



Doncaster Council

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Review of the Hexthorpe Selective Licensing Scheme 2015 - 2020

EXECUTIVE SUMMARY

1. Selective Licensing was introduced 15 years ago to help councils tackle anti-social behaviour and poor quality housing in areas with high numbers of privately rented homes. Hexthorpe was designated a Selective Licensing area in 2015 with the aim of reducing anti-social behaviour (ASB) and improving tenancy management in the private rented sector (PRS). This designation ends on 30th June 2020.
2. The purpose of this review is to examine the impact of the scheme, and inform any future decision to let the scheme naturally lapse or to consult with a view to confirming whether there is a clear and demonstrable case for re-designation.
3. In this review, where the data available allows, we compare and contrast data relating to relevant matters in the Hexthorpe area from the year before the scheme started and annually throughout its duration to date. Most notably we are able to demonstrate a significant reduction in the reports of ASB that are associated with residential properties (Appendix A). We also examine the findings of an independent review of Selective Licensing commissioned by the Ministry of Housing, Communities & Local Government (MHCLG). The review concludes that Selective Licensing appears effective as part of a wider suite of community-based measures aimed at affecting change. Also, that it can lead to a more proactive approach to housing inspections, facilitate better understanding of local housing markets and encourage collaborative working with other agencies. However, the review also concludes that schemes are considerably less effective if under resourced or used in isolation.
4. Notwithstanding whether a future decision is made to re-designate the scheme, the existing designation will end on 30th June 2020. Due to the statutory timescales for consultation on a proposed re-designation and the possible publication of a new designation (minimum of 22 weeks plus approximately 6 weeks for the governance process), there will inevitably be a latent period of at least 2 months between the current designation ending and a new scheme starting. It is proposed that a new designation will be a step change in terms of the licence conditions and the manner in which compliance is monitored (Appendix B), this break will afford an opportunity to prepare and inform prospective licence holders. As the law allows a licence to be granted prior to the commencement of

a designation (albeit it is not effective until the designation becomes effective) this latent period will permit resources to be redirected to intensive application and determination activity. Regardless of the decision about re-designation, all available enforcement tools and initiatives will continue to be utilised, as appropriate, to address any non-compliance.

5. Doncaster Council is one of 21 councils across the Yorkshire and Humber region that secured a joint bid for extra funding to crack down on rogue landlords. Whilst the majority of landlords provide decent homes for their tenants, the cash boost will enable the Council to step up action against those who flout the law. The funding will be used to train 128 existing enforcement officers across the region, including 10 of our own, and to deliver a regionally developed landlord training package. If the Hexthorpe area is re-designated, it is proposed to make positive use of the funding and the latent period between designations to provide this training to local landlords.
6. Whilst this review considers the effectiveness of selective licensing as an enforcement tool, it is primarily concerned with establishing a case for commencing the process of re-designating the Hexthorpe area. In order for a selective licensing to be introduced into any other area(s) of the Borough, there would first need to be a clear and demonstrable case for doing so.

RECOMMENDATION

7. Following the review of the Hexthorpe selective licensing scheme and the identified case for re-designation, it is recommended to commit resources to commencing the process of re-designation starting with the statutorily prescribed consultation.
8. Re-designation of the area for Selective Licensing for a further 5 years (maximum permitted by law) would be expected to contribute to:
 - An improvement in the social and economic conditions in the area;
 - A reduction in anti-social behaviour;
 - An improvement in general housing conditions;
 - A reduction in the level of deprivation; and
 - A reduction in crime

BACKGROUND

9. The most recent English Housing Survey shows that the private rented sector has doubled in size in just 17 years, with one in five homes now privately rented. Analysis of recent data shows that the number of private rented properties in Hexthorpe is almost double the national average with closer to two in five homes being privately rented.
10. Whilst property and housing management standards are not universally poor, they are highly variable. Licensing is one tool available to local authorities to drive up standards.
11. In response to evidence of increasing levels of anti-social behaviour, poor property conditions and low demand for housing in areas with high concentrations of privately rented homes, the 2004 Housing Act empowered councils to designate

certain areas where all privately rented properties become licensable with the local authority. These schemes are introduced, usually in a small area within the borough, to tackle issues such as:

