

Proposal for a selective licensing scheme of
**THE PRIVATE RENTED SECTOR IN
WESTON-SUPER-MARE (PART)**



A vision for the future



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SUMMARY

Good-quality housing is a key part of the council's ambitious plans to regenerate Weston-super-Mare town centre as an attractive place to live. This consultation document invites comments and views on proposals to designate a selective licensing scheme under Part 3 of the Housing Act 2004 for all privately rented properties in part of Weston-super-Mare.

If the proposals are implemented it would require all privately rented properties (houses and flats) in the designated area to apply to the council for a licence and pay a fee.

A map of the area showing the roads included in the scheme is shown below. Appendix 1 contains a list of all the roads included in the proposed scheme.



A 10-week public consultation period is required by the Housing Act 2004 (section 80). Once this consultation process has been completed and submissions evaluated a report will be presented to the council's Executive to make a decision whether to implement the scheme.

This document explains the background evidence to support a selective licensing scheme in North Somerset, the proposed details of the scheme and how it would work in practice.

The Council invites comments in response to this consultation from all stakeholders including tenants, local residents, landlords and agents and businesses.

The consultation process will run until 30 May 2016.

Please complete the [questionnaire online](#) or request a paper copy from:

Private Housing Services,
North Somerset Council
Town Hall, Wallicote Grove Road,
Weston-super-Mare, BS23 1UJ

Tel: 01934 426 885

Email: privaterented.housing@n-somerset.gov.uk

BACKGROUND

Across North Somerset private rented housing accounts for 16.2% of the housing stock (Census 2011) and the indications are that this sector will continued to grow. The table below shows the housing tenure mix in North Somerset.

Tenure	2001	2011
Owner occupied	79.9%	73.5%
Housing association	9.3%	9.2%
Private rented	9.9%	16.2%

Source: Census 2001 and 2011, excludes living rent free so does not add up to 100%; owner-occupied includes shared ownership

The private rented sector (PRS) in North Somerset grew by 79% (from 7,948 to 14,270 homes) compared to 75% growth nationally in the years between the 2001 and 2011 Census. The sector accounts for 16.2% of the housing stock in 2011. The PRS provides homes for a variety of residents at different stages in their housing pathway, including aspiring first-time buyers, people who enjoy the flexibility of short tenancies, those unable to access social housing and those who are supported into the sector to prevent them from becoming homeless.

The growth in the PRS presents a number of challenges relating to housing quality, management and the limited security of tenure.

The PRS is generally considered to be the housing in North Somerset that is in the poorest physical condition and suffers from variable management standards. Combined with a transient population with little or no connection to an area often leads to an increase in anti-social behaviour and crime. When privately rented accommodation is neglected or poorly managed the impact on tenants who live in the properties and the local community can be considerable.

THE LEGISLATION

The Housing Act 2004 uses the term 'discretionary licensing' in relation to the type of scheme we are proposing. What this means is that local authorities can choose to introduce a discretionary licensing scheme in an area(s) if it meets the legislative requirements. If a scheme is introduced it becomes a legal requirement for all landlords and agents who own or manage rented properties (there are some exemptions – see appendix 2) in the designated area to apply for a licence.

There are two types of discretionary licensing schemes:

Additional licensing applies to houses in multiple occupation (HMOs). An HMO is a house or flat that this let to three or more people in two or more separate households, who share some facilities, like kitchens or bathrooms. HMOs can also be buildings converted without building regulations into self-contained flats that may contain both owner-occupied and rented flats that could be owned by different landlords.

We currently have this type of scheme in operation in a small area of central Weston-super-Mare. Please refer to our [website](#) for more information on this scheme.

Selective licensing applies to most privately-rented properties that do not require an additional or mandatory HMO licence.

We are proposing to introduce a selective licensing scheme only and the consultation is about this proposal.

In March 2015, amendments were made to the discretionary licensing criteria. The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 expanded the criteria which could be used by the council to consider declaring a selective licensing area to include:

- Areas where there are **poor housing conditions**
- An influx of migration
- A high level of deprivation
- High levels of crime.

