

# **Business Case for designation of a Selective Licensing scheme for Private Rented Properties**

## **Scarborough South**

### **Scarborough Borough Council**



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## **1. Introduction**

In 2016 Scarborough Borough Council gave approval to the consideration of a phased approach to the introduction of Selective Licensing of privately rented houses in three separately designated areas within the Scarborough urban area. The first area to be designated covered parts of the Castle and North Bay wards of Scarborough and is known as “Scarborough North”. Approval for this designation was granted in March 2017 with implementation from July 2017. The second area to be designated also covered parts of the Castle and North Bay wards plus parts of the Central ward in Scarborough and is known as “Scarborough Central”. Approval for this designation was granted in November 2018 with implementation from June 2019.

This business case presents the case for the third and final of these designations for the area known as “Scarborough South”. This area covers parts of the Ramshill wards of Scarborough and will cover just over 1,000 privately rented households.

Scarborough South has been selected as the third area for designation following extensive research and analysis. This analysis has shown that this area has a very high concentration of private rented housing along with very high rates of crime, anti-social behaviour and deprivation.

Crucial to the success of the Selective Licensing designation will be strong partnership working. We intend to work closely with North Yorkshire Police and North Yorkshire Fire and Rescue Service to deliver the proposed scheme. We are fortunate in Scarborough to have an excellent multi-agency team approach through our Safer Communities team involving the Council, Police, Fire and Rescue Service and others.

## **2. Overview of the Borough and the Private Rented Sector**

Scarborough Borough is a district authority on the North Yorkshire Coast with a large rural hinterland including part of the North York Moors National Park. The Borough has a population of about 110,000, the majority of whom reside in the three main towns of Scarborough, Whitby and Filey. With a population of about 60,000 Scarborough is the largest town and acts as the main centre for the Borough. As a large seaside town, Scarborough has experienced significant change in the last 25 years with the decline of the traditional domestic tourism offer and consequent change of guest accommodation into residential housing, especially private rented housing, including a large growth in flats and HMO's

Across the whole Borough, the private rented sector has grown considerably in recent years. In 2001 there were 6,340 privately rented households across the whole Borough. By 2011, this has risen to 9,640 privately rented households, an increase of over 50%. The Sub Regional Housing Market Assessment (SHMA) for Scarborough undertaken in 2015 calculated that the number of privately rented households had risen to almost 11,000 in 2015 representing just over 21% of the total housing stock of the Borough.

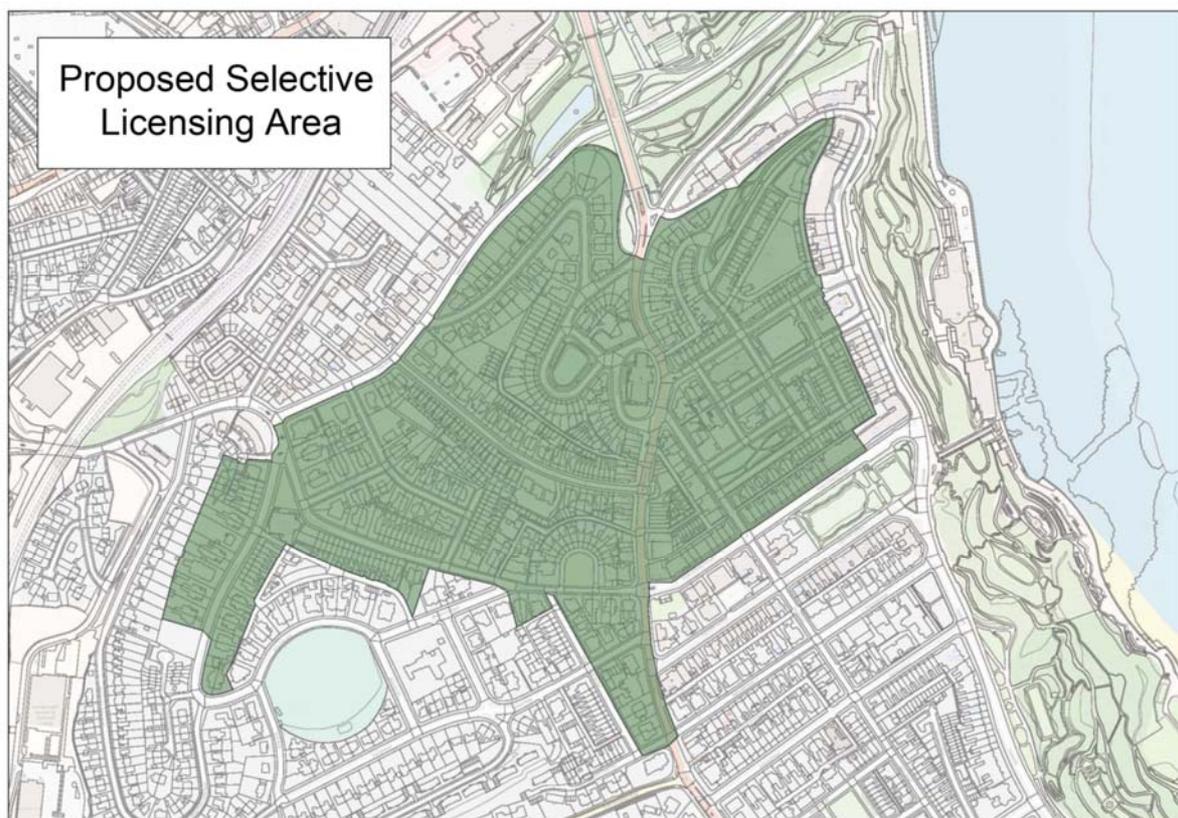
Whilst private rented housing is spread across the whole Borough, the highest concentrations are within the inner urban area of Scarborough. Parts of the Castle, North Bay and Ramshill wards in Scarborough have over 50% of their households privately renting. These 3 wards alone had 3357

privately rented households in 2011, representing almost 35% of the total number of private rented households in the Borough.

### **3. Scarborough South Proposed Selective Licensing Area: Strategic Significance**

The proposed area is the third and final area identified for selective licensing in Scarborough following an original assessment in 2015. It is located immediately to the south of Scarborough town centre and overlooks the South Bay and South Cliff area of Scarborough. The area and ward is known as Ramshill and it forms an important gateway into the town. It is a mixed residential and tourism area, with a number of large and medium hotels on the South Cliff. Most of the housing in the area is flats. Almost 60% of the households within the proposed licensing area are privately rented.

Whilst having it's own distinct character, the area forms part of the inner urban area of Scarborough, which suffers from a range of socio-economic problems including high levels of deprivation, poor property conditions and high levels of crime and anti-social behaviour. Prior to 2015 the area had a considerable number of properties occupied by students at the local Hull University campus. With the withdrawal of the campus in 2015, this led to a lot of former student accommodation coming back into the wider private rented market.



## **4. Detailed Description of the proposed area**

Based on 2011 census figures there are just over 1,000 privately rented properties within the proposed area, which represent 58% of all households in the area. The total number of households in the proposed area was 1756 at the time of the 2011 Census. The vast majority of the private rent stock is flats (approx. 88%), most of which were converted into blocks of flats from former guest accommodation and larger single occupied house. There is very little purpose built accommodation, with most of the accommodation originally built prior to 1919. This means that a significant proportion of the stock is solid wall construction with poor insulation. In addition, 12% of the private rented stock is without central heating, well above the Borough and National average. There are currently 23 licensed HMO's within the proposed area, with approximately 250 households.

As previously mentioned, this is the third Selective licensing area proposed for designation in Scarborough. The previous 2 designations are also located in Scarborough to the immediate north of the proposed area. The second designation, known as Scarborough Central adjoins the proposed area. They cover Scarborough town centre and surrounding residential streets plus part of the main tourist heart of the town.

The 2 current schemes are of a very similar size and nature to the proposed scheme and both have over 50% private rented stock, with concentrations in some streets of over 80% of the stock privately rented. In both areas there are high proportions of flats amounting to over 70% of the housing stock. Around 1,000 licences have been issued across the 2 current designations (550 in Area 1: Scarborough North and 445 in Area 2: Scarborough Central). However, the figure for Scarborough Central is likely to increase to in the region of 500 licences as the scheme has only been operating since June 2019.

There are also 110 licensed HMO's in the Borough. Of which all but one are located in Scarborough. Of these 80 are located across the 2 current selective licensing areas and the proposed licensing area.