- Low housing demand
 - A significant and persistent problem caused by anti-social behaviour
 - Poor property conditions
 - High levels of migration
 - High level of deprivation
 - High levels of crime
12. In designated areas, subject to statutory exemptions, landlords are required to apply and pay for a licence before they can let a house. This allows councils to check whether they are a “fit and proper person” to be a landlord. It also allows conditions to be set relating to the use and occupation of the property and for addressing anti-social behaviour. Ultimately, councils can take enforcement action for failure to licence or breach of licence conditions.
13. Over 40 local authorities are now operating at least one of these schemes, with 4 councils operating schemes which cover almost their entire area.
14. The Chartered Institute of Environmental Health and Chartered Institute of Housing (CIEH) published a joint report on the effectiveness of Selective Licensing Schemes in January 2019. The report publicity stated:
“Local authorities need to jump many costly hurdles before setting up schemes. Moreover, the powers and mechanisms to tackle housing conditions are somewhat more limited than appears on the surface. Yet despite this, these schemes are much more effective than we imagined and are clearly making a difference in areas that need a focused approach to tackle widespread substandard housing.”
15. With the Hexthorpe scheme, all licences are granted by the council but there is currently the option to apply via a co-regulator and to be monitored for compliance by that body throughout the term of the licence. Landlords choosing this route pay an administration fee to the council to cover the costs associated with determining and granting or refusing the licence and then pay membership, inspection and breach fees direct to the co-regulator for the remainder of the licence term. The co-regulator is expected to routinely monitor their member’s compliance but are unable to enforce the conditions of the licence. In cases where they are unable to secure compliance through their support/advisory role, membership is ultimately terminated and the licence holder defaults back to the council.

General findings and observations with the Hexthorpe Scheme:

16. National research shows that Selective Licensing schemes are successful at improving housing conditions. In Hexthorpe we have found numerous examples of inspections leading to serious hazards and defects being identified and addressed. 38% of those inspected by the council and up to 78% of those inspected by the co-regulator (Home Safe) needed work to be done to bring them up to an acceptable standard. The fact that such a large number of properties needed works to be done also suggests that the scheme was justified and has been fair to landlords, with the majority of properties benefitting from improvements and greater compliance.

17. We concur with the view that the success of a Selective Licensing scheme cannot be measured in prosecutions data alone and needs to take into account the number of properties or management practices improved. Evidence shows that landlords have been willing to do required works on their properties once the licensing scheme has been set up. This is backed up in Hexthorpe by the large amount of works being done to remedy hazards and defects, without formal action being taken by the Authority. However, as evidenced later in the review, further hazards, arising from disrepair, were consistently found during the subsequent property inspections of licence holders who had opted to be monitored by the co-regulator (Home Safe).
18. Analysis of the Enforcement Team's annual enforcement data for Hexthorpe shows a significant reduction in complaint types relating to anti-social behaviour. This in part is attributed to educative resources being made available to landlords to tackle the anti-social behaviour of their tenants.
19. Building on the success of the long established Police and Communities Team (PACT) meeting, the Hexthorpe scheme has encouraged greater joint working with the Police and the sharing of various data sources to identify unlicensed properties.
20. The licence fees and income received directly by the council does not reflect the true cost of the scheme's administration. A rudimentary review of the direct staffing costs alone of operating the Hexthorpe scheme, undertaken in May 2019, conservatively estimates that, by June 2020, the scheme will have cost the council over £264,000 to deliver with around £150,000 being met from licence fees. In summary, there is a net salary cost to the council of at least £23,000 per year for operating the scheme above the revenue recovered in licence fees. Therefore, the cost of running the scheme is met via existing council budgets, drawn from the general enforcement fund which inevitably impacts on the ability to react to service requests outside of the Selective Licensing area.
21. The identification of unlicensed premises appears to have been successful albeit, if Hexthorpe is re-designated, further work is required to tackle the landlords of properties which remain unlicensed despite repeated enforcement actions for failure to do so. The ability to obtain a Management Order is one option that we have not yet utilised.
22. It is evident that on introduction of the scheme the council had underestimated the ongoing bureaucracy and administration that would result. For example, the resource implications associated with changes of ownership and, in particular, licence holders who switch from being monitored by the co-regulator partner to the council.
23. Recent case law has highlighted a previously unidentified weakness of Selective Licensing schemes i.e. the ability of local authorities to set licence conditions which address property standards rather than management of the property. This decision has had a significant impact in terms of enforcement and on the ambitions and aspirations which were attached to the Hexthorpe scheme at the outset. However, the low level of enforcement of conditions, measured in terms of fines and prosecutions, is not a negative reflection of the success of the scheme in terms of the actions taken to improve properties. It is recommended that any

future licensing conditions be simplified, concentrating on property and tenancy management.

24. The scheme has definitely led to a more proactive approach to housing inspections. This is because from the outset there was an explicit objective to inspect all properties covered by the scheme, rather than only relying on intelligence received from tenants complaining to the council about matters of disrepair. Whilst delivering positive outcomes, the proactive approach taken in the Hexthorpe scheme was, with hindsight, over ambitious and resource intensive. It is now considered that similar results could have been achieved by adopting a risk-based approach where properties are individually rated to determine the frequency and order of inspection. The property data obtained during the substantial number of inspections undertaken by Home Safe will be of great value in informing this approach.
25. With regard to licence duration, from the outset the Hexthorpe scheme has operated on the basis that all licences would expire at the end of the current designation (30th June 2020) irrespective of when then licence was issued. The law, however, allows for a licence to be granted for up to 5 years and the licence remains enforceable up to the end of the licensed period, even if this goes beyond the period of the designation. With the benefit of hindsight, issuing all licences for a full 5 years irrespective of whether they became licensable in Year 1, 2, 3, 4 or 5 of the scheme would have ensured that:
- All licence holders are subject to a full 5 years of regulated control; whether the area is re-designated or not.
 - In the event that the area is re-designated for a further 5 years, all licences would not expire at the same time, allowing the reapplication process to be spread out and less resource intensive.
 - A single licence fee could be charged, negating the need for pro-rata fees.

