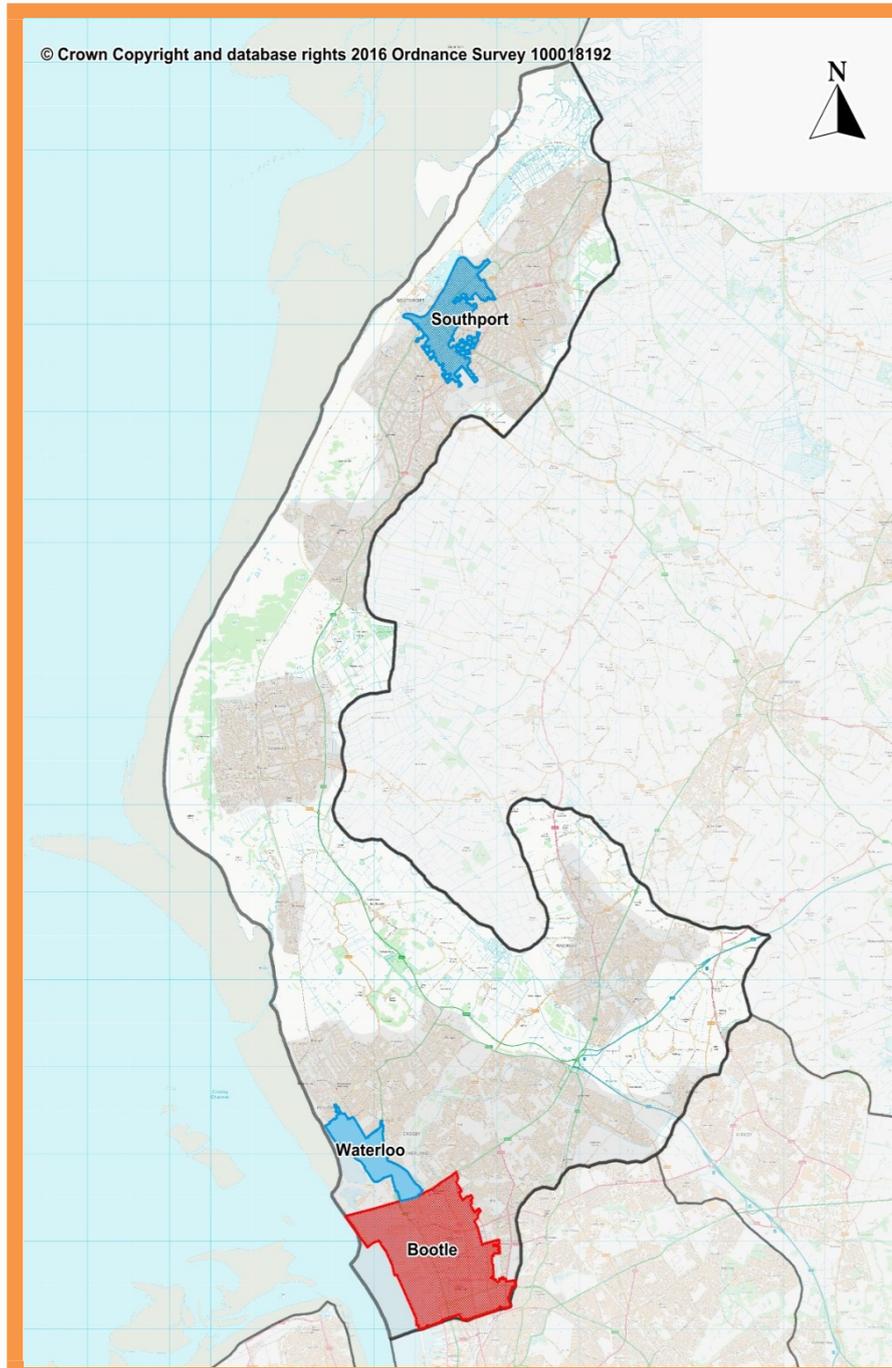


OVERVIEW AND SCRUTINY COMMITTEE (REGENERATION AND SKILLS)



HOUSING LICENSING PERFORMANCE FRAMEWORK WORKING GROUP FINAL REPORT MARCH 2018



Overview & Scrutiny

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LEAD MEMBER'S INTRODUCTION

I am very pleased to introduce this Overview and Scrutiny Committee (Regeneration and Skills) Housing Licensing Performance Framework Working Group report.

