

Selective Licensing in Leeds

Date: 20th February 2025

Report of: Director of Communities Housing and Environment

Report to: Scrutiny Board (Environment Housing and Environment)

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

In January 2020 both Beeston and Harehills selective licensing schemes came into effect following the decision of the Executive Board in June 2019. The business cases were based on high levels of deprivation and aimed to address housing conditions as well as wider issues of deprivation such as crime, antisocial behaviour (ASB) and by crossing the threshold and working with partners to help those with wider needs.

During the life of the scheme there have been approximately 2,500 licences in Beeston and 4,000 in Harehills. This figure has varied but generally the numbers have remained the same during the life of the designation.

Inspections have revealed 85% of properties have not been legally compliant when considering issues relating to Part 1 (housing hazards) and/or Part 3 of the Housing Act 2004 (compliance with the selective licensing provisions). The schemes have highlighted the poor housing conditions found in the areas. Unfortunately, whilst most landlords have licenced their homes and improved them a number have failed to do so, resulting over 400 civil penalty notices being issued and over 2,900 legal notices issued by officers.

As a result of selective licensing there have been 1,430 homes improved following the removal of hazards with further ongoing visits to follow up on outstanding work and ensure it is completed, which has resulted in 6,023 people benefiting from better quality homes.

In addition to addressing housing standards the aim was also to support wider determinants of deprivation. In terms of antisocial behaviour (ASB) and crime the scheme has allowed the targeting of criminality in the PRS with over 500 cannabis farms found and support for Police and wider partners operations such as Operation Braylock, Barrowberry and Baseend targeting the use of the PRS by criminals.

By crossing the threshold officers have also worked with partners to address wider issues and support people with their health, improve finances and access to services making over 1,936 referrals to partners as well as supporting individuals following visits with partners to address needs.

Whilst progress has undoubtedly been made, the scheme was interrupted by the COVID19 pandemic from March 2020, which limited the ability to inspect homes and process licence applications for a significant period. The decision to support the private rented sector (PRS) with not chasing licence fees during the first lockdown further delayed the issuing and enforcement of licences.

Recommendations

- a) Scrutiny Board are requested to note the contents of the report

What is this report about?

- 1 The report is to provide an update on the outcomes from the now expired Beeston and Harehills schemes and to provide an update on the consultation process in respect of the proposed new scheme which came to an end on the 13th December 2024.

What impact will this proposal have?

- 2 Part 3 of the Housing Act 2004 allows a Council to designate an area as a selective licensing area. In order to designate an area, a Council must first be able to demonstrate that the area satisfies one of six conditions relating to either low housing demand, Anti-Social Behaviour (ASB), housing conditions, deprivation, migration or crime. Once designated private sector landlords in the area require a licence to operate, except for those with exempt tenancies as specified in the legislation, such as properties occupied as a holiday home or occupied by a member of the landlord's immediate family. The Council is able to charge a fee for the licence to cover the costs of administration of the licence and the inspection/compliance with the scheme itself. The licence itself has conditions which landlords must comply with. Some of these are mandatory conditions as set out in the Housing Act 2004, but the Council is able to add its own conditions to address local issues.
- 3 The designation of Beeston and Harehills as selective licensing areas was approved in June 2019 by Executive Board under Part 3 of the Housing Act 2004. These areas commenced on the 6th January 2020 and ran until the 5th January 2025, the maximum 5 year period allowed under the legislation.
- 4 The business case for both areas was based on the condition of high levels of deprivation. The aim of the designation was to see a reduction of the problems with housing in the PRS contributing to the high level of deprivation.
- 5 The schemes set out to achieve this as well as trying to address wider issues linked to deprivation. By visiting homes and crossing the threshold officers have been able to address poor housing conditions and also try and address the wider factors of deprivation facing households by working with partners.

Beeston and Harehills Selective Licensing Areas

- 6 As of the 6th January 2020 both areas were subject to Part 3 of the Housing Act 2004. It was estimated that this would mean around 6,500 homes in the private rented sector would be covered by the scheme.
- 7 The main aim of the schemes was, together with other measures as part of a wider strategy, to improve the housing conditions in the private rented sector in order to contribute to a reduction of issues related to the level of deprivation in the area.
- 8 To achieve this aim the intention was to:
 - a) Improve the management of private rented sector properties in the area by working in partnership with the sector, by visiting every licenced property during the lifetime of the scheme and by using the powers available under the scheme as appropriate.
 - b) Improve the quality of private rented sector properties to ensure the safety of occupiers in the area by supporting the scheme with resources to address substandard accommodation under Part 1 Housing Act 2004 where they fail to meet the minimum legal standards.

- c) To work in partnership with other agencies and supporting licence holders to address issues relating to the environment, crime and ASB.
- d) To work in partnership with agencies and residents to address their needs in relation to household income, employment, health and access to services.

9 What was achieved against the aim and objectives of the scheme

- 10 Both schemes have addressed a number of issues affecting deprivation with the main one to address housing conditions and improve the homes in which people are living in both areas. Selective licensing provides extra powers as it allows licence conditions to be imposed which cover management issues. It has also allowed officers to proactively visit homes in Beeston and Harehills where homes have not come up to standard, but occupants have been unlikely to complain to the Council for help and support. It removes the need to complain, as officers would be visiting as part of the scheme.
- 11 By crossing the threshold of people's homes wider issues facing residents have been identified and through working with partners support has been provided in respect of issues such as employment, better access to services, criminality and financial help.