However, this approach appears to conflict with the recommendations of the independent review (June 2019) conducted on behalf of the MHCLG which advocates the prorated approach to licence fees, as currently applied in Hexthorpe. This only allows the enforcement element of the fee to reflect the remainder of the designation period.

26. Notwithstanding the co-regulator option available to all licence holders, the Hexthorpe scheme, shares a common trait with the majority of other local authority schemes by taking a staged approach to enforcement, with informal approaches to start with, only escalating to formal action where this is not successful. Consequently, as is the case with other local authorities, the number of prosecutions for matters other than failures to licence is relatively small, compared with the perceived high levels of initial non-compliance. This should, however, be looked at from the position of now knowing that matters of disrepair are not usually matters which Selective Licensing can address and, consequently, do not constitute a breach of the licence terms.
27. The setting up and operation of the Hexthorpe scheme has put pressure on the housing enforcement element of the Enforcement Team, due to the resource intensity of the proactive inspections. However, the recent introduction of the financial penalty option for housing contraventions, offers a more efficient

opportunity (with the appropriate level of resource investment) for Selective Licensing areas to balance budgets for enforcement work and to ensure a robust stance is taken with landlords that do not respond positively to our staged approach to enforcement.

28. Whilst the Hexthorpe scheme was designed to meet the local circumstances, published research has identified common features of successful schemes and it is useful to review the Hexthorpe scheme against these:
- A high level of political support from local councillors, including a willingness to commit resources to make the scheme a success. It should be recognised that, in addition to the resources required to operate a successful scheme, there are issues associated with the creation of a scheme – these include high upfront costs, a high level of bureaucracy along with prescriptive consultation and advertising standards.
 - A clear understanding of the outcomes the scheme is intended to achieve, defined at the outset and with clear plans in place to measure progress.
 - A strong focus on proactively seeking out non-compliance, both in terms of landlords failing to obtain licences and adhere to licence conditions. This is resource intensive but essential if the scheme is to have a meaningful impact.
 - An effective approach to partnership working with other local agencies, such as the Police. This often enables schemes to have greater impact, particularly where they were intended to address concerns about crime and anti-social behaviour.

Improvements to Properties

29. One success of the designation has been the intensive effort to proactively inspect all licensed premises on multiple occasions throughout the designation term, which has resulted in an overall improvement in the housing stock.
30. At the point that this review is written, there have been approximately 2000 individual property inspections undertaken, by the co-regulator and the council combined, since the Hexthorpe designation began. This equates to an average of more than 3 inspections per licensed property.
31. The initial ambitions of the scheme in terms of the 21 individual licence conditions (over 11 pages in total) and the intention to inspect every property annually are now regarded as unrealistic. In some instances, the conditions were unenforceable but every effort was made by those involved to achieve them. However, one missed opportunity of the council and the co-regulator has been the failure to record the outcomes of these interventions in a manner that can be easily reported and analysed. Whilst the information is available, it can only be extracted by manually reviewing each individual inspection report. Furthermore, the focus of undertaking physical inspections of the properties has detracted from (what we now firmly understand from recent case law) the primary aim of Selective Licensing i.e. ensuring suitable tenancy management. Hazards arising from property defects should be controlled using the tools already available in the Housing Act 2004.
32. All members of the Home Safe scheme have the benefit of a B&Q discount card

for use at B&Q stores. By examining the amount of spend using this card alone, it is estimated that, over the period of the Hexthorpe designation, an average of £1125 of property improvements have been made to each property licensed to a Home Safe Member.

33. Notwithstanding the above, analysis of the data, where it is readily available, shows that, of those properties inspected by the council:
 - 29% were compliant at first visit;
 - 33% involved minor remedial actions reported to the landlord; and
 - 38% where serious hazards were identified and brought to compliance (confirmed by a revisit to the property).
34. Of the 1420 inspections carried out by Home Safe to date, high priority issues were identified at:
 - 71% of properties inspected during year 2
 - 78% of properties inspected during year 3
 - 55% of properties inspected during year 4
35. Whilst it is reassuring that high priority issues are being detected, the failure to secure sustained compliance via the co-regulation approach raises questions about the overall long-term effectiveness of this approach. In particular, it suggests that the absence of the immediate threat of enforcement action for those opting for the co-regulator route could result in licence holders allowing new property defects to develop into hazards, without proactively taking remedial action themselves, knowing they will be given at least one opportunity to put them right before the council become involved.