We are proposing to designate a scheme due to the high levels of poor quality rented housing in the proposed area. To satisfy the selective licensing condition in relation to poor housing, the following conditions must be demonstrated:

- That the area contains a high proportion of properties in the private rented sector, in relation to the number of properties in the area
- That the properties are occupied either under assured tenancies or licences to occupy
- A review of housing conditions under section 3(1) of the Housing Act 2004 must have been carried out which demonstrates that there are a significant number of properties which should be inspected to determine if Category 1 or 2 hazards exist
- That the local housing authority intends to carry out inspections with a view to carrying out any necessary enforcement action
- And that making a designation will, when combined with other measures taken in the area (including any licence conditions) by the local housing authority, contribute to an improvement in general housing conditions in the area.

The general approval order was amended in 2015 to state if the proposed scheme covered less than 20% of the geographical area and was to license less than 20% of the private rented sector the decision to designate a scheme could be made by the local authority.

FITTING IN WITH COUNCIL PRIORITIES AND OTHER EXISTING ACTIONS

The North Somerset Housing Strategy 2010-2015 has a number of priorities of which one is better homes, better place. One of the challenges under this priority is raising standards in the PRS and committed the council to reviewing our need to extend our approach to regulation in this sector. One of the resulting actions from this strategy was to review the need for a licensing scheme.

We are in the process of adopting a new housing strategy, (the Executive is scheduled to make a decision in February 2016) it has three strategic aims that link to and will help the council deliver its three draft corporate plan outcomes:

Housing strategy aims		Corporate plan outcomes
Increasing the supply of homes	links to	Quality places
Improving homes		Health and wellbeing
Providing housing solutions		Prosperity and opportunity

Below the strategic aims sit a number of ambitions which include the regulation of housing conditions in the private rented sector. The draft housing strategy states 'we will continue to use our enforcement powers to ensure substandard homes comply with statutory requirements and will undertake a review of the need for additional discretionary licensing schemes to help in the regulation of privately rented homes and to contribute to the regeneration of Weston town centre'.

Improving the quality of housing in the town centre will be a significant contributor to implementing the council's draft corporate plan vision, as articulated in **Prospectus for Change (for Weston-super-Mare town centre)**. The ambition is for Weston to become a lively university town, with a stronger local economy, where people want to live, learn and spend their leisure time. This will require a mixture of housing types, tenures and sizes to meet the aspirations of new and existing residents. Good quality accommodation which attracts more people to live in the town will boost the demand for shops and services and help develop a vibrant and thriving town centre.

The proposed licensing scheme supports the aims of our Homelessness Strategy (2011-2016). One of the key strategic aims of this strategy is to ensure the availability of good quality accommodation for homeless households. Currently all properties used to place homeless households or those making use of our deposit bond scheme are subject to a property inspection to ensure the accommodation is free from Category 1 hazards.

The Empty Property Delivery Plan 2011-2015 details the council's commitment to reducing the number of empty properties within North Somerset. As at November 2015 there is a total of 251 long-term empty properties within North Somerset 13 are located within the proposed licensing area. The Strategic Housing Service will monitor the impact of the licensing scheme on the number of empty properties in the area and work together to reduce this number.

The housing stock in the proposed licensing area is generally of Victorian solid stone construction which provides poor levels of thermal insulation and improving home energy efficiency will reduce the number of excess cold hazards and help eliminate fuel poverty. These improvements will contribute to our Climate Local Commitment for low carbon communities.

We have successfully operated a mandatory HMO licensing scheme since 2006, there are 52 larger HMOs licensed under this scheme. In January 2014 an additional HMO licensing scheme was introduced which required smaller HMOs within a small part of central Weston-super-Mare to licence with the council. There are 69 HMOs licensed with the council. Therefore the total number of licensed HMOs is 121. A formal review of the scheme took place in 2015 which revealed 70% of HMOs inspected contained Category 1 hazards. In addition 84% were poorly managed. For further details see [website](#)

We now have considerable experience operating licensing schemes and our commitment to work pro-actively with landlords, agents and other stakeholders to deal with problems before they reach crisis point has proved to be a major benefit to all parties.

During the consultation process for the additional HMO licensing scheme in 2013 a number of responses were received from stakeholders stating the proposed area was too small and should be expanded and we committed to consider further licensing schemes once that scheme had been reviewed in 2015.

Based on our findings, we have made the decision not to introduce a further additional HMO licensing scheme in the area identified for selective licensing due to the small number of 'shared HMOs'. We currently do not have any evidence to suggest these small numbers are having a detrimental effect on the area and we have other enforcement powers which would be more appropriate to use. In addition the Government is proposing to extend the scope of the mandatory licensing, the full details of this are uncertain but there is a risk in declaring an additional scheme we will duplicate a revised national mandatory scheme. However, the council will proactively inspect any HMOs identified through the delivery of the proposed scheme and ensure they meet an acceptable standard.