Improve the management and housing quality in Beeston and Harehills

- 12 The scheme allowed the Council to increase Private Sector Housing officer resources in the area as the licence fee provided funding for more officers. These resources were dedicated to the areas for which the licence fee was paid and could not be used for addressing housing quality for which the Council already has a duty imposed upon it.
- 13 Selective licensing means that all eligible properties must have a licence to operate. Failure to have a licence or breaching any of the conditions is a criminal offence and landlords could be liable for formal legal actions. This could be prosecution via the courts or a civil penalty up to £30k per offence.
- 14 The schemes allowed officers to proactively visit homes to address issues associated with selective licensing and to address conditions found behind people's doors. Inspections were based on targeting geographical areas on a street-by-street basis, on intelligence highlighting landlords who failed in their duty and from complaints to the service.
- 15 Overall, during the five years of the scheme a total of 28,545 notice of intention and final notices as well as others such revocation, withdrawal or varied notices were issued over the course of the designation, 12,128 in Beeston and 16,417 in Harehills. This has been in relation to a total of 6,670 individual properties over the course of the life of the schemes, 2,626 in Beeston and 4,044 in Harehills. This is the administrative process the Council has to follow under the legislation in relation to issuing licences.
- 16 In terms of licence breaches, the main issues found were relating to poor management, electrical issues, the absence of working smoke alarms and/or appropriate certification and gas safety certificates. Over the 5 years of the scheme inspections revealed that 75% of properties in Beeston and 89% in Harehills were not compliant with their licence conditions.
- 17 As a result of selective licensing 6,721 inspections, visits and revisits have occurred, 3,429 in Beeston and 3,292 in Harehills, with 2,978 different properties being visited overall, 1,598 homes in Beeston and 1,380 in Harehills. During these inspections 5,294 potential hazards, both formally and informally assessed, under the Housing Health and Safety Rating System (HHSRS) have been identified, across both areas. As a result of the action taken relating specifically to hazards, it has resulted in 1,430 homes being improved, with ongoing work to revisit homes and address any outstanding issues as part of the closing down of both schemes. This means that 6,023 people now live in a better quality home as a result of interventions from selective licensing.

18 PICTURES OF CONDITIONS FOUND



- 19 Whilst we have undertaken a number of inspections and improved a number of homes, what does that actually mean to people living in those properties.
- a) A quote from a resident following a proactive visit to their home - *“I’ve lived here for 3 years and nothing had ever been done to the house. The bathroom and kitchen have always been in a poor state. I’ve never had any smoke alarms or fire doors. I’ve not even had handrails on the stairs which I find difficult to get up and down safely. Since the council have been involved, through Selective Licensing, they have made the landlord put all these things right and I am really happy with the result. I now love living in this house”.*
 - b) A lady in Nowell Terrace who has received the Selective Licensing info through the letter box offering support as part of the scheme with any issues contacted the team. She is an owner occupier and has lived there for 50 years. She said she felt the need to call, simply to thank us for tackling the landlords/properties in the area. She was really pleased that something was being done!
- 20 As part of ensuring compliance with the schemes the Council has had to serve a total of 2,973 notices, not including licences, 1,669 in Beeston and 1,304 in Harehills. These have covered notices under the Housing Act 2004 to improve homes, to prevent the use of unsuitable houses by prohibiting them, civil penalties notices, access notices, notices requiring the provision of information, to board up empty homes and address drainage issues.
- 21 Whilst the majority of landlords obtained a licence and undertook works when required, a number failed to do so. This resulted in the Council taking legal action against them for failing to undertake their legal duty. Table 1 shows the number of financial civil penalties which have been imposed for non-compliance with licence conditions (CPF952) or for failing to have a licence (CPF95):

Table 1

Offence	Total No. Served	Invoice Amount	Actual Expected Amount	Amount Paid
CPF95	347	£ 1,535,849.10	£ 1,329,578.46	£ 776,891.59
CPF952	57	£ 909,743.10	£ 697,702.55	£ 173,894.45
Total	404	£ 2,445,592.20	£ 2,027,281.01	£ 950,786.04

- 22 As part of the enforcement work there have been 69 appeals against civil penalties issued so far. 40 of which have been found in the Council’s favour and further 3 withdrawn by us following receipt of additional information and the remainder are still going through the tribunal process. Each case requires officers to prepare a full bundle of evidence, as is required by any prosecution case which may be taken by ourselves.
- 23 In addition to civil penalties 9 prosecutions have also been undertaken for failing to comply with notices.
- 24 By undertaking the above activity landlords have also recognised the need to improve their ways of working. For example:
- a) A managing agent told us that they had changed the way they work, inspecting properties at least every 3 months to avoid them being used for criminality such as cannabis grows, removed landlords from their books who don’t undertake works and recognised that without Selective Licensing several of the landlords he looked after would not do the works he had requested.
 - b) A landlord told us “Thanks for today and the way you conducted the re-inspection. It was fair and professional and encourages an effective working relationship between landlords and LCC. I am really proud of how the bathroom has turned out in Flat 1. I have already moved to get those two jobs completed asap. I have also spoke to the fire alarm company to address the issue of the

orange light to stop the continuous 'control enabled' signal being on. Following your previous visit in October, I have been making steps towards improvements across another property and I think I can have my other property (3 self-contained flats) available for inspection soon. Thanks again".