The Working Group adhered to its established terms of reference and objectives (see paragraph 2 below) in the drafting of its recommendations.

I believe that the introduction of Selective Licensing of Private Sector rental properties in parts of the Borough is a key step towards improving the living conditions for tenants of such properties as well as helping to reduce the incidence of anti-social behaviour affecting landlords as well as residents in the vicinity of these properties. In addition the extension of licensing to Homes of Multiple Occupation not covered by existing mandatory licensing will also provide similar benefits.

The development of a performance framework to monitor and evaluate the success of the scheme over the five year period of the licensing is an essential element of the scheme. The remit of the Working Group was to review this development. I am very much hoping that the evaluation of the scheme over its period of operation will demonstrate its benefits and lead to the scheme being extended for a further period of time as well as being rolled out to other parts of Sefton.

I wish to thank all those people who gave up their valuable time to be involved with the Working Group. The input and expertise of officers greatly helped the Working Group in the formulation of its recommendations. Finally, I am extremely grateful to my fellow Working Group Member, Councillor Mike O'Brien for his commitment, ideas and contribution.



Councillor Bill Welsh Lead Member, Housing Licensing Performance Framework Working Group

1.0 BACKGROUND

- 1.1 At its meeting held on 7 November 2017 the Overview and Scrutiny Committee (Regeneration and Skills) approved the establishment of a Working Group to review the topic of Housing Licensing Performance Framework.
- 1.2 Councillors Michael O'Brien and Bill Welsh were appointed to serve on the Working Group.
- 1.3 At the first meeting of the Working Group Councillor Bill Welsh was appointed Lead Member. Details of Working Group meetings are set out below:-

Date	Activity
21.12.17	Scoping Document approved Presentation on proposals made Background reading material identified
29.01.18	Formulation of Monitoring Factors and a Performance Framework

2.0 TERMS OF REFERENCE AND OBJECTIVES

- 2.1 The Terms of Reference and Objectives of the Working Group were approved as part of the scoping exercise at the first meeting and are set out below.
- 2.2 Terms of Reference and Objectives
 - 2.2.1 The Council is working toward the introduction of Private Rented Sector Housing Selective Licensing and Additional HMO Licensing schemes in parts of the borough.

The Selective Licensing Scheme Proposal was taken to Overview and Scrutiny Committee (Regeneration and Skills) in November 2016, for review. The proposal was overwhelmingly supported.

The Selective Licensing proposal was then taken to Cabinet for formal approval in December 2016, together with approval to undertake the statutory formal public consultation. Cabinet approved the proposal and consultation.

The Selective Licensing Proposal has since been the subject of a 12 week public consultation, April-June 2017. This included notifying all Councillors of the Selective Licensing proposal and consultation, so they had the opportunity to contribute.

The results of the consultation, together with a Final Licensing Scheme proposal were taken to Cabinet in September 2017, and approved. The Council is now in the process of preparing the Selective Licensing scheme to go live from March 2018.



One key piece of work that needs to be done over the coming months is to set up a 'performance framework' for the Licensing schemes. This will allow the Council to test, in future, whether the Selective Licensing scheme is having an impact on improving the Licensing Neighbourhoods and private rented accommodation. The performance framework will be submitted to the Cabinet Member – Housing and Communities for approval once it is completed.

The Council approved a 'business case', which set out its justification for introducing Licensing schemes. To justify the proposed schemes for Sefton it was argued that Licensing of private rented homes would lead to the better management of these homes, which in turn would help tackle the following issues, which were used as the criteria for our schemes;

- significant anti-social behaviour.
- poor property conditions,
- a high level of deprivation or
- high levels of crime.

A Licensing scheme can only remain in operation for a maximum period of 5 years. The Council will need to monitor whether the Licensing schemes are having an impact on the issues/criteria it sought to tackle and improve.