## **5. The Designation**

Whilst this designation is for less than 20% of the privately rented homes in the Borough, as there are 2 selective licensing designations already operating in the Borough, this designation will result in more than 20% of the private rented stock in the Borough will be subject to selective licensing.

The first 2 designations cover approximately 1860 privately rented properties amounting to about 17% of the whole private rented stock in the Borough. The proposed designation will increase the number of privately rented properties subject to selective licensing to almost 2900 and amounts to about 26% of the private rented stock in the Borough.

## **6. Rationale for the Scheme**

The rationale for the scheme was initially established in 2015 when an initial assessment was undertaken of the areas with high levels of private rented stock across the whole of the Borough.

The private rented sector has grown considerably within Scarborough Borough over the last 15 years. In 2001 there were 6,340 privately rented households across the whole Borough. By 2011, this

has risen to 9,640 privately rented households, an increase of over 50%. The Sub Regional Housing Market Assessment (SHMA) for Scarborough undertaken in 2015 calculated that the number of privately rented households had risen to almost 11,000 in 2015 representing just over 21% of the total housing stock of the Borough.

Whilst private rented housing is spread across the whole Borough, the highest concentrations are within the inner urban area of Scarborough. Parts of the Castle, North Bay and Ramshill wards in Scarborough have over 50% of their households privately renting. These 3 wards alone had 3357 privately rented households in 2011, representing almost 35% of the total number of private rented households in the Borough.

Many private landlords who provide rented housing operate professionally and provide a good standard of accommodation. Unfortunately however there are a significant amount of privately rented properties, which are of a poor quality and are poorly managed.

The impact of poor quality and badly managed accommodation can be very negative to the local neighbourhood. Problems such as anti-social behaviour, high rates of crime and low demand can blight the area and lead to low property values and lack of investment in the area.

We see Selective Licensing as one of the key tools to tackle the problems of poor quality and poorly managed accommodation in the private rented sector and also address anti-social behaviour in a neighbourhood. Ultimately it will also be important in helping to uplift and regenerate these areas and de-risk current and future investment in the residential, commercial and leisure sectors in the locality.

An area based approach was adopted through the use of the Governments recognised Lower Super Output Areas (LSOAs). These areas are used by Government to rank different localities in terms of key indicators such as levels of deprivation and levels of crime.

The assessment was based on the factors outlined in the Government guidance published in 2015 for designating an area for selective licensing and assessed areas against the key criteria of:

- Low housing demand
- Significant and persistent anti-social behaviour
- Poor housing conditions
- High levels of migration
- High levels of deprivation
- High level of crime

From this assessment, a smaller number of LSOAs within the inner area of Scarborough were identified as meeting many of the criteria, which could justify the designation of a Selective Licensing scheme. The proposed scheme is part of this wider area and meets the following criteria:

**Poor housing conditions:** Almost 60% of the stock within the proposed area is privately rented, with a high proportion of the stock being flats, many of which were poorly converted from guest accommodation or larger residential accommodation. In the 2019 Index of Multiple deprivation (IMD) the 2 LSOA's within the proposed area are both within the most deprived 1% SOA's in England on the Living Environment (Indoors) Domain , which is a key indicator of poor housing conditions.

**High levels of deprivation:** The 2 LSOA's within the proposed area are both within the most deprived 20% of LSOA's in the 2019 IMD with one of the LSOA's being in the most deprived 11% in England.

In addition, both LSOA's feature within the most deprived 10% on the living environment domain and one of the LSOA's features within the most deprived 10% on the health domain. Both LSOA's are within the most deprived 20% on the Income, Employment and Health domains.

## **7. The Criteria:**

As stated in the previous section, Selective Licensing is being introduced on the following grounds:

- Poor housing conditions
- High levels of deprivation

### **7.1 Poor Housing Conditions:**

#### **Scale and concentration of privately renting housing:**

58% of households within the proposed area are privately rented, as at the 2011 census. This is almost 3 times as high as both the Borough and National average. The Ramshill ward where the proposed area is located, has the highest proportion of private rented properties of all the wards in the Borough. The 2 LSOA's within the proposed area had 60% and 56% of households privately renting and have the 2<sup>nd</sup> and 4<sup>th</sup> highest proportions of privately rented households of all LSOA's in the Borough.

#### **Nature of the stock:**

The area was developed mainly in the late 19<sup>th</sup> century/early 20<sup>th</sup> century and is predominantly pre-1919 stock. A considerable amount of the current housing stock was originally built as large single properties and also as guest accommodation (hotels and guesthouses) as the area, which is also known as "South Cliff" became a very popular for Scarborough's rapid expansion as a major holiday resort and place to live. During the latter quarter of the 20<sup>th</sup> century, many of these properties (both guest and residential) were converted into flats as domestic tourism declined and owner occupiers moved out of the area. As a result almost 90% of private rented accommodation within the proposed area is flats, and it represents the biggest concentration of flats within the Borough.

The majority of these are 3 to 5 storey blocks and were original single skin construction and have poor insulation. Added to this many of the properties have high ceilings and single glazed windows, which makes them difficult and costly to heat efficiently. Finally on top of this, with the location being on the cliff and facing the sea, it is vulnerable to cold off-shore winds.

A considerable amount of conversions were undertaken prior to 1991 Building Regulations and there were many poorly converted properties from this time.

The area is within the most deprived 1% nationally on the Living Environment (Indoors domain of the IMD). The domain is based on the following factors:

- Houses without central heating: The proportion of houses that do not have central heating

- Housing in poor condition: The proportion of social and private homes that fail to meet the Decent Homes standard.

The area has much higher proportion of households without central heating at 12% compared to 4.5% for the Borough and 2.7% nationally.

Information from the English Housing Survey (Stock Condition:2016) shows that the private rented sector has the highest proportion of non-decent homes at 27% of private rented homes. This would equate to in the region of 270 homes within the proposed area.

The stock condition survey also identified 38% of private renters living in poor housing (defined as a home that has serious damp or mould, a Category 1 HHSRS hazard, is non decent, or has substantial disrepair). This would equate to in the region of 380 homes within the proposed area.

The stock condition survey also identified 39% of private rented homes did not have all five electrical safety features, which would equate to in the region of 390 homes within the proposed area.

#### **Hazards and Schedules:**

Over the period, October 2017 to October 2019, the Residential Regulation Team at the Council received 66 specific housing related complaints from tenants of private rented properties in the proposed area. Following investigation of these complaints, 24 of these properties had Category 1 HHSRS hazards, which is 36% of properties. The proportion of Category 1 hazards identified at just over 1 in 3, is a much higher proportion than the overall Borough average, which is around 1 in 6. This suggests that it is twice as likely to have Category 1 hazards within the proposed area in private rented homes compared to the Borough as a whole.

In addition there were also 90 other complaints received of a non-specific housing nature from tenants within private rented properties within the area. These were mainly environmental complaints including noise nuisance, rats and rubbish, many of which were related to properties.

There is a joint working group known as the Housing/Safer Communities High Risk properties group, which monitors properties which are known to be "high risk" and may be subject to enforcement action and prosecution. Officers from the Residential Regulation Team and the Community Impact Team are involved in the group and it enables sharing of information and joint courses of action to be undertaken for properties. There are currently a number of properties within the proposed area being monitored by the group and which have been subject to informal action, but are likely to progress to formal action.

#### **Enforcement:**

Over the past 2 years, there have been 5 Improvement Notices, 3 Prohibition Orders and 1 Emergency Prohibition Order issued within the proposed area. In addition, there has been 1 successful prosecution of a landlord.

There are a number of other properties within the proposed area which the Residential Regulation Team are currently dealing and may be subject to enforcement action in the near future. Some of

these are being monitored through the Housing/Safer Communities High Risk Properties group, which was mentioned previously.

**Other:**

The Scarborough Strategic Housing Market Assessment (SHMA) 2015 showed that 14.9% of households in the Ramshill ward were dissatisfied with the state of repair of their property, which was the second highest of all the wards within the Borough, and was almost twice the Borough average of 7.7%. Across the whole Borough there were much higher levels of dissatisfaction amongst private renters (11.9%) compared to owner occupiers (5.1%). There were also high levels of dissatisfaction amongst respondents living in flats (10.2%) and in properties built before 1919 (12.7%).

