

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

Scarborough North

April 2016



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Introduction

Scarborough Borough Council is proposing to introduce Selective Licensing schemes within the inner urban areas of Scarborough town. We are proposing to introduce 3 separate designations for such schemes over the next few years.

This business case presents the case for the first of these designations for the area known as “Scarborough North”. This area covers parts of the Castle and North Bay wards of Scarborough and will cover approximately 970 privately rented households.

Scarborough North has been selected as the first 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.

What is Selective Licensing?

Selective Licensing is a discretionary licensing scheme, which requires all private landlords operating within a designated area to operate under the terms of a licence awarded by the local authority. Licence conditions typically include a range of requirements aimed at ensuring that properties are safe and are managed in a satisfactory way. Such a scheme provides the local authority with an additional tool to help better regulate privately rented accommodation and to uplift standards of management within the area. This improvement in standards supports wider initiatives and plans to help uplift and regenerate areas.

Costs associated with the administration of a Selective Licensing scheme are recouped via fees charged to landlords. Typically fees range from £600 to £1000 depending on the size of the property. Discounts are generally awarded for accredited landlords and landlords who own multiple properties.

Selective Licensing was introduced within the Housing Act 2004 under Part 3, Section 80 and allows local housing *authorities to designate areas suffering from either significant and persistent anti-social behaviour and/or low housing demand. Initially local authorities were required to apply to the Secretary of State* in order to have an area designated for Selective Licensing. This changed in 2010 when a general consent order was introduced that allowed local authorities to make their own designations (subject to certain criteria being met) without Secretary of State approval.

However in March 2015, the Housing Minister, Brandon Lewis, wrote to all local authorities in England to advise that, from 1 April 2015, “local authorities will have to seek confirmation from the Secretary of State for any selective licensing scheme which would cover more than 20% of their geographical area or would affect more than 20% of privately rented homes in the local authority area.”

In addition, at the same time, the Government expanded the criteria for selective licensing to cover areas experiencing “poor property conditions, large amounts of inward migration, a high level of deprivation or high levels of crime.”

Further to that change, the Borough Council agreed to investigate the merits of Selective Licensing for different parts of the Borough through the development of business cases. This document forms the first of these business cases and is being used as the basis to take forward wider consultation.

Strategic Housing Context

Neighbourhood Renewal is one of the key objectives within the Council’s **Scarborough Housing Strategy (2013-2016)**. Within that strategy the Castle/North Bay area of Scarborough was identified as one of the key areas for neighbourhood renewal in the strategy. The strategy outlined the need to introduce a number of measures to support neighbourhood renewal in Castle/North Bay including:

- More proactive enforcement activity
- Introduction of Additional Licensing Scheme for smaller HMOs in the inner urban area of Scarborough. This was introduced in 2014 following extensive consultation.

The introduction of Selective Licensing into the Castle/North Bay area would support the renewal of this local area by ensuring improved management standards of privately rented properties and help to reduce anti-social behaviour.

The Council is very much reliant on the use of the private rented sector to help it meet local need. In 2014/15, 407 households had the threat of homelessness resolved by being helped to access private rented accommodation as compared to 216 households who accessed social housing with a Housing Association.

