

Stoke-on-Trent City Council



City of Stoke-on-Trent

Directorate of Housing and Customer Services

Selective Licensing Consultation Update 2018

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Purpose

The purpose of this document is to inform consultees of the results of the recent Selective Licensing consultation exercise and to provide responses to feedback received during the formal consultation process.

Anyone with any new comments on the results is invited to submit them via the feedback form or email, details are provided below. The deadline for feedback is on Wednesday 5 September 2018. All feedback received before this date will be taken into consideration when the Selective Licensing proposals go before Cabinet Members later this year.

Background

In accordance with the Housing Act 2004, Local Authorities must keep the housing conditions in their area under review with a view to identifying any action that may need to be undertaken by them. Where the Local Authority considers there are a significant number of properties in the private rented sector in a poor condition and where they are adversely affecting the character of the area and/or the health and safety of its occupants, it can consider implementing a Selective Licensing scheme. It must be part of a wider strategy to tackle housing conditions and the authority must undertake to inspect a significant number of properties with a view of determining whether any serious hazards exist.

Part 3 of the Housing Act 2004 sets out the scheme for licensing private rented properties in a local housing authority area. The legislation states that a selective licensing scheme or “designation” may be made if the area to which it relates satisfies one or more of the following conditions:

- Low housing demand (or is likely to become such an area) ;
- A significant and persistent problem caused by anti-social behaviour
- Poor property conditions
- High levels of migration
- High levels of deprivation
- High levels of crime

With regard to tackling the property conditions criteria, the Government's guidance for Local Authorities 'Selective Licensing in the private rented sector' states the outcome of the designation would be a general improvement of property conditions in the designated area within the lifetime of the designation.

Selective Licensing requires that landlords operating in the defined area must obtain a licence from the Council. The Council will be required to undertake certain checks before granting the licence and check for compliance during the life time of the licence. The licence with set conditions is in force for a 5 year period.

The Proposal

In December 2017 under a Chief Officer delegation, as set out in the Council's Constitution, the Housing and Customer Services Director gave officers approval to undertake a consultation on designating the 14 defined areas containing 151 streets as Selective Licensing areas, known as Phase One. [The Chief Officer Decision report and associated documentation can be found by clicking here.](#)

Phase Two will require a full consultation exercise, and if Phase One is introduced, as set out in the Business Case, Phase Two will require Secretary of State Approval as it will result in over 20% of the city's private rented housing being subject to Selective Licensing. The current proposals are below 20% when added to the current schemes in Fenton and Hanley.

The Council's proposal is to tackle private rented sector poor property conditions and management practices in 14 areas of the city. If the scheme is adopted, it is proposed that every occupied property within the Selective Licensing area which is not exempt in accordance with the legislation or for other justifiable reasons will be inspected by the Council and surveyed for serious hazards. During the inspection the Officer will discuss with the tenant the Selective Licensing scheme and the management of the property to ascertain the level of management and to ensure that the tenant is aware of their obligations and rights. Issues of anti-social behaviour will also be discussed with the tenant, including the

actions which can be taken by the landlord with support from the Council and any actions the Council and the Police can take.

If serious hazards are identified, the landlord would be expected to undertake the works within a reasonable period of time and a compliance check will be undertaken. If however, the landlord does not comply with undertaking the required works, the case would be referred to the Council's Private Sector Enforcement Team, then a formal inspection and a Housing Health and Safety Rating assessment would be undertaken. An Improvement Notice would be served; resulting in a charge to the landlord for the time taken to inspect, assess and produce the Notice. If the landlord does not comply with the Notice, the Environmental Health Officer would determine the most suitable course of action. This can include a Civil Penalty, Prosecution and a Prohibition Order depending on the severity of the hazards. If access is not gained for the inspection, a Power of Entry will be served giving sufficient notice to the landlord or agent. If access is still not provided, the officer will apply to the Courts for a warrant to enter the property and the procedures above would follow.

