

Cabinet Supplementary Agenda – ITEM 4 URGENT BUSINESS



4. Urgent Business (If any) (Pages 3 - 10)

Statement of Intent - Selective Licensing

It is crucial that the Council commence its consideration of a scheme as soon as possible. As such, this report cannot be reasonably deferred to the next Cabinet meeting.

This report outlines the reasons why the Council intends to consider a selective licensing scheme in the private rented sector. The urgency is owing to:

- 1) The Executive Mayor's Business Plan and the Council's Housing Strategy
- 2) Significant impending legislation & new guidance.
- 3) The request to the Council that it will continue to respond at pace, and where possible go faster and further, to proactively deal with demand pressures and costs of service delivery.
- 4) Government expectations following their legislative changes; that local authorities will respond at pace to tackle demand pressures and deliver a robust approach to enforcement in the private rented sector

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LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION:	12 February 2025	
REPORT TITLE:	Selective Licensing in the Private Rented Sector in Croydon Statement of intent	
CORPORATE DIRECTOR / DIRECTOR:	<p>Susmita Sen Corporate Director of Housing Estates & Improvement</p> <p>Nazeya Hussain Interim Corporate Director of Sustainable Communities, Regeneration and Economic Recovery</p> <p>Beatrice Cingtho-Taylor Director of Housing, Homelessness Prevention and Accommodation</p> <p>Karen Agbabiaka Director of Streets & Environment</p>	
LEAD OFFICER:	<p>Karen Agbabiaka Director of Streets & Environment</p>	
LEAD MEMBER:	<p>Councillor Lynne Hale Cabinet Member for Homes</p>	
KEY DECISION?	No	
CONTAINS EXEMPT INFORMATION?	No	
WARDS AFFECTED:	N/A	

1. SUMMARY OF REPORT

- 1.1** This report outlines the reasons why the Council intends to consider a selective licensing scheme in the private rented sector. The urgency is owing to:
- 1) The Executive Mayor's Business Plan and the Council's Housing Strategy
 - 2) Significant impending legislation & new guidance.
 - 3) The request to the Council that it will continue to respond at pace, and where possible go faster and further, to proactively deal with demand pressures and costs of service delivery.
 - 4) Government expectations following their legislative changes; that local authorities will respond at pace to tackle demand pressures and deliver a robust approach to enforcement in the private rented sector.
- 1.2** Given the above and the need to undertake consultation as part of any potential scheme, it is crucial that the Council commence its consideration of a scheme as soon as

possible. As such, this report cannot be reasonably deferred to the next Cabinet meeting.

- 1.3** The Housing Act 2004 (the Act) allows Housing Ministers to specify the circumstances where ministerial approval is needed to introduce a selective licensing designation(s). On 11 March 2015 local authorities were informed that they would have to seek confirmation from the Secretary of State for any selective licensing scheme which would cover either 20% of the total geographic area of the authority or 20% of the total PRS. This has changed through the granting of a general approval to Councils by the current Government's Secretary of State for Housing, Communities and Local Government. The general approval commenced on 23 December 2024.
- 1.4** Every Council in England that designates an area of their district or an area in their district as subject to selective licensing under section 80(1) of the Act has the Secretary of State's general approval of that designation for the purposes of section 82(1)(b) of the Act so long as they consult for not less than 10 weeks.

2. RECOMMENDATIONS

For the reasons set out in the report, the Executive Mayor and Cabinet, is recommended to:

- 2.1** Endorse that the Council consider a selective licensing scheme in the private rented sector and delegate authority to the Corporate Director of Housing, in consultation with the Corporate Director of Sustainable Communities, Regeneration and Economic Recovery, the Executive Mayor and the Cabinet Member for Homes, to evaluate a potential scheme and, if appropriate, propose and consult on such a scheme.
- 2.2** Note that any final proposals, following consultation, will be reported to the Executive Mayor and Cabinet for a decision.

3. REASONS FOR RECOMMENDATIONS

3.1 Mayoral Priority & Housing Strategy

3.1.1 Mayoral Priority

4: The Executive Mayor's Business Plan sets out aspirations for the borough and *Outcome Cleaner, safer and healthier* in the plan links to this Statement of Intent:

- Make our streets and open spaces cleaner so Croydon is a place that residents and businesses can feel proud to call home.
- Tackle anti-social behaviour, knife crime and violence against women and girls so that Croydon feels safer.
- Invest in council homes to drive up standards and develop a more responsive and effective housing service.
- Ensure new homes are safe, well-designed and in keeping with the local area.
- Lead action to reduce carbon emissions in Croydon

3.1.2 Housing Strategy

Our Housing Strategy 2024 to 2029 sets our plan to improve housing services, provide safe and affordable homes and meet the needs of our residents. This 5 year plan was

created by working closely with our residents and partners, putting their views at the centre. The strategy shows our commitment to improving housing services and meeting the needs of people across the borough including the private rented sector.

