

<b>Report of:</b>	Adam Allen, Director of Culture Communities and Communications Councillor Mick Thompson, Executive Member for Culture and Communities
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<b>Submitted to:</b>	Delegated Decision to be taken on 01/10/2018
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<b>Subject:</b>	Selective Landlord Licensing: Update on the North Ormesby Scheme and Proposed Consultation on the Phase 2 Rollout to Part of Newport Ward
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**Summary**

<b>Proposed decision(s)</b>	
That the Executive Member Approve:	
<ul style="list-style-type: none"> <li>a. The commencement of appropriate consultation relating to the rollout of a selective landlord licensing scheme to the part the Newport Ward identified in the report; and</li> <li>b. The consultation to include the proposed fee of £750 to cover the cost of delivering the scheme in the designated area.</li> <li>c. That the results of the consultation be presented to Full Executive for consideration in January 2019 prior to implementation and a further report be presented in December 2019 proposing any future roll outs beyond phase 2 and the future of the North Ormesby scheme.</li> </ul>	

<b>Report for:</b>	<b>Key decision:</b>	<b>Confidential:</b>	<b>Is the report urgent?<sup>1</sup></b>
Decision	Yes	No	No

<b>Contribution to delivery of the 2018-22 Strategic Plan</b>		
<b>Business Imperatives</b>	<b>Physical Regeneration</b>	<b>Social Regeneration</b>
The scheme will provide an opportunity to improve service delivery by strengthening a coordinated approach, duplication across internal and external partners	The scheme is aimed at improving housing standards an encouraging investment to the area	The scheme has a significant contribution to make to the social regeneration strategy, building confidence, supporting residents to access all available resources and encouraging them to have an active role in their neighbourhood

<b>Ward(s) affected</b>
North Ormesby Newport Ward

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### What is the purpose of this report?

1. To provide an update on the North Ormesby Selective Landlord Licensing Scheme and propose that consultation be undertaken to roll out Selective Landlord Licensing to a portion of Newport Ward.

### Why does this report require a Member decision?

2. Executive Member approval is required due to the fact that this scheme is delivered via a legislative framework that requires organisational approval to start formal consultation prior to implementation.

### Report Background

3. On the 9<sup>th</sup> December 2014 Executive approved a report setting out proposals for introducing Selective Landlord Licensing in Middlesbrough and a further report to Executive on 14<sup>th</sup> July 2015 saw the implementation of the scheme in North Ormesby commence on 1<sup>st</sup> January 2016. Executive agreed an implementation plan to roll out Selective Landlord Licensing to other areas of the Borough and this report sets out the proposals for taking this decision forward.
4. It is recommended that consultation be undertaken to introduce Selective Landlord Licensing to a portion of the Newport Ward in April 2019. Given the success and learning gained through the North Ormesby scheme, it is recommended that the same approach is adopted.
5. Background information and update on progress of the North Ormesby Scheme  
Prior to the implementation of Selective Landlord Licensing in North Ormesby the area had seen the private rented sector increase by 118% (2001-10) and owner occupation drop by 18%. There was a high number of poorly managed properties with poor living conditions and the area suffered from high levels of antisocial behaviour and crime.
6. The local primary school was seeing only 50% of children who start school at Reception year staying on until Year 6 and North Ormesby was ranked 2<sup>nd</sup> most deprived ward in England out of 7529 in England. The wards rankings in specific areas is shown below in 1.0.

**Table 1.0**

2015		2010		2007	
Category	Rank	Category	Rank	Category	Rank
IMD Deprivation	2	IMD Deprivation	7	IMD Deprivation	46
Income	1	Income	25	Income	140
Employment	9	Employment	33	Employment	57
Education, Skills and Training	10	Education, Skills and Training	198	Education, Skills and Training	204
Health Deprivation and Disability	19	Health Deprivation and Disability	60	Health Deprivation and Disability	80

