

North Yorkshire Council

Selective licensing of private rented accommodation for the Scarborough South and Scarborough Town schemes

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1. Introduction

This document sets out the council's policy for the Selective Licensing of private rented properties for the two Selective Licensing designations within North Yorkshire. Currently, there is one Selective Licensing designation in North Yorkshire, with a second one due to take effect from 1st June 2024.

Scarborough South: This designation covers parts of the Weaponness and Ramshill division in Scarborough. The designation commenced on May 1st 2022 and runs for 5 years until 30th April 2027.

Scarborough Town: This designation covers parts of the Castle, Falsgrave and Stepney and Northstead divisions in Scarborough. The designation of this scheme will take effect from June 1st 2024 and will run for 5 years until 31st May 2029.

This is a new policy for North Yorkshire Council and replaces the previous policy of the former Scarborough Borough Council, which had included two other selective licensing designations: Scarborough North, which expired in June 2022 and Scarborough Central, which is due to expire on May 31st 2024.

Whilst there are only the two current Selective Licensing designations within North Yorkshire, this policy will apply to any future schemes, which may be designated by the authority. Should there be any subsequent designations, then the policy will be revised accordingly to include those designations.

The policy document will cover the following:

- Background to the scheme
- Aims and objectives of the scheme
- The designated area
- What properties are affected
- Licensing Conditions
- How the scheme will be delivered
- The fee schedule
- Penalties
- Risk Assessment
- Equalities Impact Assessment
- Temporary Exemption Notices (TEN)

2. Background

2.1 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 raise 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, nationally, range from £350 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.”

2.2 The Private Rented Sector in North Yorkshire

As an overview at the time of the recent 2021 census, there were 51,342 privately rented properties within North Yorkshire, representing 18.7% of all households across the county. Generally, North Yorkshire is a largely rural county with a number of small market towns and only two towns with a population in excess of 50,000; Harrogate (population c. 75,000) and Scarborough (population c. 60,000). The extent of the private rented sector varies across the whole county. However, it is only within Scarborough town, where there is a significant concentration of privately rented properties at a scale, which has warranted a Selective Licensing designation. Of the seven former district authorities, only Scarborough Borough Council had designated areas for Selective Licensing.

Whilst private rented housing is spread across the whole of North Yorkshire, the highest concentrations are within the inner urban area of Scarborough. Large parts of the Castle, Northstead, Weaponness and Ramshill divisions in Scarborough have over 50% of their households privately renting. These 3 divisions alone had 4535 privately rented households in 2021, representing over 43% of the total housing stock in the 3 divisions, and over 50% of the private rented stock within the wider Scarborough urban area.

Even within these 3 divisions, there is a deeper concentration of private rented stock within the inner urban area of Scarborough with 2725 privately rented households out of a total of 4552 all households representing almost 60% of all households within the inner urban area.

Whilst there has only been designations introduced within Scarborough town to date, a wider assessment of the private rented sector is currently being carried out across North Yorkshire. The purpose of this assessment is to identify concentrations of private rented stock within

North Yorkshire, understand the nature of the housing stock in the sector, and understand market trends, and to correlate with other key factors such as deprivation, health inequalities, energy efficiency etc. This assessment will then enable us to formulate our future action and approach regarding private sector housing across North Yorkshire, including the possible future designations of selective licensing in other locations.

2.3 Why have we introduced Selective Licensing

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.

2.4 The Business Case for Selective Licensing

The business case for Selective Licensing is based on the following indicators set out by the Government in 2015 for designating an area for Selective Licensing:

- High levels of privately rented sector housing
- Low housing demand
- Significant and persistent anti-social behaviour
- Poor housing conditions
- High levels of migration

- High levels of deprivation
- High levels of crime

In order to justify a designation, an area would need to have both a high concentration of privately rented housing and meet at least **one or more** of the other indicators outlined above.

Prior to creation of North Yorkshire Council, the former Scarborough Borough Council had undertaken extensive analysis in 2015/16 to initially identify areas with high concentrations of private sector housing across the former Borough and overlay those areas with key data based on the indicators set out above. This resulted in the identification of parts of the inner urban area of Scarborough as having both high concentration of private rented sector and having both poor housing conditions and high levels of deprivation

This led to the designation of three separate designations within Scarborough town as follows:

Scarborough North: This was the first designation and covered parts of Scarborough town centre and residential neighbourhoods to the north of the town centre. The designation commenced on 1st July 2017 and ended on 30th June 2022.

Scarborough Central: This was the second designation, which covered the other part of Scarborough town centre plus surrounding residential areas. The designation commenced on 1st June 2019 and will terminate on 31st May 2024.

Scarborough South: This was the third designation, which covered parts of the “South Cliff” area of Scarborough, located south of the centre of Scarborough. The designation commenced on 1st May 2022 and will terminate on 30th April 2027.

2.5 The Business case for Scarborough Town designation

With the Scarborough North scheme ending in 2022 and the Scarborough Central scheme due to end shortly, evaluations of both of these schemes were undertaken. One of the outcomes of the evaluations, was that there was justification to consider the “renewal” of the two schemes and combine them into one larger designation.

A detailed assessment of the area was undertaken in 2023, which was based on recent data including the 2021 census, and also included surrounding residential neighbourhoods, given changes identified through the recent census.

As a result, the proposed designation will cover the majority of the former Scarborough North and Central designations plus some other surrounding residential neighbourhoods.

