**Appendix 1 – Options for Service Delivery**

Below are some of the options to consider on how the service can be delivered;

**Options and appraisals for this would include;**

1. **In-house staff members**
   Looking in-house to see what skills are available within the Council's various teams and whether they could be pulled together to prepare and implement the scheme.
   - This would save time on going through lengthy recruitment processes by offering secondment opportunities to staff with relevant experience.
   - The challenge would be getting enough interest from staff members with the required skills willing to take on extra responsibility and whether the scheme would realistically be delivered on schedule in this way.
   - There would also be the issue of their teams being left without enough cover which would mean that their normal duties would be left undone.
   - Using the apprenticeship schemes to do some of the administrative tasks of the scheme

2. **New staff members**
   The Council could opt to recruit new staff members to form a Selective Licensing team. The number of staff would depend on the area designated. This could be a long process and would be hampered by the recruitment challenges within this sector.
   - It would be unlikely to have the scheme delivered within the envisaged time frame.
   - Recruiting just a couple of admin staff members to deal with the basic admin aspects of the scheme whilst the other aspects are automated through an online application system.
   - There would be a challenge in retaining staff for the period of the scheme as some staff may choose to leave before the full term of the scheme.
   - The estimated cost of this would vary depending on the area of designation and the number of private sector properties in that area so it hard to estimate.

3. **Online application systems**
   Licensing could be done through an online application system. Some councils use the Gov.UK application system as it is free but they have also advised that it is not the best system to use.
   - One of the drawback for the free application system is that landlords would have to complete an application for each property which would be time consuming for those with several properties to license.
   - Some delivery partners have online application systems that would be free to use which would reduce the initial set-up cost needed. And some just take one application with multiple properties included which would be quicker to use.

- Other online providers for application systems would come at a cost and this would vary depending on who the council opts for as a provider.
- Due to the procurement exercise, there could be a delay in getting the right system in place.

4. **Delivery Service Support Partners**
   Using Delivery Partners to prepare and manage the scheme. The level of their involvement would need to be agreed by the Council.
   Some of the benefits of this option would include;

   - No cost to the council to be part of the scheme as the scheme is paid for through landlord membership fees.
   - Support to the Council from the scheme providers to enhance the outcomes of the licensing scheme whilst providing support to landlords on the scheme.
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   - The scheme would provide support and development to engaging landlords whilst the Council focuses on enforcement of non-engaging landlords.
   - The scheme provider would conduct an agreed number of property inspections for the duration of the designation.
   - It should be noted that the council would still need to have a small team within to deal with the direct applications for those landlords who may not wish to join the scheme and to carry out enforcement.
   - It should also be noted that this is not an alternative to licensing and does not replace the Council's powers as the licensing and enforcing authority.
   - To change landlord's behaviour through development and support for those who sign up to the scheme.
   - As the service is free to the Council, there would be no need to go through procurement as the contract can be done as a concession.

5. **Consultants**
   Consultants could do the data analysis to determine the areas of designation and any other preparatory work needed and then let the team run the scheme.

6. **Multi-agency working**
   Collaborative working with other departments within the Council for instance Early Help, Social Services, Community Services team, Police and other teams who would be able to identify problems within the PRS and inform the Council to address.
   - This would ensure that properties with problems are identified and brought to the Council's attention this way, reducing the need for more field officers to be employed.

**Appendix 2**
Summary of Key Findings of *An Independent Review of the Use and Effectiveness of Selective Licensing* (MHCLG, July 2019)

### *Summary of effectiveness of selective licensing*
The research overall indicates that selective licensing can be an effective policy tool with many schemes achieving demonstrable positive outcomes. However, this study also indicates that when implemented in isolation, the effectiveness of selective licensing is often limited. Schemes appear to be more successful as part of a wider, well planned, coherent initiative with an associated commitment of resources – a finding entirely consistent with the aims of the Housing Act.