7. In addition to this, life expectancy for people living in North Ormesby is 10.5 years less (74 years) than those living in the Marton East ward of Middlesbrough (84 years), this is 5.5 years less than the Borough average and 7.3 years less than the national average for England.
8. When the Selective Landlord Licensing Scheme was introduced in North Ormesby in January 2016 there was a specific focus on supporting families and early intervention. All tenants were offered advice, information and support to keep their tenancy, gain or keep employment and live healthier lifestyles. The Public Health Team worked with partners to deliver a health improvement action plan and parents were advised of the free childcare offer to those eligible to support them into work.
9. Where appropriate, residents were provided with foodbank vouchers and referrals were made to partners such as social care, including carer's assessments, welfare rights, CAB, early intervention team and services that are available at the Community Hub.
10. A fundamental part of Selective Landlord Licensing is raising housing standards and this was done via home improvement visits and enforcing remedial action through the Public Protection Team.
11. Some of the key outcomes from the first 12 months of the North Ormesby Scheme are set out below:
  - 93% of residents satisfied with their home as a place to live;
  - 87% of those that rent their current accommodation satisfied with their landlord;
  - 18% reduction in the number of empty properties;
  - 19% reduction in the number of properties that have been empty for 6 months or longer;
  - 38% reduction in housing turnover;
  - House prices 16% up on the year before;
  - 17% reduction in antisocial behaviour; (the Borough as a whole was just 1% which means that the gap is narrowing)
  - All properties inspected offered early intervention support to help them achieve a stable home, employment and healthier lifestyle.

### Next Steps

12. The North Ormesby Scheme is due to end in December 2020 and the following options are available:
  - End the current scheme after this end date
  - Make an application to DHCLG to extend the existing scheme for another 5 years
13. Given that the North Ormesby scheme still has 2 years left before it is due to end, it is recommended that a further report relating to next steps in North Ormesby is brought back to Executive for consideration in December 2019. This should also include a review of the options relating to the wider roll out of Selective Landlord

Licensing in other areas of the Borough and should reflect the changing financial landscape.

14. This report recognises that the Selective Landlord Licensing scheme is only part of the reason we have seen the successes in North Ormesby and that a strong community infrastructure in the ward has played a significant role in delivering the outcomes i.e. North Ormesby benefits from a number of community organisations working together with local schools, businesses, and key partners and this has been supported by significant financial investment from national charitable organisations. The Council have worked closely with the community to identify where the community will lead with support from the Council and where they want the Council to lead with support from the community.
15. Gresham 1 area (now known as Newport 1 area) was identified as the next location to be designated under the scheme by Executive. Following consultation with Cleveland Police and wider partners this remains the highest priority area for expansion of the scheme. This is due to high levels of crime and antisocial behaviour, high levels of private rented properties and poor living conditions, empty properties and a transient population. In addition to this there has been significant investment in the physical regeneration of Middlesbrough and social regeneration is a key priority for the Council. Selective Landlord Licensing along with other initiatives will act as a catalyst for social regeneration of the area.
16. Whilst there have been requests to implement the scheme across wider areas of the Town it should be noted that the intensive approach in North Ormesby is considered the key factor in its success. It is imperative that the scheme is delivered in a controlled way and this can only be achieved by implementing a phased approach that will deliver quality assurance. It is therefore recommended that the necessary consultation be undertaken in the Newport Ward to advise Executive of the viability of a roll out in Newport Ward. If after considering the consultation responses, Executive wish to roll out the scheme in Newport Ward, this would commence in April 2019. **Appendix A** sets out the proposed map of the designated area.
17. It was always envisaged that some of the staff from the North Ormesby scheme would split their time across the 2<sup>nd</sup> scheme when it was implemented and this will be the case if the recommendation is approved to start the Newport 1 scheme in April 2019. This approach will allow the scheme to remain effective in North Ormesby where it is now established whilst introducing the scheme in Newport Ward.

#### **What decision(s) are being asked for?**

18. That Executive approves:
  - a. The commencement of appropriate consultation relating to the rollout of selective landlord licensing scheme in the Newport Ward; and
  - b. The consultation to include the proposed fee of £750 to cover the cost of delivering the scheme in the designated area.

- c. That the results of the consultation be presented to Full Executive for consideration in January 2019 prior to implementation and a further report be presented in December 2019 proposing any future roll outs beyond phase 2 and the future of the North Ormesby scheme.