2.6: Selective Licensing Consultations

Prior to designating an area for Selective Licensing, the authority is required to undertake a programme of public consultation based on Part 3, Section 80 (9) of the Housing Act 2004, which states that before considering making a designation for Selective Licensing the local housing authority must:

- a) Take reasonable steps to consult persons who are likely to be affected by the designation: and

- b) Consider any representations made in accordance with the consultation and not withdrawn

The procedural document for selective licensing: *Approval steps for additional and selective licensing designations in England* published by the Department of Communities and Local Government (DCLG) sets out the following requirements for the consultation:

“LHAs will be required to conduct a full consultation. This should include consultation of local residents, including tenants, landlords and where appropriate their managing agents and other members of the community who live or operate businesses or provide services within the proposed designation. It should also include local residents and those who operate businesses or provide services in the surrounding area outside of the proposed designation who will be affected. LHAs should ensure that the consultation is widely publicised using various channels of communication.

The consultation should be informative, clear and to the point, so the proposal is readily understood. It should inform local residents, landlords, letting agents and businesses about the proposed designation, giving the reasons for proposing it, why alternative remedies are insufficient, demonstrating how it will tackle specific problems together with other specified measures, and describing the proposed outcome of the designation. It should also set out the proposed fee structure and level of fees the authority is minded to charge (if any). Consultees should be invited to give their views, and these should all be considered and responded to.

Once the consultation has been completed the results should then be published and made available to the local community. This should be in the form of a summary of the responses received and should demonstrate how these have either been acted on or not, giving reasons.”

2.7 Scarborough South Consultation

In December 2019, approval was given by the former Scarborough Borough Council to undertake formal consultation on the proposal to designate parts of the Weapონness and Ramshill ward of Scarborough as a selective licensing area under Section 80 of the Housing Act 2004. The consultation commenced on January 20th 2020 and ran for a period of 10 weeks up to March 31st 2020. The consultation consisted of the following:

- A resident and business questionnaire, which was hand delivered to approximately 2200 households and businesses within the proposed area and surrounding streets
- A landlord questionnaire, which was sent out to approximately 645 landlords and managing agents operating in the Borough
- A series of community drop in events within the proposed area
- A series of stakeholder events and meeting with individual stakeholders

314 completed questionnaires were received from residents and businesses representing a response rate of 14%. In addition 22 completed landlord questionnaires were received, representing a response rate of 3.4% from landlords. A combined total of 336 completed questionnaires were received out of 2845 representing an overall response rate of 11.8%.

235 (74.8%) of completed questionnaires of the residents/business questionnaire either strongly agreed or agreed with the proposal that the Council should introduce a Selective Licensing scheme for privately rented properties within the proposed area, whilst 40 (12.7%) either disagreed or strongly disagreed. The remaining 39 respondents (12.5%) neither agreed nor disagreed or did not answer the question.

7 (31.8% of completed questionnaires) of the landlord questionnaire either agreed or strongly agreed with the proposal that the Council should introduce a Selective Licensing scheme for privately rented properties within the proposed area, whilst 10 (45.5%) either disagreed or strongly disagreed. The remaining 5 (22.7%) respondents neither agreed nor disagreed with the proposal.

In addition, a further 17 landlords completed the resident/business questionnaire, of which 7 strongly agreed or agreed with the proposal and 9 strongly disagreed or disagreed with the proposal, whilst 1 stated neither agree nor disagree.

In total, 39 landlords responded to the consultation, of which 14 (35.9%) strongly agreed or agreed with the proposal and 19 (48.7%) strongly disagreed or disagreed with the proposal. The remaining 6 (15.4%) landlords neither agreed nor disagreed with the proposal.

Of total respondents, 242 (72.0%) either agreed or strongly agreed with the proposal that the Council should introduce a Selective Licensing scheme for privately rented properties within the proposed area, whilst 50 (14.9%) either disagreed or strongly disagreed. The remaining 44 (13.1%) of respondents neither agreed nor disagreed with the proposal.

2.8 Scarborough Town Consultation

The consultation commenced on September 1st 2023 and ran for a period of 10 weeks up to November 10th 2023. The consultation consisted of the following:

- A resident questionnaire, which was hand delivered to approximately 4000 households within the proposed area and surrounding streets
- A landlord questionnaire, which was sent out to approximately 650 landlords and managing agents operating in the Borough
- A series of community drop in events within the proposed area
- A series of stakeholder events and discussions with individual stakeholders

299 completed questionnaires were received from residents and businesses representing a response rate of 7.5%. In addition 56 completed questionnaires were received from landlords, representing a response rate of 8.5% from landlords. A combined total of 355 completed questionnaires were received out of approximately 4650 representing an overall response rate of 8%.

208 (69.6%) residents and businesses either strongly agreed or agreed with the proposal that the Council should introduce a Selective Licensing scheme for privately rented properties within the proposed area, whilst 48 (16.0%) either disagreed or strongly disagreed. The

remaining 43 respondents (14.4%) neither agreed nor disagreed or did not answer the question.

4 (7.1%) of landlords either agreed or strongly agreed with the proposal that the Council should introduce a Selective Licensing scheme for privately rented properties within the proposed area, whilst 45 (80.0%) either disagreed or strongly disagreed. The remaining 7 (12.9%) respondents neither agreed nor disagreed with the proposal.