Review of the Effectiveness of the Co-Regulator Approach

36. There are approximately 1750 residential properties in Hexthorpe, of which just under 40% are licensed to be occupied by the private rented sector. The actual number of licensed properties fluctuates but is consistently in the region of 650 at any one time.
37. From the start of the designation all licences have been issued with an expiry date of 30th June 2020 to coincide with the end of the current designation and applicants have paid a prorated fee, dependant on when the property became licensable, to cover the enforcement/monitoring cost for the period remaining on the designation.
38. Of the 659 premises that are currently licensed, 397 (60%) have opted to be licensed via the co-regulator approach (see Background paragraph 14).
39. Whilst the council did not set a limit on the number of co-regulators that would be approved there has only been one such partner, Home Safe, throughout the term of the Hexthorpe designation.
40. Whilst the co-regulator approach has clear advantages to both the regulated and the council, it does present a number of challenges and drawbacks which includes the loss of potential income from licence fees, reducing the ability of the council to

meet the costs of running the scheme.

41. The theory is that compliant landlords (or those willing to comply) can be monitored by the co-regulator, leaving the council to concentrate resources on those who need to be brought to compliance. This is sound in principle but different in reality.
42. Firstly, there is no earned autonomy. The applicant chooses whether they want the perceived soft touch educative approach to compliance from the co-regulator without the perceived threat of prosecution from the council for non-compliance. It is worth noting that, with the exception of extreme circumstances, the reality is the council will, predominantly seek to secure compliance, initially, by working with duty holders rather than immediately resorting to punitive action.
43. Secondly, the law does not lend itself neatly to the co-regulation approach. In the event that a licence holder (who has opted to join the co-regulator scheme) becomes non-compliant and, despite the efforts of the co-regulator remains non-compliant, it is up to the council to enforce the terms of the licence. However, the licence holder has not made a financial contribution towards the council's enforcement costs but has instead made payments to the co-regulator. In the event that a licence holder leaves the co-regulator scheme either by choice or by expulsion, the mechanism for changing the terms of the licence is extremely bureaucratic and open to challenge both in terms of the change and with regard to the recovery of fees. The law allows for an application fee but does not allow for a variation fee and a complex, challengeable, process of altering the terms of the licence ensues, including the calculation and recovery of monies considered due.
44. Therefore, in terms of enforcement, where a licence holder fails to engage positively with the co-regulator there can be a significant delay in the licence holder being brought within the control of the council. This may result in being brought to compliance or subject to punitive action. The timescales are much shorter for a licence holder who opted to be monitored by the council from the outset. For council officers dealing with neighbourhood issues arising from tenant behaviour e.g. waste in gardens, the co-regulator approach is perceived to be an added complication. To be effective, a referral must be made to the co-regulator which results in an inevitable delay, to the extent that the officer may deal with the issue direct with the landlord.
45. It becomes increasingly challenging for the council to deploy additional resources into compliance monitoring and enforcement, as those licence holders who opted for the co-regulator approach migrate to the council either through choice or following expulsion for failure to engage.
46. Where the co-regulator approach has been successful is in undertaking a significant number of health and safety inspections of their members' premises, bringing a significant number of serious hazards to the attention of the licence holders. The ability to task officers to concentrate on such inspections without the distractions that routinely divert council officers from performing such tasks is a recognised advantage of the co-regulator approach. That said, after 5 years of intense property inspection activity by both the co-regulator and the council, the need to undertake such frequent inspections should be capable of being substantially reduced. Going forward, resources should be concentrated on ensuring the licence holders' property and tenant management arrangements are

up to standard, complemented by targeted, risk based, intelligence led property inspections.

47. Of the premises that are currently licensed, in the first year of the designation, 70% of those applying opted to license via the co-regulator. During the 12 month period that precedes this review, a total of 80 new licences were granted of which only 19% opted for the co-regulation approach. Towards the end of the current designation there has been a marked shift towards the council away from the co-regulator. Under the current fee structure, the co-regulator option becomes less financially attractive when compared to the council option. This is clearly evidenced by the shift in uptake from predominantly co-regulator to almost entirely council by year 3 and 4. This suggests that those who opt for the co-regulator route may be motivated by finance. This may be due to the monthly payments scheme, rather than the perceived fear of enforcement. If it is resolved to re-designate the area it would be worthwhile asking this question during the consultation.
48. According to published research, it is a common trait of all schemes that the majority of enforcement takes place towards the end of the scheme. With the Hexthorpe scheme it is characterised by a flurry of activity to tackle failures to licence at the start of the scheme, turning to non-compliance with licensing conditions in the final year.
49. In common with the findings of other schemes operating around the country, enforcement action has been targeted at finding and tackling unlicensed properties, which are also perceived to be properties with lower standards. In Hexthorpe, there have been over 140 active investigations of suspected unlicensed properties. Of these investigations, 70 cases resulted in legal proceedings of which 96% were successfully prosecuted resulting in the offending landlords being fined. Of the unlicensed properties that were inspected the standards were consistently poor and required enforcement action.
50. In 2018, the Housing and Planning Act 2016 introduced the ability for councils to issue financial penalties of up to £30,000 for specified housing offences, including the non-compliance with selective licence conditions, as an alternative to prosecution (referred to as Civil Penalties). The council has proactively embraced this new tool and, so far, over 20 civil penalties have either been issued or are in the process of being issued for Selective Licensing offences committed in the Hexthorpe area.