We work with landlords and agents in the district offering training and guidance on a wide range of issues affecting the private rented sector, including their legal requirements and responsibilities. Our aim is to provide the basic tools to ensure they competently manage their properties. The Private Sector Housing Forum is held quarterly and more information can be found on our [website](#).

We work with our West of England partners (Bristol City, Bath and North East Somerset and South Gloucestershire) to hold the annual Landlord Expo and support the West of England Landlord Panel. We jointly provide a [website](#) with information useful for landlords along with the production of a landlord manual. We are about to launch the West of England Rental Standard which will accredit landlord and agent organisations which encourage their members to offer good quality and well-managed properties through accreditation schemes.

We respond to service requests from tenants and assess if there is a Category 1 hazard under the Housing Act 2004. These are serious health and safety issues which require local authority intervention to help rectify the problems. In the financial year 2014/15 117 properties across the district were found to be sub-standard and were assessed as containing Category 1 hazards.

The Weston-super-Mare Central and West area PACT (Partners and Communities Together) have raised concerns for some time about poor quality housing and management in the locality. In supporting the introduction of the additional HMO licensing scheme the group expressed a view that further licensing schemes should be considered particularly where high concentrations of privately rented accommodation exist.

FACTORS WHICH SUPPORT A SELECTIVE LICENSING SCHEME

Our proposed licensing area does not fall within any one ward. We have used a number of statistical packages to help us establish the extent of what the boundaries of the licensing area should be. Census data has been recorded against these areas. These areas are much smaller than ward boundaries which means we can focus the scheme in those areas where a significant number of dwellings in the PRS are suffering from poor housing conditions.

In November 2015 a street survey was carried out to the north of the proposed area to determine the tenure within each street and the general conditions of those dwellings in the PRS. As a result of this the boundaries for the LSOA have been adopted excluding the Coombe Road locality as this is predominately owner-occupied. In addition both sides of Clifton Road to the south of the proposed boundary have also been included due to the predominance of rented accommodation.

The table below demonstrates the number of dwellings in the proposed area and also the number which are privately rented (Census 2011). These figures are considerably higher than the average for the district which is 16%. Government guidance suggests where the percentage of PRS dwellings exceed the national average (19% EHCS 2013/14) the area can be considered as having a high concentration of private-rented dwellings.

LSOA by reference	No. of dwellings	No. in private rented sector	% of stock in PRS
NS 018A	823	397	48%
NS 020C	925	353	38%
NS 020D	787	369	47%

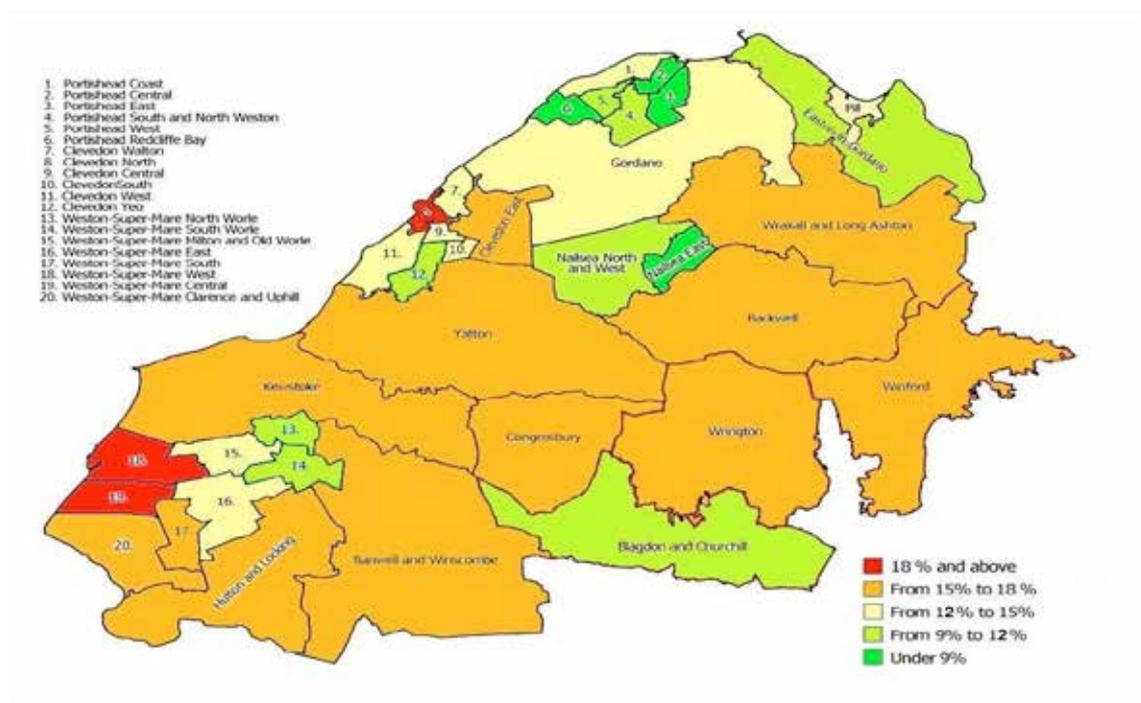
This means there are a total of 1,119 dwellings (potential) which could be included within the selective licensing scheme should the proposal go ahead. This figure represents 7.84% of the private rented stock within North Somerset. It is anticipated the majority of these will be let on assured-tenancy arrangements.