The aim of this proposal is to improve private sector housing in the city to meet the objectives set out in the Council's Stronger Together Plan; the Housing Strategy; the Fuel Poverty Strategy; the Homelessness Strategy; the Empty Homes Strategy and various other key strategies and policies.

It is an aim of the proposal to help these areas become more desirable places to live and increase stability through longer tenancies. By increasing stability this may, indirectly, assist with other matters such as nuisance and social issues. This could support the Council's Stronger Together priority of working with residents to make our towns and communities great places to live. However, it is important to understand that the Selective Licensing scheme is not being introduced specifically to tackle crime, street anti-social behaviour or fly-tipping.

One of the aims of Stoke-on-Trent City Council's Housing Strategy is to improve the condition and liveability of existing homes and rental management practices in the city. In order to achieve this objective we have identified areas which are in the greatest need of intervention.

We did this by analysing Mosaic 2016 data. This helped us to establish areas which were likely to be deprived; where the most vulnerable people live and where there are higher levels of social issues, such as crime and anti-social behaviour and where there are a greater number of challenging properties. From this exercise, we identified 14 defined areas. We then undertook 600 surveys of private sector properties in and around these streets, known as the focus areas. This helped us to understand the housing conditions in these areas compared to the rest of the city. The survey highlighted that the 14 areas contained worse housing conditions than the rest of the city.

Promotion of the Consultation

The aim of the consultation was to provide residents, landlords, agents and businesses with an opportunity to provide feedback on the selective licensing proposals.

The Selective Licensing consultation was launched on 17 January 2018 and ended on 30 April 2018.

We wrote to every household in the 14 areas and to every landlord at addresses provided on the Council Tax database. Letters were sent to 4,700 residents; 2,391 landlords and 409 agents informing them of the consultation exercise and inviting people to complete an on-line questionnaire or email/post their feedback into the Selective Licensing Team.

A press release was issued to all local, regional and trade media outlets which cover the city, as well as partner public service organisations and employers serving Stoke-on-Trent, more than 60 outlets in total. It was issued on the council's digital and social media channels, with an audience of 21,000 people on Twitter and 11,000 people on Facebook, and was issued to hundreds of people signed up to email news alerts for housing. Selective Licensing was featured in the local newspaper on three occasions and on local radio on two occasions.

As well as the on-line questionnaire being available, 180 hard copies were dropped off at nine locations, 20 at each for those individuals who do not have access to the internet. Questionnaires were also handed out at the drop in events throughout the city. A number of landlords were also provided with several questionnaires.

Many landlords called in for a number of questionnaires; these were provided and collected from the Civic Centre.

We engaged with 445 residents; landlords; professionals and other stakeholders at 21 drop in events and meetings within, and outside of the 14 areas. Officers attended meetings to give presentations on the proposals and to bring back feedback and questions. Details are set out in the [consultation activity document](#).

We used a number of other methods to ensure that as many people as possible were aware of the consultation and had the opportunity to provide their views. These included:

- Email to over 450 landlords who are members of the Landlord Accreditation Scheme North Staffordshire
- Email to all members of the gov.delivery updates
- Posters at key locations and businesses in and outside of the proposed areas
- Flyers at key locations and businesses in and outside of the proposed areas
- Screen messages at key locations
- Automated message on Stoke on Call telephone line.

In addition to this, we promoted the consultation to:

- City Centre Task & Finish group consisting of Staffordshire Police, Community Drugs and Alcohol Services, My Community Matters, Brighter Futures, Voices, Intu Potteries Centre, City Centre Business Partnership.
- Responsible Bodies group consisting of Police, Fire, Department of Work and Pensions, Immigration, HMRC, City Council Departments such as Environmental Health and Trading Standards .
- Homelessness Forum consisting of NACRO, Voices, Brighter Futures, Citizens Advice Bureau, Gingerbread, Addaction, Salvation Army.
- Staffordshire Fire Service
- Staffordshire Police Service Chief Inspector
- Housing Technical Group consisting of officers in Newcastle Borough Council; Staffordshire Moorlands District Council; South Staffordshire District Council; East Staffordshire Borough Council; Cannock Chase District Council; Tamworth Borough Council; Lichfield District Council; Stafford Borough Council;
- Staffordshire University

