

**REGENERATION AND NEIGHBOURHOODS  
OVERVIEW AND SCRUTINY COMMITTEE  
Wednesday 15<sup>th</sup> July 2015**

**PRESENT** – Councillors Casey (Chair), Ali, Connor, Khonat, Entwistle, Julie Slater, Whalley, Whittle.

**Also Present –**

Sayyed Osman	Director for Housing, Localities and Prevention
Paul Lee	Head of Service Support to the Committee
John Addison	Principal Scrutiny Officer
Rebekah Mottershead	Scrutiny Support Officer

**RESOLUTIONS**

**7. Welcome and apologies**

The Chair welcomed everyone to the meeting of the Regeneration and Neighbourhoods Overview and Scrutiny Committee. Apologies were received from Councillors Hollings and Wright and Mebz Bobat.

**8. Minutes of the meeting held on the 17<sup>th</sup> June 2015**

**RESOLVED –**

That the Minutes of the meeting held on the 17<sup>th</sup> June 2015 be agreed as a correct record.

**9. Declarations of Interest in items on this Agenda**

Cllr Khonat declared a personal interest on Agenda Item 4 (Minute number 10). Cllr Khonat declared that he was a private landlord for properties within the borough.

**10. Achieving Effective Licencing of Private Rented Properties across the Borough**

The Director of Housing, Localities and Prevention provided the Committee with a presentation which outlined the rationale, key objectives and challenges faced by the Council in designating an area as part of a Selective Landlord Licencing Scheme with particular reference to the Infirmary and Central Darwen areas of the Borough.

It was reported that Selective Landlord Licencing worked in conjunction with sections 79-81 of the Housing Act 2004 and was intended to address the impact of poor quality private landlords and anti-social tenants. The Committee was informed that in considering a specific area for designation, there must be full regard as to how becoming part of a Selective Landlord Licencing scheme would

be to the overall benefit of the area both socially and economically; i.e. how it would contribute to the reduction of empty homes, improve housing stock, encourage community spirit and reduce/eliminate anti-social behaviour and environmental crime.

Members were reminded that in 2009, pilot Selective Landlord Licencing schemes were operational in the Infirmary and Central Darwen areas of the Borough. The Director advised that the department aimed to reintroduce Selective Landlord Licencing schemes to both of these areas, implementing changes to the licencing conditions based on the lessons learned from the pilot schemes with the intention to further improve the overall wellbeing of residents within these localities.

It was reported that there must be a 10 week consultation period to notify all residents, landlords and key stakeholders of the full rationale as to the basis of the proposal before designation of an area could be agreed.

The Committee noted that the consultation process for the Infirmary area was to begin in August 2015, and requested that Members be provided with updates on the consultation proposal for this area in advance to allow for their input.

Members were advised that up to 20% of the borough's private rented housing stock could be encompassed within a selective landlord licencing scheme at any given time. It was reported that to go over this amount, permission would need to be sought from the Secretary of State as Government approval would be required. It was further reported that once both the Infirmary and Central Darwen areas became designated licencing schemes, this 20% rule would be breached. The Director indicated that it was likely that permission for this breach would be granted as the department could clearly demonstrate that landlord licencing would be to the overall benefit of the area.

The Director held a discussion with the Committee on the rising levels of privately rented housing across the borough. Members questioned if, given the increasing numbers of privately rented properties, an area could be considered for designation as a preventative measure. It was reported that current legislation only allowed for the implementation of Selective Landlord Licencing where a clear need could be demonstrated.

It was reported that designation would come into force 3 months after a scheme had been approved and would be in effect for a maximum of 5 years. Members noted that all landlords within a designated scheme must obtain a licence unless they were exempt or they were covered by another area of the Licencing Act. It was also reported that thorough background checks would be completed on all prospective landlords to ensure that they were a fit and proper person to become licence holder.

Members were informed that to achieve its aim for effective landlord licencing, and to accomplish its objectives of improving the social and economic wellbeing

of an area, the department would impose mandatory conditions upon the licence holder which included the;

- Completion of annual gas safety checks
- Safety of furniture and electrical appliances
- Installation and maintenance of smoke alarms
- Provision of written terms and conditions to the occupier
- Demand for sufficient references from all prospective tenants or licensors

It was noted that the department could also impose other, discretionary, conditions which it deemed appropriate in order to ensure that the licence holder kept their property in a good state of repair, investigated complaints of anti-social behaviour, adequately managed facilities and equipment and was compliant with all current housing legislation.

The Committee heard that imposing conditions on landlord licences would also allow the department the control to ensure landlords acted lawfully in circumstances where repossession of the property was sought, and acted reasonably in the requirement for, and return of, any advanced payments or deposits.