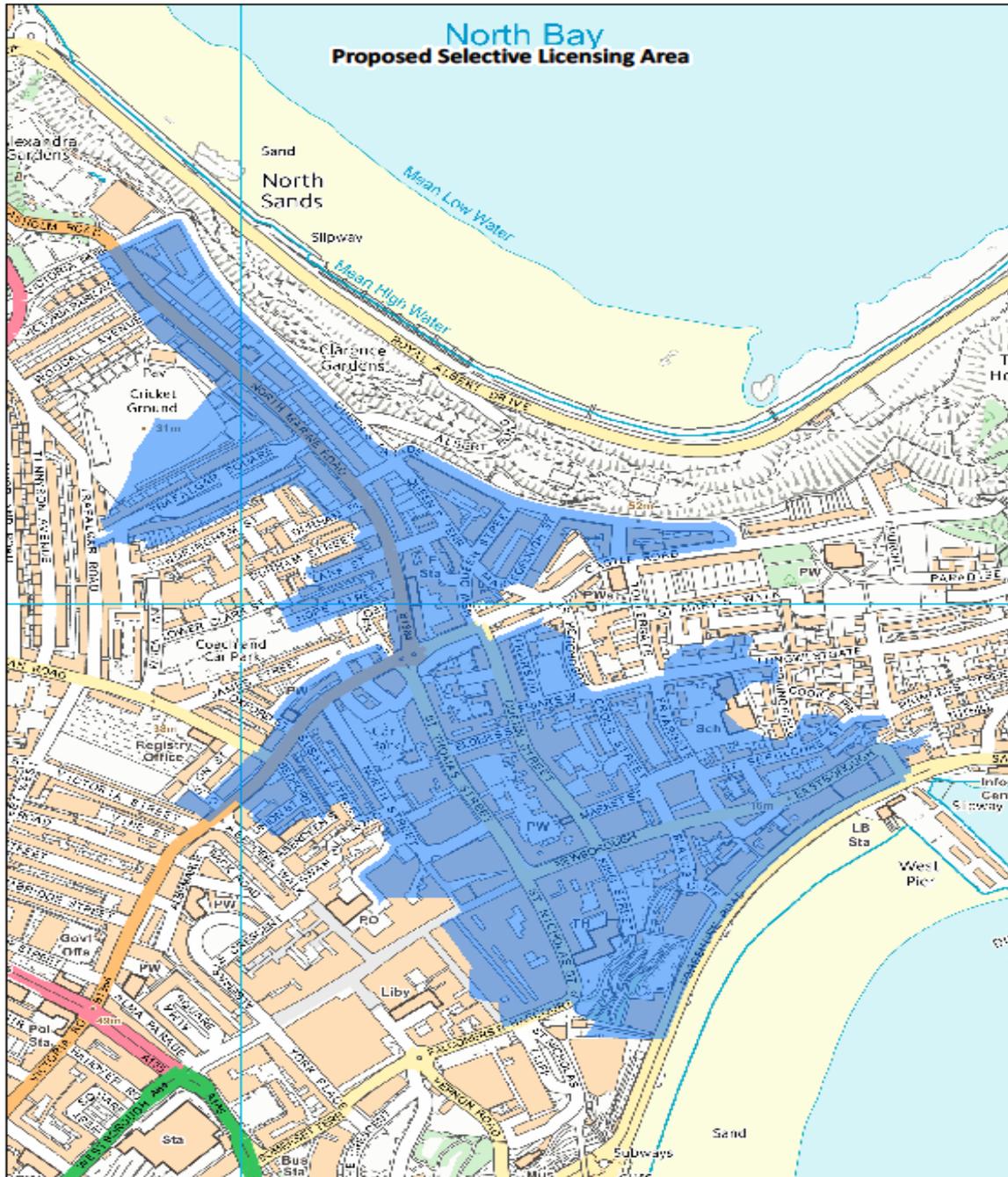
One of the key actions within the current **Homelessness Strategy (2015-20)** is to “*Ensure that where private rented accommodation is used by the Council to help meet its duties that this accommodation is safe and well-managed*”. The introduction of Selective Licensing would help to ensure that privately rented accommodation used for homelessness prevention is safe and well managed.

A key priority within the **Community Safety Partnership Plan: 2013-2015** is “*Integrated working targeted at areas with high levels of crime, antisocial behaviour and vulnerable people.*” Castle and North Bay is one of the areas identified within this priority. There are 4 key actions identified within this priority as follows:

- building better relationships with residents
- improving the physical environment
- tackling crime and ASB
- identifying and safeguarding vulnerable people

Proposed Scarborough North Selective Licensing area

The proposed Scarborough North Selective Licensing scheme covers parts of the Castle and North Bay wards within Scarborough. Broadly the area covers the northern and eastern part of Scarborough town centre and its adjacent residential areas stretching from Trafalgar Square in the north down to Foreshore Road on the South Bay.



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A full list of streets to be covered by the proposed designation is attached as **Appendix 2** of this business case.

Why are we introducing Selective Licensing?

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.

There is strong evidence from other authorities to show that Selective Licensing will bring positive benefits to an area. Key findings from an *“Evaluation of the impact of HMO and Selective Licensing”* by the Building Research Establishment in 2010 showed that:

- Larger than average increases in houses prices occur in areas where a Selective Licensing scheme operates.
- It helps to safeguard investment in regeneration by dissuading the purchase of property by short term investors with little interest in providing decent homes for people in the local community.
- There are indications that standards of management improve and that landlords are compelled to “raise their game”.
- It helps to control anti-social behaviour.

The benefits of licensing in Scarborough itself are noticeable in Houses of Multiple Occupation (HMO's) that are already subject to Mandatory and Additional Licensing schemes. Levels of enforcement are relatively low and standards of management have improved in recent years within these properties.

The Government's announcement in 2015 regarding changes to the criteria for designation and the inclusion of deprivation, poor housing conditions and migration levels re-opened the potential case for Selective Licensing in some parts of the Borough.

Further to this change a detailed analysis has been undertaken to establish whether there is a case for a Selective Licensing designation. This was based on a two stage process:

Initial assessment:

An initial assessment was undertaken of the areas with high levels of private rented stock across the whole of the Borough.

An area based approach was adopted through the use of the Government's 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 looked at a range of factors including:

- The percentage of households living in privately rented accommodation: Census 2011
- Overall Index of Multiple Deprivation (IMD) Score: IMD 2015
- IMD Domains for Crime and Living Environment (Indoors): IMD 2015
- Population Change: 2001-2011: Census 2001 and 2011

From this assessment, a smaller number of LSOAs were identified as having the range of factors, which could justify the designation of a Selective Licensing scheme. These LSOAs are:

- Castle: 006B
- Castle: 010A
- North Bay: 006D
- Ramshill: 010B
- Ramshill: 010D

These areas contain a total of approximately 2600 privately rented households and all are within the inner urban area of Scarborough.

The Council and its key partners do not have the capacity to deliver a single Selective Licensing designation for this whole area. As a result we intend to split these 5 LSOAs into 3 separate designations of approximately 700-1000 privately rented households each as follows:

Scarborough North: This would cover the LSOAs of North Bay 006D and part of Castle 006B. It would also cover a very small part of the adjoining Castle 006A LSOA. This would comprise of approximately 970 privately rented properties and would be the initial area to be proposed for Selective Licensing designation.

