

# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET MEMBERS FOR HEALTH AND WELLBEING &amp; SOCIAL COHESION, EQUALITIES AND COMMUNITY SAFETY, AND STRATEGIC DIRECTOR OF PLACE</b>
<b>Report of:</b> <b>Date of Decision:</b>	<b>STRATEGIC DIRECTOR OF PLACE</b> <b>16 February 2015</b>
<b>SUBJECT:</b>	<b>PROPOSED CONSULTATION ON ADDITIONAL LICENSING FOR THE PRIVATE RENTED SECTOR</b>
<b>Key Decision:</b>	<b>Relevant Forward Plan Ref: N/A</b>
<b>If not in the Forward Plan:</b> <b>(please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Members</b>	<b>Councillor John Cotton – Health and Wellbeing</b> <b>Councillor James McKay - Social Cohesion, Equalities and Community Safety</b>
<b>Relevant Executive Members</b> <b>Local Services</b>	<b>Councillor Karen McCarthy – Selly Oak</b> <b>Councillor Josh Jones - Erdington</b>
<b>Relevant O&amp;S Chairmen:</b>	<b>Councillor Mariam Khan – Social Cohesion and Community Safety</b> <b>Councillor Susan Barnett – Health and Social Care</b> <b>Councillor Waseem Zaffar: Districts and Public Engagement</b>
<b>Wards affected:</b>	<b>Selly Oak and Stockland Green plus city wide</b>

<b>1. Purpose of report:</b>
<p>1.1 To consider proposals to consult over the extension of the Council's Licensing Scheme for Private Rented Sector (PRS) properties initially for three key areas:</p> <ul style="list-style-type: none"> <li>• Extending the existing HMO licensing scheme to include all eligible hostels.</li> <li>• Shared housing in Selly Oak Ward principally occupied by students</li> <li>• Private rented housing in the Stockland Green Ward</li> </ul>

<b>2. Decision(s) recommended:</b>
That the Cabinet Members for Health and Wellbeing; Social Cohesion and Equalities and Strategic Director for Place:
<p>2.1 Note the report on the need to consider extending powers of Licensing for the PRS for targeted sections and areas of the city.</p> <p>2.2 Give authority to commence consultation with stakeholders to consider the extension of the Council's Licensing scheme for PRS properties and report back on the outcome of the consultation in July 2015.</p>

<b>Lead Contact Officer(s):</b>	Peter Hobbs – Service Integration Head - Housing
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### **3. Consultation**

Consultation should include those that have an interest in the proposals recommended

#### **3.1 Internal**

The proposal to consider the extension of the PRS Licensing Scheme has been raised by local Members in Selly Oak District and Erdington District. Elected Members and the Executive Members for Erdington and Selly Oak have been consulted on this report.

District and Ward Committees across the city will be consulted as part of this proposal.

#### **3.2 External**

The Council has been working with the community safety Local Delivery Group (LDG) in Erdington, to consider the issues raised by the PRS in Stockland Green with regard to anti-social behaviour.

A long standing multi-agency partnership group in Selly Oak has been working to tackle local issues caused by irresponsible landlords and tenants in the area. Consultation took place in 2013 and again in September 2014 by the Council's Planning and Regeneration Division, in the Selly Oak, Edgbaston and Harborne areas concerning the need to control development of shared housing (mainly let to students) in residential areas to maintain balanced communities.

This has led to the implementation of an Article 4 Order that ensures change of use to shared housing requires planning consent in the Selly Oak, Edgbaston and Harborne areas.

The Council supports a PRS Landlord Forum which will be consulted as part of the proposal and the consultation will include other partnerships across the city including local community safety groups, third sector organisations, universities and colleges.

### **4. Compliance Issues:**

#### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

The proposal is consistent with the Council's strategy and policies to support a viable and well managed PRS in the city.

#### 4.2 Financial Implications

The proposal to consult will be carried out within the existing financial resources of the PRS programme. Any future budget implications of the scheme as proposed will be reported to the Council following the consultation.

The costs of the consultation process for the 4 months from commencement in March 2015 are estimated to be £6,000 to include officer time, administration and cost for the consultation process. This will be resourced from within the existing Private Sector Housing Service budget.

Should the Council proceed with the licensing option the legislation allows the Council to recover the costs of administering the scheme through the Licensing Fee. A licence is normally granted for 5 years and the current fee charged by the Council is £1,150 (approx. £230 pa) for a new application and £850 for a renewal.

To support responsible landlords, the Council has made available discounts for landlords who are members of the National Landlords Association and/or the Residential Landlords Association (£150 discount) and there is also a discount for members of the Midland Landlords Accreditation Scheme (£300 discount).

