

Scrutiny Streets, Environment & Homes Sub-Committee

Meeting held on Tuesday, 19 March 2019 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Sean Fitzsimons (Chair);
Councillor Jan Buttinger (Vice-Chair);
Councillors Robert Canning, Richard Chatterjee, Luke Clancy, Felicity Flynn
and Callton Young

Also Present: Councillor Allison Butler, Cabinet Member for Homes and Gateway Services
Shayne Coulter, Head of Public Protection
Martin Davies, Senior Environmental Health Office

Apologies: None

PART A

18/19 Minutes of the Previous Meeting

The minutes of the meeting held on 19 February 2019 were agreed as an accurate record subject to the following amendment:

Minute 14/18 Trams Update: The Chair clarified that there had been some miscommunication and the Tram operator was not invited to the meeting on 23 March 2018.

19/19 Disclosure of Interests

There were none.

20/19 Urgent Business (if any)

There were no items of urgent business.

21/19 Private Rented Housing in Croydon

The Head of Public Protection presented the report which outlined the impact of Private Rented Sector (PRS) on tenants as well as the wider community and the Council's response to problems and opportunities. The reports goes on to make a case that the Council's best option in managing the rise of PRS was for the renewal of the Selective Licensing Scheme.

The following further information was provided to Members:

- There were more people living in the private rented sector than in any other type of dwelling.

- There was an emerging national picture of rising levels of deprivation and need due to rising rents in PRS.
- The rise in PRS was unprecedented and presented challenges such as a semantic link between poor housing and poor health.
- There was a stark difference between market rent and housing benefit, resulting from a four year freeze on housing benefit and a cap which affected people on lower income.
- People on lower income were most disadvantaged and had more difficulties securing tenancies due to inability to pay the high rent of PRS.
- Some of the issues associated with PRS included insecurity of tenures, risk of homelessness and quality of properties.
- Selective Licensing scheme enables the opportunity to monitor role of landlord, impact on tenants and impact on Council services.

In response to a Member query on the factors behind the rise in rented properties, officers responded that there were many factors including more developers building to rent due to demand. A housing crisis in inner London had resulted in an influx of people moving to outer boroughs.

It was noted that forced evictions took place in some circumstances and questions were raised on what protection was in place for tenants. Officers responded that it was important where a Section 21 notice had been served for tenants to contact the Council to check its validity. If the notice was invalid it would be admissible in court and the Council would be able to mediate between the landlord and tenant.

A Member asked how much of a problem was experienced with rogue landlords in the borough and what scope there was to monitor activities. Officers said that there was only a small number. There were many good landlords who were dutiful and the licensing scheme had afforded the opportunity to work closely with them. Croydon was a borough with a housing shortage, a large reliance on PRS and it was important to improve relations.

In response to a question on the figures of licensed landlords and how many enforcement officers were working on the scheme. Officers confirmed that there was currently 34,000 licenced landlords with an estimate of over 38,000 landlords in the borough. The enforcement team had 25 staff working on the scheme, including administration staff.

A Member questioned why the Council initially applied for the Licensing scheme, challenges faced and advantages in renewal. The Cabinet Member for Homes and Gateway Services informed the Sub-Committee that issues had been presented for many years regarding the poor condition of properties. It had been identified that there were landlords that were not fulfilling their responsibilities towards tenants and this was a huge problem not only for the tenants but also for the Council. Since the introduction of the scheme in 2014, the Council had acquired the powers to deal with many issues that were not limited to dealing with repairs. Landlords were now aware that they had a legal obligation to enforce agreement conditions placed on

them, including managing tenant's behaviours from impacting on other residents and ensuring that properties were safe.

Members were further informed that since the introduction of the scheme attention had been drawn to safety and maintenance of properties. Many landlords had not been complying with regulations and were now being forced to comply due to checking processes. A large proportion of landlords were only carrying out actions after the Council's intervention which was an indication that intervention was required.

