	Back Cambridge Street	All	Lord Street
All	Back Chapel Street	All	Lower School Street
All	Back Derby Street	All	Lune Street
All	Back Duke Street	All	Market Place
All	Back Earl Street	All	Market Street
All	Back Hall Street	All	Melling Court
All	Back Lune Street	All	Midgley Street
All	Back Zion Street	All	Mitchell Street
All	Bannister Way	All	Nelson Street
All	Basil Street	All	New House Street
All	Bath Street	1-65 Odds, 2-50 Evens	New Market Street
All	Blucher Street	All	Nicholas Street
All	Bold Street	All	Nineveh Street
All	Bond Street	Odds	Norfolk Street
All	Boundary Street	All	North Street
All	Bridge Street	Odds 257-263	North Valley Road
All	Brown Street East	All	Oxford Street
All	Brown Street West	All	Paddock Top Mews
All	Buck Street	All	Parliament Street
All	Burrans Meadow	All	Parsonage Street
All	Calder Street	All	Patten Street
All	Cambridge Street	All	Peerart Court
All	Chapel Fold	All	Peter Street
All	Chapel Street	All	Portland Street
Odds	Church Street	All	Princess Street
All	Clayton Street	All	Queen Street
All	Clifford Street	All	Raglan Street
All	Clifton Street	All	Rigby Street
All	Colne Lane	All	River Street
All	Crabtree Street	All	Rutland Street
All	Craddock Road	All	Salisbury Street
All	Cragg Street	All	School Street
All	Cross Hagg Street	All	Seldon Street

All	Cross Helliwell Street	All	Shaw Street
All	Cross School Street	All	Shed Street
All	Cross Skelton Street	All	Short Street
All	Cumberland Street	All	Skelton Street
All	Daisy Street	1-25 Odds, 2-38 Evens	Skipton Road
1-53 Odds, 2-28 Evens	Derby Street	All	Smith Street
All	Dewhurst Street	All	South Valley Court
All	Dockray Court	All	Spring Court
All	Dockray Street	All	Spring Gardens Road
All	Dockray Yard	All	Spring Lane
All	Doughty Street	All	Spring Place
All	Duke Street	All	Spring Yard
All	Earl Street	1-35 Odds, 2-4 Evens	Stanley Street
All	Empress Street	All	St Johns Street
All	Essex Street	All	Stratford Way
All	Exchange Street	All	Sutherland Street
All	Fountain Street	All	The Courtyard
All	Glen Street	All	The Park
All	Great George Street	All	Thomas Street
All	Green Road	All	Valley Heights
All	Guysyke	All	Vincent Street
All	Hagg Street	All	Wallace Hartley Mews
All	Hall Street	All	Walton Heights
All	Harold Street	All	Walton Street
All	Hartley Street	All	Water Street
All	Hawley Street	All	West Exchange Street
All	Hendly Court	All	West Street
All	Henry Street	All	William Street
		All	Zion Street

## APPENDIX 4 – FEES AND FEE STRUCTURE

Application Fee:	£770.00
Discount for payment within 6 months of designation	£154
Late payment charge ( applications received after 12months from Designation	£77

\* To receive the early application discount the applicant must submit a fully completed application form and all requested documentation within 6 months of the designation area coming into force. Payment must be received in full or a direct debit payment plan agreed. Failure to continue to make the annual direct debit payment will result in the loss of the early application discount.

### Proposed Fee and Charging Structure for the Implementation of Selective Licensing

#### Introduction

1. Part 3 of the Housing Act 2004 outlines that the Authority may require the application to be accompanied by a fee fixed by the authority.
2. The Authority is not permitted to make a profit from the introduction of Selective Licensing programme and any surplus must be ring-fenced for use on the scheme. The fees should, however, take account of all costs incurred in carrying out all duties under this part of the Act.
3. The Council has approved the new proposed fee for the implementation of Selective Licensing in Waterside.

#### Role of Charging Structure

4. The purpose of this document is to establish a transparent charging policy.
5. The fees have been reviewed in line with the above recommendation; this has considered the revised staffing structure for the proposed designation of the Waterside area.
6. Applications will be charged the full amount to accompany the application form. At the Council's discretion a payment plan or direct debit may be established to agree to payments to be made over an agreed period of time.

#### Reduced Fees

7. Applications for licences in the last six months of the designation will be eligible for a reduced fee of 50%. This is where properties have not been licensable prior to the six-month deadline.

8. Applications for a property during the designation will be based on the agreed fee structure.
9. Applications resulting from a change in ownership of a licensed property will be charged the full standard fee.

### **Fee Reimbursements**

10. Where a licence is refused or revoked, the applicant or licence holder will not be entitled to any refund of fees and will still be required to pay any outstanding charges linked to the application.

### **Fee Amounts**

11. The structure is based on:
  - (a) the staff time taken to process the application; and
  - (b) the costs of delivering the designation, including staffing, on costs, and internal recharges.

### **Fee Discounts**

12. An early application discount will be applied to the overall cost of the fee if the applicant submits a fully completed application form and all requested documentation within 6 months of the designation area coming into force. Payment must be received in full or a direct debit payment plan agreed. Failure to continue to make the annual direct debit payment will result in the loss of the early application discount.

### **Payment Methods**

15. Payment in full should be made with the application documents.
16. Where the applicant experiences difficulty in paying the full amount, a payment plan may be agreed, enabling the full amounts to be paid in instalments, at the Council's discretion any such plan/agreement can only be repaid by direct debit.