### **Why is this being recommended?**

19. Implementing the next phase (Newport 1 area) in April 2019 will allow the Council to progress with the original implementation plan as set out in the Executive Report that was approved on 9<sup>th</sup> December 2014. This decision will allow consultation to take place and the results be presented to Executive in order that a final decision can be taken on whether to proceed with the roll out to the designated portion of Newport Ward.
20. The recommendation to set the license fee in the Newport 1 area at £750 is based on the amount of staff that would be needed to deliver the scheme over the 5 year lifetime in the designated area from April 2019 – March 2024, taking into account the number of anticipated properties that will require a license in the defined location.
21. There will be an additional report to Executive in December 2019 which will make recommendations regarding the future of the North Ormesby Scheme and any potential phase 3 roll outs. This will enable Executive to consider the initial success of the Newport Roll out and the financial position of the Council.

### **Other potential decisions and why these have not been recommended**

22. Do not continue with the implementation plan for rolling out the scheme to other wards. This is not recommended due to the fact that this decision has already been made as per the Executive report in December 2014 and July 2015 and the next phase (Newport 1) can be delivered within the current financial envelope.

### **Impact(s) of recommended decision(s)**

23. The decision is to commence consultation in Newport Ward with local landlords, the residents and partner agencies. This consultation will be used to inform a final recommendation to Executive in January 2019 on whether to roll out the scheme. The impact of such a scheme will be determined through this consultation and detailed in the Executive Report.

### **Legal**

24. It is essential that proper consultation is undertaken with all those that may be affected by a future licensing scheme. A full consultation plan will be approved through the council's legal team and agreed with the Executive Member before commencement.

### **Financial**

25. It is proposed that if a license fee of £750 per property is introduced then the scheme can be delivered within the existing financial envelope and any additional costs outside of the fee will be covered by the allocated budget for Selective Landlord Licensing that sits within the Stronger Communities service area. This fee will be subject to consultation and detailed financial consequences of a future scheme roll out will be detailed in the final report to Executive in January.
26. The current scheme in North Ormesby is being delivered effectively and efficiently and the learning from this scheme provides confidence that the scheme can be delivered within the current financial envelope if a fee of £750 is set.

### **The Mayor's Vision for Middlesbrough**

27. The recommendations are aligned with the Mayor's Vision as the proposals within the report will directly assist in strengthening our community links, improving housing standards and also further reducing antisocial behaviour in the designated areas.

### **Policy Framework**

28. Approval of the recommendations will not affect any part of the Council's Policy Framework.

### **Equality and Diversity**

29. There will be no negative, differential impact on diverse groups and communities associated with this report. It has been demonstrated that these schemes provide significant benefit to vulnerable groups by improving living standards and providing support in improving health, education and financial management.

### **Risk**

30. Newport ward does not have the same level of community infrastructure as North Ormesby and therefore more work will need to be undertaken to mitigate this risk. Community development work has started via the Stronger Communities project and strong community links are in the early stages of being formed. There is also a well-used community hub in the ward and this will be utilised to help strengthen community capacity. Cleveland Police and other key partners are also developing a 'pledge' to work together to improve outcomes for Newport ward and this will support the scheme. It is envisaged that a Selective Landlord Licensing Scheme will act as a further catalyst for engaging communities and increasing community capacity.

31. There is a risk of legal challenge to the scheme and this has been discussed with the Council's legal team and neighbouring authorities who have decided to continue to expand their Selective Landlord Licensing programme. Robust consultation will mitigate the prospect of a legal challenge and it is therefore essential that a comprehensive consultation plan be developed and implemented. This will be agreed with the Executive Member before being implemented. The consultation progress will be reported to the Executive Member on a fortnightly basis and agreed and monitored by the Council's Legal team.

### **Actions to be taken to implement the decision(s)**

32. A programme manager to be identified to implement the consultation.

33. Establishment of a project steering group to be set up by the Head of Stronger Communities.

34. The process for implementing Selective Landlord Licensing in a new geographical area is set out below:

Oct – Dec 2018	Consultation programme – <b>10 week process</b>
Jan 2019	Consider and report on consultation outcome to Executive.
Jan 2019	Formal notification of scheme (public notice)
Feb 2019	Carry out recruitment and training of staff for Licensing Team
Apr 2019	Scheme comes into force ( <b>1<sup>st</sup> April 2019</b> )

## Appendices

Appendix A: Map of proposed area for the Newport 1 Scheme \*subject to consultation

### Background papers

Body	Report title	Date
Executive Report	Proposal to introduce Selective Licensing (including Early Help) in North Ormesby	9 December 2014
Executive Report	Selective Licensing (including Early Help) in North Ormesby	14 July 2015

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