- c) Officers visited a property as no licence application had been received. There were issues to the external of the property, such as a tree growing in the guttering and the fire detection for the building was broken and hanging off the wall. A revisit under s.239 notice found the landlord hard at work fixing some of the problems within the property. The guttering was being replaced, door handles and hinges were repaired, the detection system, although faulty, was booked in to be fixed within the next 2 days and he had been around the property and found numerous odd job things that needed correcting and was there fixing them as we were inspecting. Although we had to serve a notice to inspect, the landlord had gone to the property and had actively looked around and started to remedy some of the issues at the property and continues to maintain the property with our assistance. The property and residents that live there are much safer for our intervention. We continue to work with landlord to ensure the improvements were made and maintained.

Addressing environmental, ASB and crime issues

- 25 To support the areas, in addition to addressing housing conditions officers in the service also worked with partners to address poor environmental conditions within the boundary of properties, including supporting and working with ASB colleagues to address issues affecting homes and wider criminality in the sector.
- 26 As part of the licence conditions landlords were required to support environmental issues by ensuring tenants understood about waste collection services and ensuring they kept their homes in a reasonable condition. Although selective licensing has no powers to address wider environmental issues across the areas, such as fly tipping, simply those within the curtilage of the properties, officers whilst out in the areas did work with colleagues in Cleaner Neighbourhood Team helping to report wider environmental issues which they could deal with.
- 27 An example of the joint working involved an individual who was responsible for significant fly tipping. A member of the public made a complaint to the Council's Cleaner Neighbourhoods Team about numerous incidents of fly tipping from a residential property in Harehills. People, including children, living in the property had been seen dumping various items of unwanted household items onto the pavement. During their investigation they contacted us to request we carry out an inspection of the property. Following an inspection, we contacted the licence holder and property manager to request copies of any references they had sought for the tenant. The requirement to seek references for tenants is a condition of the selective licence which had been issued to the owner and property manager. The references provided, which included photographic images of the tenant, were later passed to the Police who were then able to identify and arrest the tenant who was later charged with 40 fly tipping offences.
- 28 Working with landlords, officers were able to improve the appearance of homes and their curtilage on a property-by-property basis. The before and after pictures below illustrates the difference that has been achieved in a number of cases.
- 29 Photographs of before and after when external conditions have been improved

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- 31 In terms of wider partnership working to address ASB as well as housing conditions, working as part of the Trap House Group with the Leeds ASB Team (LASBT) and Police colleagues in south Leeds has resulted in properties being targeted by agencies where they are being used for cuckooing, brothels, dealing and grows. Selective licensing allows the disruption of the activity by enforcement for failure to have a licence or breaches of licence conditions if one has been issued. The approach allows the issue to be considered and the best option available via the partnership to be implemented, be it housing or a closure order via LASBT. It also allows for support of the vulnerable tenant to be provided by agencies as part of the enforcement against the landlord.
- 32 The service also worked in partnership with others such as the Police, Immigration, Environmental Crime Team and LASBT to tackle serious criminality in the area and sector.
- 33 Selective licensing allows the Council and partners to understand wider issues and identify a number of nominals who use the PRS as part of their business models to conduct criminal activity. Since the inception of selective licensing and the partnership working 553 cannabis grows, bar a

few, have been found in the PRS in the areas, 291 East and 262 in South, or 2 a week over the five years of the scheme.

- 34 By working together and changing the way the partners worked better outcomes have been achieved. A number of operations have come about as a direct result of selective licensing and the information and intel we have gathered as a result. By working together in a different way it has allowed the disruption of criminality in the areas but also across the city. Officers from the team now accompany the Police on warrants supporting the disruption tactics, following up issues with landlords, improving the intelligence available and disrupting criminality.
- 35 Examples of the actions taken include:
- a) Operation Baseend involved a 12-month operation targeting four managing agents resulting in an arrest day at which officers supported the Police with their evidence gathering. A number of agents had been known to agencies for years but had been able to avoid actions against them due to a lack of partnership working and shared intelligence. Selective licensing supported the operation by providing information about properties and being able to link individuals together. On the arrest day officers were with the Police to provide support and expertise on the documentation found as part of the process. This has resulted in the 4 managing agents appearing in the Crown Court in January 2025 on charges relating to cannabis production and money laundering. Three out of the four pleaded guilty with sentencing in March.
 - b) Operation Braylock has changed the way we have worked in partnership with partners such as the Police. As part of the initial intelligence around crime and the PRS it was clear both areas had a significant issue with cannabis grows. This has resulted in the Police creating a team who, working with us and immigration, work across the city based on intel including that provided by partners to target grows and disrupt criminal activity. In the 18 months up to June 2024 103 cannabis farms have been raided, 135 arrests, 33,000+ cannabis plants were seized with a street value of £35m. 95 of those arrests have resulted in 170 years of prison time and 13 people have been immediately deported. The operation has resulted in criminality being identified across the country resulting in the collapse of a nationwide network as well as international organised crime gangs such as an Albanian OSC obliterated in November/December 2023, with 12 members imprisoned for drugs and money laundering, recovering £1.6m in drugs. This operation is ongoing and continuing to disrupt drug supply in the city.
 - c) Operation Barrowberry – Clear Hold Build – has been implemented in Harehills. Selective licensing has supported this process by working closely with the Neighbourhood Police Team (NPT). The ‘clear’ process has involved agreed operational processes targeting those creating issues for the area including a number of managing agents and landlords, action days with partners targeting both commercial and residential properties, execution of warrants against cannabis grows and shared intelligence to support partners to achieve the outcome of reducing criminality in the area. Outcomes from the initial phase of Clear Hold Build saw a 40% reduction in criminal activity in the area, which resulted in Harehills dropping from the highest ranked area for criminality in Leeds to the third highest.
- 36 *Selective licensing / Rogue landlord unit are a key partner in the clear, hold, build initiative, we regularly discuss intelligence to help disrupt our organised crime groups and progress our intelligence picture. We have had several key successes.....These successes would not be possible without the proactivity and dedication shown by the RLU/selective licensing. I would strongly encourage any NPT team to have a transparent relationship with their own RLU / selective licensing. Inspector Nicholls NPT East WYP.*