**7.2 High Levels of Deprivation:**

As mentioned previously, the 2 LSOA’s within the proposed area are both within the most deprived 20% of LSOA’s in England in the 2019 IMD. As can be seen from the Table below, there are high levels of deprivation across a number of the key deprivation indicators.

**Ramshill Deprivation Rankings (Source: Index of Multiple Deprivation: 2019)**

Indicator	LSOA: E01027852	LSOA: E01027854
<b>Overall</b>	3438	5399
<b>Income</b>	5091	7117
<b>Employment</b>	3505	4580
<b>Education, Skills and Training</b>	11850	9982
<b>Health</b>	1735	5073
<b>Crime</b>	11345	12217
<b>Barriers to Housing and Services</b>	20607	19095
<b>Living Environment (Overall)</b>	355	1147
<b>Living Environment (Indoors)</b>	159	577

**Overall:**

The overall level of deprivation has slightly worsened since the 2015 IMD. At that time the 2 LSOA’s were ranked as the 3907 and 5992 most deprived LSOA’s in England. They are now ranked at 3438 and 5399 out of 32844 most deprived nationally on the 2019 IMD

The level of deprivation within the proposed area is in excess of that of the Borough, regional and national average as can be seen from the table below

**More than 2 and 3 deprivation indicators (Source: UK Census Data 2011)**

	<b>% of households with 1 or more deprivation indicators</b>	<b>% of households with 2 or more deprivation indicators</b>	<b>% of households with 3 or more deprivation indicators</b>
<b>Scarborough South Area</b>	66.6%	30.5%	8.3%
<b>Scarborough Borough Council</b>	61.16%	26.78%	5.6%
<b>Yorkshire and Humber</b>	59.13%	26.74%	6.2%
<b>England</b>	57.47%	24.81%	5.7%

The table also illustrates that there are also much higher levels of multiple deprivation within the proposed area, with levels being significantly higher than the Borough, regional and national averages.

Whilst the proposed area is within the most deprived 20% nationally, part of the area is within the most 11% deprived nationally, demonstrating a high level of deprivation.

More detailed analysis was also carried out at the Census Output Area level, which identified some very concentrated pockets of deprivation, with 4 COA's having over 70% of households with more than 1 deprivation indicator and 5 COA's with over 10% of households having 3 or more deprivation indicators. The proportion of private sector stock within these 5 COA's was higher at 63% than the overall proposed area, thus strengthening the correlation between deprivation and private rented stock.

**Income and Employment:**

All of the area is within the most deprived 20% nationally in terms of employment, whilst part of the area is within the most 20% deprived nationally in terms of income. In both LSOA's the figures have worsened since the 2015 IMD with one of the LSOAs ranking significantly changing from 10380 most deprived LSOA in 2015 to 7117 most deprived LSOA in 2019 on the Income domain.

**Out of work benefits: November 2016 (Source: Nomis Labour Statistics and DWP Out of work Benefit Data)**

	<b>Job Seekers Allowance</b>	<b>ESA and Incapacity Benefits</b>	<b>Lone Parent</b>	<b>Other Income Related Benefits</b>	<b>Totals</b>
<b>Scarborough South area</b>	4.0%	12.7%	0.2%	1.0%	17.9%
<b>Scarborough Borough Council</b>	1.3%	8.3%	0.9%	0.3%	10.8%
<b>Great Britain</b>	1.1%	6.1%	1.0%	0.2%	8.4%

Note: Figures are based on % of 16-64 year old population

As can be seen from above, the number of persons in receipt of out of work benefits in the proposed area is just under 2 times the Borough average and over 2 times the national average. Overall there were 405 persons in receipt of out of work benefits within the Selective Licensing area as at November 2016 with 265 persons being in receipt of Employment Support Allowance (ESA) and Incapacity Benefit representing approximately 1 in 7 of the working age population in the area.

As at the last Census 41.4% of the 16-74 year old population of the proposed area was not in employment compared to 39.1% across Scarborough Borough and 35.3% across England.

In terms of people in work, as at the last Census, the area also had a much higher proportion of persons employed in elementary occupations (16.4%) compared with Scarborough Borough (13.9%) and England (11.1%). It also had a lower proportion of persons employed in managerial occupations (9.7%) compared to Scarborough Borough (11.9%) and England (10.9%).

### Health:

All of the proposed area is within the 20% most deprived nationally on the Health domain, with one of the LSOA's being within the 10% most deprived nationally. This LSOA has significantly worsened since the 2015 IMD from being 5967 most deprived LSOA nationally in 2015 to 1735 most deprived LSOA nationally in 2019.

The Scarborough Council Public Health Profile 2018 shows that life expectancy is 7.1 years lower for men and 7.7 years lower for women in the most deprived areas of Scarborough than in the least deprived areas.

From the 2011 Census it was identified that 11.5% of persons in the proposed area were limited a lot by their health compared to 8.3% nationally. For 16-64 year olds in the proposed area, 15.5% were limited a little of a lot by their health compared to 12.7% nationally.

Across the whole Borough, there are higher rates of Alcohol and drug related rates within Scarborough Borough compared to England as a whole. There are also higher rates of adults in the Borough suffering from anxiety or depression in the Borough.

	Scarborough Borough	England
Alcohol specific related deaths (2013-5)	16.8 per 100,000	11.5 per 100,000
Death by drug poisoning (2016-18) (1)	14.9 per 100,000	6.7 per 100,000
Number of adults moderately, severely or extremely anxious or depressed (2016/17)	16.1%	13.7%

(1) Figure is for England and Wales; Scarborough is 9<sup>th</sup> highest rate across whole of England and Wales

The number of persons who have died from substance abuse in the Borough has also risen sharply within recent years from 16 between 2010 and 2012 to 39 between 2015 and 2017, and accounts for 40% of all drug related deaths across North Yorkshire.

There are also very high suicide rates across the Borough with 15.6 per 100,000, which is the 8<sup>th</sup> highest in England and the highest within the Yorkshire and the Humber region. The figure for male suicides is higher at 23.5 per 100,000 persons and is the 12<sup>th</sup> highest in England.

Whilst there are no specific figures for the proposed area on the above, evidence shows that levels of alcohol and substance abuse and deaths related to substance misuse are higher within areas of deprivation than generally. The same applies to persons suffering from anxiety or depression.

### **Living Environment:**

The overall proposed area has extremely high deprivation rates in respect of the Living Environment domain with one LSOA being within the most deprived 1% nationally at 255<sup>th</sup> most deprived nationally and the other LSOA being within the most 4% deprived nationally. The 2 LSOA's are ranked at 1<sup>st</sup> and 10<sup>th</sup> most deprived within Scarborough Borough on this

Being close to the town centre, and with a high proportion of flats, it has a very high population with the wider Ramshill ward having a density of 64.6 person per hectare, which is the second highest population density of all wards in Scarborough Borough. The proposed area has an even higher population density at just over 100 person per hectare, based on an average of the population density of each Census Output Area in the proposed area.

The proposed area is also bisected by the A165 main road from Filey, which is one of the main gateways into the town and the main tourist heart of Scarborough. Air pollution levels are amongst the highest within Scarborough due to regular congestion on this road, which is often exacerbated by holiday traffic throughout the peak holiday months.

### **Living Environment (Indoors):**

There are even higher deprivation levels on the Living Environment (indoors) domain with one LSOA being within the most deprived 1% nationally at 159<sup>th</sup> most deprived and the other being within the most 2% deprived nationally at 577<sup>th</sup> most deprived. The 2 LSOA's rank as the 3<sup>rd</sup> highest and 9<sup>th</sup> highest of all LSOA's within Scarborough Borough on this domain.

The Living Environment (Indoors) Domain is based on the following indicators:

- Houses without central heating: The proportion of houses that do not have central heating
- Housing in poor condition: The proportion of social and private homes that fail to meet the Decent Homes standard.

As was seen previously, the area has much higher proportion of households without central heating at 12% compared to 4.5% for the Borough and 2.7% nationally.

### **Property Values**

Property sales values within the proposed Selective Licensing area are significantly lower than the Borough average. The average property sale price in the proposed area in 2018 was £108,436 compared with the average for Scarborough town of £153,757, which is 70% of the average for the town.

However, it should be noted that a high proportion of property sales within the proposed area were flats (56 out of 68 in 2018), where sales values will be lower than average. The average sale price for flats in the area in 2018 was £89,133 which was 76% of the average for Scarborough town, which was £116,536.

