

CULTURE AND COMMUNITIES SCRUTINY PANEL

A meeting of the Culture and Communities Scrutiny Panel was held on 22 January 2018.

PRESENT: Councillors R Arundale, D J Branson, J Goodchild, A Hellaoui, L Lewis, D Rooney, Z Uddin and V Walkington

ALSO IN ATTENDANCE: S Cousins and J Thompson- Durham County Council

OFFICERS: S Blood, S Bonner, M Walker and L Kelly

APOLOGIES FOR ABSENCE Councillor D Davison.

DECLARATIONS OF INTERESTS

None declared

1 MINUTES FROM THE MEETING HELD ON 18 DECEMBER 2017

The minutes of the meeting held on 18 December 2017 were accepted as a true record.

2 SELECTIVE LANDLORD LICENSING- LOCAL AUTHORITY COMPARISON.

At the last meeting of the Culture and Communities Scrutiny Panel, the Members heard from Hartlepool Borough Council to gain an understanding of how Selective Licensing operates within their area. Carrying on with the panel's comparisons, the Chair welcomed Susan Cousins, Housing Team Leader and Joanne Thompson, Private Sector Initiatives Officer, from Durham County Council to the meeting. Members were aware that Durham were in their second designations for 3 areas and were keen to understand the reasons behind this decision.

S Cousins, Housing Team Leader outlined that there were currently three Selective License Schemes in County Durham.

- Dean Bank, Ferryhill
- Chilton West
- Wembley, Easington Colliery

The officers provided some background to the designations, outlining that Durham County Council was made up of 7 former districts. The first two designations came into force during former district councils, and the later from Durham County Council.

Derived from the Masterplan, initial designations included regenerating former coal sites, demolition and repair and environmental works all of which included selective licensing. The properties across the three designations were predominately built in 1919, 2- 3 bedroom terraced houses.

All three designations were authorised and approved by the Secretary of State. Chilton West and Deanbank, came into effect on 7 February 2008 (completed on 8 February 2013) while the Wembley Area came into effect on 7 February 2009 and concluded on 7 February 2014.

All three current designations were approved by Durham County Council, they are operational as follows:

- Dean Bank- 22 March 2013-21 March 2018
- Chilton West- 22 March 2013- 21 March 2018

- Wembley Area, Easington- 7 July 2014- 6 July 2019

The officers advised the panel, that although the same areas were re-designated, there was a significant reduction in properties under the license (except Wembley Area, which remained the same at 195 properties).

Within the original scheme, there were 896 properties licensed in Dean Bank and 514 properties within Chilton West. Under the current designation, 648 properties were in the current designation of Dean Bank (221 reduction) and 156 in Chilton West (358 reduction).

Officers commented that within the three areas, there was 94% properties licenced within Deanbank and Wembley Area and 93% in Chilton West.

The structure of the team from County Durham Council was similar to Hartlepool Council in that 2 members of staff manage the Selective licensing. County Durham, however, had a joint working protocols with the anti-social behaviour and Environmental Health Teams. S Cousins advised that J Thompson was the officer working within the three designated areas, which ensured residents/ landlords could raise issues directly with her.

The scheme offered the following to landlords:

- Referencing scheme - traffic light system (Police checks, Red, Amber, Green and insufficient to classify).
- Forums.
- Steering groups (operated in Wembley area)
- Inspection of properties.

Landlords were also invited to attend forums and groups allowing them to raise any issues and be signposted to the relevant agencies.

The officers commented that the percentage of private housing stock across the three designations had increased since 2008:

Dean Bank

2008- 34%

2018- 45%

Chilton West

2008- 39%

2018- 50%

Wembley Area.

2008- 52%

2018- 71%

The panel were informed that after the first designations, the Council saw a significant reduction in crime and anti-social behaviour across all three areas. In 2012, Crime in Deanbank had dropped by 62% and anti-social behaviour dropped by 72%.

Data from the second designations were currently being evaluated, however the officers advised there could potentially be some inconsistencies with how data was collected differently from previous designations by both partners and Durham County Council. However officers were confident that the levels were decreasing from the data provided.

A member of the panel queried as to whether officers had witnessed the 'doughnut effect' (don't know if there's an explanation as to what this is?) within the peripheral streets outside the designated area. The officers commented that, on the whole, there had been little activity. There have, however, occasionally been instances of anti-social behaviour but these have been dealt by the relevant team. The team worked hard within areas of prolific anti-social behaviour to ensure any issues were resolved.