Selective licensing as a means to address wider issues of deprivation in the areas

- 37 Alongside working to address housing conditions, as part of the inspection regime officers spoke to individuals regarding wider issues affecting them. This resulted in 1,936 referrals, 806 in Beeston and 1,130 in Harehills, to partners to address wider issues of deprivation affecting people. These included support with employment, access to English language courses, financial advice and debt recovery and addressing health needs.

38 This has led to families and individuals being provided with support and help to address issues. Examples of what this looks like include:

- a) Officers visited a property with no licence and a toilet blocked for over 2 months which the landlord would not fix. Due to the nature of the defect, the property was inspected immediately. The property was in a poor state of repair with no fire detection or containment, damaged electrics with exposed wires and a cellar that was open at all times. The tenant who had three children was very patient and understanding, but given the extent of the works required and the lack of landlord engagement a Prohibition Order was served which meant the tenant had to leave. The tenant moved out of the property when the Order came into effect and was staying with a friend for a number of weeks, she was bidding for a Council property and still struggling to find a home. The SL team made referrals to Engage, Housing Options and were in contact with Housing Leeds. The tenant was finally able to find suitable accommodation via Housing Leeds in a property that was close to her fathers and was very close to the children's school. The tenant was very grateful for helping her leave an awful property and for finding new suitable accommodation that was in a far better place for her in regards family and schools. The landlord failed to address the issues, and the property remained empty and sold at auction and is currently being renovated by the new owner.
- b) An elderly gentleman living in poor conditions, with wastewater in the property, a blocked toilet and a kitchen which was not fit to use amongst wider issues came to the attention of the team. He also had no food or heating and was unable to pay his bills. There were real concerns about his wellbeing, the suitability of the accommodation, and his vulnerability with the potential issue of cuckooing as well. Working in partnership with LASBT and Adults and Health we were able to address his immediate issues by supplying a food parcel, we worked with the landlord to bring the home up to standard and ultimately worked with others to get him rehoused into more suitable accommodation. The property itself was then fully renovated and relet.
- c) A family had been moved from another authority with no furniture. Working with Leeds and Moortown Furniture Store and Zarach, new beds, bedding, and nightwear together with bedroom furniture were obtained for a family who literally had mattresses in a bedroom that were shared.
- d) An inspection revealed 2 brothers living in poor housing conditions with water ingress, damp and mould and a broken window resulting in breaches of the licence. In addition, one was a full time carer for his brother leaving him isolated and with poor mental health. They were also having difficulty with bills. Working with the Green Doctor referring to Mind and other charities as well as support making referrals to UC and the benefits team, the brothers were provided with support and help to address their wider issues.
- e) A compliance inspection was carried out at property in Beeston which was home to a single mother and her son. The visit was made following a complaint received from the tenant regarding housing conditions. Breaches were found at the property and addressed following issuing a report to the Licence Holder and Property Manager. The officers spoke with the tenants to gather an understanding of what they liked and disliked about the area. The tenant in this case advised that prior to her son's bike being stolen from the property, her and her son used to enjoy bike rides at their local parks etc. It appeared from the questions asked, the tenant was on a low income and replacing the bike would be financially difficult. Due to the partnership working we developed throughout the scheme; the officer was aware that a local Councillor was heavily involved in cycling projects in Leeds and repaired bikes that were able to be donated. A referral was made to the appropriate Councillor with the consent of the tenant and a bike was provided to the child free of charge. The tenant was very thankful for our help.
- f) An officer visited a house in Harehills that had been converted into self-contained flats. They had gone to investigate one of the flats as it did not have a Selective Licence. The main entrance door of the house was opened by a male who said that he was the only person living in the building as it was in such a poor condition. The officer was shown around the house where they found numerous issues including rotting floors and falling plaster; exposed electrical wiring; dangerous staircases and no working smoke alarms. In the tenant's flat (which had a Selective Licence), the officer found significant black mould on the walls and windows that could not be

fully opened. There was also insufficient space for living, cooking and sleeping. The tenant's bathroom was located across the hallway from the flat. In there the officer found that the entire ceiling had collapsed leaving the room without artificial light and rooms in the floor above visible. There was also no running hot water, the tenant said they had to let themselves into the empty basement flat to top up the gas and electricity meters but there had been a leak leaving sewage across the floor. The tenant then told the officer that they had kidney failure and had been fitted with a stoma bag. Due to the state of the property and their medical condition they were having to shower at work to try and keep as clean as possible and minimise the risk of infection. Various enforcement actions were taken against the landlord in respect of the property, including the formal closure of all the flats and the service of a civil penalty notice for serious breaches of their Selective Licence. More importantly the tenant was supported to find a better home by working with Leeds Housing Options for immediate help with re-housing given their medical need and their flat having been prohibited. The male is now living in a one bedroom apartment.