PRIORITY ONE of the Housing Strategy states that services will listen to our residents and provide good housing services.

Action: We need to tackle poor conditions within the Private Sector housing caused by negligent landlords.

PRIORITY TWO of the Housing Strategy states that we will work with our partners, residents and landlords to ensure that homes in the borough are safe, secure and energy efficient.

Action: We will consult on options for the introduction of a selective licensing scheme on either a borough-wide basis or in targeted areas of the borough.

3.1.3 Homelessness and Rough Sleeping Strategy

Agreed in July 2024, the Homelessness and Rough Sleeping Strategy sets out the Council's intention to implement a preventative approach to homelessness as required by the Homelessness Reduction Act 2017.

PRIORITY TWO of the strategy commits the Council to acting at the earliest possible stage to prevent homelessness from occurring.

In a borough where 24% of private landlords have at least one Category 1 hazard, the Private Sector team can work effectively with the Homelessness Service in preventing homelessness and ensuring that private sector tenants have the warm and safe homes they are entitled to.

PRIORITY FIVE of the strategy states that the Council will manage stock and facilitate affordable, private rented and affordable housing.

The Council will continue to support the many good private sector landlords but use the range of options outlined in 5.2 which includes selective licencing to tackle bad practice amongst some private sector landlords.

3.2 Significant impending legislation - Renters Rights Bill

The Renters Rights Bill is currently passing through parliament. MHCLG are the supporting department - [LINK](#) to information.

3.3 Proposed changes for the private rented sector in the Bill:

The Renters Rights Bill (introduced in 2024) is passing through Parliament and this will introduce sweeping changes to the private rented sector. We understand it will have Royal Assent by the end of Spring 2025 with a likely commencement date between July-October 2025.

The Bill will increase the role that Councils play in enforcing standards and transforming the private renting experience. Being ready for these wide ranging changes is important (including those that fall to the Council) and includes the:

- Private Rented Sector Landlord Ombudsman;
- Private Rented Sector Database;
- Application of the Decent Homes Standard to the private rented sector;

- Application of ‘Awaab’s Law’ to the sector;
- Strengthening of local authority enforcement powers;
- Strengthening of rent repayment orders.

3.4 Government expectations

It is clear from Government statements that they expect local authorities to take a central role and have a robust approach to enforcement in the private rented sector. This is further supported by the fact that under the Renters Rights Bill, the Government will be expecting local authorities to report on the action they have taken to tackle poorly managed, privately rented properties that may present a risk to tenants.

For the above reasons, The Executive Mayor is determined to investigate the introduction of a selective licensing scheme in order to tackle the concerns raised, meet the challenges of new legislation and ensure that the Council is meeting its legal and moral obligations to the people it serves.

4 CONTRIBUTION TO EXECUTIVE MAYOR PERRY’S BUSINESS PLAN

- 4.1** The Mayor’s Business Plan sets out his aspirations for the borough and *Outcome 4: Cleaner, safer and healthier* in the plan links to this Statement of Intent:
- Make our streets and open spaces cleaner so Croydon is a place that residents and businesses can feel proud to call home.
 - Tackle anti-social behaviour, knife crime and violence against women and girls so that Croydon feels safer.
 - Invest in council homes to drive up standards and develop a more responsive and effective housing service.
 - Ensure new homes are safe, well-designed and in keeping with the local area.
 - Lead action to reduce carbon emissions in Croydon

5 BACKGROUND AND DETAILS

- 5.1** When a Council is aware of poor property conditions in its borough, it must consider what options are available to tackle them and create improvements.
- 5.2** One option that individually could assist the council in tackling the Private Rented Property (PRS) problems is:
- Use of Part 3 Housing Act 2004 (the Act) which sets out the framework for licensing private rented properties in a local housing authority area (selective licensing). A local housing authority can designate the whole or any part or parts of its area as subject to selective licensing. Where a selective licensing designation is made, it applies to privately rented housing in the area.
- 5.3** A selective licensing designation can be introduced under the Housing Act 2004 as follows:
Part 3, section 80(1) of the Act for selective licensing [“SL”].
- 5.4** Councils have powers to introduce selective licensing of privately rented homes in order to tackle problems in an area of the district, caused by:
- low housing demand (or is likely to become such an area)
 - a significant and persistent problem caused by anti-social behaviour
 - poor housing conditions

- high levels of migration
- high level of deprivation
- high levels of crime

6. ALTERNATIVE OPTIONS CONSIDERED

- 6.1 When a Council makes its case for a selective licensing scheme it must consider what other options are available to address the identified problem, for example **poor property conditions**. It must also consider whether there are any other courses of actions available that would achieve the same objective or objectives as the proposed scheme without the need for the designation to be made. These matters will be considered further as part of the evaluation process.
- 6.2 Other options that individually or collectively could assist the Council in tackling the Private Rented Property (PRS) problems include:
- Use of Part 1 Housing Act 2004 enforcement powers [housing health and safety rating system] and Public Health powers
 - Voluntary Accreditation schemes to facilitate improvement in management practices and standards.
 - Rely on the impact of prosecutions and civil penalties for housing offences.
 - Improvement grants to improve sub-standard properties.
 - Enforcement powers to address anti-social behaviour.
 - Do nothing.