Empty Properties (Appendix A - Table 1)

51. According to recent research, nationally there is uncertainty over the effectiveness of licensing in reducing the number of empty properties. It is, nevertheless, useful to look at the empty property data for Hexthorpe during the period that the scheme has been operating.
52. In June 2015, there were a total of 101 empty properties of which 11 were considered long term empties, having been unoccupied for more than 2 years.
53. In August 2019, there were a total of 111 empty properties of which 25 were considered long term empties.

54. Of the current 25 long term empty properties, 6 were empty at the start of the scheme and 19 of these were most recently occupied as a private rented property. Alternative measures need to be considered to bring these properties back into use as licensing is not an appropriate tool (empty properties don't require a licence).
55. Despite 5 of the properties which were considered long term empties at the start of the scheme being brought back into use, the overall number of long term empty properties has increased by 127%. Furthermore, the fact that 76% of the long term empty properties would appear to be associated with the private rented sector presents a question as to whether licensing could be an influencing factor in landlords, particularly accidental landlords, being discouraged from renting out a property? Licensing may increase the number of empty homes as property owners who have poor quality stock decide that meeting the terms of the licence is not achievable.
56. Whilst the Hexthorpe designation was not primarily intended to directly address long term empties, it can be concluded that the approach taken so far has not had a positive effect and other, more targeted initiatives should be considered to tackle this issue.

Analysis of Fixed Penalty Notices (FPN) Issued in the Hexthorpe Area. (Appendix A- Table 2)

57. The number of FPNs issued for litter and waste type offences has fluctuated throughout the term of the scheme, peaking at 385 in year 2. The year 2 peak can be attributed to a targeted campaign, focusing on the urban centre localities. However, the number issued in year 4 (153) is almost equal to the number issued in the 12 months prior to the commencement of the scheme.
58. Notwithstanding the above figures, it is generally perceived and visually apparent that Selective Licensing has not had a sufficiently positive impact on tackling waste offences in particular household waste in back alleys. However, analysis of the Enforcement Team's annual complaint statistics (Table 4) actually shows an overall reduction in fly-tipping complaints throughout the period of the designation. Notwithstanding this reduction, further work should continue to be done to tackle the issue of fly-tipped waste, in particular the back alleys. This type of ASB continues to be targeted for enforcement and where landlords have failed to address a problem with tenants repeatedly presenting waste inappropriately they too are being held accountable.

Demand for Housing / Property Prices (Appendix A- Table 3)

59. We have endeavoured to compare and contrast the average property prices and number of property sales for a selection of streets in Hexthorpe over a 5 year period leading up to the area being designated with the following 5 years (4 years of which Selective Licensing has been in operation).
60. Analysis of the above findings show that, whilst the average house price in Hexthorpe has reduced by 12%, there has been a 69% increase in the number of properties sold.
61. In comparison to Doncaster as a whole, during the same periods, house prices

have increased by 5% but there has been a 42% reduction in the total number of properties sold.

62. The overall reduction in house prices in Hexthorpe coupled with the significant increase in turnover, being the complete inverse of the borough as a whole, initially suggests that, during the period of the designation, the demand for houses in the Hexthorpe area has not increased. However, the Hexthorpe findings compare more favourably with the Royal Estate in Edlington which has more recently been designated a Selective Licensing area. In Edlington, over the same period, the average house price has reduced by 15% and there has been a 190% increase in the number of properties sold. As the Hexthorpe scheme precedes the Edlington scheme by 2.5 years it will be interesting to see if any similar trends can be identified over time.

Area Enforcement Statistics – DMBC Regulation and Enforcement Service (Appendix A- Tables 4 and 5)

63. The annual enforcement figures, for the Hexthorpe area, of the key complaint types along with the numbers of associated notices served to tackle some of these for the 12 month period prior to the designation and the first 4 years of the designation are detailed in Table 4.

The number of complaints and remedial action notices that indicate a relationship to housing conditions appear to show either no significant variance or an overall increase when compared to the year before the designation. This may, in part, be due to improving communication between residents and council officers due to the increased engagement in the locality. Although the actual number of properties involved is small, it is at first glance surprising to see that the number of housing repair notices is 40% more in year 4 of the designation than it was in the year leading up to the designation. This increase needs to be considered with the knowledge that, prior to the designation, all inspections were as a result of a complaint. With Selective Licensing we are now proactively inspecting these premises, with the majority of properties likely to have been inspected four times by the end of the designation.