39 As part of the work undertaken linked to Mamot City the Institute of Health Inequalities (IHE) reviewed the work undertaken as part of wider health determinants.

"In 2024, Leeds City Council began collaborating with the Institute of Health Equity (IHE) to accelerate efforts in reducing health inequalities. During this collaboration, IHE learned about the two Selective Licensing schemes in Leeds and was impressed by the approaches taken by the Housing team leading this work. The team actively considered IHE's feedback to improve their strategies for addressing inequalities. Additionally, Leeds demonstrated leadership by commissioning a qualitative review, in partnership with Leeds' public health team, to assess the impact of selective licensing. The review found that the scheme has had a positive effect on residents and the broader community by: improving housing conditions; providing support to residents and collaborating with partners to address wider issues — key actions that contribute to reducing health inequalities." Senior Consultant IHE

Issues which have affected delivery of the schemes

- 40 Whilst the initial aim was to inspect all the PRS properties in the area, this has not occurred due to a number of circumstances.
- 41 Unfortunately, no one could have foreseen the pandemic which impacted the world as of March 2020. This impacted all Council services not just the delivery of selective licensing. This meant that all licence applications had to be determined remotely during these periods given the restrictions of access to the office. A new process of remote working had to be developed and agreed with Information Governance colleagues to allow the applications to be processed. This lengthened the licencing process as a result.
- 42 As part of the help given to people and businesses during the pandemic in March 2020 the Council agreed to delay the collection of the licence fee until the Autumn of that year to support the sector. This delayed the issuing of licences as no licence could be approved until both parts of the fee had been received.
- 43 The restrictions and lockdowns over the period of the pandemic meant that it was not possible to proactively inspect properties. Whilst officers still addressed issues where complaints were received or where it was possible to do so without compromising public safety, these were in smaller numbers compared to what was planned over the same period. It was not until the service recommenced activities post the pandemic in January 2022 that a proactive inspection regime was able to restart.
- 44 As part of the consultation, Leeds Landlords Against Licensing submitted their objections to the introduction of selective licensing. They stated that 75% of all homes meet the required standard. This has not been the case, with 85% of homes failing to meet the legal requirement placed upon landlords when renting their homes, namely either Part 3 and/or Part 1. Addressing the non-compliance as well as the level of formal actions against landlords who failed to licence their homes has also impacted on the Council's ability to inspect all homes in the schemes within the 5-year period.

Lessons learnt

- 45 As with all such schemes nothing is perfect, and it is important that as part of any process reviews occur to improve how we work
- 46 We need to communicate better with the community as a whole, including landlords, to show the benefits and improvements it has and can make. Whilst there have been action days, newsletters and social media this has not been as effective as it could have been.
- 47 There is a need to continue to build partnerships with health partners (NHS and Public Health) which will benefit the community. The Marmot work has highlighted the need for housing and health to work closer together. We are discussing with Health how we can work better with social prescribers to provide a better all-round service to people in the area. It is clear that in the two areas housing officers have picked up significant issues and spent time resolving them when better partnerships would have allowed better use of resources.
- 48 The online application process whilst allowing online applications and payments to be made could be more user friendly. We would need to look at the form and process and see at how to improve this for those who make applications, if designated.
- 49 Should another selective licensing scheme be implemented in the future, we could also consider an alternative inspection process. The aim of this would be to simplify the inspections to increase the number completed by removing the enforcement element and have a separate team who pick up the complex cases. This could free up more resources to address wider issues with partners. Any changes to the process would still require officers to address the wider issues as found in the current scheme and support individuals to access services work with partners and ensure wider concerns are addressed not just housing conditions as part of the aims to support not just the housing element but wider issues of deprivation.
- 50 Given the level of formal actions required and criminality found which has taken significant resources it has not allowed the planned better engagement with the sector. Consideration of the Leeds Rental Standard and the offer that provides to the sector in terms of training, education, discounts with supplies etc as well as those offered by the Council as a partner have not been promoted sufficiently enough. Selective licensing provides an opportunity to promote the scheme but requires landlords to see the benefits as well of being part of associations who can support and help them improve their businesses.
- 51 From the work undertaken and the level of issues found in terms of poor management and addressing issues including criminal activities (e.g. drugs) it is clear the conditions on the original licence needed to be reviewed. As a result, new conditions have been consulted on as part of the new proposed scheme. This includes a requirement for regular inspections of homes to ensure good practice and making sure all issues identified as part of those inspections are recorded and addressed and a record of actions taken. It has also been proposed to include a condition to ensure that the properties are not being used for criminal activities. A full list of the new proposed conditions can be accessed on the consultation website: [Selective Licensing consultation in East, South and West Leeds](#)

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 52 Poor quality homes affect people's health and well-being. There is considerable research into this topic and Leeds has recognised the concerns poor homes cause people in terms of their health and well-being as part of the Marmot City approach it has adopted.
- 53 By visiting homes of those in communities which suffer from some of highest health inequalities and improving homes and addressing wider issues affecting their health and their living environment people's well-being is improved. This report illustrates that by crossing the threshold and addressing poor quality accommodation working with partners to address wider issues people's health and well-being has been addressed in some of our more deprived communities.

What consultation and engagement has taken place?

