

Report of Service Manager - Private Sector Housing

Report to Director of Resources and Housing

Date: 24 May 2017

Subject: Discretionary Licensing Business Case

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	No
Are there implications for equality and diversity and cohesion and integration?	No
Is the decision eligible for Call-In?	Yes
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	No

Summary of main issues

1. The private rented sector has significantly increased in the city from 13% in 2007 to over 20% in 2017. This has affected the housing market in the city. In certain areas of the city, especially in the inner city in the lower rental markets, the privately rented sector represents the majority of the housing stock.
2. Increasingly the privately rental sector is the becoming the only market available for a number of households as the issue of the supply and affordability of homes becomes an issue for Leeds. However there is a lack of security within the sector due to the use of Assured Shorthold Tenancies and a fear of reporting conditions for fear of eviction.
3. Preventing homelessness is a major issue for the city as the cost of dealing with it can cost millions of pounds. Part of the work has involved increasing the supply and quality of the privately rented sector to make it more attractive to those who need a home. By considering Selective Licensing as a potential means to support the work within priority areas identified it will help to address poor standards and prevent homelessness. This view is supported by Shelter in its Good Practice Guide for Selective Licensing.
4. The Government has recognised the need to support homelessness prevention work by Council's and has recently provided additional financial assistance via the Flexible Homelessness Support Grant of £1.636m in 2017/18 and £1.794m in 2018/19.
5. It is proposed to provide resources within the service by creating three additional posts, namely a Principal Housing Officer, and two Senior Housing Officer and associated

costs for the development of a Selective Licensing business case at a cost of £150k per annum.

Recommendations

6. The Director of Resources and Housing is requested to approve the creation of three additional posts and associated costs to develop Selective Licensing business cases linked to the Council's locality agenda, within the Private Sector Housing Service at a cost of £300k over two years, from the Flexible Homelessness Support Grant.

1 Purpose of this report

- 1.1 The purpose of this report is to request the Director of Resources and Housing to approve the creation of three additional posts within the Private Sector Housing Service and associated costs for a Selective Licensing business case(s) at a cost of £300k, from the Flexible Homelessness Support Grant

2 Background information

- 2.1 The city has seen a significant increase in the size of the private rented sector from 13% to over 20% currently, and it is increasing. It is now larger than the Council's own stock at approximately 65,000 properties. This increase has been mainly at the expense of the owner/occupation market.
- 2.2 Certain areas of the inner part of the city have seen a change of tenure mix so that the private rental market is the dominant sector. This has led to some areas having issues of transient populations, community cohesion, new communities migrating into an area and an increase in the level of inadequate and unacceptable badly managed accommodation provided by poor landlords. This has also affected rent levels in the city which in turn has affected the supply of homes
- 2.3 With the issue of a shortage of affordable homes, including new build ones, the loss of social homes and the low availability of mortgages the private rented sector is increasing and becoming the only option or the option of choice for large number of individuals and families. However there is a lack of security within the sector due to the use of Assured Shorthold Tenancies and a fear of reporting conditions for fear of eviction.
- 2.4 The Council has a number of legal duties placed upon it to address issues in the private rented sector, namely address category 1 hazards and mandatory house in multiple occupation licensing. The Housing Act 2004 also gave the power of discretionary licensing as a means to regulate the sector.
- 2.5 To introduce discretionary licensing, either additional house in multiple occupation or selective licensing a Council is required to produce a business case to address the issues of concern, link it to wider regeneration initiatives and has a maximum 5 year life to deliver its outcomes. The cost of the scheme, once approved is borne by the licence fee all landlords have to pay to operate in the designated area. This pays for the additional resources required to deliver the scheme during its maximum 5 year period.

2.6 Shelter in their Good Practice Guide to Selective Licensing see part of its aims and objectives as a means to ensure good and fair tenancy management and relations and to protect vulnerable tenants from the worst conditions and bad landlords, so helping to raise standards and prevent homelessness.

3 Main issues

3.1 As the lower rental market has increased and affordability of homes has become increasingly difficult there is a need to address the standards of accommodation and protection of vulnerable occupiers. To improve the quality of homes in the private rented sector the Council has a number of approaches including, the Leeds Rental Standard to support good landlords, HMO Licensing, proactively targeting the sector via the Leeds Neighbourhood Approach and the Rogue Landlord Unit, reactive complaints service, dealing with requests for help and the Private Sector Letting Service who help acquire private rented properties to support households into quality privately rented accommodation.