- Citizens Advice Bureau
- Stoke on Trent Sixth Form College
- Stoke on Trent College
- Shelter
- Staffordshire Housing Association
- Riverside Housing Association
- Midland Heart Housing Association
- Epic Housing Association
- Sanctuary Housing Association
- Bromford Housing Association
- Great Places Housing Association
- Derwent Living
- Generation Rent
- Residential Landlords Association
- National Landlords Association
- North Staffordshire Landlords' Association

Summary of Consultation Responses

The consultation yielded

- 393 responses to the on-line survey;
- 77 emails/letters from 40 landlords and 7 organisations
- 4 reports 1 unnamed and 3 from a Landlord Association
- a petition containing 475 names was received from the above association

In addition to this, feedback was collated from the drop in sessions and meetings attended.

[The survey results can be found by clicking here.](#)

The written submissions have been analysed and responded to

- [Click here to read the selective licensing written submissions overview](#)
- [Click here to read the responses to thematic comments](#)
- [Click here to read the questions and answers document](#)
- [Click here to read the Tunstall evaluation report](#)

Landlords

A total of 202 landlords responded to the on-line survey. Whilst 40 landlords sent in emails/letters, the majority (26) of these landlords completed an online form and are therefore already included in the 202 respondents. Adding the 14 who sent in an email and did not respond to the online survey, this equates to 216 landlords responding to the consultation.

Based on the 2,391 letters sent out to landlords in the proposed areas, the landlord response rate equates to less than 9%. Whilst we anticipate that the vast majority of responses will be from landlords operating in the proposed areas, not all were.

Residents

174 residents responded to the on-line survey and one resident sent in an email. However, they also completed the on-line survey and are therefore included within the 174 resident responses.

The resident response rate equates to less than 4% as not all of the responses were from within the proposed areas, however it is anticipated that the vast majority were affected persons.

Others

17 agents responded to the on-line survey, based on the 409 letters sent out, resulting in a 4% return.

One Member of Parliament and five organisations sent in emails/letters.

The online responses were divided into the following groups:

- Residents in proposed areas
- Residents in current or previous schemes
- Residents in the rest of the city
- Residents out of the city

- Residents – no address
- Landlords in the area
- Landlords in the neighbouring area
- Landlords in both, the area & in neighbouring areas
- Agents

Overall Opinion

Consultees were asked two questions on their overall opinion of Selective Licensing. Respondents were asked towards the beginning of the questionnaire and then at the end of the questionnaire after they had received some information about the scheme

Residents

A greater number of residents living within the Selective Licensing proposed areas; the current /previous areas and residents with unknown addresses supported the proposals and agreed that Selective Licensing should be introduced in the proposed areas. However a greater number of residents living in the rest of city and out of the city did not support the proposals and disagreed with introducing Selective Licensing in the proposed areas.