Of total respondents, 212 (59.7%) either agreed or strongly agreed with the proposal that the Council should introduce a Selective Licensing scheme for privately rented properties within the proposed area, whilst 93 (26.2%) either disagreed or strongly disagreed. The remaining 50 (14.1%) of respondents neither agreed nor disagreed with the proposal.

3. Aims, objectives and outcomes of Selective Licensing

The main aim of the Selective Licensing scheme is:

“To improve the quality and management of private rented properties, which will support the uplift and regeneration of the area.”

The key objectives of the scheme are:

- To ensure that all private rented properties in the designated area are safe and meet all statutory requirements for renting out property
- To improve property conditions within private rented properties in the designated area
- To improve management standards within private rented properties in the designated area
- To address anti-social behaviour within private rented properties, in conjunction, with Community Safety, in the designated area
- To improve the image and perception of the designated area

The key outcomes expected from the scheme are:

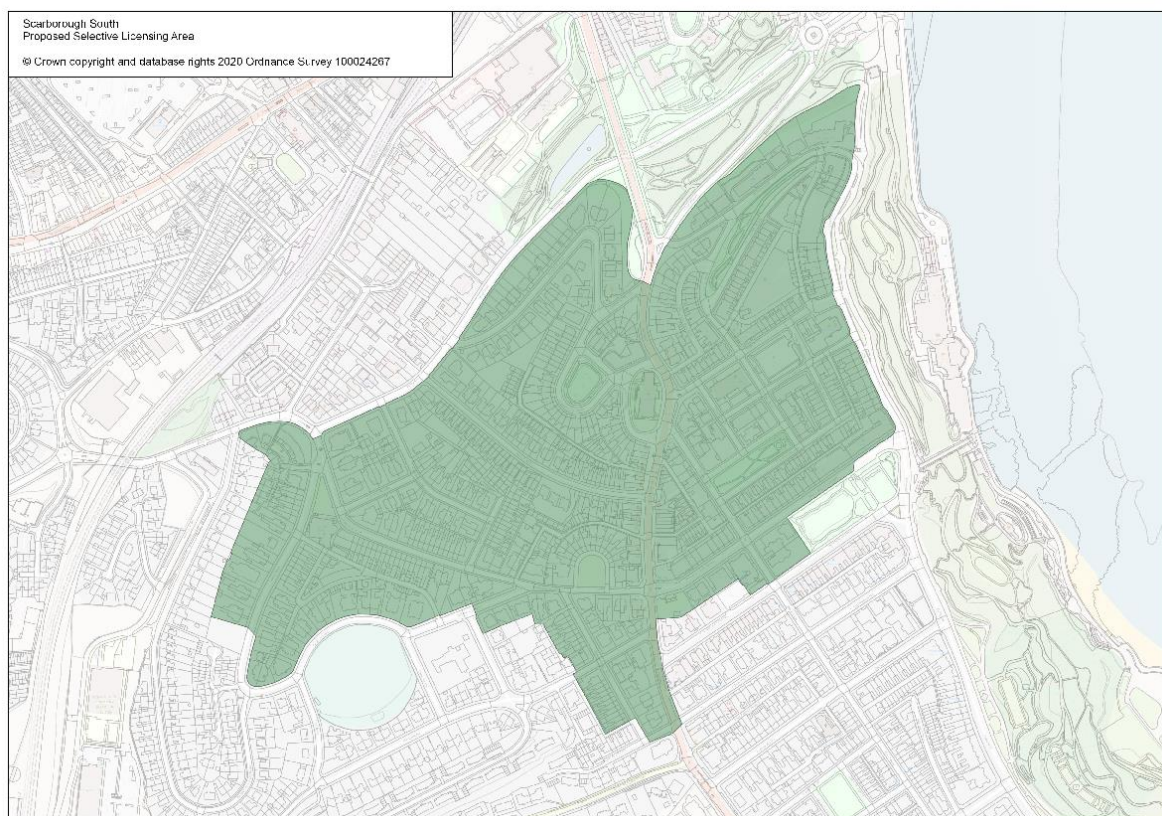
- Better services for tenants
- Raises expectations for tenants, landlords, agents and agencies
- Improved property conditions and management standards
- Improved visual amenity of area
- Reduced anti-social behaviour
- Protecting vulnerable people in poorly managed properties
- Improved image and perception of area
- Helps to break cycle of decline
- Tool to support wider regeneration and encourage investment
- Increased values as area improves

- Increased rents overtime
- Improved stock conditions
- Improved perception of sector
- Supports professionalism, good practice and accreditation
- Responsible landlords supported to tackle anti-social behaviour
- Support and training for underperforming landlords
- Reduced property turnover

4. Scarborough South designated area

The Scarborough South area covers parts of the Weaponness and Ramshill ward in Scarborough. The area is located just to the south of Scarborough town centre and runs down to Filey Road at it's southernmost point. It is boarded by the Esplanade to the east along the coastline and extends almost to Weaponness Valley to the west.