Officers advised that the following issues had led to the first designations being put in place:

- persistent anti-social behaviour
- low housing demand
- drug dealing/use
- alcohol abuse
- nuisance neighbours
- intimidation and harassment
- physical, verbal and sexual abuse
- crime and fear of crime
- empty properties

The reasons to re-designate the areas were as follows:

- To protect both the Council and partner investments
- Selective licensing had led to an increased reduction in crime and anti-social behaviour
- It was taken into account that during the first designation, there was a global recession and failing housing market, which could have had an effect on the potential success of the scheme

The officers commented that prior to selective licensing the Police and district councils invested heavily into the areas. However, it was identified that a multi-agency approach was also needed to resolve the problems.

Since the introduction of the scheme outlined above, landlords have, generally, been compliant with the scheme. J Thompson reported that 11 landlords had been prosecuted for failure to obtain a license and 4 had breached the license conditions. The highest fine issued was £17,110 however in general fines are not significantly higher than the license fee, which was currently £450.

A discussion took place regarding the support in place for landlords / tenants. The officers made reference to a case in which a landlord was not referencing his tenants correctly leading to poor property management. That landlord now works with a dedicated officer to resolve these issues. That support was very similar to that offered by Middlesbrough's Selective License team.

A panel member queried the procedure that would occur if a reference was designated 'red' due to persistent cases of anti-social behaviour. The panel were advised that in such cases the Council could not stop a landlord from offering a tenancy but instead work with them and tenants to provide support to sustain a tenancy. This support could be low level (for example through DISC - young people's floating support or through the family intervention programme). The officers eluded to instances in which families could not be helped and enforcement action was initiated. This action, however, was seen as a last resort. This approach was also similar to that operating in North Ormesby.

In terms of success stories from the scheme; in the second schemes (except for Wembley area), Durham County Council were able to make smaller designations, and in those areas where there was no license, levels have sustained.

The officers made reference to a specific case involving a landlord that operated within one of the areas during the first designations. The landlord allowed some of the most vulnerable members to society to live in deplorable conditions and failed to obtain a selective license for his properties. Due to the issues, a multi-agency team was established and his properties were seized and he left the area. The officers were aware that he was now living in Manchester and he had featured on the BBC Panorama programme in October 2010 as one of Britain's worst landlords. The Landlord has been prosecuted both by the Police and by

Local authorities

In terms of the prosecutions of landlords; the officers advised this was processed through the Housing Team and Legal department. Members queried whether Local Authority costs were covered through the courts, in response officers stated that Local Authorities do ask for the fees to be covered and generally these are paid. In terms of the Landlords properties, the panel were made aware that these were sold on to other landlords, however two properties remained empty.

In terms of benefits of the scheme, these were as follows:

- Better engagement
- Better multi-agency working relationships
- Reduced anti-social behaviour and crime
- Officers are able to deal with issues properly
- Referrals to support agencies are identified.

Lessons Learnt

The officers provided the panel with valuable lessons they learned from the first scheme:

- License conditions must be able to be monitored and enforced - officer advised that in the first scheme there were 43 license conditions and there are now 13.
- Must have 'buy in' from internal and external partners
- Selective Licensing cannot work in isolation
- License conditions need to be robust in the event they are challenged in a court of law.

The officers stated that carrying out inspections from the outset was paramount. The officers found that within the first designations the landlord was allowed to pay for the license fee in 3 instalments. This proved problematic as quite often the landlord did not pay in full and there was additional paperwork. Under the current scheme, the landlord must pay the license fee in full prior to the license being granted as this was part of the license application process

Members queried whether the scheme was self-funding, as they noted Durham County Council's fee was much lower than Middlesbrough or Hartlepool's. In response, it was noted that evaluation of the schemes was being undertaken, however it was predicted there may be a slight shortfall. Members suggested that perhaps a higher fee could prevent this. In response the officers outlined that the fee was calculated taking into account officer time and time for monitoring and managing the scheme. Increasing the fee could be looked at if Selective Licensing was designated to another area in the future. The panel were also advised that unlike Hartlepool Council Durham Council did not currently offer discounts on the license fee.

Finally, the panel were made aware of the Landlord Accreditation Scheme that Durham County Council operate. The scheme was a voluntary scheme requiring private landlords to work in line with a Code of Practice. It recognised landlords who offer good quality, well-managed accommodation and promotes the ongoing improvement of housing in the private rental sector by encouraging all landlords to achieve the same standards.

The costs of the scheme were as follows:

Up to 10 properties: £150
11- 50 properties: £250
51- 100 properties: £350
100+ properties: £500

The benefits of the membership to both tenants and landlords were as follows:

- A certificate awarded for recognition to display on premises
- Advertising of empty properties on our Durham Key Options website - accessed by people looking and registering for social housing
- A tenant referencing service
- Template documentation including a tenancy agreement
- Access to tenancy advice
- An invitation to Durham landlord forum, training events and quarterly newsletter; which feature guest speakers, legislative updates and topics of interest
- Access to financial assistance to return long term empty properties back into occupation (subject to availability, terms and conditions)
- Access to the Rent Deposit Guarantee Scheme (subject to qualification, terms and conditions)
- Recognition of landlords offering good quality accommodation

The accreditation scheme administered by the Private Sector Housing Team and was brought into County Durham to work with landlords to improve standards across the private rented sector. To date 125 landlords had signed up to the scheme and the team forecast to inspect 10% of portfolios.