## **8. Strategic Context**

### **8.1 Housing Strategy**

“Improving the quality of private sector housing and supporting Neighbourhood Renewal” is one of the key objectives within the Council’s **Housing Strategy (2017-2021)**. Within that strategy, the introduction of selective licensing for privately rented properties in parts of Scarborough was identified as a key action to support the wider objective. The following is taken directly from the Housing Strategy in relation to selective licensing as follows:

*“The problems associated with poorly managed private rented accommodation has prompted the Council to develop a Selective Licensing scheme in parts of Scarborough town.*

*It is proposed that Selective Licensing is introduced in 3 staged designations within parts of the Castle, North Bay and Ramshill wards of Scarborough. The initial designation will cover parts of the Castle and North Bay wards and will be known as “Scarborough North”. The designation will take effect later in 2017 and will cover over 900 privately rented properties in the area. Further designations, covering parts of the Castle, Central and Ramshill wards, will also be considered over the next 2 years.”*

This approach is supported by other key actions in the strategy, which are as follows:

#### **Revise the Residential Regulation and Enforcement Role:**

The residential regulation and enforcement role was revised in 2017 through a restructure of the Council’s Private Sector Housing and wider Environmental Health teams in 2017. This led to the separation of the residential and commercial regulation functions, creating two teams, the Residential Regulation team and the Commercial Regulation Team. The Residential Regulation team have responsibility for all duties in respect of residential properties including licensing, enforcement and environmental regulation issues. The Selective Licensing Officers are located within the Residential Regulation Team. This has created a seamless service, which ensures that all issues to do with a residential property are handled within the one team. Previous to this environmental regulation was the responsibility of a separate team, which resulted in a lack of joined-up working on occasions.

The setting up of the Residential Regulation team in 2017 also coincided with the designation of our initial selective licensing area in July 2017 and ensured that from the start of the designation that they the new selective licensing officers had the support of the wider Residential Regulation team and were not working in isolation.

#### **Support the Community Impact Team to tackle areas of deprivation in the Borough:**

The Community Impact Team is a co-located, multi-agency team that was initially set up to work in partnership to help uplift parts of central Scarborough and which now operates across the Borough. This consists of a partnership between the Council’s Safer Communities Team, Commercial Regulation Team, Residential Regulation Team and Housing Options Team, the Police and the Fire

Service, along with other co-located staff from mental health services, Remedy (restorative justice) and the County Council. The Neighbourhood Policing Team for Scarborough are now co-located with the team.

A key focus of that team is to shift resources away from responding to problems as they arise to dealing with issues in a planned and proactive way, using a joint problem solving approach. Part of the work of the team is supporting the Council in the operation of Selective Licensing including joint visits, information sharing and measures to address anti-social behaviour problems in the residential sector.

The Community Impact Team work directly with the Residential Regulation team in a number of ways as follows:

**Housing/Safer Communities High Risk properties working group:** This group consists of members from the Residential Regulation Team and the Community Impact Team including the Police and Fire service and identifies high risk properties within Scarborough which require joint action. These include properties both within and outside the selective licensing areas. Agreed actions include joint property visits and enforcement approaches. High risk properties can be identified by any party and it means that earlier and proactive actions can be undertaken on properties that the Residential Regulation Team and/or Selective Licensing Officers may have been previously unaware of.

**Joint Property Inspections:** Joint property inspections to licensed and unlicensed properties involving Selective Licensing Officers and members of the Community Impact Team are a direct result of being identified as High Risk Properties. The benefit of this approach is that enables pooling of resources and support for Selective licensing officers especially where there are properties with known ASB issues. It also enables high risk properties to be targeted and ensures that extra resources can be utilised to address the problems within those properties.

**Tasking Meetings:** The tasking meetings are co-ordinated by the Police and involve a wide range of agencies including the Residential Regulation Team and other housing teams and organisations. The emphasis is on tackling crime and ASB within Scarborough and the focus is more on individuals rather than properties.

**Safeguarding:** One of the key priorities of the Safer Communities team is to roll out safeguarding processes and actions across the Council and ensure that all frontline staff follow safeguarding procedures and have received appropriate safeguarding training. The Residential Regulation Team including the Selective Licensing Officers have a duty to raise safeguarding concerns and make referrals when they encounter a vulnerable adult or child at risk in a property.

In addition a licensing condition has been introduced around Safeguarding, which requires the following of licence holders:

- The Licence Holder in person or via a member of staff or volunteer working at the premises must inform Scarborough Borough Council immediately if they consider that a vulnerable adult is at risk of abuse or neglect.
- The Licence holder must ensure that they and all members of any staff associated with the management of the Licensed property undertake training, as required, regarding 'Safeguarding Adults'.

The importance of safeguarding for vulnerable adults and children cannot be underestimated as high levels of vulnerable persons reside within private rented properties in the Selective Licensing areas.

## **Address energy efficiency and fuel poverty in the private sector**

The Council remains committed to a range of initiatives aimed at improving energy efficiency and tackling fuel poverty and a range of initiatives shall be sustained and where possible bolstered over the next four years. These include:

- The provision of advice and assistance through the Choices for Energy Service
- The provision of a collective energy switching service
- The provision of an oil buying club
- Via Yorkshire Energy Savings (Yes) continued referrals to various Government initiatives to help improve insulation within homes.
- The use of flexibilities under the Regulatory Reform Order to provide heating grants under DFG legislation for disabled people.
- The provision of initiatives to help vulnerable people during the winter months including the Warmth at Home service.
- The provision of initiatives to ensure heating appliances for vulnerable people are safe and adequate including ROSPA and Foundations funded services.

Providers are currently actively engaging with private landlords to deliver insulation improvements such as Loft Insulation, Room in Roof Insulation and Internal Wall Insulation. A number of private rented properties have already benefited from these initiatives and the Council is working with the providers to actively market them to private landlords.

## **8.2 Homelessness and Rough Sleeping Strategy and Review**

The Council has recently approved its new homelessness strategy, which covers the period 2019-23. Like virtually all other Local Authorities across the country Scarborough has seen a rise in homelessness in recent years with an increase from 81 households owed a rehousing duty in 2014 to 109 households in 2017/18. Following on from this the introduction of the Homeless Reduction Act in 2018 brought in the Homeless Prevention Duty with new criteria. In the first year (2018/19) 401 households in the Borough were owed a Homeless Prevention Duty.

One of the key challenges in preventing homelessness is being able to discharge its duties through the provision of both social rented housing and private rented housing. In recent years, there has been an increasing reliance on use of private rented housing and far higher numbers of households threatened with homelessness are rehoused in private rented housing compared to social rented housing. In 2018/19, 335 households who were at risk of homelessness or homeless were helped to secure tenancies in private rented accommodation. This contrasts sharply with the social rented sector where only 105 households were provided with social housing.

The chief reason for this is simply that of supply with a much higher amount of private rented housing (over 11,000) compared to social rented housing (just under 7,000) across the whole Borough. There is also a greater proportion of more suitable smaller stock in the private rented sector, which meets the needs of single person households in particular threatened by homelessness. For example, within the proposed area alone there are around 400 one bedroom flats, whilst only 5% (approx. 350) of the social housing stock across the whole Borough is 1 bedroom general needs accommodation.

The importance of ensuring that the Council can place households threatened with homelessness in private rented accommodation which is safe, in good condition and is properly managed cannot be

underestimated. A high amount of the households placed in private rented housing are within central Scarborough and in the past the Council has experienced problems with complaints from many such households about the property condition and/or management. Selective Licensing will help to ensure that within the designated areas we are only placing households in properties which have been licensed and inspected and meet all the required licensing conditions. With the end of private rented tenancies being the single biggest cause of homelessness in the Borough (over 30% of all cases), it should also help to reduce the overall number of households threatened by homelessness in the Borough.

### **8.3 Community Safety Partnership Plan:**

The Council is in the process of developing a new Community Safety Partnership Plan for Scarborough Borough from 2019 to 20xx. Key priorities have already been identified for the Plan, some of which impact on private rented properties within the Borough generally and also within the proposed area. The key priorities and how they relate to the sector are outlined below.

- Reduce crime and disorder
- Reduce anti-social behaviour
- Reduce alcohol and substance misuse
- Protect vulnerable people

The approach is underpinned by strong partnership working and aims to take a multiagency approach to often complex issues, focusing on both support and enforcement measures. The enforcement measures included housing enforcement done in partnership with the Residential Regulation Team. The plan focuses on the following key area in order to meet the key priorities.