64. However, there have been some notable successes. The number of complaints and remedial action notices that relate to anti-social type behaviours, in particular noise, nuisance and fly-tipping complaints, show some significant reductions.

Comparing year 4 of the designation with the year before the scheme started, we can evidence the following reductions:

- 43% reduction in noise complaints
- 62% reduction nuisance type complaints
- 23% reduction in fly-tipping complaints

65. Whilst there is clear evidence that there has been a significant reduction in reported complaints of ASB that can be linked to domestic premises in the Selective Licensing area, further analysis of the source (Table 5) reaffirms the view that the PRS is still largely responsible for the remaining issues. Whilst the Private Rented Sector (PRS) accounts for just over one third (37%) of the properties in Hexthorpe, almost two thirds (64%) of the recorded ASB, associated

with domestic properties, is attributable to the PRS.

Learning Outcomes

66. Factors limiting the impact of Selective Licensing

The weaknesses of Selective Licensing include:

- Councils are not permitted to include conditions on the licence relating directly to property conditions, despite that often being one of the key reasons for the designation. If re-designated, the terms of the licence will be significantly reduced, concentrating on property and tenancy management.
- Councils can struggle to identify the true extent of the private rented sector with virtually all councils finding more privately rented properties than predicted, resulting in a pressure on resources. In Hexthorpe, it was predicted that around one third of the housing stock was in the PRS and this has been found to be the case.
- To be effective, any scheme must focus on identifying unlicensed properties, with research highlighting a high correlation between failure to licence and unsatisfactory management and property conditions. We have had good successes in Hexthorpe but more intervention is now required to tackle those properties where we continue to have concerns regarding the standard of management.
- There is a lack of formal guidance in respect of evidence requirements, fee setting, enforcement policy and licence conditions.
- The process of making a designation is highly complex and bureaucratic, requiring significant time, money and other resources. Furthermore, the process needs to be repeated in full every five years if the designation is to continue.
- Inadequacies in initial fee setting and staff resourcing can be severely exposed even without unanticipated circumstances.
- Genuine self-supporting schemes are in the minority.

67. Characteristics of effective schemes

Research has identified a number of characteristics of effective schemes:

- Careful planning at pre-designation stage
- Well-developed approach to evidence gathering and consultation
- A realistic approach to area definition with boundaries carefully drawn to focus on areas with demonstrable problems
- Licensing forming part of a wider suite of community-based initiatives aimed at effecting change with a clear political will to support the scheme
- Effective engagement with both landlords and tenants
- An inspection regime that is robust, consistent and targeted (risk based rather than routine)
- Open publication of progress against targets and outcomes

68. If the area is to be re-designated, in addition to embracing the learning outcomes above, the following are also recommended:

- i. The council should be clear about the outcomes that the scheme hopes to achieve and how these will be measured and monitored. A simple count of the

number of prosecutions, although useful, is not on its own sufficient to demonstrate the effectiveness of a scheme and consideration should be given to how progress against wider objectives will be monitored. Using non-licensed areas as a baseline measure is one suggested way of doing this.

- ii. A change of direction away from annual inspections to a targeted, risk-based, approach where the frequency of visit is based on individual property/landlord compliance intelligence, i.e. properties where compliance can be predicted to be high are visited less frequently thereby freeing resources to tackle those that are less compliant. The good work undertaken by the co-regulator inspecting significant number of properties and identifying major hazards should be fully recognised but we should now consider the limiting effect this has on the council's available resources for running the scheme.
- iii. Building on the evidenced reduction in ASB, further work should be done to tackle the issue of fly-tipped waste, in particular the back alleys. A CCTV project is producing some excellent results out in the field. If we had this in place at the start of the scheme, we would surely have seen better results with the waste in alley issues. With this in place it will be easier to identify and hold individual offenders to account as well as ensuring landlords are meeting their own obligations.
- iv. Proactive engagement with licence holders. By reviewing and publicising the outcomes of the scheme at appropriate intervals it may help to engage with stakeholders, including landlords, about the achievements of the scheme.
- v. Due consideration to be given to licence duration and alternate payment options. For example, an initial application fee followed by subsequent annual fees rather than an upfront payment in full.
- vi. Consideration should be giving to making full use of financial penalties (civil penalties). This would go some way to incentivise compliance, whilst affording the opportunity to rebalance the resources required for enforcement and reduce the financial burden on the compliant landlords who are effectively subsidising the non-compliant ones through their licence fees. While there should always be some role for informal approaches it is worth considering the option to issue financial penalties as an alternative to prosecution where the circumstances justify this.

BACKGROUND PAPERS

69.