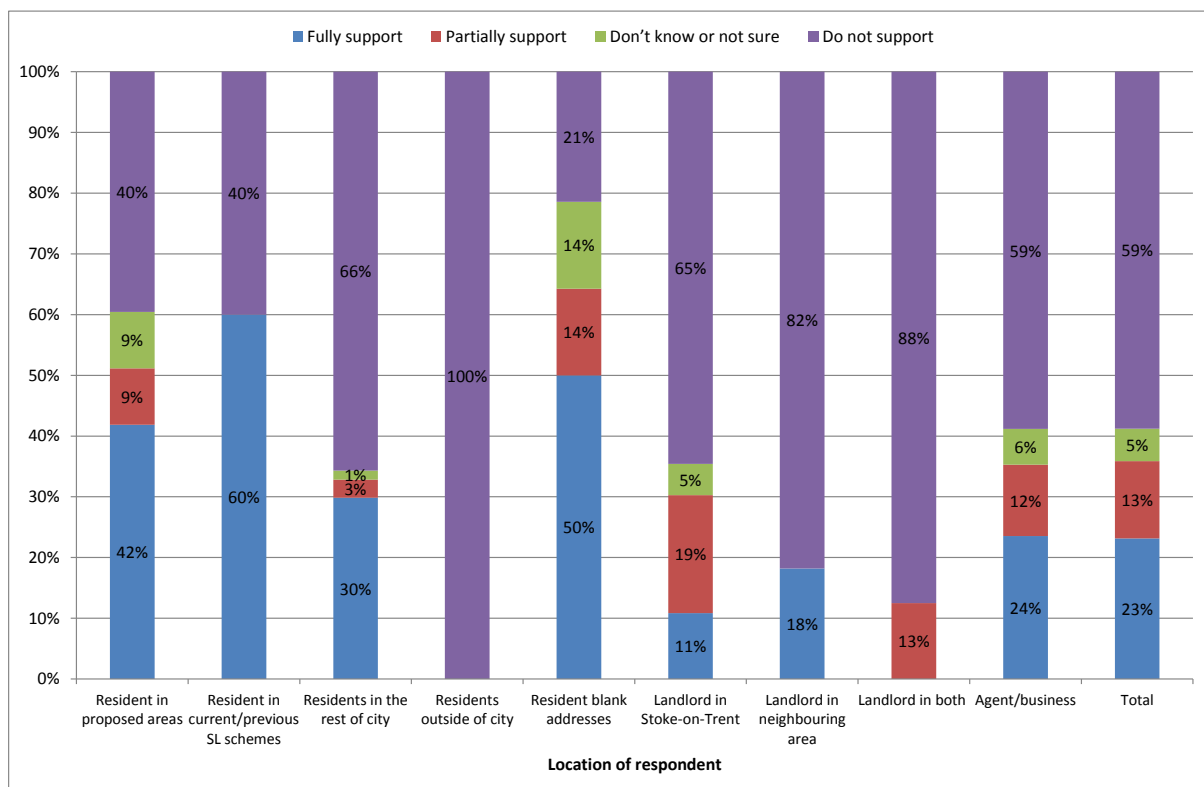
Landlords

The vast majority of landlords operating in Stoke-on-Trent and neighbouring areas along with agents did not support the proposals and disagreed with introducing Selective Licensing in the proposed areas. Of these, agents opposed the proposals the least.

How much would you support the proposal to create a selective licensing scheme in Stoke-on-Trent?

More residents (44) in the proposed areas were in favour (51%) of selective licensing than not (34), equating to (40%).

65% of landlords did not support the proposals; the remainder either supported (30%) or did not know.