Scarborough Centre: This would cover the Castle 010A and remainder of Castle 006B LSOAs. It would also cover a small part of the adjoining Central 008C LSOA.

Scarborough South: This would cover the Ramshill 010B and 010D LSOAs.

The initial assessment showed that the worst conditions were within the Scarborough North area. As a result it is proposed that this area be the initial area for Selective Licensing designation.

Detailed assessment of the Scarborough North Area:

A detailed assessment was carried out of the proposed Scarborough North designation in order to refine the proposed area as much as possible.

This more detailed assessment was carried out at Census Output Area (COA) level. Census Output Areas are used for census data and are the smallest level at which census data is provided. Each Census Output Area covers approximately 150-200 households and there are usually 6 Census Output Areas within each LSOA.

The detailed assessment was based on the following factors:

- % of households living in privately rented accommodation: Census 2011
- Population Change: 2001-2011: Census 2001 and 2011
- % of households: more than 2 deprivation indicators: IMD 2010
- Housing Enforcement: SBC Private Sector Housing : 2013-2015
- Environmental Nuisance actions: SBC Environmental Health: 2013-2015
- All recorded crime incidents: SBC Safer Communities: 2013-2015
- ASB incidents: SBC Safer Communities: 2013-2015

The analysis of the evidence base demonstrated the justification for the designation of a Selective Licensing scheme for Scarborough North. The full analysis is included within the supporting document, which accompanies this business case: **“Supporting Evidence for the Introduction of a Selective Licensing Scheme”**.

A profile of the Scarborough North Area

The proposed area is a mix of residential, commercial, retail and tourism development. It includes part of Scarborough town centre and also some of the main tourist routes from the town centre to both the North and South Bay. Many of the privately rented properties within the proposed area are converted blocks of flats. A significant proportion of these were previously guest accommodation, which were converted into residential accommodation mainly in the 1980's and 1990's, when domestic tourism started to go into decline. This was especially the case within streets such as Trafalgar Square, North Marine Road and New Queen Street. The demographics of the area have changed as a result with an increased residential population, of which a significant proportion have moved in from outside the Borough.

The impact of these changes has been largely negative within the proposed area, and has resulted in higher levels of crime and anti-social behaviour, high levels of deprivation and high numbers of persons out of work and in receipt of out of work benefits.

The proposed area covers a total of 1769 households (2011 census) of which 972 (over 50%) are privately rented. There is a total population of 3,391 persons living in the Selective Licensing area (2011 census) equating to approximately 1.9 persons per household.

The proposed area has the following housing, social and economic profile:

Housing Stock:

Within the proposed selective licensing area there were 1769 households, of which 972 were privately rented as at the 2011 census. The table below gives a breakdown of tenure type, proportion of flats and proportion of households with no central heating

Table 1: Housing Stock (Source: Census 2011)

| | % of private rented stock | % owner occupied | % of flats | % no central heating |
|------------------------------------|----------------------------------|-------------------------|-------------------|-----------------------------|
| Scarborough North Area | 54.95% | 23.57% | 79.75% | 12.15% |
| Scarborough Borough Council | 19.5% | 66.4% | 25.4% | 4.5% |
| Yorkshire and Humber | 15.9% | 64.5% | 14.9% | 3.3% |
| England | 16.8% | 64.2% | 22.1% | 2.7% |

Almost 55% of the households in the proposed area are privately rented which is just under 3 times the average for the Borough and over 3 times the average regionally and nationally.

Almost 80% of the housing stock is made up of flats, which is more than 3 times the Borough and national average and over 5 times the regional average.

Just over 12% of all households have no central heating in their property, which is more than 2.5 times the Borough average and over 3 times the regional and national average.

There are currently 25 licensed Houses in Multiple Occupation (HMOs) in the proposed area, of which 23 are mandatory licensed HMOs and 2 are covered by the Council’s additional licensing scheme. Mandatory and additional licensed HMOs will not be subject to Selective Licensing designation as they are already licensed.

In addition there will be other types of tenancies which will be exempt from Selective Licensing under the Housing Act 2004. A full list of these are included in Appendix 1 of this report. These exemptions will reduce the number of privately rented properties, which will be subject to Selective Licensing, to somewhere in the region of 920-930 properties.

Population Change:

The population of the proposed area has grown significantly by 667 from 2,652 in 2001 to 3,391 in 2011, an increase of 25.15%, which is vastly in excess of the Borough, regional and national average as can be seen in the table below.

Table 2: Population Change (Source: Census 2011)

| | Population: 2001 | Population: 2011 | % increase |
|------------------------------------|-------------------------|-------------------------|-------------------|
| Scarborough North Area | 2,652 | 3,319 | 25.15% |
| Scarborough Borough Council | 106,243 | 108,793 | 2.4% |
| Yorkshire and Humber | 4,963,833 | 5,283,733 | 6.4% |
| England | 49,138,831 | 53,012,456 | 7.9% |

As can be seen the rate of population increase in the proposed area is in excess of 10 times that of the Borough in the same period. Over 25% of the overall increase in the Borough population between 2001 and 2011 occurred within the proposed area.