The Committee was led through the challenges faced within the department as the result of implementing budget efficiencies. Members noted that as there had been a reduction of core resources and a reduction in funding, all costs for the administration of a scheme must be met by the licence fee. It was advised that the prospective price of a landlord licence was estimated at £750 and that the Council would make no profit or surplus from this charge.

It was reported that whilst the fee was higher than that of the pilot schemes the costs of delivering the scheme had also increased. Members were informed that landlords could be entitled to reclaim the full amount from the Inland Revenue.

It was noted that the Council had a duty to promote landlord licencing and to actively seek applications from landlords within designated schemes. Members questioned what the department was doing to engage with landlords throughout the borough. It was reported that the department was looking to implement incentives such as early bird discounts to encourage prompt sign up to the scheme.

Members were informed that a flexible monthly payment would be available to landlords, and if a landlord was to leave the scheme then they would be eligible to reclaim some of the monies paid. This was to make things easier and to encourage landlords to join the scheme.

It was reported that whilst incentives were important, the Council had to consider enforcement action to influence behaviour change. Members were informed that the breach of the terms and conditions of a landlord licence could result in sanctions such as a fine of up to £20,000 or a rent repayment order of up to 1

years housing benefit, but as enforcement activity was not included within the costs of the scheme, any fees incurred would have to be supported by the Council.

It was highlighted that landlord engagement had been a challenge as the identification of privately rented properties was difficult. Members heard that the department was looking to work with the housing benefits team to receive notification from them when a new benefit claim was processed. The Director indicated that the department was also collaborating with Environmental Services, utilising their systems to identify areas with high levels of environmental crime and anti-social behaviour complaints. It was reported that these systems could only go so far and that IT software needed to be smarter to allow for early intervention by the department.

Members held a detailed discussion around the key lessons learned from the pilot licencing schemes with the Director highlighting salient points for their attention. It was reported that moving forward, the department felt that it was necessary to 'go digital', and that the implementation of standardised letters and automated systems would streamline and simplify the application process for landlords, and reduce administration costs to the Council.

It was further noted that clarity over boundaries and licencing fees together with an enhanced degree of flexibility for late applications would help to incentivise prospective landlords to sign up to the scheme without necessitating enforcement action; thus reducing additional costs to the department.

The Committee was informed that it was apparent that both landlords and tenants should receive more information about their legal rights. The Director advised that a handbook would be available which would provide a detailed outline of licencing legislation, the roles and responsibilities of a landlord and an overview of tenants' rights.

It was reported that the handbook would also incorporate details of environmental services such as bin provision, refuse collection dates and household waste recycling centre permits, providing landlords and tenants with a single point of access to all essential environmental information. Members requested to look at and review the licencing handbook before it was published, noting that this would be a useful tool to manage the scheme.

The Director advised that the cost of environmental clean ups in areas being considered for selective landlord licencing was in the region of £300,000, and it was hoped that informing landlords of their legal obligations and providing residents with easy access to environmental information would result in the reduction of this figure.

It was reported that the undertaking of thorough reference checks would also contribute to the reduction of environmental crime and anti-social behaviour, as it would prevent 'troubled families' from moving into the area. Members questioned as to whether a list of pre-checked tenants could be compiled that landlords

could then access whenever their property became empty. It was advised that such a list would be beneficial, but that the administration cost would be too high.

Members raised concerns that it was not compulsory for lettings agents to hold a landlord licence and questioned if the licencing scheme regulations could be adapted to include agents. The Director advised that the department was investigating a potential gap in legislation that excluded lettings agents from being required to hold a landlord licence. He indicated that he hoped for a viable outcome within the coming months.

The Director advised that to achieve effective private landlord licencing across the Borough, the department would apply key transformational changes which had been devised through the analysis of the lessons learned throughout the pilot schemes to ensure that landlords; worked with the Council to combat anti-social tenants, complied with regulations and demonstrated active management of their properties.

#### **RESOLVED –**

1. That the presentation ‘Aim to Achieve Effective Private Rented Property Licencing in the Borough’ be noted and the Director of Housing, Localities and Prevention be thanked for his attendance.

#### **11. Committees work programme**

The Principal Scrutiny Officer reminded the Committee that a detailed list of suggested work topics had been distributed prior to the meeting.

It was advised that based on Members preferences, the work topics were as follows;

- Council links with Blackburn Collage/role of the University – shared aims, ways to work effectively with Borough employers to develop required skills, University centre and creating a town centre night life.
- Town Centre Parking, looking at provision, free after 3, free weekend and blue badge.
- Capital Schemes – Bus Depo, Cathedral Quarter etc. – ensuring the Council mitigates risks and knock on effects of any delays and costs.

#### **RESOLVED –**

It was agreed;

1. That a series of task groups and site visits be arranged to coincide with the consultation process for the Infirmary and Central Darwen areas of the Borough

2. That a task group be arranged for the Committee be view the licencing handbook

Signed.....

Chair of the meeting at which the Minutes were signed

Date.....