- Does Selective Licensing Work? – John Hart, LGiU – July 2019
- Chartered Institute of Environmental Health and Chartered Institute of Housing – A Licence to Rent – January 2019
- Ministry of Housing, Communities & Local Government – An Independent Review of the Use and Effectiveness of Selective Licensing – July 2019

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

ASB – Anti-Social Behaviour

CIEH - Chartered Institute of Environmental Health

FPN – Fixed Penalty Notice

MHCLG - Ministry of Housing, Communities & Local Government

PRS – Private Rented Sector

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Hexthorpe Selective Licensing area data**Table 1: Empty Properties**Empty Properties - 29th June 2015

Period of time the property has been empty	Number of empty properties within the Selective Licensing Area
< 2 Years	90
≥2 Years	11
Total	101

Empty Properties - 21st August 2019

Period of time the property has been empty	Number of empty properties within the Selective Licensing Area
< 2 Years	86
≥2 Years	25
Total	111

Notes

- Number of properties that were registered as empty in 2015 and are still registered as empty in 2019: 16
- Number of properties that were registered as empty in 2015 which are no longer registered as empty: 85
- Number of properties considered as long term empty in 2015 that remain empty: 6
- Number of properties considered as long term empty in 2015 that are now occupied: 5
- Number of current long term empty properties associated with the private rented sector (most recently occupied as a rented property): 19

Table 2: Number of FPN's issued in the Hexthorpe Selective Licensing Area

Time period	FPNs for litter	FPNs for vehicle litter	FPNs for dog fouling	Total Number of FPN's
01/06/2014 – 31/06/2015	140	6	2	148
01/10/2015 – 30/09/2016	Detailed breakdown not available			101
01/10/2016 – 30/09/2017	361	12	12	385
01/10/2017 – 30/09/2018	217	2	7	226
01/10/2018 – 30/09/2019	150	1	2	153

Table 3: Property prices for Hexthorpe

	15 th June 2009 - 14 th June 2014		15 th June 2014 - 14 th June 2019	
Street	Average value of property sold	Number of properties sold	Average value of property sold	Number of properties sold
Hexthorpe Road	£56,629	7	£46,312	8
Urban Road	£74,791	12	£66,979	24
Ramsden Road	£59,850	7	£53,454	24
Shadyside	£66,079	12	£74,324	6
Ellerker Avenue	£56,333	6	£44,320	17
Denison Road	£49,000	5	£42,375	4
	Average Total: £63,036	Total: 49	Average Total: £55,696	Total: 83

Comparison with Property Prices for Doncaster (Whole of Borough) and Edlington

	17 th August 2009- 16 th August 2014		17 th August 2014- 16 th August 2019	
Area	Average value of property sold	Number of properties sold	Average value of property sold	Number of properties sold
Doncaster (Whole Borough)	£142,764	36752	£150,190	21360
Edlington (Royal Estate)	£48,034	28	£41,174	81

Table 4: Enforcement Team Statistics

Year	Noise Complaints	Nuisance Complaints *	Housing Complaints	Unkempt Property Complaints	Abandoned Vehicle Complaints	Fly-tipping Complaints
Oct 14- Sep 15	114	197	21	8	8	237
Oct 15- Sep 16	91	134	26	9	15	95
Oct 16- Sep 17	144	134	31	7	21	159
Oct 17- Sep 18	105	93	19	4	13	118
Oct 18- Sep 19	64	75	29	6	15	183

*Nuisance complaints consist of complaints categorised on the DMBC recording system as:

- Domestic waste
- Refuse nuisance (occupied)
- Refuse nuisance (empty)
- Nuisance and Waste on land.

Year	EPA Notices	PDP Notices	CPN Warnings	CPN's	Housing Notices
Oct 14- Sep 15	53 (15 properties)	55	5	2	10 (7 properties)
Oct 15- Sep 16	36 (13 properties)	32	8	3	5 (5 properties)
Oct 16- Sep 17	48 (17 properties)	17	2	0	7 (5 properties)
Oct 17- Sep 18	24 (9 properties)	7	6	1	10 (7 properties)
Oct 18- Sep 19	18 (9 properties)	10	138*	6	14 (11 properties)

* The reason for the significant increase in the number of CPN Warnings being served is as a direct result of a change in procedure relating to domestic waste bins being placed for collection outside of the permitted times as well as waste which has been improperly presented. Previously, responsible parties would have been served with a Section 46 Notice under the Environmental Protection Act 1990 but this has been changed to utilise the Community Protection Warning/ Notice procedure.