Household Composition:

The proposed area has a significantly higher proportion of single person households compared to the rest of the Borough and also compared to the regional and national average as outlined below:

Table 3: Housing Composition (Source: Census 2011)

| | 1 person households | 2 person households | 3+ person households |
|------------------------------------|----------------------------|----------------------------|-----------------------------|
| Scarborough North Area | 54.6% | 26.7% | 18.7% |
| Scarborough Borough Council | 34.3% | 37.7% | 28.0% |
| Yorkshire and Humber | 30.5% | 35.1% | 34.9% |
| England | 30.2% | 34.2% | 35.8% |

Single person households comprise over 50% of the number of households in the area and are almost twice the regional and national average.

The number of “family” sized (3+ person households), at less than 20% of all households is much lower than the regional and national average.

Deprivation Indicators:

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

Table 4: More than 2 and 3 deprivation indicators (Source: Index of Multiple Deprivation 2015)

| | % of households with 2 or more deprivation indicators | % of households with 3 or more deprivation indicators |
|------------------------------------|--|--|
| Scarborough North Area | 44.71% | 15.4% |
| Scarborough Borough Council | 26.78% | 5.6% |
| Yorkshire and Humber | 26.74% | 6.2% |
| England | 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 almost 3 times as high as the Borough, regional and national averages.

The 2 LSOAs (Castle 006B and North Bay 006D) in which most of the proposed Selective Licensing area is located are both within the 10% most deprived neighbourhoods in the country on the Index of Multiple Deprivation (IMD). At 319th most deprived out of 32,844 LSOAs nationally, Castle 006B is actually within the 1% most deprived in the country. North Bay 006D is ranked at 751 and is within the 3% most deprived in the country. Within Scarborough Borough they are ranked at 3rd and 4th most deprived out of 71 LSOAs in the Borough.

The table below shows their rankings across the individual domains, which make up the overall IMD.

Table 5: Deprivation Rankings (Source: Index of Multiple Deprivation 2015)

| | Castle 006B | North Bay 006D |
|--|--------------------|-----------------------|
| Overall IMD | 319 | 751 |
| Income | 1088 | 2033 |
| Employment | 516 | 528 |
| Education, Skills and training | 1712 | 2572 |
| Health Deprivation and disability | 2557 | 3373 |
| Crime | 508 | 1512 |
| Barriers to Housing and Services | 14744 | 12628 |
| Living Environment (overall) | 381 | 370 |
| Living Environment (indoors) | 310 | 127 |

Apart from the barriers to housing and services, both LSOAs are within the 10% most deprived in the country on virtually all the domains. The reason for not being so deprived on the “Barriers to Housing and Services” is due to their geographical location in and around Scarborough town centre and proximity to a wide range of services.

On the Living Environment (Indoors) domain both LSOAs are within the 1% most deprived in the country. The Living Environment (Indoors) domain is based on property condition and is a clear indicator of the scale of poor quality accommodation within the proposed area.

Crime

Recorded crime figures within the Selective Licensing area are the highest within the whole Borough. For all recorded crime there were 2113 recorded offences within the Selective Licensing area over a 2 year period from April 2013 to April 2015. This accounted for 15% of all recorded crime in the Borough during the period, despite having only 3.5% of all households in the Borough. The level of crime averaged out at 0.60 recorded crimes per household in the Selective Licensing area compared to 0.14 per household in the whole crime, which equates to 4 times the level of crime per household.

However, the Selective Licensing area also includes part of Scarborough town centre where there is a much wider range of crimes resulting in higher levels of crime. As a result further analysis of crime figures was undertaken, which removed crime specifically linked to night time economy and retail within the Selective Licensing area. The analysis of this revised data is illustrated in the table below:

Table 6: Revised Crime figures taking out specific night time economy and retail crime for the proposed area: 2013-2015 (Source: SBC Community Safety Partnership)

| | Scarborough North area: Number of offences | Scarborough North area: Number of offences per household | Scarborough Borough Council: Number of offences | Scarborough Borough Council: Number of offences per household | Proportion of offences within Scarborough North area |
|----------------------------------|--|--|---|---|--|
| All Crime | 1571 | 0.45 | 13799 | 0.14 | 11% |
| Burglary | 107 | 0.06 | 1492 | 0.03 | 7% |
| Theft | 268 | 0.15 | 3905 | 0.08 | 7% |
| Arson and Criminal Damage | 223 | 0.12 | 2312 | 0.05 | 10% |
| Drug offences | 156 | 0.09 | 743 | 0.02 | 21% |

Even with the revised figures the level of overall crime is 3 times higher within the Selective Licensing area compared to the overall Scarborough Council area and accounts for 11% of all recorded crimes across the Borough.

The 2 LSOAs (Castle 006B and North Bay 006D) which cover the major part of the Selective Licensing area also both rank higher on the crime domain of the IMD. Castle 006B is ranked at 508 most deprived, which puts it in the 2% most deprived nationally for crime on the IMD. North Bay is ranked at 1512 most deprived, which puts it in the 5% most deprived nationally for crime on the IMD. In addition, 5 out of the 10 streets with the highest numbers of recorded crime in the whole Borough are in the proposed area.

Anti-Social Behaviour

Anti-social behaviour rates are far higher within the Selective Licensing area compared to the whole Borough. The table below shows levels of anti-social behaviour over both 2013/14 and 2014/15.