Wards affected: Armley, Beeston and Holbeck, Hunslet and Riverside, Richmond Hill and Burmantoffs and Gipton and Harehills

Have ward members been consulted? Yes No

- 54 It is a legal requirement for the Council to consult if it is considering the introduction of selective licensing. It is essential that all stakeholders and interested parties have the right to have their say in the matter.
- 55 The legal requirements for consultation regarding a proposed selective licensing scheme are set out at section 80 Housing Act 2004 and in the General Approval. The requirements are that:
- The Council must take reasonable steps to consult persons who are likely to be affected by the designation;
 - The Council must consider any representations made in accordance with the consultation and not withdrawn; and
 - The consultation must last for a period of not less than 10 weeks.
- 56 Both Beeston and Harehills were subject to a full consultation process including drop-ins, community meetings, social media, out of home advertising, leaflet drops and meeting with stakeholders. There is also a requirement to make stakeholders and interested parties aware of any scheme if designated as part of that process. Again, the Council not just published the designation in local papers as legally required to do so but undertook a wider campaign to promote the designations in Beeston and Harehills.
- 57 The schemes for Beeston and Harehills were regarded by a First Tier Tribunal Judge as going *'above what might ordinarily be expected of a Local Authority in bringing a new scheme to the attention of landlords, tenants and the general public'* in a decision to uphold a financial penalty which had been appealed by the landlord.

What are the resource implications?

Licences and income generated

- 58 In order to operate any landlord (unless exempt) required a licence to operate. The process was in two parts, with the fee payable in two parts. As part of the projected costs and assumptions in the business cases it was projected that the fee income would be £5.981m. The actual income and spend for the schemes were £5.498m. Table 2 below shows the annual income and spend against the scheme.

Table 2 – fee income over the period of the schemes

Year	Income	Spend
2019/20	344,609.90	-341,379.90
2020-21	862,540.94	-862,540.94
2021-22	938,928.40	-938,928.40
2022-23	1,032,229.66	1,032,229.66
2023-24	1,045,166.05	-1,047,832.25
2023-24	1,054,528.06	-1,054,528.06
2024-25 Projected	1,275,189.81	-1,275,189.81
Total	5,498,664.76	-5,498,100.96
Original Budget	5,981,192.77	-5,981,192.77

- 59 To manage the projected income against actual income staffing resources were recruited to posts only if income was likely to be generated. The original structure was for 20 posts but only 18 were recruited to over the period of the scheme due to the income raised.
- 60 Payment of and collection of the fee was also identified as a risk. Other authorities have adopted a number of different models which were considered by the Council. The fee level was raised as a concern both for Beeston and Harehills.
- 61 The licence fee covers the cost of the administration of the scheme, which includes determining licence applications and ensuring compliance with the conditions during the life of the scheme. During the consultation for Beeston and Harehills a development in case law meant the fee had to be split into two parts, not one as previously required. The decision in that case confirmed that the first part of the fee is to cover the administration of the licence application itself and the second part of the fee could be charged only if a licence is issued, and is to cover the costs of the property inspection(s) and ensuring ongoing compliance with the scheme.
- 62 Several options for payment were included as part of the proposals for Beeston and Harehills, which included payment at the outset, prior to any licence was issued, payment in instalments and/or annually over the 5 years. In considering these options the Council sought Counsel's opinion (legal advice). The decision was to proceed with requiring payment in two parts, prior to the issue of the licence.
- 63 Whilst instalments were noted as an option, it was acknowledged that this would present a financial risk to the Council. This is because, once an application is issued the legislation does not allow the Council to revoke any licence issued on the basis of non-payment of the licence fee. This would mean that licences would be issued before the collection of the fee, which would have created a potential financial risk to the Council in the event those fees were not paid. Alternatively, the Council considered withholding granting the final licence until the fee was paid, which was deemed to be inappropriate as it would have delayed the Council's ability to inspect the property and ensure its compliance with the licence conditions.
- 64 The above payment options would have also increased the cost of any licence as it would have meant the cost of further invoicing and chasing payments alongside increased action to recover costs would have had to be included in the fee itself.
- 65 The Council also considered learnings from a prior selective licensing scheme in Cross Green/East End Park which was designated from 2019 to 2014. For this designation, the fee was originally calculated at £1400 per licence based on the number of properties and the resources required to be deliver it. It was determined in conversations with the Government at the time that this was too great a fee and an alternative structure was approved at £550 p.a with a 20% reduction year on year. This resulted in insufficient funds being collected and the Council having to provide significant resources from its own budget to deliver the scheme causing a budget pressure on existing funding to the service.
- 66 As part of the consideration for delivery of the Beeston and Harehills schemes discussions were held with a third-party provider to deliver aspects of the scheme on the Council's behalf, namely inspections of the properties and administering the licence applications. However, they did not wish to consider looking at the delivery of the scheme based on the conditions in the area and the need for addressing issues wider than just housing related issues when crossing the threshold.
- 67 The scheme was supported with additional resources from within the service. To support the proactive works and to address Part 1 issues such as category 1 hazards additional officers were placed within the teams. This allowed hazards under Part 1 Housing Act 2004 to be addressed in addition to compliance with selective licensing in the two areas.
- 68 As part of the delivery of the schemes the Empty Homes Team also prioritised empty homes in both areas as part of their work. Whilst being a city-wide function it allowed 97 homes which had been empty for 6 months or longer to be targeted and 51 so far being brought back into occupation. Officers are continuing to work on the remaining 46 with a view to returning them back into occupation. They also worked with the Empty Homes Doctor who support the return of empty

homes by supporting owners to address their homes without the need for formal action by the Council.

What are the key risks and how are they being managed?