Table 5: Percentage of ASB associated to the PRS in Hexthorpe during 2018/19 (street by street)

Street	Total units	Total PRS	% PRS of total	Total ASB	% ASB of PRS
Abbott Street	71	44	62	3	67
Barnstone Street	26	0	0	0	-
Beaconsfield Road	39	17	44	4	50
Bentley Avenue	28	16	57	0	-
Bramworth Road	33	2	6	0	-
Bridge Street	0	0	0	0	-
Cherry Tree Road	0	0	0	0	-
Crawshaw Road	17	3	18	1	100
Crimpsall Road	27	16	59	0	-
Dell Crescent	12	0	0	0	-
Denison Road	26	12	46	5	80
Eden Grove	31	1	3	0	-
Ellerker Avenue	65	35	54	5	80
Garden Lane	2	1	50	0	-
Gladstone Road	38	27	71	1	100
Glenfield Avenue	56	11	20	0	-
Hawfield Close	13	0	0	0	-
Hexthorpe Road	78	37	47	8	25
Kirk Street	19	12	63	3	100
Laneside Close	20	0	0	0	-
Langer Street	9	6	67	0	-
Laughton Road	26	13	50	5	100
Lindum Street	16	6	37	1	0
Mutual Street	46	24	52	7	57
Nicholson Road	32	9	28	4	50
Old Hexthorpe Road	157	15	10	4	0
Ramsden Road	90	42	47	10	80
Riverside Close	8	0	0	0	-
Salisbury Road	33	10	30	4	50
Scarll Road	21	7	33	1	0
Senior Road	17	5	29	3	100
Shady Side	178	47	26	7	43
Sheardown Street	52	30	58	2	100
Shirley Road	30	12	40	1	100
Spansyke Street	69	36	52	17	53
Stanley Road Flats (Salisbury Road)	6	5	83	0	-
Stoneclose Avenue	90	62	69	27	81
Travis Gardens	61	0	0	0	-
Urban Road	149	49	33	7	57
Windle Road	27	14	52	0	-
Wharnccliffe Street	17	12	71	2	100
Totals	1733	638	37	132	64 (Average)

Note: The PRS accounts for just over one third (37%) of the properties within the Hexthorpe area. However, almost two thirds (64%) of the recorded ASB associated with domestic properties is attributable to the PRS.

Mechanism by which licensing effects change and proposed changes to the scheme should the area be re-designated.

Factors through which selective licensing helps to achieve effective change:

- It focuses resources on areas of concern whilst simultaneously generating revenue to contribute to the costs involved;
- It provides a clearly defined offence (licensed/unlicensed) which simplifies enforcement - and where a landlord is intentionally operating without a licence it is highly likely the inspection process will uncover further offences;
- There is no 24-hour notice requirement for access before an inspection for licensing purposes. This is particularly important where criminal ('rogue') landlords are present;
- The proactive inspection approach frequently brings other problems to light;
- Licensing provides a clear driver for effective engagement between landlords and local authorities and drives up landlord awareness of their responsibilities;
- The pre-designation process focuses local authority minds on the development of clear, transparent and robust enforcement policies;
- Selective licensing encourages the development of effective intelligence gathering mechanisms – extremely valuable both in identifying unlicensed properties and in targeting priority properties, especially where the ideal inspection figure of 100% cannot be achieved;
- Promotion of joint working within the authority and other agencies - fire and rescue service, police, border control/immigration, social services, HMRC etc.

Proposed changes:

- Revised licence conditions concentrating on property and tenancy management which are proportionate, clearly understood and capable of being robustly enforced.
- A regionally developed landlord training course is to be developed and delivered to local landlords, free of charge. It is proposed to make proactive use of the latent period between the end of the current scheme and the start of the next to offer tailored training to Hexthorpe landlords. Government funding, for initiatives to tackle rogue landlords, has already been secured via a regional bid for the development and delivery of this training.
- Proactive visits will be targeted and risk-based rather than routine. The frequency of visit being intelligence led based on individual property/landlord compliance levels i.e. properties where compliance can be predicted to be high are visited less frequently thereby freeing resources to tackle those that are less compliant.
- The review has identified a marked reduction in ASB but with more work to do in terms of tackling tenant behaviour relating to the disposal of household refuse.

This further supports the proposal to make an appropriate adjustment to how compliance is monitored with the emphasis being shifted from routine inspections of all properties towards targeted enforcement interventions.

- It is recognised how licence fee structures can place a financial burden on landlords due to properties which become or cease to be licensable part way through a designation, properties which change ownership and the fact that there is no mechanism in law to transfer a licence. It is proposed to review the existing licence fee structure, currently an upfront payment in full, to ensure that it is fair to all. E.g. an initial application fee followed by subsequent annual fees for the duration of the designation or until the house ceases to be license able, whichever comes first.
- Compliance monitoring should continue to be carried out in a way that supports those regulated to comply and grow. Where appropriate, full use to be made of financial penalties (civil penalties). This would go some way to incentivise compliance, whilst affording the opportunity to rebalance the resources required for enforcement and reduce the financial burden on the compliant landlords who are effectively subsidising the non-compliant ones through their licence fees. While there should always be some role for informal approaches it is worth considering the option to issue financial penalties as an alternative to prosecution where the circumstances justify this.