Toward the end of the 5 year life of its schemes, the Council will need to consider whether it needs to extend the life of its schemes, and if it does, it will need to justify this through a new business case. Almost certainly, the Council would need the evidence that its schemes are having a positive impact on the issues identified. Therefore setting a suitable performance framework will be an essential tool, both to monitor the effects of licensing and to help justify any extension of the life of its schemes, should it wish to do so.

- 2.2.2 The Objective is for the Working Group to help develop and review a proposed Selective Licensing Performance Framework before it is completed and submitted for approval to the Cabinet Member – Communities and Housing

3.0 METHODS OF ENQUIRY

- 3.1 To review the business case evidence on which the licensing schemes are based.
- 3.2 To consider the most suitable sources of information which could be used to provide evidence and data over the 5 year life of the Licensing schemes, which would allow the Council to gauge the impact on each of the criteria used



to justify its schemes.

3.3 To agree a Performance framework which includes;

- the sources of evidence and information that will be used to measure the impacts of the Licensing schemes;
- the frequency of collection of evidence and data; and
- How monitored data and evidence will be reported in future.

4.0 WORKING GROUP MEETING – 21 DECEMBER 2017

4.1 The Working Group considered background information relating to the Housing Selective Licensing Scheme and the evidence used to justify implementing the Scheme.

In particular, the Working Group considered the [Business Case](#) for the Scheme and was advised that since January 2016, Sefton Council had been consulting and leading on developing a new Vision for the borough. The process had helped the Council understand what matters and to be ambitious for the Borough and its communities in the future. A number of themes began to emerge, which were then developed into the Vision & Outcomes Framework. The Local Authority believes that the introduction of the proposed Licensing schemes can help contribute to the delivery of the Framework.

Since 2001, Sefton had seen a significant increase in the size of the private rented sector, borough-wide, but particularly in the areas being considered for licensing.

It was proposed that the Bootle area be chosen for Selective Licensing, which had a high proportion of private rented housing, with some of this housing being poorly managed. The area also experienced a high incidence of anti-social behaviour, poor housing conditions and deprivation, which all lowered confidence in the area. The community and the Local Authority wanted to see the area improve. As part of the Sefton 2030 vision there was a significant ambition to improve and attract investment to improve the prosperity of Sefton. As part of the Council's commitment to the success of this the licensing of privately rented properties was proposed to improve confidence in the private rented sector and help improve the prospects for the whole area.

Bootle contained a mixture of predominantly pre-1919 traditionally built terraced housing with some newer homes. Over the years, regeneration investment, including via the Housing Market Renewal Programme, into part of the area had made some impact. However, there remained a need to address some of the housing and social related issues which continued to adversely affect the wider area, especially those related to privately rented housing.

The Council therefore proposed Additional (HMO) Licensing (House in Multiple Occupation), for parts of Waterloo/Seaforth and Southport, which had high concentrations of problematic HMOs and had seen increases in ASB and crime over recent years. This was having an adverse impact on communities and businesses in these areas.

Sefton Council would continue to use its existing powers to tackle irresponsible landlords and tenants and at the same time offer support and assistance to landlords to improve conditions and management practices. The Council was committed to building on our existing and established relationships with landlords operating in Sefton, particularly those who owned stock in the proposed licensing areas; and wanted to use Licensing to improve the relationship with a much wider number and group of landlords.

The Council also needed to bring about long-term sustainable change, which will be greatly helped through improvements to management standards within the private rented sector. It also recognised the crucial role the private rented housing sector plays in creating a strong and sustainable housing market and in meeting the housing needs of many households. Sefton depended heavily on the privately rented sector and the Council looked forward to using the licensing scheme to engage and work with landlords to realise our vision of creating a strong and resilient community, and the opportunity to live in good quality homes.

Sefton was committed to making the areas a safe and attractive place to live in and through the proposed licensing schemes was seeking the full co-operation of landlords of the area and their tenants in making this happen.