Table 7: Number of ASB Incidents (Source: SBC Community Safety Partnership)

| | Scarborough North area: Number of ASB incidents | Scarborough North area: number per household | Scarborough Borough Council: Number of ASB incidents | Scarborough Borough Council: Number per household | Proportion of ASB incidents within Scarborough North area |
|----------------|---|--|--|---|---|
| 2013/14 | 1135 | 0.64 | 6744 | 0.14 | 16.8% |
| 2014/15 | 1218 | 0.69 | 6884 | 0.14 | 17.7% |
| Total | 2353 | 0.66 | 13658 | 0.14 | 17.2% |

The table shows that ASB incidents within the Selective Licensing area are almost 5 times the rate for the Borough. It also shows that more than 1 in 6 of all ASB incidents within the Borough have occurred within the proposed area over the last 2 years. Overall there were 2353 ASB incidents within the Selective Licensing area from April 2013 to April 2015 out of 13,658 across the whole Borough, representing just over 17% of all ASB incidents within the Borough.

6 out of the 10 streets with the highest number of ASB incidents in the whole Borough are within the Selective Licensing area.

Property Values

Property values within the Selective Licensing area are some of the lowest within the Borough both in terms of sales and rental values. The table below shows sold properties over the last 2 years within the Selective Licensing area.

Table 8: Sold houses prices (Source: Rightmove)

| | Scarborough North area: 2014 | Scarborough North area : 2015 | Scarborough North area: Total for both years | Borough: Source: SHMA: Land Registry: 2014 |
|----------------------------------|-------------------------------------|--------------------------------------|---|---|
| Total sales | 33 | 31 | 64 | 1893 |
| Average sold price | £82,755 | £93,700 | £88,056 | £160,424 |
| Median sold price | £73,000 | £91,000 | £80,000 | £142,500 |
| Lower quartile sold price | £49,250 | £42,900 | £46,603 | £110,000 |

The average selling price within the Selective Licensing area is around 55% of the average selling price across the whole Borough. The lower quartile average price is even lower at just over 40% of the Borough average. Of the 64 properties sold over the last 2 years, 11 were £50,000 or lower and 41 sold for less than £100,000.

The 64 sold properties were split equally between 32 flats and 32 houses. The average selling price of a flat was £69,944 and the average selling price of a house was £106,169. The increase in average sales price in 2015 was down to a greater number of larger sized houses sold in 2015 compared to 2014.

Rental values are also considerably lower than the Borough average as is illustrated in the table below:

Table 9: Properties for let: January 2016 (Source: Rightmove)

| | Scarborough North area | Scarborough Borough Council |
|-------------------------------------|-------------------------------|------------------------------------|
| Number of properties for let | 15 | 202 |
| Average rental price | £411 | £576 |
| Median rental price | £425 | £481 |

The average rental price in the Selective Licensing area is approximately 70% of the Borough average.

Income and Employment

The previous section on deprivation indicators showed that the 2 LSOAs (Castle: 006B and North Bay 006D) are within the 10% most deprived nationally in terms of both income and employment.

Castle 006B ranks at 1088 most deprived on the income domain and 516 on the employment domain, putting it within the 4% most deprived nationally on both domains. North Bay 006D ranks at 2033 most deprived on the income domain and 528 on the employment domain, putting it within the 7% most deprived nationally on both domains.

Within the boundaries of the Selective Licensing area itself there are very high rates of persons on out of work benefits, which are well in excess of the Borough and national averages. This is illustrated in the table below:

Table 10: Out of work benefits: February 2015 (Source: Nomis Labour Statistics and DWP Out of work Benefit Data)

| | Job Seekers Allowance | ESA and Incapacity Benefits | Lone Parent | Other Income Related Benefits | Totals |
|------------------------------------|------------------------------|------------------------------------|--------------------|--------------------------------------|---------------|
| Scarborough North area | 7.1% | 21.9% | 1.5% | 1.3% | 31.9% |
| Scarborough Borough Council | 2.3% | 8.3% | 1.1% | 0.5% | 12.2% |
| Great Britain | 2.0% | 6.3% | 1.2% | 0.3% | 9.7% |

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 Selective Licensing area is 2.5 times the Borough average and over 3 times the national average. Overall there were 715 persons in receipt of out of work benefits within the Selective Licensing area as at February 2015 with 490 persons being in receipt of Employment Support Allowance (ESA) and Incapacity Benefit representing over 1 in 5 of the working age population in the area.

The number of households claiming Housing Benefit from privately rented properties within the Selective Licensing area in January 2016 amounted to 651. This amounts to around 67% of all privately rented households in the Selective Licensing area. Across the whole Borough, there are 4628 households claiming housing benefit in privately rented properties representing approximately 42% of all privately rented households.

Housing Enforcement

Housing enforcement actions undertaken by the Council's Private Sector Housing team are much higher within the Selective Licensing area than in the rest of the Borough. There were 151 separate housing enforcement actions taken by the team in the 2 years from April 2013 to April 2015. These covered a range of actions (informal and formal) and includes tenant complaints about repairs and

maintenance (e.g. damp/mould growth, heating problems, failure by landlord to undertake repairs), issuing of notices and prohibition orders amongst others.