**Integrated working targeted at areas with high levels of crime, anti-social behaviour and vulnerable people:** This includes the designated Selective Licensing areas plus the proposed selective licensing area. As mentioned previously, joint working between the Residential Regulation Team and the Community Impact Team take place in these areas in the form of joint visits/inspections of properties, Housing/Safer Communities High Risk Properties Group and Tasking meetings.

**Modern slavery and human trafficking:** This has been a growing concern within the Borough and there have been increasing evidence that such practices have been occurring within private rented properties. There have been on-going investigations into the potential trafficking of persons from outside the UK, which has included inspections of private rented properties.

**Night time economy:** Whilst ASB and crime-related problems in the night time economy may not seem directly related to private rented properties, there are on-going problems with particular premises in the night time economy within the proposed area. Some of these are residential properties, which are either direct above properties such as pubs, bars and late night takeaways or are in the immediate vicinity and are adversely affected by noise and ASB emanating from the night time economy,

**Serious organised crime:** Like many large seaside towns, Scarborough has suffered from the impact of "County Lines" with gangs from other parts of the country establishing themselves in the town. There is evidence of such gangs establishing themselves within the more deprived areas within the town including the both the current and proposed selective licensing areas. There is also evidence of gangs taking advantage of and exploiting vulnerable tenants residing in private rented properties in both the current and proposed selective licensing areas. The practice of "cuckooing" where dealers

target vulnerable people and take over their homes to set up shop within the individual's homes is known to be particularly prevalent within inner Scarborough.

**Domestic Abuse and Sexual Violence:** Scarborough has the highest levels of domestic violence across North Yorkshire and a considerable amount of domestic violence takes place within residential properties. Amongst a range of measures the strategy aims to highlight these issues and promote safeguarding actions and processes.

**Substance related crime and anti-social behaviour:** There are high rates of crime and ASB associated with substance abuse within the Borough and especially within Scarborough town, including the proposed area. Working with the Residential Regulation Team one of the key actions is to continue to enforce any substance abuse related ASB using appropriate legislation and enforcement powers.

## **8.4 Empty Homes:**

The number of long term empty homes (i.e. empty over 6 months ) within the Borough in 2018 was 841, which equates to 1.46% of the housing stock, which is higher than the average for England of 0.89%. This figure has remained relatively constant over the past few years. Of these 174 have been empty for longer than 2 years. Within the proposed Selective Licensing area, there are 60 long term empty homes, which represents 3.4% of the stock within the proposed area. Of these 17 have been empty for 2 years or longer, 9 of which are within one block.

The Council does not currently have an Empty Homes Strategy and Action Plan and does not currently employ an Empty Homes Officer, due to resources and other competing priorities. A significant proportion of empty homes within the Borough are individual flats within a block and are often empty for periods of over 6 months whilst undergoing refurbishment and renovation to bring them up to a higher standard. Within the proposed area, over 95% of the empty properties are flats, of which there is only one block, which is empty in its entirety.

Although there is no current Empty Homes Strategy, the Council is in the process of developing a scheme using Commuted Sums (S106) for the redevelopment of empty blocks of flats within the private rented sector. The aim is for the scheme to be implemented by the summer of 2020 and a number of targeted properties have been identified for this purpose.

## **8.5 Links to Wider Strategies and Actions:**

In addition, the Council sees that Selective Licensing complements its wider aspirations to help uplift the urban parts of the Borough more generally. Key interventions include the following:

**Scarborough Town Centre Strategy:** The Council has recently launched a Town Centre strategy for Scarborough town centre in order to address the decline in the retail sector and make the town centre as thriving hub. One of the strategic objectives of the strategy is to increase residential living within the town centre by 25% by 2025. The town centre strategy contains a number of key actions to support this aspiration, including "Establish a Property improvement and Conversion Fund" and "Establish bespoke student accommodation within the Town Centre

Whilst the designated area is not strictly within the town centre, it's boundary adjoins the town centre and it is located along one of the key gateway routes into the town centre. Given it's proximity to the town centre, the aim to increase residential living is likely to impact on the proposed area and some of the identified actions may well apply within the proposed area.

The 2 current Selective Licensing designations are both in part within the Town Centre and will be directly affected by the town centre strategy.

**Employment and Skills Plan for Scarborough: Towards 2030: "An era of opportunity":** Overall the Borough has a low skills base, low educational attainment and low level incomes compared to both the rest of the region and nationally. It has more than double the percentage of persons on out of work benefits compared to the rest of North Yorkshire.

The Employment and Skills Plan is aimed at improving the skills base across the Borough especially in key employment sectors and one of it's key "sectors" is Social Inclusion, which has the specific aim of improving skills and employability of residents within the most deprived neighbourhood in the Borough. This aim is chiefly being delivered through the Community-led development programme below.

**Community-led development:** The Yorkshire Coast Communities Community Led Development (CLLD) programme covers the proposed area for designation. The programme, which is funded by the European Social Fund (ESF) and European Regional Development Fund (ERDF), is to support economic growth and social inclusion in the Borough and aims to tackle the multiple challenges experienced by communities characterised by high levels of deprivation. To qualify for the programme, areas must fall into the 20% most deprived on the IMD. The proposed designated area is within the 20% most deprived and is therefore included in the programme.

Key projects, which have been funded under the programme include the Scarborough Job Match Programme, which aims to assist out of work individuals back into employment and/or training.

**Restoration of South Cliff Gardens:** The South Cliff Gardens are historic gardens located just on the edge of the proposed area. Their restoration is a major regeneration project for the Gardens, costing in the region of £7 million with a major contribution from the Heritage Lottery Fund. The project has strong community support from residents of the proposed area, principally from the Friends of South Cliff Gardens and the South Cliff Community Group.

**Community Engagement:** Part of the geographical area covered by the South Cliff Community Group is within the proposed area. They have over 400 members, some of whom reside in the proposed area. The group are very active and have both reported concerns with HMOS' and issues with private rented properties within the proposed area over the past few years. Particular concerns that have been expressed by the group have been in respect of ASB, lack of management and poor external appearance of private rented properties within the proposed area.

## 9. Other actions to improve the private rented sector and regenerate the area

The Council sees Selective Licensing as being a key element of a much broader range of strategic actions to both improve the private rented sector and help uplift the identified area. Over the past few years the Council has introduced a range of different initiatives. Whilst these initiatives have all had some positive impact it is recognised that on their own they have been insufficient to bring the lasting improvements needed.

Interventions have included:

- The on-going provision of advice to landlords and close joint working with the National Landlords Association, including the provision of twice yearly Landlord Forums
- The provision of Disabled Facilities Grants to meet the needs of disabled and elderly people and the provision of a subsidised Handyperson/ Small Repairs Service for this group.
- The targeted provision of different subsidy options where available to support energy efficiency improvements within the area including CESP and Green Deal and the provision of specialist energy advice through the Choices for Energy Scheme.
- The on-going delivery of a Mandatory Licensing Scheme for larger HMOs.
- The delivery of An Additional Licensing scheme for smaller HMOs, which has now expired.
- A proactive approach to responsive enforcement action around housing conditions including the prohibition of certain properties and close joint working with the Fire and Rescue Service.
- A proactive approach to tackling anti-social behaviour including the use of Council powers to prohibit certain properties where needed.
- The establishment of the Community Impact Team, a multi-agency team, initially set up to work in partnership to help uplift the Castle and North Bay areas and which now operates across the Borough. This consists of a partnership between the Council's Community Safety and Environmental Health/Housing staff, the Police, the Fire Service and other organisations.

