

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**  
**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE**  
**CABINET**

**Date 11<sup>th</sup> November 2015**

**REPORT TITLE**      **Proposal for Selective Licensing**

**Submitted by:**      **Gill Taylor**

**Portfolio:**          **Planning & Assets**

**Ward(s) affected:**   **Kidsgrove**

**Purpose of the Report**

This is a progress report on the Council's proposal for Selective Licensing in the Miners Estate in Kidsgrove to address concerns about anti-social behaviour and general estate management.

**Recommendations**

- a) **To note the progress made in collating an evidence base to support the implementation of a selective licencing scheme**
- b) **To commission a peer review of the evidence base to ensure that this is sufficiently robust to support the implementation of a selective licencing scheme on the Miners Estate in Kidsgrove**

**Reasons**

The Miners Estate in Kidsgrove is reported to suffer from persistent and ongoing anti-social behaviour and poor property condition. It is appropriate for the Council and partner agencies to consider the extent of the problems, to gain robust evidence of the situation and to initiate appropriate projects to address the concerns.

**1.      Background**

1.1      Selective licensing schemes are designed to improve the standards of property management in the private rented sector. Schemes can be proposed if an area is experiencing one or more of the following;

- 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 level of deprivation,
- high levels of crime.

1.2      When considering whether to make a selective licensing designation the Council must evidence that the area is suffering problems that are attributable to the above criteria and what it expects the designation to achieve.

- 1.3 The Council must also consider whether there are any other courses of action available that would achieve the same objectives. Only where there is no practical and beneficial alternative to a selective licensing designation should a scheme be proposed.
- 1.4 If a selective licensing designation is approved, it can last up to five years and the Council must be able to demonstrate that improvements have been made to the area.
- 1.5 If a selective licensing scheme is approved, the landlord of every privately rented property in the designated area would have to obtain a licence from the council, unless the property already has a House in Multiple Occupation (HMO) licence or is owned by a registered social landlord.

## 2. **Issues**

- 2.1. Approximately 45% of the properties in the Miners Estate in Kidsgrove are privately rented, this is well above the borough average of 10% and the national average of 16%. The properties were built by the Coal Board in the 1950s to a non-traditional, pre-fabricated, Schindler design. The properties were sold by the Coal Board in the 1980s with many occupiers choosing to purchase them. Those that were not bought by the occupiers were auctioned which attracted investors, often from outside the area. Several of the tenants at the time remain as protected tenants. Between 1990-95 a major refurbishment programme overseen by the Council helped to rectify defects with the non-traditional construction. Those owning property prior to a cut-off date when the defects became evident were eligible for and were offered grants under the Housing Defects Act 1984. Whilst those who had purchased after the date were ineligible. This has led to approximately half of the properties being reinstated to a condition where a mortgage can be obtained with the remainder still being original construction.
- 2.2 Mortgage companies are not willing to lend on the original construction properties, limiting their market to cash buyers. While this limits their value it does not affect the rental return hence making the properties attractive to landlords. This has led to the high incidence of private renting which in turn has led to concerns about low housing demand, poor property conditions and significant and persistent problems caused by crime and antisocial behaviour. This in turn has led to consideration of selective licensing and collating evidence relative to those criteria.
- 2.3 Officers have collated an evidence base using data drawn from the Council's own records and those of relevant partner organisations as well as published data sources. However, in order to ensure that this is robust and meets the legislative requirements it is recommended that a peer review be undertaken to validate this evidence base which will form the basis of the case for implementing a selective licence scheme. Experience of other councils has shown that the evidence base may be challenged and in view of the fact that this would be the first scheme proposed by the Borough Council it is important that the underlying data which supports the case for selective licensing is sound.

## 3. **Proposal**

- 3.1 The designation of a selective licensing scheme must be based on strong evidence demonstrating a clear need and must state achievable and realistic outcomes. Public consultation must be carried out prior to a declaration and the action is subject to legal challenge. Legal challenges have been undertaken against other local

authorities by landlords and landlord groups where selective licensing has been proposed. Further, this Council has not to date sought to implement a selective licencing scheme and it is therefore considered prudent to seek input from a council which has had experience of successfully implementing a selective licencing scheme and to ensure that any scheme in the Borough is in accordance with current best practice. The key proposal in this report is therefore to gain an independent review of the evidence and the strength of the proposal set against the specific criteria for selective licensing before progressing to the next step. This will also provide an opportunity to draw upon the experience of a council which has already implemented such a scheme.

#### 4. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

4.1 The proposal will contribute to:

- creating a healthy and active community by improving housing conditions and reducing anti-social behaviour,
- our Co-operative Council aims by protecting the interests of our citizens and;
- demonstrating effective Partnership Working, with Staffordshire Police and neighbouring authorities.

#### 5. **Legal and Statutory Implications**

5.1 Selective Licensing Schemes can be declared under the Housing Act 2004. The requirements of the Act and relevant guidance must be followed in making a declaration otherwise the Council will be open to legal challenge.

#### 6. **Equality Impact Assessment**

6.1 The proposal will directly affect landlords of properties in the Miners Estate, Kidsgrove. All landlords will have the opportunity to make representations during the public consultation which must be fully considered. The positive impacts will directly benefit tenants in the private rented sector and residents on the Miners Estate.

#### 7. **Financial and Resource Implications**

7.1 The next step after this reports recommendations may be a formal public consultation, such a consultation will be resource intensive and will be costed out as part of the consultation project plan.

#### 8. **Major Risks**

8.1 There are no major risks associated with the recommendations in this report.

#### 9. **Key Decision Information**

This is not key decision.

#### 10. **List of Appendices (available on request)**

Communities and Local Government - Selective licensing in the private rented sector  
- A Guide for local authorities - March 2015

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/418551/150327\\_Guidance\\_on\\_selective\\_licensing\\_applications\\_FINAL\\_updated\\_isbn.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418551/150327_Guidance_on_selective_licensing_applications_FINAL_updated_isbn.pdf)