As mentioned previously the Living Environment (Indoors) domain on the IMD shows the area being within the 1% most deprived in the country, illustrating the scale of poor property conditions in the area and why there are high levels of complaints and subsequent enforcement action.

Environmental Nuisance

There are high numbers of complaints of environmental nuisance received by the Council within the proposed area. From January 2014 to January 2016 there were 238 environmental nuisance complaints from the proposed area covering the following types of nuisance:

Table 12: Environmental Nuisance Incidents (Source: SBC reports)

| | Scarborough North area: Number of reported incidents | Scarborough North area: Number of incidents per household | SBC: Number of reported incidents | SBC: Number of Incidents per household |
|--------------------------------------|--|---|-----------------------------------|--|
| Abandoned Vehicles | 6 | 0.003 | 171 | 0.003 |
| Fly tipping | 156 | 0.09 | 1459 | 0.03 |
| Noise pollution (Residential) | 23 | 0.013 | 356 | 0.007 |
| Pollution/Nuisance | 53 | 0.03 | 623 | 0.012 |
| Total | 238 | 0.13 | 2609 | 0.05 |

Overall there are 0.13 reported incidents per household in the Selective Licensing area compared to 0.005 reported incidents per household in the Borough as a whole during the reporting period.

On a street by street basis the 12 streets with the highest number of complaints were as follows:

Table 13: Environmental Nuisance Incidents by street (Source: SBC reports)

| Street | Ward/SOA | Number of complaints |
|--------------------|-----------------------|----------------------|
| Trafalgar Square | North Bay/006D | 27 |
| Castle Road | Castle/006B | 16 |
| Cross Street | Castle/006B | 15 |
| North Marine Road | North Bay/006D | 13 |
| Peel Terrace | North Bay/006D | 11 |
| Eastborough | Castle /006B and 006A | 9 |
| New Queen Street | North Bay/006D | 9 |
| Vincent Street | North Bay/006D | 9 |
| Queen Street | Castle/006B | 8 |
| Albert Street | North Bay/006D | 7 |
| St Nicholas Street | Castle/006B | 7 |
| Marlborough Street | North Bay/006D | 7 |

The majority of these streets are either wholly residential or predominantly residential. Fly tipping constitutes the majority of nuisance complaints within these 12 streets, accounting for 83 out of the 138 complaints received.

How will the scheme be delivered?

The Council is very much committed to ensuring that the introduction of Selective Licensing delivers meaningful improvements to both the way homes are managed and housing conditions within the area. As such it is our intention to ensure that all licensable properties are inspected as a matter of routine as part of the application process. The purpose of these inspections is both to ensure that properties meet required standards and provide a good opportunity to provide advice and assistance to landlords.

It is also the Council's intention to ensure that the actual application process for landlords is both streamlined and simple. Web-based applications will be the norm.

A set of draft licence conditions has been drawn up (see Appendix 3). These conditions include both mandatory and discretionary elements that support the Council's aspirations for the area. Conditions shall be finalised following feedback from the consultation process.

All aspects of the administration of the licensing application process, including the undertaking of inspections and the provision of general advice to support landlords through the whole process will be undertaken by dedicated Licensing Officers. Fee income from licence fees shall be used to cover the additional costs incurred by the Council in employing these staff.

It is anticipated that the introduction of Selective Licensing is likely in the short term to increase the level of housing related enforcement activity within the area. Enforcement may be needed where landlords either fail to licence their properties or fail to comply with licence conditions. In addition, it is anticipated that other wider issues regarding poor housing conditions or wider issues with anti-social behaviour are likely to be brought to the attention of the Council as an outcome of the new licensing regime. The Council sees the proactive identification and tackling of these problems as a positive outcome of the process. Where such enforcement action is needed (for example in relation to identified category one hazards within a dwelling) then this shall be taken forward by a dedicated residential enforcement unit who shall work in accordance with the Council's existing housing enforcement policy. It shall not be the role of Licencing officers to enforce such issues.

National evaluations undertaken on the merits of Selective Licensing highlight that the key to the delivery of successful schemes is the need for close and integrated partnership working between key agencies, particularly the Council and the Police and the Fire and Rescue Service. In addition, successful schemes tend to be those supported by a wide range of organisations (including health, social care and voluntary sector support providers) who can feed into 'problem solving' relating to vulnerable or chaotic individuals within the area.

At the local level the infrastructure and arrangements to support this strong partnership approach are already in place through the work of the Community Impact Team, a co-located, multi-agency team that was set up to work in partnership, initially 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 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. Whilst it is not anticipated that this partnership shall directly support the administration of the licensing regime, it is anticipated that close joint working via this partnership will enable better joint responses to identified issues.

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. One of the key aims of the team is to improve the physical appearance of the area and the quality of the housing in the area, in particular to encourage effective management of properties in recognition of the correlation between poor quality housing and wider issues such as deprivation and crime. The introduction of Selective Licensing supports this approach.