7. CONSULTATION

- 7.1 There are no consultation requirements in respect of this Statement of Intent. As the Council proceeds with a selective licensing scheme, either whole or part borough, a public consultation exercise would be required.

8. FINANCIAL IMPLICATIONS

- 8.1 There are no direct financial implications associated with this Statement of Intent report.
- 8.2 Should a selective licensing scheme be introduced; the Council has the discretion to charge a fee for the administrative costs of processing licence applications and enforcing the scheme. All income received from fees must be used for (ring fenced to) operating and meeting the objectives of the scheme.
- 8.3 Revenue costs associated with the administration of the licensing scheme will need to be considered.
- 8.4 If Croydon Council were to introduce a 'Selective Licensing Scheme' the Statement of Intent would reinforce the borough's commitment to ensure that private rented properties in the borough are in good condition and managed properly. It also helps improve housing standards, tackle anti-social behaviour and keep our residents safe.
- 8.5 This is in accordance with delivering against the Housing Act 2004 and the power to introduce the licensing of privately rented properties to improve conditions for tenants and the local community.
- 8.6 This will in turn support the Executive Mayor's Business Plan and the Council's Housing Strategy 2024-29 that both recognise and support that a healthy private

rented sector plays a vital role in providing good homes and Croydon will seek to work and support the many responsible landlords within our community.

- 8.7** If Croydon does not take a proactive approach to Private Sector Housing, there may be an increased number of unknown residents affected by the poor housing conditions that could pose risks to health and safety.

Comments approved by Allister Bannin, Director of Finance (Deputy s151), 11/02/2025.

9. LEGAL IMPLICATIONS

- 9.1** There are no decisions being recommended as part of this report, other than a delegation. The Executive Mayor has the power to exercise executive functions pursuant to s9E of the Local Government Act 2000 and has the power to delegate those functions. This report seeks relevant delegations to exercise executive functions.

- a. The legal implications of any delegated decision will be considered as part of that report. The Council has powers to implement a selective licensing scheme in the private rented sector under Section 80 of the Housing Act 2004 (*'Designation of selective licensing areas'*) and the Council will need to comply with Part 3 of the Housing Act 2004 in relation to any selective licensing proposals, including consultation. It is to be noted that, with effect from 23 December 2024, a new General Approval (*The Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2024*) came into force and the Council is no longer required to obtain confirmation from the Secretary of State before implementing a selective licensing scheme of any size.

Approved by Kiri Bailey, Head of Commercial, Housing & Litigation Law and Deputy Monitoring Officer on behalf of the Director of Legal Services and Monitoring Officer (11/02/2025).

10 HUMAN RESOURCES IMPACT

- 10.1** There are no staffing implications or any other HR impact arising from this report or from this decision. If any issues arise these will be managed under the Council policies and procedures.

Approved by Gillian Bevan, Head of HR Business Partnering (11/02/25)

11 EQUALITIES IMPLICATIONS

- 11.1** The Council has a statutory duty to comply with the provisions set out in the Equality Act 2010. In summary, the Council must in the exercise of all its functions, "have due regard to" the need to comply with the three arms or aims of the general equality duty. These are to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and people who do not share it.

- 11.2** Having due regard means to consider the three aims of the Equality Duty as part of the process of decision-making. This means that decision makers must be able to evidence that they have taken into account any impact of the proposals under consideration on people who share the protected characteristics before decisions are taken.
- 11.3** The focus of the report is an intention to implement a Selective Licensing Scheme. Equality impact assessments will be undertaken as part of the development of any scheme.
- 11.4** At this stage there are no known environmental impacts from this report. An environmental impact assessment will be considered as part of any scheme.

Approved by Philip Conteh, Senior Equalities Officer (12/02/2025).

12. DATA PROTECTION IMPLICATIONS

WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

NO

HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

NO

13. BACKGROUND DOCUMENTS

- 13.1** Mayor's business plan 2022 to 2026
Croydon Housing Strategy 2024 to 2029
Homelessness Strategy 2024-2029

14. URGENCY

- 14.1** It is crucial that the Council commence its consideration of a scheme as soon as possible. As such, this report cannot be reasonably deferred to the next Cabinet meeting.
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