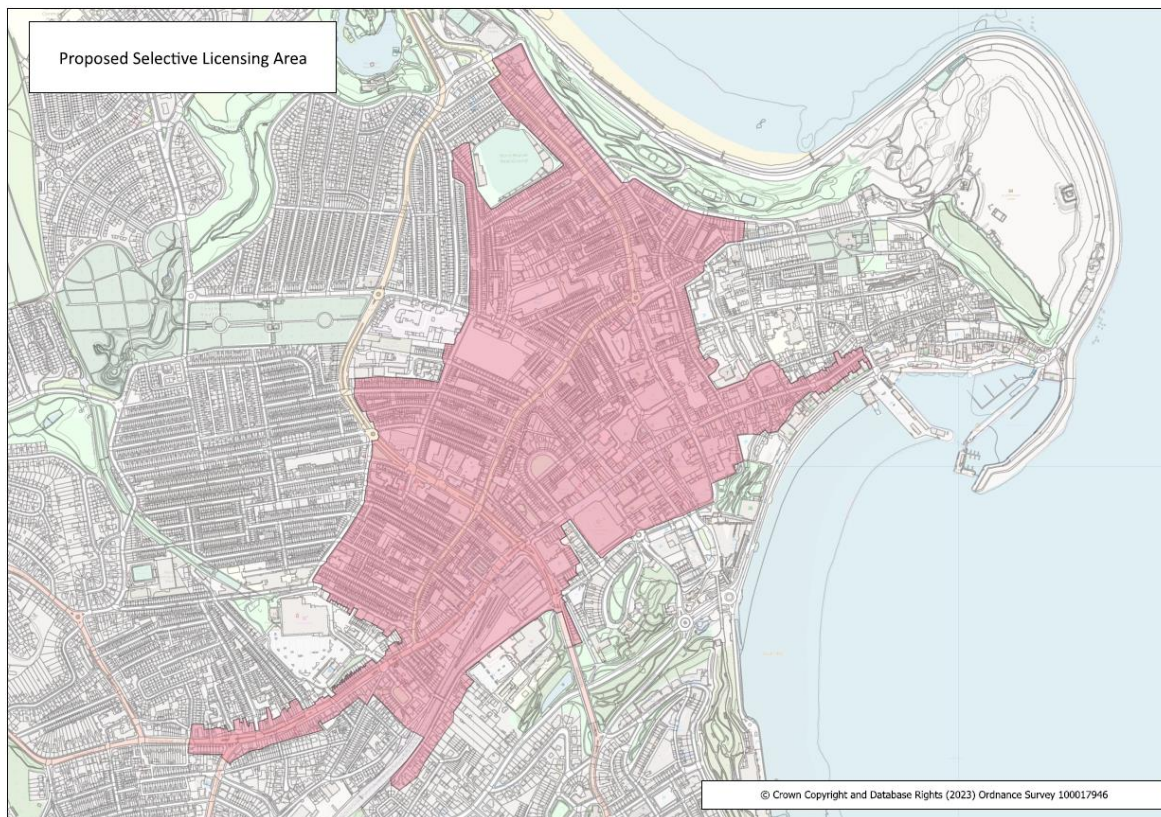
A full list of streets within the designated area are provided in Appendix 1 of this policy.



5. Scarborough Town designated area

The Scarborough town designation covers the whole of the town centre plus surrounding residential neighbourhoods. It extends from North Marine Road and Trafalgar Square in the north to Westwood in the south and also extends west along Falsgrave Road.

It comprises of around 4000 households, of which about 2250 are privately rented, approximately 56% of the overall housing stock in the area.



6. What properties are affected

All privately rented properties within the designated area will need to be licensed in order to operate. However, there are a number of exemptions to the scheme. The principal exemptions include:

- 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)
- 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

A full list of exempt properties are included in Appendix 2 of this policy

7. Licensing Conditions

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

Mandatory Conditions Schedule 4 of the Housing Act 2004

1 Gas

If gas is supplied to the unit of accommodation, 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.

2 Electrical Appliances

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

3 Furniture and Furnishings

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

4 Smoke Alarms:

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

5 Carbon Monoxide Alarms

The Licence holder must:

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

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

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

6 Tenant references

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

7 Terms of Occupation:

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

Additional Conditions of Licence imposed by North Yorkshire Council

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

8 Energy Performance

A copy of the Energy Performance Certificate for the property must be provided at any time as requested by the Council. The licence holder must provide prospective and new tenants with a copy of the Energy Performance Certificate (EPC) prior to the commencement of the tenancy.

9 Property Management

The Licence Holder must ensure that:

- that a copy of the licence including the conditions attached to it is provided to all tenants;
- that all tenants of the licensed property are provided with details of the licence holder and, if applicable, details of the managing agent, including a contact address, daytime telephone number and an emergency telephone number,
- contact details of the licence holder and manager, including emergency telephone number, should also be displayed in a prominent place in the property
- that occupants of the Property receive written confirmation detailing the arrangements that have been put in place to deal with repair issues and emergencies should they arise. These arrangements should cover the management arrangements that will be put in place in the licence holder's absence.
- they and any appointed manager must provide to the Council up-to-date contact details, including a telephone number, so that problems with the house can be addressed quickly
- In the case of a multi-occupied property with common parts the licence holder/management agents must make regular inspections of the property (minimum 2 per year), as agreed with the Council, 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 at least one annual inspection of the property unless more frequent visits are required by the Council.

10 Security

The Licence Holder must ensure that:-

- the security provisions for the access to the dwelling (including but not limited to locks, latches, deadbolts and entry systems) must be maintained in good working order at all times.
- where window locks are fitted, the Licence Holder will ensure that keys are provided to the relevant occupant.