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 a landlord accreditation scheme.
- The on-going provision of advice to landlords and close joint working with the National Landlords Association, including the provision of joint information/ training sessions via local landlord fairs.
- The employment of a Private Sector Link Officer, whose role it is to support landlords and deal with lower level landlord/tenant disputes.
- Close on-going working with the University and support for their own accreditation scheme.
- The historical provision of a variety of different discretionary grant options that provide financial assistance to landlords to help improve housing conditions, including from 2016 the provision of a new heating grant targeted at those most vulnerable households.
- 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 provision of empty homes grants, targeted to Registered Providers to enable the acquisition and redevelopment of long term empty dwellings.
- 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 and from 2014 the introduction of Additional HMO Licensing scheme for other shared housing.
- 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.

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

- An ambitious programme to support economic growth within the area, including the delivery of some flagship regeneration proposals such as the redevelopment of the former Futurist Theatre site along with a range of physical improvements to the Market.
- A range of proposed improvements to help uplift the retail offer in the Market area, including emerging ideas to improve Eastborough.
- The development of Scarborough Job Match, which aims to provide a one-stop shop for employers and employees, and also a range of employment and training opportunities for local residents.
- Capacity building support for local community organisations such as Castle Community Network.

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 £350K over the 5 year period. This estimate 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 an average cost of £750 per 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 the National Landlord Association's accreditation scheme.
- **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 the following range of additional charges. These include:

- **Late Application Fee** (applied to any application which is received after 6 months from the date of commencement of the scheme).
- **Incomplete Application Fee** (applied where a landlord has failed to provide certificates, and/or any requested documentation).
- **Alterations to the license** (applied where a material alteration to the license is required, (e.g. change of owner or manager)).

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 to be included in the designation

| | |
|---|------------------|
| Albert Street | Trafalgar Square |
| Bar Street | Union Street |
| Bedford Street | Vincent Street |
| Blands Cliff | |
| Blenheim Street | |
| Blenheim Terrace | |
| Castle Road (Odds 1-79, Evens 2-86 and 112-124) | |
| Clarence Place | |
| Cross Street | |
| Eastborough | |
| Elders Street | |
| Fire Station Yard | |
| Foreshore Road | |
| Friargate | |
| Friars Gardens | |
| Friars Way | |
| Globe Street | |
| Granby Place, Queen Street | |
| Harcourt Place | |
| Huntriss Row | |
| King Street | |
| Leading Post Street | |
| Longwestgate (Part of) | |
| Marias Court, Queen Street | |
| Market Street | |
| Market Way | |
| Marlborough Street | |
| Marlborough Terrace | |
| Merchants Row | |
| Newborough | |
| New Queen Street | |
| North Marine Road | |
| North Street | |
| Palace Hill | |
| Palace Hill Lane | |
| Peel Terrace | |
| Prospect Place | |
| Providence Place | |
| Queen Street | |
| Queens Terrace | |
| Silver Street | |
| St Helens Square | |
| St Nicholas Street | |
| St Sepulchre Street | |
| St Thomas Street | |
| Sussex Street | |

Appendix Three: Draft Licensing Conditions

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 a Gas Safety Certificate issued within the previous 12 months at the time of the application and thereafter annually or on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004

2 Electrical Appliances

The Licence Holder must keep all electrical appliances and furniture supplied in a safe condition and must provide a declaration as to their safety at the time of application and thereafter on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004

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.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004

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 Scarborough Borough 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.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004

5 Carbon Monoxide Alarms

The Licence holder must ensure that a carbon monoxide alarm is installed in any room which is used wholly or partly as living accommodation and contains a solid fuel combustion appliance. A declaration as to the positioning of such alarms must be supplied to the Council on demand. Note: Room includes a hall or landing. A bathroom or lavatory is to be treated as a room used for living accommodation.

The Licence holder must ensure that the carbon monoxide alarms are kept in proper working order. A declaration as to the proper working order of such alarms must be supplied to the Council on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004

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.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004

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.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004

Additional Conditions of Licence imposed by Scarborough Council

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

8 Numbers of Occupiers

The Licence Holder must ensure that rooms other than bedrooms are not used for sleeping purposes. The Licence Holder must not allow the property to become over-crowded and must take steps to deal with any serious over-crowding.

Reason: to ensure that the premises comply with the space and amenity standards- see Scarborough Borough Council Amenity and Space Standards guidance.

9 Heating and Insulation/Energy Efficiency

The Licence Holder is required upon request by the authority during the period of the licence issued, to complete and return to the authority, an energy efficiency assessment questionnaire of the licensed property.

A suitable controllable fixed heating system to be provided to all licensed property.

Reason: To ensure homes are adequately heated and to safeguard the health and well-being of the occupants with regards to the reduction of fuel poverty and national energy efficiency measures and to be aware of the statutory requirements for Energy Performance Certificates (EPCs).

10 Property Management

The Licence Holder must ensure that:-

- All repairs to the house or any installations, facilities or equipment within it are carried out by competent and reputable persons within reasonable timescales.

- All occupants of the house receive written confirmation detailing arrangements in place to deal with repairs and emergencies and report nuisance and anti-social behaviour.
- If accommodation is provided on a furnished basis and includes electrical appliances, the Licence Holder must provide the occupier with copies of user manuals or equipment provided as part of the agreement for the occupation of the house.
- All occupiers are made aware of the licence and conditions.
- Written confirmation is provided to the Council of who is responsible for the management of the building.
- That any tenancy is let to a new tenant in a lettable condition suitable for immediate occupation.
- A notice is displayed in the common parts of a house in multiple occupation or block of flats with the name and contact details of the manager.