## 10. Options Appraisal for alternatives to Selective Licensing

A number of the interventions listed above, plus others, have also been considered as options to the designation of Selective Licensing. An appraisal of each of these options is outlined below

Option	Key Details	Assessment
Undertake Landlord Accreditation and Training	<p>Have had landlord accreditation scheme for a number of years, but only about 30 landlords have ever joined, out of over 600 known landlords in the Borough</p> <p>We also have a twice yearly landlord forum run jointly with the NLA plus other sessions for landlords, for</p>	<p>Only around 5% of local landlords joined our accreditation scheme and no more than 10% attended forums and events. These were also the more professional landlords who manage their properties appropriately.</p> <p>The vast majority of landlords do</p>

	<p>example Universal Credit seminars. These event are usually attended by around 20—50 landlords</p>	<p>not engage for various reasons and do not benefit from accreditation and training as a result.</p>
<p>Introduction of Additional Licensing scheme</p>	<p>The Council ran an Additional Licensing scheme for smaller HMO's from 2013 to 2018, which broadly covered the geographical areas for Selective Licensing.</p> <p>In practice, this captured only a small number of extra properties within these areas and the vast number of private rented properties in the area did not meet the criteria for additional licensing</p>	<p>Additional Licensing only covers a small number of properties within the Selective Licensing areas and will not tackle the scale of problems within the private rented sector in these areas</p>
<p>Targeted use of enforcement powers such as Empty Dwelling Management Orders and Interim Management Orders</p>	<p>The council has considered using such powers for individual properties where all other options have been exhausted.</p> <p>However, due to the resource intensive nature of this approach and the difficulties in identifying a suitable management agent to take on such properties, no EDMO's or IMO's have been undertaken</p>	<p>This is only suitable as a last resort when all other alternatives have been exhausted and would only apply to a very limited number of properties.</p> <p>It would not address the scale of problems within the private rented sector</p>
<p>Co-regulation with other organisation</p>	<p>The Council did receive an approach from an organisation called "Home Safe" when consulting on our first designation in 2016. "Home Safe" were working with some other councils on a co-regulation approach.</p> <p>This approach was considered in detail by the Council when considering the initial Selective Licensing designation. However this was rejected for a number of reasons, the principal one being that it did not fit with the model envisaged by the Council for selective licensing. Key to this was the partnership working with other key agencies through the Community Impact Team and the commitment to inspect every property within the Selective Licensing area</p>	<p>Co-regulation would not meet the Council's aims and approach to Selective Licensing, which would involve close partnership working with key local agencies and the need to inspect all properties.</p>

As can be seen none of the alternative options considered would be effective enough in their own right and collectively to tackle the problems within the private rented sector in the proposed area. The Council's approach is to identify every private rented property within the proposed area and to ensure that once licensed they will all be inspected. The evidence for this approach will be demonstrated within the next section on other licensing schemes, which includes an assessment of the current selective licensing schemes operating in the Borough.

## **11. Other licensing schemes and enforcement measures**

The council currently has 2 selective licensing designations in operation, both of which are within the Scarborough Urban area and in close geographical proximity to the proposed area.

### **Scarborough North scheme**

The first area to be designated covered parts of the Castle and North Bay wards of Scarborough and is known as "Scarborough North". Approval for this designation was granted in March 2017 with implementation from July 2017. The reason that this was the first area to be designated was that desk-top analysis showed that this area had the highest concentration of problems in the private rented sector, plus scored highest on other indicators such as deprivation, crime and anti-social behaviour.

**Licence Applications:** Using 2011 Census figures, there were 1769 households, of which 972 were privately rented, equating to almost 55% of the housing stock in the area. Our original estimate was that we would licence 463 properties, based on a number of licenses covering more than one flat in a single block. In reality, though we actually have 540 licences currently issued in the area, comprising a total of just under 1200 private rented households, represents an uplift of around 20%.

Overall there were only 7 private rented properties operating without a licence as at September 2019. These are mainly properties which were either previously empty or have changed ownership in the last 12 months and the owners have been contacted to apply for a licence with follow up action being taken where the owners have failed to respond or apply yet.

The number of individual licence holders across the 540 properties is 371 in total with 304 (82%) landlords having only 1 licensed property. A further 53 landlords have either 2 or 3 licensed properties, which means that only 14 (4%) of landlords have 4 or more licensed properties in the area.

**Inspections:** We aim to inspect 100% of all licensed properties in the designated area, and as at November 2019 we had inspected 502 licensed properties, representing over 90% of licences. The remaining licensed properties are scheduled to receive an inspection within the next few weeks. There is also an on-going programme of follow –up inspections to ensure that landlords have complied with the requirements of the initial inspection, especially in respect of the licensing conditions.

A proportion of the inspections have been done in conjunction with the Community Impact Team, which has included the Police and Fire Service. Joint inspections have been carried out where we have deemed a property to be "high risk". Identifying "high risk" properties has been done in a number of ways, including, properties which have been subject to previous or current enforcement

action or anti-social behaviour and larger properties with multiple flats, which may require intensive management and/or will require higher fire safety requirements.

We also operate regular Housing/Safer Communities Higher Risk Properties liaison meetings, which are attended by officers from the Residential Regulation Team, including Selective Licensing and Police and Fire Officers. The meetings focus on the higher risk properties in the selective licensing areas and provide updates and actions to be taken on the properties. It has also enabled the identification of rented properties and landlords that we were previously unaware of and appropriate steps to be taken as a result.

**Enforcement:** In terms of enforcement, we have identified 729 Category 1 hazards in the 502 licensed properties, plus over 4,200 other issues including disrepair issues, management issues, lack of documentation etc. Selective Licensing has enabled the Council to work with landlords to resolve these hazards and issues, and as September 2019 approximately 33% of them have been resolved. We anticipate that this resolution rate will increase appreciably as we continue the follow-up compliance inspection programme.

Within the area, there have been a number of Improvement Notices issued and 2 properties have also been prohibited to date.

**Impacts of the Scheme:** In addition to the above, we have also been closely monitoring the wider impacts of the scheme including property values (sales and rents), empty homes and wider social impacts.

**Property Values:** The average sold house price within the selective licensing area in the year prior to designation was £99,350. During the first year of designation the average sold price decreased to £92,050, however in the second year it rose again to £110,877. This trend was roughly in line with the trend for house prices across Scarborough town over the same period.

In terms of rents, the average rent in the year prior to designation was £433 per calendar month. Since then rents have been monitored on a quarterly basis and have varied from £398 to £429 per calendar month.

Overall this would suggest that the introduction of selective licensing has had minimal impact on property values for sales and rents within the area.

**Empty Homes:** The number of empty homes (over 6 months empty) within the designated area was 142 at commencement of the designation. Since then empty homes have been monitored on a quarterly basis and have varied from 126 to 152 and currently stand at 138. Again this would suggest that the introduction of selective licensing has not resulted in increased numbers of properties becoming empty as a result of landlords selling up.

**Wider Social Impacts:** One of the concerns expressed by landlord was that selective licensing would potentially increase homelessness through landlords selling up and serving Section 21 notices and increased rents leading to evictions. Our Housing Options team have reported only a couple of cases over the 2 years of the scheme where a section 21 has been applied for because the owner wants to sell due to having to obtain a license. There has also been a positive impact as it has been much easier for housing options to agree to pay bonds for the properties in the selective licensing areas as

once inspected they are assured that the properties are safe to live in. This has actually helped to prevent homelessness.

### **Scarborough Central Scheme**

The second area to be designated also covered parts of the Castle and North Bay wards plus parts of the Central ward in Scarborough and is known as "Scarborough Central". Approval for this designation was granted in November 2018 with implementation from June 2019.

**Licence Applications:** Using 2011 Census figures, there were 1650 households, of which 891 were privately rented, equating to 54% of the housing stock in the area. Our original estimate was that we would licence 415 properties, based on a number of licenses covering more than one flat in a single block. As at September 2019 (4 months into the scheme), we had issued 445 licences, comprising a total of 822 private rented households. We have also identified a further 98 properties, which we believe to be privately rented and have been contacted to apply for a licence or face enforcement proceedings. In addition, there are 188 households within licensed HMOs in the area, which adds up to a total of 1108 households in private rented properties in the area, an uplift of 24% on the 2011 census figures.

The number of individual licence holders across the 445 properties is 323 in total with 265 (82%) landlords having only 1 licensed property. A further 43 landlords have only 2 or 3 licensed properties, which means that only 15 (4.6%) of landlords have 4 or more licensed properties in the area.

**Inspections:** As the scheme has only been running for a few months and the main emphasis has been on getting landlords to apply and process the applications, then very few inspections have been carried out to date within the designation.

However, the same process will apply as for the Scarborough North designation with all licensed properties to have at least an initial inspection and to undertake joint inspections with the Community Impact Team for high risk properties.

**Enforcement:** With the scheme being only in operation for a few months, the main emphasis has been on identifying and chasing landlords who had yet to apply. We have started the enforcement process for landlords who are operating unlicensed premises.

**Impacts of the scheme:** It is too early in the licensing period to assess any impacts of the scheme. However as with the Scarborough North designation, we will monitor various impacts such as property values, empty homes and wider social impacts.