3.2 In addition to the above the Housing Act 2004 provides additional powers for a local authority to consider discretionary licensing such as Selective Licensing. To adopt this power an authority has to develop a business case based on set criteria from Government to show the need for the licensing and how it will contribute to the regeneration of areas and address issues raised. Currently there are six criteria on which a case can be made, namely:

- Low demand
- Antisocial behaviour associated with the private rented sector
- High levels of deprivation
- High levels of crime associated with the private rented sector
- High levels of immigration
- Poor property conditions

3.3 To designate an area(s) then a business case required to be developed to show why the area meets the criteria, the evidence, full consultation has occurred with all stakeholders, that alternative options have been considered or failed and that the maximum 5 years of the designation will address the issues highlighted in the business case. The business case has to be developed at the Council's own expense. This can take 12/18 months dependent upon the issues identified and the outcome of the consultation. It is essential that the evidence and consultation is robust as all approvals are subject to judicial review.

3.4 It is proposed to create three additional post within the Private Sector Housing to support homelessness prevention by developing selective licensing across the city. It is proposed to create an additional Principal Housing Officer and two Senior Housing Officer to develop the selective licensing business case and support its implementation. This will at a cost of £150k in 2017/8 and £150k in 2018/9.

- 3.5 The Principal Housing Officer and 2 * Senior Housing Officer will be recruited using the same job descriptions as same graded officers within the Private Sector Housing Team. The job descriptions are appended to this report. The job descriptions have previously been subject to job evaluation.
- 3.6 Workforce Implementation Plan: The workforce implementation plan for recruiting to the three posts has been developed in line with corporate policy. The posts are additional to the existing Private Sector Housing Team structure and no officer will be adversely affected by the proposal. No officer will therefore be slotted into post or ring-fenced for recruitment to the posts. It is proposed that the three posts will be firstly matched to people who have been displaced from their previous post and then, if required, the remaining posts will be advertised on an internal basis across the Council.
- 3.7 The proposed workforce implementation plan will be conveyed to Trade Union representatives.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The workforce implementation plan is set out in paragraphs 3.5 to 3.7. No existing staff will be adversely affected by the proposal. A meeting was held with officers from the Private Sector Housing Team was held on 16 May to discuss the additional posts. Details of the new posts and workforce implementation plan will be conveyed to the trade unions.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration Assessment for the additional posts has been completed.

4.3 Council policies and City Priorities

- 4.3.1 The Private Sector Housing Service supports the Best Council Plan in relation to living in good quality affordable homes within a clean and well cared for place by addressing poor housing conditions, improving external appearance of the property to enhance the overall street scene.

4.4 Resources and value for money

- 4.4.1 The Flexible Homelessness Support Grant is available to the Council to prevent homelessness. There is sufficient funding in the allocation to support the creation of the three posts and associated costs to develop a business case.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The report is eligible for call in.
- 4.5.2 The Flexible Homelessness Support Grant is has been made available to help the Council reduce and prevent homelessness within the city. By creating the additional posts within the Private Sector Housing Service it will help to increase

the supply of homes and prevent evictions due to poor quality homes by improving the management of the sector, improving the quality of homes and by increasing the confidence of tenants who rent within the market.

4.5.3 The proposals in the report represent a Significant Operation Decision

4.6 Risk Management

4.6.1 The proposals set out in the report are based on the Flexible Homeless Support Grant being available for the 2 year period. During that period it is proposed to develop and implement the selective licensing business case(s) which will require a delivery team to implement it during its 5 years once approved. The cost of the scheme is paid for by the licence fee all landlords have to pay to operate within a designated area. It is proposed that the three additional posts will be incorporated into the delivery team once the business case has been approved.

5 Conclusions

5.1 The private rented sector has seen a significant increase over the last 10 years and now stands at approximately 65,000 or over 20% of the stock. With this increase there has and continue to be issues of poor accommodation, bad management of the sector, increased transience, and rogue landlords who are exploiting vulnerable individuals and families

5.2 As the private rental market has increased so has the demand for the Council to deliver improvements within the sector. Whilst considerable progress has been made with the Leeds Neighbourhood Approach and the creation of the Rogue Landlord Unit, there is more to be achieved.

5.3 By using part of the Flexible Homelessness Support Grant in this way to improve the quality of the private rented stock and its availability it will support the prevention of homelessness by preventing landlords from evicting tenants who complain about poor conditions and increase the supply of good quality homes in the sector as a viable options for those in need of a home. The grant is initially for two years and will be used to support three additional posts and the associated cost of a selective licensing business case at a total cost of £300k.

6 Recommendations

6.1 The Director of Resources and Housing is requested to :-

6.2 Approve the use of £300k from the Flexible Homeless Support Grant to develop potential Selective Licensing business cases in a number of the Council's priority areas to the improve the private rental sector and help reduce homeless.

6.3 Approve the creation of an additional three posts namely a Principal Housing Officer, and two Senior Housing officer, from the subject to the approval of 6.2

7 Background documents¹

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include

Job Descriptions attached.

8. Appendices

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