- 69 There were a number of key risks raised as part of the previous business case which were of concern.
- 70 There was concern that selective licensing will increase the rents paid due to the licence fee. Table 3 shows the rent levels as of 2019 and 2024 in Beeston and Harehills compared to the Leeds average.
- 71 The rental market in the city generally has seen an increase in rent levels as you would have expected given the issues over the last five years, such as high inflation and rising interest rates causing an increase in mortgage costs.
- 72 In Beeston the increase has been at a lower rate than the city average, whilst in Harehills it has been at around the city average other than for 3 bedrooms which has seen a rise above the city average for such properties. The level for 3 bedrooms in Harehills was lower than that of Beeston and the city in 2019, which may account for the greater percentage increase, but it is still below the city average for such homes. In conclusion, the data confirms that, except for 3-bedroom properties in Harehills, the rise in rent levels in the selective licensing areas have been at the same pace or lower than other areas of the city. In other words, the data indicates that selective licensing has not had any impact on rent levels in the areas, when compared with the rest of the city.

Table 3

PRS rent levels 2019-2024

	Beeston LS11			Harehills LS7			Leeds		
	2019	2024	%change	2019	2024	%change	2019	2024	%change
Average	£629	£871	138.47377	£709	£1,103	155.5712	£1,226	£1,856	151.3866
1 bed	£569	£746	131.10721	£645	£958	148.5271	£614	£926	150.8143
2 bed	£765	£1,080	141.17647	£800	£1,162	145.25	£784	£1,189	151.6582
3 bed	£700	£995	142.14286	£626	£1,427	227.9553	£1,011	£1,729	171.0188

Source – Home.co.uk data sets for Leeds

- 73 Another risk was the concern that there would be an exit from the market by landlords due to selective licensing. As part of the initial determination of the PRS in the 2 areas it was estimated that there were approximately 6,500 homes.
- 74 Table 4 shows the numbers of licenced properties at various points over the 5 years of both schemes. The number of licences was lower at the start of the scheme due to the time taken to process the numbers involved and the delay in the payment of licence fees to support the sector during COVID. However, it has remained reasonably constant over the 5 years of the scheme, which indicates that there has been little change in the level of PRS in both areas during the life of the designation. In conclusion, the data indicates that the number of privately rented properties in the two selective licensing areas remained relatively constant throughout the scheme, and therefore the initial concern that its introduction would cause landlords to exit the market is unsupported by the evidence, therefore there has not been the exit from the PRS market feared as a result of the introduction of selective licensing in Beeston and Harehills..

Table 4 - number of licenced properties in Beeston and Harehills over the 5 years of the scheme

Scheme	Jan-21	Jan-22	Jun-24	Dec-24
Beeston	2054	2488	2381	2443
Harehills	3380	3810	3864	3968

What are the legal implications?

- 75 The process and means by which the Council introduces any selective licensing scheme is set out in legislation under Part 3 of the Housing Act 2004. This provides the criteria by which any scheme can be introduced, and the process by which the business cases were considered.
- 76 The Beeston and Harehills business case were both subject to a judicial review, in that Leeds Landlord Unite sought permission from the High Court to apply for judicial review which was refused.
- 77 The previous schemes for Beeston and Harehills, were regarded by a First Tier Tribunal Judge as going *'above what might ordinarily be expected of a Local Authority in bringing a new scheme to the attention of landlords, tenants and the general public'* in a decision which upheld the Council's decision to impose a financial penalty on a landlord as a result of their failure to obtain a selective licence.
- 78 The existing schemes in Beeston and Harehills came to an end as of 5th January 2025 and with it all licences and conditions expired. The powers available under Part 3 of the Housing Act 2004 are no longer available to the Council and the areas revert to being addressed in the same manner as the rest of the city.
- 79 Whilst the schemes have ended, certain enforcement investigations which were started prior to the end of the scheme are still ongoing, which may lead to legal action in the event that formal action is taken and the decision to do so is appealed. There are a number of enforcement decisions which have already been appealed that have yet to be determined, as they are making their way through the system of the First Tier Tribunal.

Options, timescales and measuring success

What other options were considered?

- 80 Other options were considered prior to approving the designation of the Harehills and Beeston schemes in 2019, however it was considered that making the designation would significantly assist the Council to achieve the objective of improving housing conditions, alongside a reduction of wider problems with housing in the private rented sector contributing to the high level of deprivation within the area.
- 81 Other course of action which were considered but discounted at that time were:
- In 2017 the Council supported the launch of the Leeds Rental Standard, self-regulation of the sector supported by the National Residential Landlord Association and Unipol. This approach was considered insufficient to address the issues in the areas because there is limited engagement with the Leeds Rental Standard when compared with other areas of the city.
 - Prior to the previous two schemes in Beeston and Harehills, the council adopted the Leeds Neighbourhood Approach to address area-based issues. Whilst it delivered improvements the approach dealt with issues street-by-street and so given the size of the proposed area and the scale of the issues identified in the existing Beeston and Harehills schemes, this approach would not address the level of issues facing people living in the area.
 - Another alternative to Selective Licensing considered was a reactive approach, responding to complaints raised in respect of property conditions in the area. The council did not consider this to be an effective method of addressing the conditions in the area because this relies on people coming to the council, understanding their right and not being in fear of eviction if they do complain.

How will success be measured?

82 The business cases for Harehills and Beeston set out the aims for the two schemes as detailed above. This report details what has been achieved during the course of the selective licensing schemes in Beeston and Harehills from January 2020 until January 2025.

What is the timetable and who will be responsible for implementation?

