

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting17th November 2022

1. Title of Item/Report

Selective Licensing Option
Appraisal

2. Record of the Decision

Consideration was given to a report on the Selective Licensing Option Appraisal.

Previous reports had been presented to Cabinet which considered the option of Selective Licensing of the private rented sector within the borough. During the Selective Licensing consultation period, private sector landlords approached the Council with an alternative proposal, one which they considered would achieve the same outcomes as Selective Licensing (to drive up standards of property condition and management of private rented housing). Cabinet subsequently agreed to postpone a decision on Selective Licensing to allow for a period of engagement with private sector landlords and the establishment of a Landlord Led Membership scheme. A further report was presented to Cabinet in September 2021 which provided an evaluation of the Landlord Led Membership scheme. Following consideration of this report Cabinet requested that a further evaluation of Selective Licensing be undertaken. The report detailed the process undertaken and identified that following this evaluation there was a robust evidence base to further explore Selective Licensing within 3 areas of the borough (Central Stockton, North Thornaby and Newtown).

To inform any Selective Licensing proposal it was imperative that a Council had a robust evidence base. Therefore, it was not sufficient to simply 'refresh' the evidence the Council had previously considered. Members noted that the process undertaken initially considered each of the boroughs 26 wards. Each ward was considered against 32 measures which could be used to assess whether an area would qualify for one of the 'designations' which can be used to justify Selective Licensing. These designations include:

- (a) Low housing demand
- (b) Anti-social behaviour

- (c) Poor property conditions
- (d) High levels of migration
- (e) High levels of deprivation
- (f) High levels of crime

Examples of the 32 measures considered included: crime data, domestic abuse, criminal damage & arson, theft, Anti-social behaviour, fly tipping, deliberate primary fires and secondary fire data, the number of households claiming universal credit or in fuel poverty, household income under £15k, data relating to the lack of formal qualifications and the number of residents aged 16-18yrs not in employment, education, or training. Other measures considered the tenure profile of wards and the number of vacant dwellings, an attachment to the report details the measures considered.

The above exercise concluded with a 'ranking' of each ward which identified the highest ranked wards as Stockton Town Centre, Mandale & Victoria, Parkfield & Oxbridge, Newtown and Hardwick/Salters Lane. However as Selective Licensing was a tool to address conditions and management of private rented housing, a further exercise was then undertaken which (a) discounted the Hardwick and Salters Lane ward, where private rented housing is not the significant tenure and (b) identified those areas within the remaining wards with significant concentrations of private rented housing stock. In summary, the conclusion of this exercise identified 3 potential areas - Central Stockton, North Thornaby and Newtown.

Cabinet noted that 'red line' plans were not presented for approval at this stage as they would continue to be refined. However, it was anticipated that the proposed 3 areas would include a significant number of private rented properties. For example, current tenure profiling suggests in the Central Stockton area 47% of properties were privately rented, this was 44% in North Thornaby and 61% in Newtown.

Before Selective Licensing could proceed it was necessary to 'work up' a detailed proposal which must include:

- (a) The business case (Scheme Proposal) for each of the proposed Selective Licensing scheme designation areas, detailing their individual supporting evidence bases.
- (b) A detailed designation map (red line map, with a supporting street listing detail) for each of the proposed Selective Licensing scheme designation areas.
- (c) A fee structure proposal (the cost to landlords for each property

licence).

Cabinet noted that contact had been made with local authorities who had active Selective Licensing schemes to determine best practice and understand scheme fee structures. Clearly the licence fee would be a key consideration for private landlords and whilst a proposed licence fee would be worked up (and evidenced) it was expected to be lower than that proposed back in 2018.

(d) A formal consultation plan (including consultation material).

(e) The mandatory and discretionary licence conditions which the Council is proposing to adopt.

(f) Details of any Selective Licensing exemptions.

Subject to Cabinet decision to approve the proposal to explore Selective Licensing in 3 potential areas of the borough (Central Stockton, North Thornaby and Newtown) the above information would be prepared, and a further report be presented back Cabinet for further consideration. As noted in the indicative timeline below it was anticipated this would be summer 2023, on the assumption that Cabinet grant approval to move to formal consultation an indicative timeline leading to formal scheme implementation was detailed within the report. Members noted that this timeline would be refined as the proposal progresses to ensure it complied with statutory guidance.

RESOLVED that:-

1. The proposal to explore Selective Licensing in 3 areas of the borough (Central Stockton, North Thornaby and Newtown) be approved.

2. A further report be presented back to Cabinet (anticipated summer 2023). This report will include the detail of the areas proposed for the Selective Licensing designations ('red line' maps), the detailed rationale for each proposal, the proposed fee structure, and a public consultation programme.

3. A further report be presented back to Cabinet following the conclusion of the Selective Licensing public consultation exercise (an indicative timeline for next steps is detailed in paragraph 10 of the report).

3. Reasons for the Decision

Selective Licensing is an additional 'tool' which councils use (working

alongside a range of existing other measures) to drive up standards of property condition and management in areas to address areas with high levels of private rented housing, specifically those experiencing low

4. Alternative Options Considered and Rejected

None.

5. Declared (Cabinet Member) Conflicts of Interest

None.

6. Details of any Dispensations

None.

7. Date and Time by which Call In must be executed

Midnight Friday 25 November 2022

Proper Officer
21 November 2022