- where a burglar alarm is fitted to the house, the Licence Holder will inform the occupant in writing the circumstances under which the code for the alarm can be changed, and provide details when required on how this can be arranged.
- where previous occupants have not surrendered keys, the Licence Holder will arrange for a lock change to be undertaken, prior to new occupants moving in.
- where alley gates are installed to the rear of the licensed property, the licence holder must take responsibility for holding a key and make satisfactory arrangements for the occupier's access.
- That all ground floor and basement windows have suitable window locks or are fully secured to prevent access from outside.

11 External areas, refuse and waste

The Licence Holder must ensure that:-

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

12 Training

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

13 Anti-Social Behaviour

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

The licence holder must:

- Provide a copy of their ASB policy to North Yorkshire Council outlining procedures on request. This must be reviewed annually and submitted on request.
- Cooperate with North Yorkshire 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.
- Ensure that the occupants of the house are aware of the assistance available to them to deal with anti social behaviour and how they can report nuisance and antisocial behaviour to the authority.

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

15 Changes of Circumstances

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

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

16 Safeguarding

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

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

17. Compliance inspections

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

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

Reason: To ensure that the property complies with the licence conditions.

8. How the schemes will 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.

Applications for a licence are made through an on-line application process, which has been designed to ensure that it is as user friendly for landlords as possible. Officer support for landlords in making an application will be provided if required.

The licensing conditions (see Section 7) include both mandatory and discretionary elements that support the Council's aspirations for the area.

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 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 Licensing officers to enforce such issues.

The Council will enforce against landlords in respect of Selective Licensing in the following ways:

Enforcement on landlords who fail to apply for a property: We have in place a robust enforcement process for landlords who fail to apply for a property, which has resulted in a number of prosecutions on the current schemes. Whilst the formal enforcement process will be outlined in further detail below, we do take a number of steps prior to this to identify, contact and encourage landlords to apply for a licence, which reduces the need to formally enforce.

Where landlords have failed to apply despite being contacted both prior to the commencement of the designation and during the designation period, we will take the following enforcement steps:

- Stage 1: Notice of Requirement Letter (NOR) to apply for a Selective Licence
- Stage 2: First Interview Under Caution (IUC) Letter:
- Stage 3: Second IUC Letter:
- Stage 4: Notice of Intention (NOI) to Prosecute

Enforcement against landlords who fail to apply with the licensing conditions: The Selective Licensing scheme will be subject to a wide range of licensing conditions, some of which are mandatory and some are discretionary ones set by the Council. Licence holders are required to comply with the licensing conditions.

If the conditions of a licence are breached the Council will apply the principles of its enforcement policy in order to remedy the identified issue. Where breaches of conditions are persistent and cannot be resolved informally, the Council would resort to the use of enforcement action through its various powers to force the landlord or manager to resolve the issue.

Where landlords or managers breach or fail to comply with the conditions of a licence they may be fined up to a maximum of £5,000 for each offence.

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/Town Centre areas and which now operates across the wider Scarborough and Whitby locality. 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.

9. Fee Schedule

The fees are for the whole period of the Selective Licensing designation, which is for 5 years. Fees are based on the running cost and management of the overall scheme. There are a range of fees, which differ for single and multiple unit properties. There are also a range of discounts and penalties which relate to certain circumstances.

The licence fee is split into two payments.

The first payment is paid when the application is submitted and covers the cost of determining the licence and is **non-refundable** if the application isn't successful or you withdraw. This is a fixed amount of £180.00 and will apply to all licence types irrespective of the size of the property or whether it is subject to a discount.

The second payment is payable upon successful application before the licence is issued, i.e. from when the draft licence is issued. The second payment will be based on the type of property (see below) to be licensed and whether any discounts are applicable. The full licence will not be issued until the second payment is made in full.

There are 3 fees scenarios, dependent on the type of building and ownership, as follows:

1. **Single unit properties:** This is for dwellings, which are a single unit, which could be a house, or a self-contained flat or non-self contained flat. The standard fee of £695 applies in this case and this requires only one licence.
2. **Multiple unit properties where the landlord controls the freehold:** Where the landlord has the freehold of a block of flats a single licence will be issued for all the flats owned by the landlord plus the common parts of the building. The licence fee will be the standard fee of £695 for the first flats plus £100 for each extra flat within the same building. So if a landlord with the freehold owns 4 flats in the block, then the total licence fee will be £995 (£695 for the first flat and £300 for the other 3 flats). Where applicable discounts will be applied to the total cost of the licence (see below)
3. **Multiple unit properties where the landlord does not control the freehold:** Where the landlord owns multiple flats within a building but does not own the freehold, then each flat will require a separate licence. The licence fee for the first flat will be the standard fee of £695, whilst the licence fee for any extra flats in the block will be £100 for each extra flat. So if a landlord who does not own the freehold owns 3 flats in the block, then they will pay a sum of £895 (£695 for the first licence and £100 each for the other 2 licences). Discounts will only be applied to the total cost of the flats to be licensed in the block and will not apply to each individual flat in the block, as the licence fee for the extra flats has already been substantially reduced.