### *Characteristics of effective schemes*
The research identified a number of characteristics commonly found in effective schemes:
- Careful planning, in particular with respect to anticipated costs and also to mitigate the potential impact of underestimating the number of licensable properties;
- Well thought through and diligent approach to evidence gathering and consultation;
- A realistic approach to area definition with boundaries carefully drawn to focus on areas with demonstrable problems, although it was clear that problems could genuinely be district wide in some authorities;
- Licensing forming part of a wider suite of community-based measures aimed at effecting change consistent with the aims and objectives of selective licensing, with a clear political will to support the scheme;
- Effective engagement with both landlords and tenants, but especially raising, through dialogue and training, landlord awareness of their responsibilities;
- An inspection regime that is robust, consistent and targeted – dealing with contraventions firmly but fairly, where possible dealing with the worst first;
- Regular and open publication of progress against targets and outcomes - this encourages trust and support from stakeholders.

### *Factors that can impede the effectiveness of licensing*
- One factor repeatedly raised by local authorities was that they are not permitted to include conditions on the licence relating directly to property conditions, despite that often being the key reasons for designation. The issue is compounded by the requirements for 24 hours notice for formal action under the Housing Health and Safety Rating System (HHSRS).
- One of the primary difficulties for local authorities is identifying the true extent of the private rented sector. Virtually all local authorities reported finding more privately rented properties than anticipated, with consequent pressure on resources causing delays and other difficulties.
- To be effective, any scheme must maintain a focus on identifying unlicensed properties; the research highlighted a high correlation between failure to license and unsatisfactory management and property conditions. An effective

policy for identifying such properties (with intelligence gathering a key factor) should be developed at the planning stage.

- Local authorities consistently highlighted the need for examples of best practice in a range of areas and for formal guidance in respect of evidence requirements, fee setting, enforcement policy, licence conditions, etc.

- The process of making a designation is perceived to be highly complex and unnecessarily bureaucratic, requiring significant time, money and other resources. However, the importance of thorough consultation was stressed by numerous stakeholders.

- Where there is a clear and demonstrable case for re-designation after the initial five-year period, the authority needs to repeat the full process required for designation before expiry of the first five years. This diverts resources from the initial scheme and hampers effectiveness. In cases where Secretary of State approval is required, delays to this process can also cause significant concerns, especially to staff working on fixed contracts.

- Size of the scheme - as schemes get larger, any problems caused by unanticipated circumstances are magnified. Many costs cannot be set directly against the licence fee (e.g. landlord training, tenant support, increased workload for the legal department) and the larger a scheme is, the more problematic resourcing such services can prove. Larger schemes also tend to suffer particular difficulties with recruitment and retention of staff. Any inadequacies in initial fee setting can be severely exposed.

- Inflexible licence fees - most licence fees take no account of the remaining time of the licensing designation, with landlords required to pay the full cost of re-licensing after holding a licence for a short time only. This can result in understandable resentment and increased non-compliance from landlords.

- Genuinely self-supporting (no subsidy) schemes are in the minority and typically have higher licence fees.3 The largest single cost of operating a scheme is staffing; setting a fee too low can have significant consequences – usually a reduction in the percentage of properties inspected, delays in issuing licences etc.

- The 20% criterion was criticised by some contributors for the disproportionate impact it can have on small local authorities. There is also a perceived lack of clarity about the process of validation itself, along with concerns about potentially significant delays.

- Several respondents reported that completion of the application form was often undesirably onerous, with a typical application form comprising 15-25 pages. The length is dependent on the extent of information required by local authorities in addition to extensive mandatory questions required by legislation. Many considered several of these mandatory questions to be of limited relevance or utility.

- Currently the only legal mechanism available to challenge a designation is an application for judicial review. This is a complex and extremely expensive process and in reality limits the opportunity for external review, whilst the threat of such action in some cases is sufficient to dissuade authorities from introducing licensing even where there is a legitimate need.