- 83 The designations for Beeston and Harehills ceased as of January 2025 and so they are no longer in existence. There is still outstanding work to follow up to ensure works have been undertaken by landlords, which includes ongoing formal actions for not having a licence or for breaches of licence conditions that officers are continuing to address as part of the closure of both schemes.
- 84 The Executive Board in March 2024 asked officers to consider further areas for potential future selective licensing schemes within the five priority wards and to report to the board at a future date.
- 85 The proposal on which the area now being proposed for a Scheme is being considered is based on the criteria of high deprivation. This was consulted on for a 12 week period until the 13th December 2024. This link is to the webpage [Selective Licensing consultation in East, South and West Leeds](#) which contains the information provided to consultees to enable them to provide their views. This included information on the area, why it is being considered, the proposed licence conditions and the proposed licence fee as well as a link to online feedback to ascertain opinions on the proposal.
- 86 A total of 1,880 resident and stakeholder responses and 309 landlord responses to the consultation feedback form have been received, as well further written feedback from interested parties and all of these are currently under review.
- 87 As part of the extensive consultation a number of local and city-wide initiatives undertaken to promote it.
- 88 As part of the local consultation activities there were 6 drop-ins across the proposal area for anyone to come and speak with officers and to provide their opinions. Those who had not completed the online feedback questionnaires were encouraged to do so and there were opportunities to complete it using mobile devices at each drop-in as well. At 5 out of the 6 drop-ins the No Campaign was also present and they also attended the one stop centres at Armley, Compton Centre and Dewsbury Road during the 12-week period. As part of the consultation the mobile bus was used to go into areas across the proposed area to encourage feedback on the proposal. As well as being able to attend and speak to officers on the bus, officers also door knocked the areas to provide residents with the opportunity to have their say, to publicise the consultation and help anyone who wished to provide their feedback.
- 89 Colleagues in the Localities Team supported the process by sharing information, promoting the different events and publicising the consultation via the local networks and communications channels used by the Council. Officers also attended a number of community groups and events to promote the proposal.
- 90 Officers also attended a number of partnerships boards and groups to discuss the proposal, the consultation and ask them to publicise it via their networks.
- 91 The consultation was also promoted city wide involving a number of activities and out of home advertising. As part of the consultation a selective licensing webpage was created and promoted, which had the online feedback questionnaire for stakeholders to complete with their opinions on the proposal. As well as the webpage the Council promoted the consultation on its own social media via Facebook, resulting in a reach of 68,000 views and 302 visits to the webpage.
- 92 As part of the consultation activities across the city as a whole, adverts were placed on bus shelters in 15 locations across the city between the weeks of the 23/9/24 to 6/10/24 and 4/11/24 to 17/11/2024. As a result of the bus shelter campaign, it is estimated that 1,315,012 people will have been exposed to the consultation. Adverts were also placed on the rear of 40 buses operated by First Bus, the largest bus operator in Leeds, for 6 weeks from the 10th October. Based on industry standards, it is estimated that 732,000 views of the advert would have been seen over that period.

- 93 Leeds+, a social media company, covered the consultation both as part of their newsfeed and paid campaign on social media platforms Meta and TikTok. As a result of both activities, they recorded approximately 379,000 video views and 6,000+ link clicks.
- 94 A series of radio adverts were run on Global Radio stations including Capital, Heart, ITV, Classical, Mail Online, MTV, Smooth Radio, NME, Sky and LBS. They also advertised on a number of podcasts such as Chris Moyles, Run pod, Whittering Whitehills, Mail Online and Johnny Vaughan. The aim was to target all the 18+ population of Leeds over a 4-week period from 5th to 27th November 2024. Based on industry metrics this led to 222,222 impressions, with the advert being heard by 55,800 unique listeners. Of the 222,222 impressions 208,000 heard the advertisement at least 4 times.
- 95 Landlords also organised again into a No campaign against the proposal with their own literature and Facebook page. Representatives attended 5 out of the 6 drop-ins and raised a number of issues and objections in person as well as via emails with officers and members. In addition, on the 25th November 2024 an event for landlords was held in the city by a company who represent landlords and managing agents in respect of private sector housing enforcement disputes during which the proposal was discussed with attendees.
- 96 Officers are currently collating all the feedback to determine the views and consider the issues that have been made by all parties both for and against the proposal. As part of the process all those who have made comments and asked for feedback will be provided with a copy of the issues raised, and the Council's consideration of those issues. Once collated these will be considered in order to inform whether the scheme should be progressed or whether amendments to the initial scheme proposed are needed. These will also be included in any business case which is presented to the Executive Board.
- 97 It will be for the Executive Board to consider all of these matters as well as the other evidence within any business case before it decides whether or not to designate the proposed area at a future date.

Appendices

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Background papers

- Executive Board Paper 26th June 2019 – Beeston [Microsoft Word - Exec Board Report June 19 Beeston Final.doc](#)
- Business Case - Beeston [\(Public Pack\)Agenda Item 19 \(Business Case for Proposed Selective Licensing Designation – Beeston\): Appendix 2 Agenda Supplement for Executive Board, 26/06/2019 13:00](#)
- Executive Board paper 26th June 2019 – Harehills [Microsoft Word - Exec Board Report June 19 Harehills SL version Final.doc](#)
- Business Case – Harehills [\(Public Pack\)Agenda Item 18 \(Business Case for Proposed Selective Licensing Designation – Harehills\): Appendix 2 Agenda Supplement for Executive Board, 26/06/2019 13:00](#)