Standard Fees

Property type	Standard Fee	Initial payment	Final payment
<p>Single occupancy household</p> <p>For each dwelling which is occupied by a single household (eg house, self-contained flat or non self-contained flat)</p>	£695.00	£180.00	£515.00
<p>Buildings containing flats where the landlord owns the freehold</p> <p>A single licence will be issued covering all of the flats within the control of the landlord</p>	£695 for first flat and then £100 for each additional flat within the same building	£180.00	£515.00 for the first flats and £100.00 for each additional flat within the same building
<p>Buildings containing flats where the landlord owns more than one flat in a building without owning the freehold (1)</p> <p>As the landlord does not own the freehold, then each flat will require an individual licence</p>	£695 for first flat and then £100 for each additional flat within the same building	£180.00	£515.00 for the first flats and £100.00 for each additional flat within the same building

Discounts (2)

Discount Type	Amount
Properties which were previously licensed within Scarborough North or Scarborough Central selective licensing designation and the licenceholder is the same as previously (3)	£260
Membership of selected organisation discount Discount applies to members of one of the following organisations: <ul style="list-style-type: none"> • National Residential Landlords Association • Eastern Landlord Association • SafeAgent • Association of Residential Lettings Agents • Propertymark 	£50
Early bird discount Applies to all licence applications received and fully completed with all requested documentation by 31 st August 2024	£50
Multiple Applications Applies to each licence application after initial licence application (does not apply to multiple licences in a block of flats where the landlord does not own the freehold of the block as a reduced fee of £100 already applies to these licences)	£50

Notes:

1. The Council can only issue a single buildings licence when the landlord is in control of the whole building. Where a landlord owns more than one flat, but is not in control of the freehold, the council cannot issue a single licence for the whole building and must require individual licence applications for each flat
2. Where applicable, all discounts can apply to the same licence application (see examples below). In the case of multiple flats within the same building where the landlord is not the freeholder, the discount will only apply to the initial application
3. This only applies where the licenceholder is the same person or organisation as last held the licence during the previous licensing scheme
4. Refunds are not normally granted should the licence be revoked or refused for any reason during the course of the licensing period. The only circumstances in which we would consider the refund of part of the licence fee is if the licence is revoked/refused prior to the Council undertaking an inspection of the licence. Please note that the Council will still charge for the processing and issuing of the licence and any other costs incurred up to the point that the licence is revoked/refused.

5. The above-mentioned fee levels are only relevant to the scheme at the date of the commencement of the designation and shall be reviewed and increased annually in line with the Councils Fees and Charges Policy

10. Penalties

10.1 What are the penalties for operating an HMO without a licence?

Controlling or managing a house which ought to be licensed, but is not licensed, without a reasonable excuse for doing so will be a criminal offence, subject to a maximum fine of £20,000.

Where a property is required to be licensed but is not, the landlord may not use the procedure in section 21 of the Housing Act 1988 to gain possession at the end of an Assured Shorthold Tenancy.

Where a property is required to be licensed but is not, the Council (and in certain cases the occupier) may apply to a Residential Property Tribunal (RPT) for repayment of any rent that has been paid to the landlord.

10.2 What happens if a landlord breaches the conditions of their licence?

If the conditions of a licence are breached the Council will apply the principles of its enforcement policy in order to remedy the identified issue. This means that generally, the Council would seek to resolve the matter informally through the provision of advice and by giving a reasonable period to enable the landlord to rectify the identified issue.

Where breaches of conditions are persistent and cannot be resolved informally, the Council would resort to the use of enforcement action through its various powers to force the landlord or manager to resolve the issue.

Where landlords or managers breach or fail to comply with the conditions of a licence they may be fined up to a maximum of £5,000 for each offence.

10.3 Can a Licence be revoked?

A licence may be revoked with the agreement of the licence holder (for example when a property ceases to be rented out). It also expires automatically after 5 years.

The Council may however revoke a licence where:

- ◆ There has been a significant breach of the licence conditions.
- ◆ The Council no-longer consider the licence holder or manager to be a fit or proper person.
- ◆ The Council considers that the structure of the property has become unsuitable.

The Council cannot revoke a licence in these circumstances unless it can grant another licence on suitable terms following the revocation, or, it must make an Interim Management Order.

10.4 Appeals against licensing decisions.

An appeal may be made directly to the Council against a decision to

- ◆ Refuse to grant a licence
- ◆ Grant a licence, including any conditions imposed
- ◆ Vary a licence
- ◆ Revoke a licence
- ◆ Refuse to vary or revoke a licence.

Appeals should be made in writing and shall be considered by the Head of Environmental Services. Appeals should be submitted in writing and shall be considered within 28 days.

An appeal against a licensing decision may also be made to a Residential Property Tribunal (RPT). The RPT has the power to confirm, vary or reverse the Councils decision.

11. Risk Assessment

Risk	Consequences	Likelihood	Impact	Mitigation
Legal Challenge/Judicial Review	<p>Could delay implementation of scheme through legal process</p> <p>Legal costs incurred</p> <p>Adverse Publicity</p> <p>Worst case scenario may result in scheme not being implemented</p>	Medium	High	<p>Ensure all statutory requirements and guidance are fully met</p> <p>Ensure that the consultation programme meets all statutory requirements and guidance</p>
Landlords avoid licensing properties/fail to apply	<p>Fails to solve problems in PRS: “bad” landlords continue to operate</p> <p>Resources will be used in identifying unlicensed properties rather than improving properties</p> <p>Adverse publicity: lose good will of “good” landlords</p> <p>Fee income projections not met</p>	Low-medium	High	<p>Ensure scheme is very well publicised and landlords are informed during lead in time</p> <p>Use all data sources to identify PRS properties and landlords</p> <p>Offer “early bird” discounts and incentives to encourage early applications</p> <p>Charge “Finders Fee” to landlords who don’t come forward</p> <p>Undertake enforcement and prosecution where required and publicise</p>
Fee income projections not met	<p>Viability will be affected and may be financial shortfall</p> <p>Adverse impact on wider service in terms of resources</p>	Low-Medium	High	<p>Ensure license fees are set at rate to ensure scheme can be self funded</p> <p>Identify as any licensable properties in advance and type to ensure business plan is as realistic as possible</p>