#### 4.3 Legal Implications

Part 2 of the Housing Act 2004 sets out powers available to local authorities for HMO Licensing and in Section 56 sets out powers to designate areas subject to additional HMO licensing arrangements. Section 80 sets out powers to the local authority to designate areas subject to selective licensing where there are potential risks of low demand housing and the area is affected by persistent anti-social behaviour.

#### 4.4 Public Sector Equality Duty

The impact of any proposal resulting from the consultation will be included in the final report in July 2015.

## **5. Relevant background/chronology of key events:**

- 5.1 The Housing Act 2004 introduced powers for local authorities to licence certain houses in multiple occupation. The Council has implemented a mandatory scheme for HMOs for houses of 3 or more storeys with 5 or more people sharing facilities. To date this has licensed 1,800 properties in the city, with another 124 applications still outstanding. Under the Act the Council has powers to extend the licensing requirement and designate areas of their district subject to the following;
- a) Additional licencing for HMOs where for a significant proportion of the HMOs in the area are being managed ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.
  - b) Selective licensing for PRS properties to tackle issues of potential low demand where there are associated problems of anti-social behaviour.
- 5.2 The use of these powers however, needs to be considered alongside the use of other available powers to tackle the issues, such as the new powers in the Anti-social Behaviour, Crime and Policing Act 2014. The Council has considered representations from local elected members, the Police, Local Delivery Groups for community safety and other local partnership groups. In general these partners are requesting the Council consider use of the additional powers to either tackle problems in key target areas of the city where the PRS is having an impact on local communities, or to include high risk properties housing very vulnerable tenants within the licensing regime.
- 5.3 This report considers three specific cases for the use of designation powers
- Selly Oak District – Selly Oak Ward**
- Shared housing in the Selly Oak Ward, where significant development of housing for students and other shared use, is impacting on the local community with environmental damage and blight from irresponsible developers, development taking place without planning consent and without building regulations approval and resulting in issues for residents from rubbish and fly tipping, anti-social behaviour and overcrowding of local parking and deterioration of the street scene. Work with the University, Police, local residents and the Council has been ongoing for a long time but actions of irresponsible landlords in recent years demonstrates the need to consider the use of other powers to support the local community.
- **Erdington District – Stockland Green Ward**  
The LDG for the area is concerned about levels of anti-social behaviour in the Stockland Green Ward which according to evidence from the local Police team is linked to some occupants of PRS properties. This anti-social behaviour is significantly impacting on local people and the resources of local agencies.

- **City Wide – Hostels**

In general Hostels in the city provide housing for the most vulnerable tenants and citizens of Birmingham. Tenancies can be temporary and the Council has always considered this group of HMOs as the highest risk in terms of property conditions and management.

There are some Hostels which are outside the scope of the current HMO licensing scheme but which house significant numbers of tenants, many of whom have complex needs.

**Other Wards or Neighbourhoods**

- 5.4 Although the areas above have been highlighted, the consultation may reveal other areas of the city where the PRS is having a significant impact on communities. This may therefore identify other Wards and neighbourhoods where the licensing powers may be required to assist in supporting local agencies and residents.

**Public Consultation**

- 5.5 The Council is required to take reasonable steps to consult persons who may be affected by the designation and have regard to any representations received when reaching a decision. This report seeks authority to commence consultation for a minimum of 12 weeks from the date of approval and to report back to on the outcome, which is likely to be in July 2015 at the earliest. It is proposed to consult key stakeholders such as

- local resident groups, Neighbourhood Forums
- District and Ward Committees
- District Housing Panels
- local community safety partner agencies and LDGs
- Universities and Colleges
- Students Unions
- Council Departments
- the city's Landlord Forum
- Midland Landlords Association and the National Landlords Association
- Housing agencies supporting vulnerable tenants such as St Basils, Midland Heart

- 5.6 If approval is given to commence consultation, a full detailed business case will be drafted. The business case will set out the strategic context of the PRS in Birmingham, provide evidence of key issues that need to be addressed and an analysis of the powers available to the Council, including licensing powers.

**6. Evaluation of alternative option(s):**

- 6.1 The Council is working with partners to use or explore the use of all other powers to tackle local issues but to date this appears to be insufficient and therefore the use of licensing powers is an option to complement the ongoing actions of agencies.

<b>7. Reasons for Decision(s):</b>
7.1 To allow consultation to take place over the option to designate areas for additional and selective licensing of properties in the PRS.

<b>Signatures</b>	<b>Date</b>
Councillor John Cotton .....	.....
Cabinet Member – Health and Wellbeing	
Councillor James McKay .....	.....
Cabinet Member - Social Cohesion, Equalities and Community Safety	
Sharon Lea .....	.....
Strategic Director of Place	

<b>List of Background Documents used to compile this Report:</b>

<b>List of Appendices accompanying this Report (if any):</b>
None

<b>Report Version</b>	<b>8</b>	<b>Dated</b>	<b>13 Feb 2015</b>
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