### **Outcomes of the schemes and what we have learnt to date**

The operation of the 2 licensing schemes so far, especially the Scarborough North designation has resulted in a number of key outcomes and things learnt.

**Able to inspect all properties in the area:** Selective Licensing has provide us with the opportunity to inspect all privately rented properties in the area and take a more proactive approach. Prior to the designation we only inspected properties on receipt of a service request/complaint or where we had

identified a problem from external inspection, which meant that we only inspected a small proportion of properties in the area, due to limited resources.

**Address property management issues and property conditions:** Inspecting all properties and meeting with landlords and/or agents has meant that we have been able to effectively address property management issues and property conditions. Within the first designation, we have identified over 700 Category 1 hazards and over 30% have been resolved to date.

**Address ASB at an earlier stage:** The opportunity to inspect all properties and especially undertake joint inspections with the Community Impact Team has enabled ASB issues and problems to be identified and tackled at an early stage. Advice and support has also been provided to landlords on how to address ASB issues. Landlords have been required to produce ASB plans, detailing what steps they will take to address ASB with their tenants, and also outlining clearly to their tenants what actions they will take with tenants if they and/or their visitors cause ASB.

**Identify vulnerable tenants and provide tenancy support:** Inspecting properties has meant that officers have been able to identify vulnerable tenants and link in with other agencies to provide tenancy support. Referrals are being made to our Safer Communities Team where a tenant is deemed to be “at risk” in any way. A new licensing condition was also introduced in the second licensing scheme around “Safeguarding” requiring licence holders to inform the Council immediately if they consider that a vulnerable adult is at risk of abuse or neglect.

**Able to identify and address environmental issues:** The inspection programme has enabled officers to identify wider environmental issues such as fly tipping, bins overflowing, general littering etc. in the area. These were issues identified by a high number of respondents during the consultation for selective licensing. Officers have been able to liaise with other Council services to resolve these issues and it has improved the local environment within the designated areas.

**Greater engagement with landlords and agents and provision of advice and support to landlords:** One of the major advantages of selective licensing and undertaking inspections has been the opportunity to engage with a far greater proportion of landlords and agents than we had previously been able to engage with. Whilst the Council has been proactive in engaging with landlords and agents, principally through the Landlord Forums, there had only been around a maximum of 50-60 landlords who had attended the forums and other events. Selective Licensing has meant that we have been able to engage with up to 300 landlords within the first designation alone, many of whom we had previously been unaware of.

This has enabled us to provide practical advice and support to a far greater number of landlords on a wide range of issues affecting landlords. Whilst a lot of the advice and support relates directly to the licensing conditions, in terms of the management conditions, dealing with ASB etc, advice and support has also been given to landlords on tenancy issues, signposting to other agencies and organisations for support, Universal Credit issues etc. More landlords are attending the Landlord Forums and other sessions such as Universal Credit seminars as a result.

**Increased investment in rented properties:** The identification of Category 1 hazards and other disrepair issues has resulted in an increased investment by landlords in their properties in order to resolve the issues raised through the inspections. Some landlords have also reacted proactively by

undertaking improvements to their properties ahead of inspections, and some have also stated that the introduction of selective licensing has given them the impetus to invest in and improve their properties.

One by product of the increased investment has been that it has provided more work and opportunities for local tradesperson and contractors, which also provides local economic benefits.

**Number of Private rented properties much higher than previously thought:** As can be seen previously the number of privately rented households was much higher than previously thought, with an uplift of around 20% on the estimate for the original business case. This was partly due having to rely on information from the 2011 Census, which was already 6 years out of date by the commencement of the first designation. It demonstrates that since 2011 there has been an on-going increase in the private rented sector locally, which mirrors the national trend. It also demonstrates the difficulties experienced in trying to estimate the scale of the sector.

**Identified large numbers of landlords in the Borough not previously aware of:** In relation to the above we have also identified large numbers of landlords that we were previously unaware of. We estimate that up to 75% of the landlords within the 2 licensing schemes were not previously known to the Council.

**High proportion of landlords with small portfolio of properties:** Across both licensing schemes over 80% of landlords have only one licensed property, whilst less than 5% have 4 or more licensed properties. This illustrates the fact that most landlords are small scale and less likely to have a professional property management approach than landlords with a bigger portfolio. It also highlights the complexities of working with the private rented sector.

**No increase in rents:** One of the key issues raised by residents and landlords alike during the consultation was that rents would rise as a result and this may cause difficulties for tenants paying their rent and put them at risk of getting into arrears and eviction. The regular monitoring of rents within the first designation over the first 2 years has shown no discernible increase in rents in the area since commencement of the designation.

**Property values not been affected by Selective Licensing:** Property values have for the first 2 years of the designation remained stable and in line with the wider property value trends for Scarborough town as a whole over the last 2 years. As a result, the evidence suggests that selective licensing has had no negative effect on property values to date.

**No evidence of landlords selling up and rise in empty homes in the area:** This was also raised as a concern by both landlords and residents during the consultation. Regular monitoring of the number of empty homes within the designated area has shown no increase and they have remained stable over the last 2 years.

There have been a number of landlords who have licensed properties and then subsequently sold them during the last 2 years. However, in the majority of these the new owners have applied for a new licence to rent them out privately, so there has been little loss of rented accommodation.

**No evidence of displacement to other areas:** Again this was something that was raised at the consultation stage. However, there is little evidence of displacement to date. Whilst some of the

neighbouring areas do have above average levels of private rented properties, the nature of the housing stock differs from those of the selective licensing areas, so displacement may be limited as a result.

### **Mandatory HMO Licensing**

There are currently 110 licensed HMO's within the Borough, of which all but one are located within the Scarborough Urban area. Of these 48 are located within the 2 selective licensing designations currently in operation and 30 are located within the proposed designation. Across the current and proposed schemes it equates to just over 70% of the licensed HMO's in the Borough.

The Council employs a dedicated HMO Licensing Officer who manages the HMO licensing scheme and works closely with HMO licence holders to ensure that they comply with the licensing conditions and any other issues with the property. This includes the provision of advice, guidance and support to HMO licence holders especially in terms of how they manage their HMO's. The HMO Licensing Officer has built up a good working relationship with HMO licence holders over the past few years and this has meant that we get very few problems in terms of property conditions, management and ASB within licensed HMO's in the Borough.

## **12. Resource implications and Proposed Fee Structure**

The Council will need to charge a fee to cover the running costs of the scheme. The estimated cost of administrating the scheme shall be in the region of £345K over the 5 year period. This figure is based on the number of licences that are estimated to be issued in the Selective Licensing area (based on the area defined within this business case) and the level of resources required to deliver the scheme. In order to meet the scheme running costs, the Council will be looking at a cost in the region of £550 for a single licence.

The level of fee income to be levied will of course vary depend on the final scale and scope of the scheme. It is however anticipated that fees for individual occupancy properties will be less than those for larger multi-occupied properties.

The Council is also proposing to offer a range of discounts to landlords where certain circumstances apply:

These include:

- **Discounts for Accredited Landlords** (applied where a landlord is a Member of either the Council's accreditation scheme or a member of various recognised Landlord Association's.)
- **Early Bird Discounts** (applied to all applications received with all completed documentation received within 3 months of the date of commencement of the scheme.)
- **Multiple Property Discount** (applied to all second and subsequent licence applications).

Levels of discount to be offered will be finalised following the consultation process and shall depend on the scale and scope of the overall scheme.

The Council is also proposing a charge to find landlords who have not applied for a licence. This will be known as a **Finders Fee** and will only become liable after a period of time following commencement of the designation.