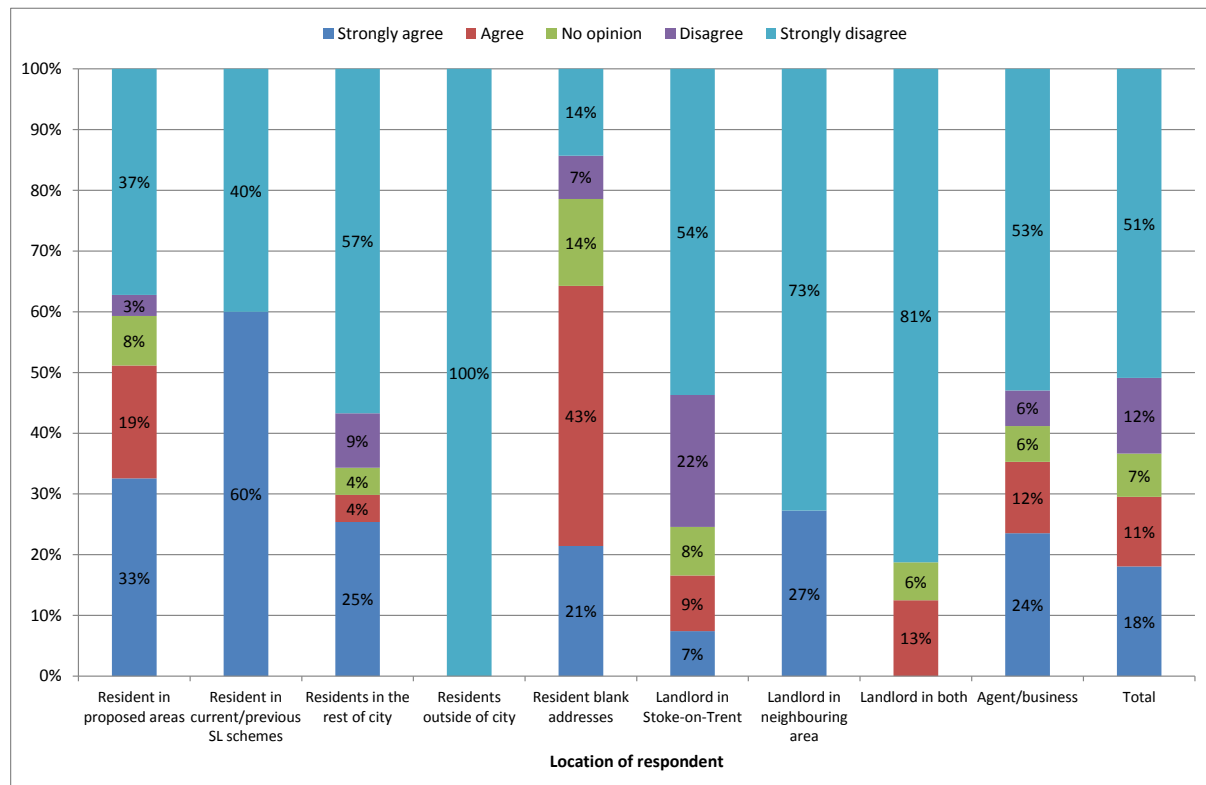


How much would you support the proposal to create a selective licensing scheme in Stoke-on-Trent					
	Fully support	Partially support	Don't know or not sure	Do not support	Total
Resident in proposed areas	36	8	8	34	86
Resident in current or previous SL schemes	3	0	0	2	5
Residents in the rest of the city	20	2	1	44	67
Residents outside of the city	0	0	0	2	2
Resident blank addresses	7	2	2	3	14
Landlord in Stoke-on-Trent	19	34	9	113	175
Landlord in neighbouring area	2	0	0	9	11
Landlord in both areas	0	2	0	14	16
Agent/business	4	2	1	10	17
Total	91	50	21	231	393

How much do you agree or disagree that selective licensing for private landlords should be introduced in the proposed areas

44 (51%) residents in the proposed areas agreed or strongly agreed with the selective licensing proposals. 35 (41%) residents disagreed or strongly disagreed.

Of landlords in the city, 29 (17%) agreed or strongly agreed. 132 (75%) disagreed or strongly disagreed.



How much do you agree or disagree that selective licensing for private landlords should be introduced in the proposed areas	Strongly agree	Agree	No opinion	Disagree	Strongly disagree	Total
Resident in proposed areas	28	16	7	3	32	86
Resident in current or previous SL schemes	3	0	0	0	2	5
Residents in the rest of the city	17	3	3	6	38	67
Residents outside of the city	0	0	0	0	2	2
Resident blank addresses	3	6	2	1	2	14
Landlord in Stoke-on-Trent	13	16	14	38	94	175
Landlord in neighbouring area	3	0	0	0	8	11
Landlord in both areas	0	2	1	0	13	16
Agent/business	4	2	1	1	9	17
Total	71	45	28	49	200	393

Key Amendments

Selective Licensing Fees

Whilst the response rate was very low for this consultation exercise, we have considered the responses from all parties.

One of the major concerns identified is the level of fees charged to good landlords; in particular those the Council already work with and where inspections are undertaken randomly. It is argued that these are good landlords and they already comply with the requirements. The Council runs the Landlord Accreditation Scheme North Staffordshire with Newcastle Borough Council. The scheme has been in operation for 15 years. Currently the scheme has 466 members with 2,465 properties. Of these, approximately 296 landlords operate in the city, with some landlords operating across both authority areas. These landlords have 1,805 properties between them.