There are currently 121 licensed HMOs in the district (mandatory and discretionary HMO licensing) therefore the threshold of 20% of the district will not be exceeded.

The map below shows the district of North Somerset, the small area of blue is the proposed scheme. The existing HMO licensing scheme in central Weston-super-Mare will also continue until 2019, both areas combined make up less than 20% of the geographical area of the district.

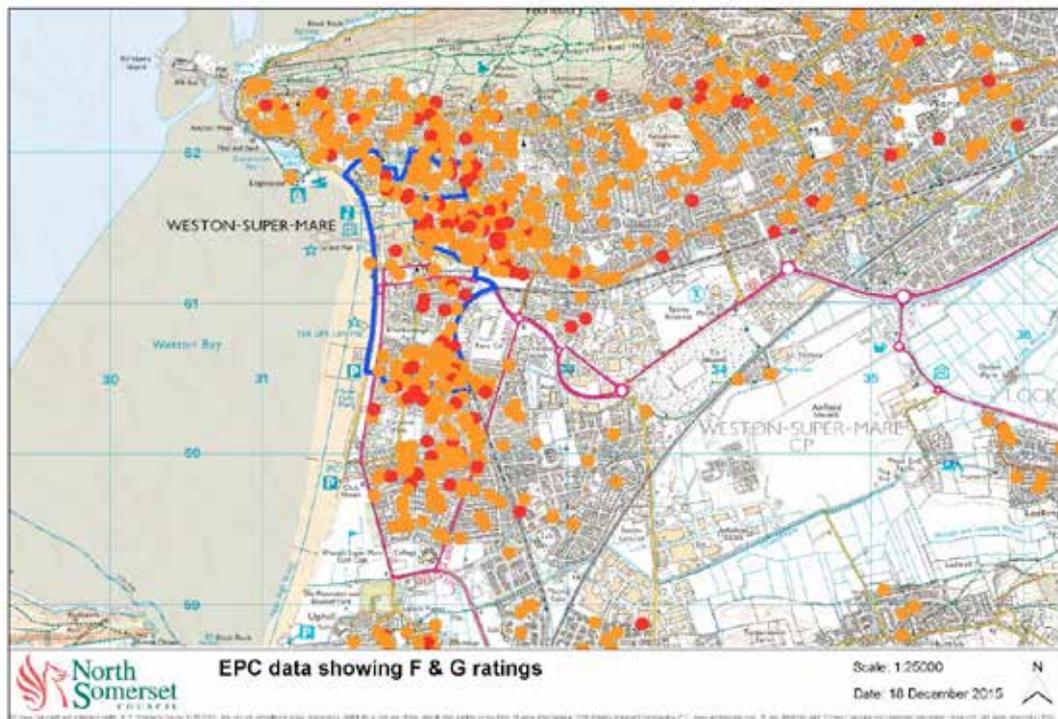


In 2012 we published our house condition survey, carried out in accordance with section 3 of the Housing Act 2004. It found that the level of Category 1 hazards using the housing health and safety system of assessment was the greatest in the Central and West wards in Weston-Super-Mare and in a small area of Clevedon. Category 1 hazards in these three wards were above 18%. It should be noted that the ward boundaries changed recently with Central ward extending into part of the area shown as Clarence and Uphill on the map below. The area proposed under this licensing scheme follows the LSOA boundaries which are within the ward boundaries presenting the poorest housing conditions.