One Member saw the benefit of introducing an integrated Selective License and Accreditation Scheme, with the landlord being issued with posters/ stickers to display in the window of their property to highlight their Accreditation. The Accreditation Scheme provided the same benefits as selective licensing without the need to a compulsory license.

In conclusion of the officers' presentation, the Chair brought the Panel's attention to the work of Phil Wilson, MP for Sedgefield, in lobbying to bring a mandatory registration scheme for private landlords across County Durham. Members were in favour of this initiative, expressing their support to the officers present and advising they would write to Andy McDonald, MP for Middlesbrough, to explore similar action.

The Chair thanked the officers' for their informative presentation and insight into Durham County Council's scheme.

Agreed as followed:

That the information presented at the meeting be considered in the context of the scrutiny panel's investigation.

3 **SELECTIVE LICENSING- LOCAL HOUSING ACT 2004 / MIDDLESBROUGH'S SCHEME.**

The Chair welcomed Marion Walker, Head of Stronger Communities and Louise Kelly, Selective Licensing Manager to the meeting. At the last meeting of the Panel, there were a number of questions relating to the Local Housing Act 2004 and what license conditions were included within the Middlesbrough Selective license scheme. The panel had received with the agenda, a copy of the license conditions and the North Ormesby Proposal which discussed in detail, criteria for selective licensing under the Local Housing Act 2004.

The officers referred to the presentation from Durham County Council and the referred to a number of the points raised:

In terms of the license conditions, there were mandatory conditions set by the Local Housing Act 2004.

- Middlesbrough had included additional conditions to fit the demand and problems within North Ormesby.
- The Head of Stronger Communities outlined that there was merit in potentially having a standard set of license conditions (wording exactly the same) across the North East Authorities, however there would need to be a proviso to include additional conditions depending on the area.
- it was important that the license conditions could be enforced
- The first Selective license Focus group would take place on 31 January 2018.

A member was interested in the selective license position in Wales, which required compulsory registration by landlords for their privately rented properties. The Democratic Services officer advised further research would be undertaken and circulated to the panel.

The Panel raised questions in relation to following areas:

Second Selective license roll out- had an area been identified?

The Head of Stronger Communities outlined that no area had been identified. The area identified would depend whether the area fit the criteria set by the Local Housing Act 2004 and the need within in the specific area. Members also queried whether North Ormesby could be considered for re-designation to prevent the area slipping back into decline. The officers responded that this would need to be considered towards the end of the scheme.

Evaluation of North Ormesby

In terms of the evaluation of the scheme, the officers outlined to the Panel that there was no evaluation at this stage as the scheme was in its infancy. The scheme had a performance framework and the panel advised they would be interested in viewing the framework once the scheme was coming to its end. The Panel were also keen to know whether additional objectives had been added to the framework since the schemes introduction to take into account wider issues e.g. community benefit and additional funding.

Accreditation of landlords

The Panel raised interest in Durham County Council's accreditation scheme and saw merit in potentially introducing this across Middlesbrough. The officers outlined that as previously discussed as the accreditation scheme is voluntary, it tended to appeal to 'good landlords' and there would be a cost implication. However the officers did see possible merit in the scheme and did not see huge issues in exploring this further.

Transfer of ownership on properties

A number of panel members raised concern regarding transfer of landlord ownership on properties. The officers outlined that if the landlord changes, that new landlord was required to pay the license fee and failure to do so would result in enforcement. The Panel were made aware that there were no issues at present, however the matter of transfer of ownership would be raised at the Selective Licensing Focus Group.

The Panel also made reference to the proposal report which was attached to the agenda, and noted that that North Ormesby was ranked 2nd most deprived in the Country on the Indices of Multiple Deprivation (IMD)- 2015. The members were interested to view the IMD and it was advised this would be circulated after the meeting.

The Chair thanked the officers for their input and clarity on issues raised.

AGREED:

1. **That the panel receive evidence relating to terms of reference 4 at the next meeting - To explore the options available to the Council in other areas of Middlesbrough, which have high levels of anti-social behaviour/ low housing demand.**
2. **That a draft final report be presented to the March meeting**
3. **That the information, as presented, be considered in the context of the scrutiny**

panel's investigation.

4 OVERVIEW AND SCRUTINY BOARD UPDATE

The Chair provided the panel with a verbal update on the issues raised at the Overview and Scrutiny Board meeting on 16 January 2018.

Members were advised that the Board considered the following:

- Call in- Members Small Scheme Allocations

Agreed as follows:

That the update be noted.