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	Adverse publicity			Ensure there is high take up of scheme (see previously) to maximise fee incomes
Landlords sell properties or leave them vacant to avoid licensing	<p>Less PRS accommodation available</p> <p>Potential increase in homelessness</p> <p>Impact on vulnerable groups</p> <p>More empty properties</p>	Low	High	Work closely with landlords to promote benefits of scheme: provide support for landlords through training, fee incentives to landlords etc.
Licence fee income could result in increased rents	<p>Could be up to £2.50 per week rent increase in some cases</p> <p>May go above LHA rents in some cases, so could be top up for tenants</p>	Medium	Medium	<p>Ensure fees are set a level and provide range of discounts to minimise potential rent increases</p> <p>Closely monitor rent levels once Selective Licensing introduced to assess scale of any rent increases</p>
Resources unable to meet the volume of work generated by the scheme	<p>Delays in processing licensing applications and undertaking inspections</p> <p>Cashflow problems</p> <p>Adverse publicity</p>	Low	High	<p>Ensure scheme is resourced adequately to carry out comprehensive inspection programme</p> <p>Streamline back office processes including on-line application process and easier payment systems</p>
Lack of resources to carry out enforcement following inspections	<p>Fails to solve problems in PRS: “bad” landlords continue to operate</p> <p>Adverse publicity: lose good will of “good” landlords</p>	Medium	High	<p>Joint inspections with police and fire and rescue and use of wider enforcement powers from other agencies</p> <p>Prioritisation system for enforcement following inspection</p>

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				Resources available from wider Housing Renewal team to carry out enforcement
Selective Licensing area becomes stigmatised. Financial institutions unwilling to invest in the area for PRS	Landlords unable to raise finance/investment to improve properties and meet licensing requirements Landlords sell or leave property vacant	Low	Medium	Lenders unlikely to base lending decisions on whether property is located within a Selective licensing area. Decisions usually made on risk and local market factors
“Good” landlords leave and replaced with “bad” landlords	Problems in the area will increase Will create extra enforcement work and strain on resources	Low	Medium	Purpose of scheme to uplift standards. Little indication that this will happen. Many “good” landlords have significant property portfolio in area
Has negative impact on area causing area to decline and reducing property and rental values	Problems in the area will increase May impact on investment across all sectors in the area May result in speculative investment from “bad” landlords	Low	Medium	Rental and property values already below Scarborough average. Unlikely to reduce significantly lower If scheme is successful will result in increased property and rental values in medium to long term
Displacement of tenants to other areas of Scarborough	Potential increase in problems in other areas Potential increase in demand for PRS in other areas and properties converted to PRS accommodation	Low	Medium	Risk of displacement does not outweigh the need to uplift standards Unlikely to see displacement outside of proposed SL areas due to nature of stock and local housing market

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<p>Loss of PRS accommodation could cause increase in homelessness</p>	<p>Increased strain on Housing Options team and other agencies</p> <p>Risk of increase in rough sleeping</p> <p>Increased strain on other accommodation providers including Social Landlords</p>	<p>Medium</p>	<p>High</p>	<p>Closely monitor any loss of PRS either through landlord actions or enforcement actions</p> <p>Liaise with Housing Options team and other agencies as early as possible when possible threat of closure is known</p> <p>Liaise with other PRS landlords in the scheme whose accommodation has been inspected and meets all licensing requirements</p>
<p>Increase in poverty/tenants in arrears as a result of rent increases</p>	<p>Increased arrears on PRS landlords: potential risk of evictions</p> <p>Increased strain on support agencies</p>	<p>Medium</p>	<p>High</p>	<p>Ensure fees are set a level and provide range of discounts to minimise potential rent increases</p> <p>Closely monitor rent levels once Selective Licensing introduced to assess scale of any rent increases and whether there is any evidence of tenants getting into arrears as a result of rents increases</p>

Appendix One: Scarborough South: Selective Licensing List of Streets

Albion Crescent
Albion Road
Alga Terrace
Back Crown Terrace
Back Oriel Crescent
Back South Street
Back Trinity Road
Belmont Road
Cambridge Terrace
Carlton Terrace
Craven Street
Cromwell Gardens
Cromwell Parade
Cromwell Road
Cromwell Terrace
Crown Close Back Road
Crown Crescent
Crown Terrace
Esplanade(1-30)
Esplanade Gardens (37 only)
Filey Road (1-19 odds only)
Fulford Road (1-5a and 17 odds and 2-8 evens only)
Greenfield Road
Grosvenor Crescent
Grosvenor Road
Montpellier Terrace
Oliver Street
Oriel Crescent
Prince of Wales Terrace
Princess Royal Terrace
Ramshill Road
Royal Avenue
Royal Crescent
Royal Crescent Lane
South Street
St Martins Avenue
St Martins Place
St Martins Road
St Martins Square
Trinity Road
Valley Road (evens only 32-58)
West Street (1-15 odds and 2-8 evens only)
West Terrace
Westbourne Grove
Westbourne Road