Reason: to safeguard the health, safety and well- being of occupants

11 Fire Safety

The Licence Holder must ensure that the property has adequate provision for fire precautions and smoke alarms for the type of property and its occupation.

The licence holder must produce a Fire detection and alarm certificate for automatic fire detection systems demonstrating that the system is in proper working order to the Council on request.

CO alarms: see mandatory condition above in respect of CO alarms.

Reason: to safeguard the health, safety and well being of occupants in the event of fire. The Fire Safety Guidance is provided by LACORS, see www.lacors.gov.uk.

<http://www.lacors.gov.uk/lacors/upload/19175.pdf> The Housing-Fire Safety guidance on fire safety provisions for certain types of existing housing can also be found at Scarborough Borough Council Website www.scarborough.gov.uk under Housing- Selective Licensing.

12 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.
- That all ground floor and basement windows have suitable window locks or are fully secured to prevent access from outside.

Reason: to safeguard the health, safety and well-being of occupants in the event of fire and entry by intruders.

13 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 yet 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 adequate, external, refuse storage.

Reason: to ensure that the domestic hygiene and condition of the licensed property is maintained

14 Training

The Licence Holder and/or Manager shall undertake property management training courses where required to do so by the authority.

Reason: to enable the Council to ensure that licence holders have the knowledge and expertise to improve the management of their properties.

15 Management/ 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 written action plan to Scarborough Borough Council outlining procedures for dealing with anti-social behaviour at the time of application. This must be reviewed annually and submitted on request.
- Obtain tenant references prior to granting a tenancy as to previous tenancy conduct, including behaviour of that of the proposed occupier and household.
- If a Licence holder receives a reference request for a current or former tenant for the purposes of an application to rent a property from another Licence Holder he must respond to the request in writing within a reasonable period and either i) decline the request for a reference ; or ii) when giving a reference state whether or not he is aware of any allegations of anti-social behaviour made against the tenant and if such allegations have been made give details of the same including details of whether (to his knowledge) the allegations have been admitted or have been found proven in any court or tribunal.
- Cooperate with Scarborough Borough 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 will be required.
- 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.
- Ensure that each tenant is made aware that they are responsible for their own behaviour and the behaviour of other occupiers and visitors. Tenants must be made aware that if they, other occupiers, or their visitors: Cause nuisance or annoyance to neighbours; or use abusive or threatening language or behaviour to neighbours; or fail to store or dispose of refuse properly; or cause damage to fixtures, fittings, fire prevention or alarm equipment or installations, or to the fabric of the premises; or fail to give access to the landlord or his agent for the purpose of maintaining communal areas or, upon reasonable notice, to inspect or undertake works within their accommodation. They will be liable to enforcement action which may include possession proceedings either under the terms of the tenancy, pursuant to s.21 of the Housing Act 1988 or pursuant to Grounds 13 or 14 of Schedule 2 to the Housing Act 1988.

Reason: to safeguard the well-being of occupants, persons visiting the premises and persons in the immediate locality.

16 Notification/Consultation of Changes

The Licence Holder and managing agents must consult with Scarborough Borough Council before making any material changes to the layout, amenity provision, fire precautions or occupation of the house and must inform Scarborough Borough Council of:

- Details of any unspent convictions not previously disclosed to the Local Authority that may be relevant to the Licence Holder and/or the property manager and their fit and proper person status and in particular any such conviction in respect of any offence involving fraud

or dishonesty, or violence or drugs or any offence listed in Schedule 3 to the Sexual Offences Act 2003;

- Details of any finding by a court or tribunal against the Licence Holder and /or the manager that he/she has practiced unlawful discrimination on grounds of sex, colour, race, ethnic or national origin or disability in, or in connection with, the carrying on of any business;
- Details of any contravention on the part of the Licence Holder or manager of any provision of any enactment relating to housing, public health, environmental health or landlord and tenant law which led to civil or criminal proceedings resulting in a judgment or finding being made against him/her;
- Information about any property the Licence Holder or manager owns or manages or has owned or managed for which a local housing authority has refused to grant a licence under Part 2 or 3 of the Act, or has revoked a licence in consequence of the Licence Holder breaching the conditions of his/her licence;
- Information about any property the Licence Holder or manager owns or manages or has owned or managed that has been the subject of an interim or final management order under the Housing Act 2004;
- Notification of repossession/foreclosure
- Successful claims against the licence holder for default of tenancy deposits.
- Change in owner, manager, managing agent or the instruction of a managing agent;
- The undertaking of substantial works to the property, including conversions and modernisations or emergency problems relating to fire, flood or disaster and the tenants are made temporarily homeless.

Reason: to safeguard the health, safety and well- being of occupants in the event of changes during the period of the licence.

17 Absence

The licence holder is required to have in place suitable emergency and other management arrangements in the event of their absence. The name and contact details of the licence holder and/or manager must be supplied to each occupier and must also be on display in a prominent place.

Reason: to safeguard the health, safety and well- being of occupants in the event of temporary absence of persons in control.

18 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.

Reason: To ensure that the property complies with the Housing Act 2004 and licence conditions.