Having considered the feedback, we have reviewed the fees. There is now a reduced fee for the standard rate for Landlord Accreditation Scheme North Staffordshire members; a reduced fee for multiple properties for all landlords and a discount for early payment for all properties for Accredited Landlords. [The full schedule can be found by clicking here.](#)

Direct Debit

During the feedback, we received requests to provide opportunities for direct debit payments. In light of this, the Council will provide a 12 month direct debit arrangement for all landlords. Whilst the consultee requested the payments to be spread over the entire period of the licence, we have considered this but cannot offer this arrangement as the cost of administering such an arrangement would require the fee to be increased substantially and there is a bigger risk to the Council of landlords ending the arrangement or disposing of the property and not fulfilling this obligation due to the lengthy period of instalments. Applicants who set up the arrangement in the first 3 months will be eligible for the discounted fees.

Two Part Fee

A further change to the fees is due to recent case law which has ruled a two part fee for licensing; an application fee and a second fee upon successful application. This will also assist in managing the payments for landlords.

Licence Conditions

As a result of recent case law and in consideration of feedback received, the licence conditions have been reviewed. Whilst some of the requirements are now set out in recent legislation, these are also [mandatory licencing conditions](#) and must be included in the licence.

Fit and Proper Person Test

The Fit and Proper Person criteria has been revised in view of recent case law and in consideration of feedback received, the Fit and Proper Person criteria has been revised.

[The draft proposed Fit and Proper Person criteria can be found by clicking here.](#)

Selective Licensing Prospectus

The consultation responses highlighted some inconsistencies in the data. As a result we have reviewed the data and have updated the [Selective Licensing Scheme Prospectus](#).

There were 642 duplicate records (0.6% extra addresses) in the Mosaic data from Experian. These have now been removed. Of these duplicate records, 370 were in Phase One. The full data has been re-run and this has not altered the priority areas. [An updated table of proposed schemes and streets can be found by clicking here.](#)

The revised schemes will consist of 3,048 private rented properties in 154 streets across 14 defined areas. Within the two current schemes there are 876 properties. Added together with the proposed scheme, this equates to 3,924 private rented properties subject to Selective Licensing. The city's private rented sector housing stock is estimated at 21,308 (Experian 2016) this has been revised due to the duplicate addresses. The recent Private Sector Housing Condition Survey estimates private rented housing stock at 24,532. Taking the lower figure of 21,308, this equates to 18.4% to be licensed if the proposals are approved. If the Council proceeds to Phase Two, a full consultation exercise will be required

and following this if the Council wish to proceed, approval would be required from the Secretary of State as stated in the Business Case.

Private Sector Housing Condition Survey

At the time of the consultation, some headline findings were provided from the Private Sector Housing Condition Survey; however the full report was in early draft and was not available at the time of the launch of the consultation. [The full survey report is now available with an Executive Summary by clicking here.](#)

Summary

The Council have undertaken a comprehensive consultation exercise, whilst this has yielded a low number of respondents; those that have responded have provided a large volume of comments and questions. The various documents which are available set out the results of the questionnaire; the summary of comments in the questionnaire and other forms of written correspondence; an overview of the feedback received at the drop in sessions and meetings and the Council's responses to the feedback. The following proposed revised documents are also available; fee structure; Licence Conditions; Fit and Proper Person Policy and the prospectus. Anyone with any new comments can complete the feedback form which can be found at www.stoke.gov.uk/selective

Alternatively, emails can be sent to selectivelicensing@stoke.gov.uk providing any new feedback or by post to the Private Sector Housing Team at:

City of Stoke-on-Trent
Civic Centre
Glebe Street
Stoke-on-Trent
ST4 1HH

All feedback received before Wednesday 5 September 2018 will be taken into consideration when the Selective Licensing proposals go before Cabinet members later this year.

Please note when completing the feedback form that each page has a ten minute time out. If you think you will write a lot of information and need longer than ten minutes, it is best that you prepare it off line and copy and paste into the form.