It was questioned what the difference was between informal and formal notices. Officers said that hazards and risks were calculated using a risk assessment method. When risks were identified, informal notices were served to allow the landlord to address the issues presented and informal action had to date been very effective. Statutory notices were served following noncompliance and charges were incurred for each hazard.

The Council's preferred to approach landlords on an informal basis but if there was a history or lack of response, consideration would be given to serving a statutory notice.

The Council's intention was to make a case to the secretary of state for a borough wide scheme at the time of renewal.

It was questioned why a case was being made for the scheme to be borough wide. Officers responded that when a property was found to be unlicensed, there were always many other issues uncovered such as overcrowding, families placed in accommodation unsuitable for their needs, high instances of hazards, poor living conditions in properties above shops, threats to public health and antisocial behaviour. A borough wide scheme would ensure inclusion for the whole borough and provide reassurance that enforcement action could be taken without the reliance of waiting for a complaint to be made.

A Member asked what the Councils approach was to reaching vulnerable tenants, officers said that homes were leafleted when the scheme initially came to force. Notices have since been placed in libraries, council offices as well as on Facebook and Twitter. Further exploration of publicity was being looking into.

A question was raised on the benefit of the scheme for landlords. Officers responded that the majority of landlords paid a discounted rate on introduction of the scheme. A new landlord would pay £350 for a five year licence and the scheme was about working with landlords not against them. They were provided with advice and support with many issues including antisocial behaviour, ensuring that documents they provided tenants were legal and compliant as well as providing updates on changes in the law. They were provided with access to a landlord forum, newsletters and information which enabled them to raise their profiles and be good landlords. The scheme was a

reminder that they were running a business and that every other business was inspected with the same principles applied.

It was further questioned what would happen if a landlord was found without a licence, officers responded that charges could be levied and they would have to pay the full fees irrespective of the fact that we were over 3 years into the scheme. There was a member of staff now in position investigating allegations of unlicensed properties.

A further question was asked on whether there was a database of intelligence that being built which could lead to intelligence led enforcement taking place. Officers agreed that some intelligence was filtering through and the ability to target landlords such as permitted development properties was improving. There were still properties that were unlicensed and it was more difficult to target those groups with the service still a reactive one at present.

A Member commented that there had been information in the media about issues experienced in some boroughs with landlords not informing the Tax Office of their rental properties as a source of income and asked if this was an issue in Croydon. Officers responded that they provided information to HMRC when asked as this was a legal requirement, It was disappointing that this was not reciprocated as HMRC will not share information with the Local Authority.

Members' raised questions on the budget and financing of the scheme. Officers responded that there was approximately £3mil in income and expenditure each year of the scheme. There was no profit to be made and all income raised was used solely on the scheme. The size of the team had remained the same since the scheme came into force and staffing levels were fixed. Members' commented that it would appear that corporate overheads were increasing and a detailed explanation would be beneficial.

It was questioned what the process for renewal would be. Officers advised that a paper was to be presented to Cabinet for agreement to commence the process. An application would be made to the secretary of state and then a consultation would take place towards the end of the latter part of the year.

Members expressed the importance of Councillors and the community involvement in the consultation as well as Scrutiny to ensure the consultation process would be robust. The Chair agreed that work would be undertaken with officers on how this matter could be taken forward.

The Cabinet Member for Homes and Gateway Service and Officers were thanked for their responses to questions.

Information request by the Sub-Committee

- An explanation of corporate overheads in relation to the Selective Licensing scheme.

The Sub-Committee came to the following **Conclusions**:

1. The report presented with was detailed and informative
2. It would be beneficial to look in depth at the link between health and housing
3. Croydon routinely provide information to HMRC as required by law and the LA should also be provided information upon request in return
4. The Chair to work with officers to develop this topic further
5. In order to make a fair judgement on the scheme, it was important to capture the voice of landlords and tenants.
6. It was important that a case be made for a borough wide scheme.
7. It was acknowledged that many landlords were carrying out their duties under tenancy agreement and only a small proportion were non-compliant.

22/19 Exclusion of the Press and Public

This was not required.

The meeting ended at 8.47 pm

Signed:

Date:

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