The Working Group was also made aware of additional information relating to the scheme that could be accessed from the Council's website by using the following link:-

<https://www.sefton.gov.uk/housing/private-housing/selective-licensing.aspx>

4.2 The Working Group also received a [presentation](#) that highlighted:-

- The objectives of the Working Group, namely, to review the business case evidence on which the licensing schemes are based and justified; consider the most suitable sources of information to gauge the impact on each of the criteria used to justify its schemes; and agree a Performance Framework
- The justification upon which the current Licensing Business Case was based
- How was the current business case regarding Selective Licensing was developed
- The evidence used to determine appropriate areas for Selective Licensing
- Reviewing the evidence and the development of a Performance



Framework

4.3 Members of the Working Group commented on the following issues:-

- The possible displacement of landlords to other areas within Sefton or to neighbouring local authorities. It was noted that if this happened the Council would have to consider licensing across these areas where the large scale displacement occurred, as part of any future licensing proposals considered beyond the 5 year life of the current proposed schemes
- The need to consider how evidence could be obtained to identify improvements which can be associated with the Selective Licensing Scheme, e.g. evidence the scheme has helped cause any reductions in the level of anti-social behaviour
- The importance of asking the right questions to obtain information regarding the private rented sector associated with ASB improvements /referrals; the number of landlords supported; and improved housing conditions/safety
- How data was collected to obtain the statistics on the location and numbers of private rented sector properties and in particular the use of housing benefit information to assist this. It was noted that the introduction of Universal Credit would stop this channel of information gathering over time, as Housing Benefit is gradually withdrawn
- How the Selective Licensing fees would be utilised. Information was provided on the proposed staffing structure and the introduction of Compliance Officers and their powers which included the issuing of warnings and, following liaison with senior colleagues, the use of Civil Penalties and possibly the “closure” of properties that are in extremely poor condition and are imminently dangerous. The aim was for the Compliance Officers to visit all private rented properties within the licensing areas, over the 5 year life of the scheme for inspection purposes but priority would be given to targeting the worst properties first
- Consider how local Members might help support officers identify problematic private rented properties
- The introduction of a clear policy on the level of Civil Penalties is to be considered by Cabinet Member - Communities and Housing in the New Year. Once introduced such a policy would provide officers with an alternative to issue fines rather than pursue prosecutions. Any income from fines can be used to help fund further enforcement activities.

5.0 WORKING GROUP MEETING – 29 JANUARY 2018

- 5.1 The Working Group considered the [report](#) of the Head of Economic Growth and Housing that provided suggestions of ways in which the Selective and Additional (HMO) Licensing Schemes could be effectively monitored during the five year duration of the schemes.



5.2 The report indicated that the three new Housing Licensing Schemes would come into force on 1 March 2018; that in order to ensure that the schemes met their intended outcomes and objectives, it was proposed to measure the progress of the schemes through the collection of data on various factors on an annual basis; and that suggested monitoring factors for consideration, which could all be measured through the Council's existing and new (Licensing) IT databases, related to the following:-

5.3 **Monitoring factors**

Number of licences applied for per scheme

Number of licenses granted per scheme

Number of properties accredited;

a) Inside the licensing areas

b) Outside the licensing areas

Number of properties non-compliant on first inspection

Number of properties non-compliant on first inspection but now compliant to measure 'improvement' of properties

Numbers and types of formal enforcement actions taken

Number of Service Requests (complaints from tenants about their property or landlord) received;

a) within the licensing areas

b) outside of the licensing areas

Number of licensed properties that have had the most serious Category 1 hazards removed

Numbers of request for advice from ASB (Anti-Social Behaviour) team

Numbers of cases where ASB team have intervened

Outcome of ASB team intervention

5.4 [Appendix 1](#) attached to the report provided a further list of background sources of information that would be analysed on a less frequent basis (nearer the end of the scheme) to assess the effectiveness of the 3 licensing schemes; that these sources of information would monitor the wider community impact of the licensing schemes; and the measures were referred to in the Council's Business Case, which justified the introduction of the new licensing schemes. Any significant changes to these measures would be looked at to determine if the introduction of the licensing schemes affected these changes.