Appendix Two: Scarborough Town: List of Streets

Aberdeen Place	Northway
Aberdeen Street	Norwood Street
Aberdeen Terrace	Oxford Street
Aberdeen Walk	Palace Hill and Palace Hill Lane
Albemarle Back Road	Pavilion Square and Pavilion Terrace
Albemarle Crescent	Peel Terrace
Albert Street	Prospect Place
Alma Parade	Prospect Road (1-39 odds only)
Alma Square	Queen Street
Arundel Place	Queens Parade (including Blenheim Terrace and Rutland Terrace)
Bar Street	Queens Terrace
Barwick Street	Regent Street
Bedford Street	Roscoe Street
Belgrave Crescent	Sandringham Street
Belle Vue Parade	Sherwood Street
Belle Vue Street	Silver Street
Beulah Terrace	Stanley Street
Blands Cliff	St Helens Square
Blenheim Street	St Nicholas Street
Cambridge Street	St Thomas Street
Castle Road	Sussex Street
Clarence Place and Clarence Road	Swan Hill Road
Clark Street	Sydney Street
Clifton Street	Tindall Street
Dean Road	Trafalgar Road
Durham Street and Place	Trafalgar Square
Eastborough	Trafalgar Terrace
Elders Street	Union Street
Falconers Road and Square	Vincent Street
Falsgrave Road	Valley Bridge Parade
Fire Station Yard	Vernon Street (1-6)
Hanover Road	Victoria Parade
Harcourt Place	Victoria Road
Hope Street	Victoria Street
Hoxton Road	Vine Street
Howard Street	West Square
Huntriss Row	Westborough
James Street	Westwood
King Street	William Street
Leading Post Street	Wrea Lane
Market Street and Market Way	
Marlborough Street and Terrace	
Merchants Row	
Mill Street	
Morgan Street	
Nelson Street	
Newborough	
New Queen Street	
North Marine Road	

Appendix Three: 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 Four: Temporary Exemption Notice

In addition to the specified exempt properties listed in Appendix 2, the Council can in certain circumstances, grant a temporary exemption notice, under Section 86 of the Housing Act 2004. This means that the landlord is exempt from the selective licensing scheme for a period of 3 months. The exemption may be extended, in exceptional circumstances for another 3 months.

A temporary exemption notice will only be granted where the landlord can demonstrate that he or she intend to take steps to ensure that the property does not require a licence. The circumstances in which a temporary exemption notice can be granted are:

- Where there is a sale agreed to someone who intends to live in the property themselves;
- Where the owner is moving back into the property; or
- Where there is current conversion works to change the use of the property to a commercial premises.

In all cases, the landlord will be required to submit supporting evidence in respect of their request for a Temporary Exemption Notice.

Requests for Temporary Exemption Notices will normally be refused if they do not fall into any of the above categories. For example, a request will be refused if the property is rented and the landlord has put the property up for sale but has not yet had a sale agreed on the property.

Appendix Five: Equality Impact Assessment

Directorate	Community Development		
Service area	Housing		
Proposal being screened	Selective Licensing for privately rented properties in parts of Scarborough		
Officer(s) carrying out screening	John Burroughs		
What are you proposing to do?	Designate an area within Scarborough town for the selective licensing of private rented properties		
Why are you proposing this? What are the desired outcomes?	To address issues of poor property conditions and poor management within privately rented properties. Licensing will ensure that properties are properly managed and property conditions are improved as a result, improving outcomes for residents of such properties		
Does the proposal involve a significant commitment or removal of resources? Please give details.	No: there will be a licence fee charged, which will be used to meet the costs of the licensing scheme, including relevant salary costs		
<p>Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYC's additional agreed characteristics</p> <p>As part of this assessment, please consider the following questions:</p> <ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? Does the proposal relate to functions that previous consultation has identified as important? Do different groups have different needs or experiences in the area the proposal relates to? <p>If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your directorate representative for advice if you are in any doubt.</p>			
Protected characteristic	Potential for adverse impact		Don't know/No info available
	Yes	No	
Age		✓	
Disability		✓	
Sex		✓	
Race		✓	

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Sexual orientation		✓	
Gender reassignment		✓	
Religion or belief		✓	
Pregnancy or maternity		✓	
Marriage or civil partnership		✓	
People in rural areas		✓	
People on a low income		✓	
Carer (unpaid family or friend)		✓	
Are from the Armed Forces Community		✓	
Does the proposal relate to an area where there are known inequalities/probable impacts (for example, disabled people's access to public transport)? Please give details.	Yes, is within an area of high deprivation. However, proposal should improve the health and well-being of residents in privately rented properties in the area through improved property conditions and improved property management.		
Will the proposal have a significant effect on how other organisations operate? (for example, partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	<p>Will be a financial cost for private landlords operating in the proposed areas as will be required to pay a licence fee.</p> <p>However, over the course of the Selective Licensing designation, this would be fairly minimal, at an equivalent of no more than £2.50 per week, and in most cases less than that amount, as many licences will be subject to a fee discount.</p>		
Decision (Please tick one option)	EIA not relevant or proportionate:	✓	Continue to full EIA:
Reason for decision	Decision has no adverse impact		
Signed (Assistant Director or equivalent)	Andrew Rowe: Assistant Director: Housing		
Date	5 th January 2024		