## Appendix One: List of Exemptions

There are certain types of tenancies which will be exempt from Selective Licensing. These are listed as follows:

- Properties which are either Mandatory Licensed HMOs or Additional licensed HMOs as per the Council's current Additional Licensing scheme
- A temporary exemption notice is in force (s. 62 or s.86 Housing Act 2004)
- A management order is in force (s.102 or s.113 Housing Act 2004)
- The tenancies and licences are subject to a prohibition order whose operation has not been suspended (s.20/s.21 Housing Act 2004)
- The tenancy is a business tenancy
- Certain premises licensed for alcohol consumption (only on-licences not off licences)
- Certain agricultural tenancies
- Tenancies and licences granted by Registered Social Landlords and Housing Providers
- Buildings controlled or managed by the Local Housing Authority
- Buildings controlled or managed by the Police
- Buildings controlled or managed by the Fire Service
- Buildings controlled or managed by the Health Service Body
- Tenancies and licences regulated by other enactments (A full list of these can be found within "*The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) England Regulations 2006 lists*")
- Certain University/College accommodation occupied by students
- Where the owner or his relatives occupy a property on a long leasehold
- Where the landlord lets to certain relatives
- Holiday Homes
- Where the landlord/licensor or his relative lives at the property and shares facilities

## Appendix Two: List of Streets

Albion Crescent
Albion Road
Alga Terrace
Cambridge Terrace
Carlton Terrace
Craven Street
Cromwell Gardens
Cromwell Parade
Cromwell Road
Cromwell Terrace
Crown Close Back Road
Crown Crescent
Crown Terrace
Filey Road (up to Queen Margaret Road junction)
Fulford Road (nos. 1-3 only)
Greenfield Road
Grosvenor Crescent
Grosvenor Road
Montpellier Terrace
Oliver Street
Prince of Wales Terrace (apart from Prince of Wales Apartments)
Princess Royal Terrace (2-10 evens only)
Ramshill Road
Royal Avenue
Royal Crescent
Royal Crescent Lane
South Street
St Martins Avenue
St Martins Place
St Martins Road
St Martins Square
Trinity Road
Valley Road (evens only)
West Street (up to Prince of Wales Terrace junction)
West Terrace
Westbourne Grove

## **Appendix Three: Draft Licensing Conditions**

The licensing conditions for the scheme will be a mix of mandatory conditions, which are applicable to mandatory HMO licensing and a range of discretionary licensing conditions, which will be for the Selective Licensing scheme.

### **Mandatory Conditions - Schedule 4 of the Housing Act 2004**

#### **1 Gas**

If gas is supplied to the house, the licence holder must provide to Scarborough Borough Council (the Council) a Gas Safety Certificate issued within the previous 12 months at the time of the application and thereafter annually or on demand.

#### **2 Electrical Appliances**

The licence holder must keep all electrical appliances supplied in a safe condition and must supply the authority, on demand, with a declaration by him/her as to the safety of such appliances

#### **3 Furniture and Furnishings**

The licence holder must ensure that furniture and furnishings supplied by them are compliant with the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (as amended 1989 and 1993) and must provide a declaration as to their safety at the time of application and thereafter on demand.

#### **4 Smoke Alarms:**

The licence holder must ensure that smoke alarms are installed on each storey of the house on which there is a room used wholly or partly as living accommodation. A declaration as to the positioning of such alarms must be provided to the Council on demand.

The licence holder must ensure that the smoke alarms are kept in proper working order. A declaration as to the proper working order of the alarms must be supplied to the Council on request.

#### **5 Carbon Monoxide Alarms**

The licence holder must:

- ensure that a carbon monoxide alarm is installed in any room in the house which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance;
- keep any such alarm in proper working order; and
- supply the authority, on demand, with a declaration by him as to the condition and positioning of any such alarm.

For the purposes of this condition, a bathroom or lavatory is to be treated as a room used as living accommodation.

And also, for the purposes of this condition “room” includes a hall or landing.

## **6 Tenant references**

The licence holder must demand references from persons who wish to occupy the house and must provide evidence of pre-let reference checks undertaken to the Council upon request.

## **7 Terms of Occupation:**

The licence holder must supply to the occupiers of the house a written statement of the terms on which they occupy the property. A copy of the terms will be provided to the Council on demand.

## **Additional Conditions of Licence imposed by Scarborough Borough Council**

**The Licence Holder must ensure that the premises fully comply with the conditions set out below unless notified otherwise.**

## **8 Energy Performance**

A copy of the Energy Performance Certificate for the property must be provided to the Council on request. The licence holder must provide prospective and new tenants with a copy of the Energy Performance Certificate (EPC) prior to the commencement of the tenancy.

## **9 Property Management**

The licence holder must ensure:

- that a copy of the licence including the conditions attached to it is provided to all tenants;
- that all tenants of the licensed property are provided with details of the licence holder and, if applicable, details of the managing agent, including a contact address, daytime telephone number and an emergency telephone number,
- In the case of multi-occupied properties contact details of the licence holder and manager, including emergency telephone number, should also be displayed in a prominent place in the property
- that occupants of the property receive written confirmation detailing the arrangements that have been put in place to deal with repair issues and emergencies should they arise. These arrangements should cover the management arrangements that will be put in place in the licence holder's absence.
- that they and any appointed manager must provide the Council with up-to-date contact details, including a telephone number, so that problems with the house can be addressed quickly
- In the case of a multi-occupied property with common parts the licence holder/management agents must make regular (at least monthly) inspections of the property to ensure that the property is in a decent state of repair and that the occupiers are not in breach of tenancy terms and conditions.

- In the case of a single occupied property with no common parts then the licence holder/management agent should make inspections of the property on a quarterly basis.

## **10 Security**

The licence holder must ensure that:-

- the security provisions for the access to the dwelling (including but not limited to locks, latches, deadbolts and entry systems) must be maintained in good working order at all times.
- where window locks are fitted, the licence holder will ensure that keys are provided to the relevant occupant.
- where a burglar alarm is fitted to the house, the licence holder will inform the occupant in writing the circumstances under which the code for the alarm can be changed, and provide details when required on how this can be arranged.
- where previous occupants have not surrendered keys, the licence holder will arrange for a lock change to be undertaken, prior to new occupants moving in.
- where alley gates are installed to the rear of the licensed property, the licence holder must take responsibility for holding a key and make satisfactory arrangements for the occupier's access.
- all ground floor and basement windows have suitable window locks or are fully secured to prevent access from outside.

## **11 External areas, refuse and waste**

The licence holder must ensure that:-

- The exterior of the property is maintained in a reasonable decorative order and state of repair;
- At all times any gardens, yards and other external areas within the curtilage of the house are kept in reasonably clean and tidy condition and free from rodent infestation, and
- Suitable and adequate provision is made for storage of refuse generated in the property and that occupants use receptacles provided by the Council for storage prior to collection. The receptacles or plastic refuse sacks where receptacles have not been issued must not be exposed for a period longer than 12 hours prior to collection and must not cause obstruction at any time.
- Access must be available at all times to the external refuse storage.

## **12 Training**

The licence holder and/or manager shall undertake property management training courses where required to do so by the Council.

## **13 Anti-Social Behaviour**

The licence holder must take reasonable and practical steps to reduce or prevent anti-social behaviour by persons occupying or visiting the house and the use of premises for illegal purposes.

The licence holder must:

- Provide a copy of their ASB policy to the Council outlining procedures on request. This must be reviewed annually.
- Cooperate with the Council, North Yorkshire Police and other agencies in resolving complaints of anti-social behaviour. The Licence Holder and/or their nominated managing agent are required to undertake an investigation of any complaints regarding their tenants. Written records of these investigations should be made and retained..
- Ensure that the occupants of the house are aware of the assistance available to them to deal with antisocial behaviour and how they can report nuisance and anti-social behaviour to the authority.

**14 Tenancy Deposits** - Any new tenancy deposit must be protected in a government authorised scheme within 30 days of receiving it and the licence holder must provide the prescribed information to the tenant and any relevant persons.

### **15 Changes of Circumstances**

Any changes in the circumstances that affect the licensed property should be reported to the Council within 5 days of the change. Such circumstances are:

- Change of licence holder
- Change in suitability of licence holder to continue as licence holder
- Change of managing agent
- Change of property owner
- If the property becomes empty
- Change of address of licence holder

### **16 Safeguarding**

The licence holder in person or via a member of staff or volunteer working at the premises must inform the Council immediately if they consider that a vulnerable adult is at risk of abuse or neglect.

The licence holder must ensure that they and all members of any staff associated with the management of the licensed property undertake training, as required, regarding 'Safeguarding Adults'.

### **17. Compliance inspections**

The licence holder must allow the Council to undertake compliance checks. Council officers will give the licence holder a minimum of 24 hours notice of these checks and produce valid authorisation at the time of visit.

Authorised Council officers may inspect without giving 24 hours notice where there is reason to believe that there are serious breaches of licence conditions, where prior notification will defeat the purpose of investigating breaches of licence conditions or in the event of an emergency or where the property is the subject of an enforcement notice under Part 1 of the Housing Act 2004.