6.0 RECOMMENDATIONS

6.1 The monitoring factors as detailed in the table below be approved as the set of suitable measurable data sets to be used as a Performance Framework to report on the intended outcomes of the licensing schemes:-

Monitoring factor	Description	Why measure?
Number of licences applied for per scheme	Total number of properties for which an application for a licence has been made, against the number of identified Privately rented properties that require a licence	To ensure landlords have applied for a licence where applicable. To compare the actual number of private rented properties against the original, estimated number. This will also assist with the financial management of the schemes.
Number of licenses granted per scheme	How many properties currently have a licence against the number applied for and number of identified properties requiring a licence.	To ensure all licensable properties obtain a licence and meet license conditions.
Number of properties accredited; a) Inside the licensing areas b) Outside the licensing areas	Accreditation is a voluntary scheme. It is a measure of high quality property standards and management.	To monitor the levels of accredited properties and thus levels of “good” standard accommodation. Monitoring numbers inside and outside of licensing areas will allow comparisons
Number of properties non-compliant on first inspection	How many properties DO NOT comply with the licence conditions when inspected by officers.	To establish a baseline of standards of property condition and their management. A high number of ‘non-compliance’ would be evidence to justify the



		License schemes.
Number of properties non-compliant on first inspection but now compliant	How many properties DO NOT comply with the licence conditions at the introduction of the schemes (and 1 st inspection) but have improved to be compliant, as a result of the schemes	To establish the level of improvements that have been made to the levels of property management and conditions. This will help demonstrate the level of impact the License schemes have made to improve private rented sector conditions and management.
Numbers and types of formal action	How many statutory notices and Civil Penalties have been served within the 3 licensing areas.	To monitor the level of requirement for formal action by officers, for either not obtaining a licence or a breach of licence conditions. Informal action (warnings) will be issued in the first instance, but if landlords don't act on these, then formal legal action will be followed.
Number of Service Requests received; a) within the licensing areas b) outside of the licensing areas	Service Requests are complaints received about a property, usually regarding its management or condition. (These requests generally come from Privately Rented tenants.)	This measure will show if numbers of service requests increase or decrease as a result of licensing. It will show any difference in numbers inside and outside of licensing areas. It will also indicate if poor property conditions are increasing outside of the licensing areas as <i>a possible result of displacement of landlords.</i>

Number of licensed properties that have had Category 1 hazards removed	Category 1 hazards are the most serious health & safety hazards identified in a property using the Housing Health & Safety Rating System (Housing Act 2004). This will be captured by officers inspecting properties.	A measure of how many properties have had Category 1 Hazards removed is a clear indication of the improvements in property conditions.
Numbers of request for advice from ASB (Anti-Social Behaviour) team	This is likely to be requests from Licence holders/landlords to the ASB team for help in dealing with ASB issues at their property. The management of ASB is a licence condition.	This figure will record the levels of advice requests from landlords and measure if this changes throughout the duration of the schemes.
Numbers of cases where ASB team have intervened	All referrals to the ASB team for advice will be captured, to assess levels.	Has the ASB support for licence holder/landlords lead to more intervention by the Council's ASB team? Have their levels of Service requests increased or decreased?
Outcome of ASB team intervention	Has the intervention been a success? What was the outcome?	Have levels of ASB in licensing areas reduced?

7.2 An Annual Monitoring Report, to ensure that the Schemes meet their intended outcomes and objectives in measuring the progress of the Schemes through the collection of data on various factors, be submitted to both the Cabinet Member – Communities and Housing and the Overview and Scrutiny Committee (Regeneration and Skills).

7.0 DOCUMENTATION CONSIDERED BY THE WORKING GROUP

- 7.1 [Scoping Document](#) approved on 21 December 2017
- 7.2 [Presentation](#) received on 21 December 2017
- 7.3 [Selective Licensing Business Case](#) considered on 21 December 2017
- 7.4 [Report of the Head of Economic Growth and Housing](#) considered on 29 January 2018
- 7.5 [List of background sources of information for business case monitoring](#) considered on 29 January 2018



8. ACKNOWLEDGEMENTS AND THANKS

In producing this report on the Housing Licensing Performance Framework the acknowledgements and thanks are attributed to the following individuals for their time and input:-

- Neil Davies, Service Manager Housing and Investment Services
- Clare Taylor; Housing Standards Team Manager
- Gaynor Pemberton; Housing Licensing Development Project Officer
- Alistair Malpas; Housing Strategy Officer

Thanks must also go to the Members of the Working Group who have worked hard and dedicated a great deal of time to this review, namely:-



Councillor Bill Welsh Lead Member, Housing Licensing Performance Framework Working Group



Councillor Michael O'Brien

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