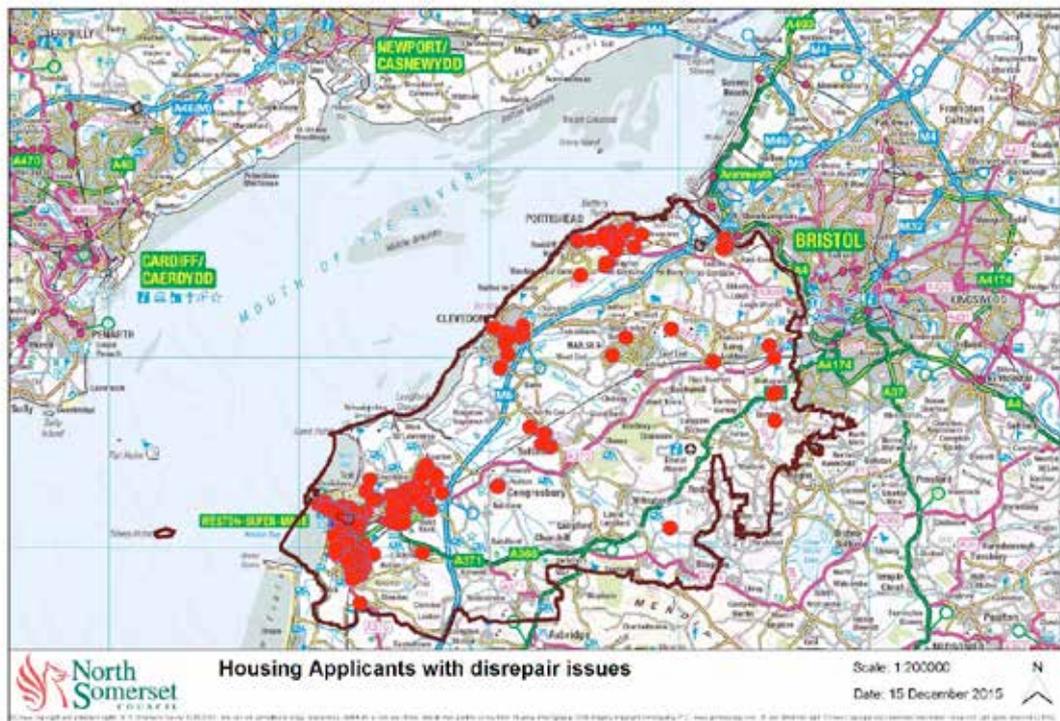


Along with data from our stock condition survey we examined data we held to help identify the proposed area.

Energy performance data for North Somerset shows that 93 private rented properties in the proposed area have a rating of F or G and this means they would contain a Category 1 hazard for excess cold. In addition from 2018, dwellings with an EPC rating of F or G will not be permitted to be rented out. There are 630 band F or G properties in the PRS in North Somerset of which 14.8% fall into the proposed licensing area and 12.7% fall into our existing HMO licensing scheme. The map below shows energy performance data for the proposed area.



Many people apply to the council for social housing on the basis of disrepair in their privately rented property. We examined this data and it can be seen mapped below. The majority of applicants live in the Weston-super-Mare area, predominately in the Central and West wards. This reinforces the data from our stock condition survey.



We also looked at our records relating to complaints to the council from private tenants about poor housing conditions. These were again mapped and it can be seen the majority of issues are in the Weston-super-Mare area, mainly in the Central and West wards. There is a large volume of complaints in the area of our existing HMO licensing scheme area which is to be expected due to the profile of the scheme and the priority which has been given to this area over the past two years.



This data helps us to demonstrate the area meets the criteria to declare a selective licensing scheme. At this stage we are not considering declaring a similar scheme in Clevedon, however it may well be that further research is carried out in the future with a view to the declaration of other licensing schemes.

PROPOSALS

If the proposed area as shown in appendix 1 is designated as a selective licensing scheme most privately rented properties will need to license. Owners of properties in the area would need to check if their property(s) are required to be licensed and submit a licence application or face possible legal action.

The scheme would last for up to five years and it is proposed in most circumstances a licence would be issued to cover the five year life of the scheme.

It is a criminal offence to operate a licensable property without a licence. The fines for such an offence were previously up to £20,000 but are now unlimited. There would also be a restriction on issuing tenants with a section 21 notice to quit.

We would charge a fee to license a property, this would only cover our costs for running the scheme and must be ring fenced for this purpose. The fees will be reviewed annually by the council.

The proposed fee is as follows:

Fee structure	Amount
For new applications submitted voluntarily	£320.00
Where the council carry out investigations and request an application for unlicensed properties	£500.00

The two different fees represent the differing amount of time the council will spend processing the application and sets a higher fee for landlords who fail to license.

The fee covers the cost to the council in processing the application, issuing the licence and providing guidance to landlords to ensure their properties are safe and free from Category 1 hazards. A compliance visit will be carried out during the period of the licence, these inspections will be prioritised on a risk basis.

If during the compliance visit the property is found to contain Category 1 hazards enforcement action will be taken under Part 1 of the Housing Act 2004 and any additional costs to the council will be charged to the owner, in line with our enforcement policy.

By adopting this approach we are providing landlords with the opportunity to improve their properties through information and guidance. Where landlords do not take this opportunity and are found to be non-compliant they will directly bear the additional costs of the council. This will allow us to keep the licensing fee for compliant landlords as low as possible and landlords who do not comply and provide poor housing will be expected to pay more.

The proposed scheme would tackle specific problems by applying conditions to all licences. There are statutory conditions that must be applied to all licences as stated in Schedule 4 of the Act. The local authority may apply other conditions to regulate the management, use or occupation of the property and for facilities and equipment to be kept in repair and proper working order.

A condition requiring compliance with the West of England Code of Good Management Practice (appendix 3) is applied in the mandatory and discretionary HMO licensing schemes. This links in with the fit and proper person status required from all licence holders. Persistent non-compliance can lead to removal of a person's fit and proper person status meaning they will no longer be able to be involved with a licensable property. It is proposed to apply this condition for this scheme.

It is also proposed to introduce an 'Undertaking of Good Practice' which tenants and landlords will have to sign up to. This undertaking will assist landlords to improve management and ensure that everyone is aware of their responsibilities (appendix 4). This condition has also been applied to the additional HMO licensing scheme and has been successful.

The proposed licensing conditions can be seen in appendix 5.

BENEFITS OF A SELECTIVE LICENSING SCHEME

Private sector tenants are often reluctant to report problems in their homes as they may be concerned about being evicted or intimidated by their landlord or agent. One of the major benefits of this scheme is that the council focuses on all privately rented properties in the area, this will remove the pressure from tenants making it less likely they will be subjected to retaliatory eviction or harassment.

The improvements made to privately rented properties will ensure homes are safe and free from serious hazards which should have a positive impact on the health of the tenants. This will provide cost savings to the NHS in preventing use of the health service for health issues associated with poor housing. An exercise was carried out by the council earlier this year which demonstrated savings to the health service of £45,524 by improving housing conditions in 270 units of accommodation.

There will be an improvement in management arrangement by ensuring landlords and agents are clear about their responsibilities, ongoing management standards are maintained and they adhere to the Code of Good Management Practice.

Wholesale improvements should lead to the area becoming more desirable in the longer term, with potential higher property and rental values and a more stable community with less resident turnover.

Through the licensing scheme we will work with landlords, owners and other organisations to deal with other issues in the area such as empty properties, overcrowding, anti-social behaviour and crime reduction. A key component will be the collaboration and engagement with partner agencies including Avon and Somerset Police and Avon Fire and Rescue.

Licensing requires all landlords and agents to be fit and proper persons. Those with criminal records for serious crimes or who fail to comply with legal requirements in relation to housing will not be permitted to hold a licence.

There will be a dedicated licensing officer who will be able to offer advice and assistance to landlord queries in relation to property conditions.

ASSESSING THE SUCCESS OF THE SCHEME

The proposed scheme should see an improvement in property conditions within its five-year life, by removing category 1 hazards and increased sense of community.

The scheme will allow us to have an in-depth understanding of the PRS in the area and any HMOs identified as a result of the selective licensing scheme will be proactively inspected and any necessary enforcement action taken. This element will not be funded through the fees from this proposed scheme.

Council documents can be made available in large print, audio, easy read and other formats. Documents on our website can also be emailed to you as plain text files.

Help is also available for people who require council information in languages other than English.

For more information contact: 01934 426 847 or
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