

DRAFT

SELECTIVE LANDLORD LICENSING NORTH ORMESBY SCHEME

EVALUATION REPORT 2020

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INTRODUCTION

1. Aim of the evaluation

Middlesbrough Council currently operates two Selective Landlord Licensing (SLL) schemes set up under Part 3 of the Housing Act 2004.

Under the terms of the Act, each scheme runs for five years, with an evaluation required before the end of that period to assess its impact and to contribute to the decision whether it should be continued or ended.

The North Ormesby scheme, five-year period during which the locality is designated for Selective Licensing ends in December 2020. The designation on the Council's second Selective Licensing scheme within a part of Newport ward ends on 12th June 2024.

The aim of this report is to present the findings of an evaluation of the Selective Licensing scheme within North Ormesby ward.

Using guidance from Local Government Regulation, the evaluation seeks to identify the effectiveness of Selective Licensing in:

- reducing anti social behaviour attributable to the private rented sector;
- improving management standards in the private rented sector;
- increasing housing demand;
- improving the environment; and
- contributing to the effectiveness of partnership working to improve the quality of life.

2. Methodology

The methodology used for this evaluation of the Selective Licensing scheme within North Ormesby consists of:

- Analysis of data from Middlesbrough Council and other stakeholders collected during the 2016 - 2020 licensing period;
- Case studies, including descriptions of the housing market and details on how the Selective Licensing scheme has been managed;
- Interpretation of opinions expressed by managing agents, landlords and stakeholders operating in the Selective Licensing area.

The evaluation has also taken account of findings from an Independent Review of the Use and Effectiveness of Selective Licensing was carried out by Ministry of Housing, Communities and Local Government (MHCLG June 2019, Updated September 2019).

This report also sets out the policy background to Selective Licensing and describing the situation at North Ormesby. The report summarises the performance outputs of the North Ormesby scheme including costs and concludes with a review of options and recommendations. Various further details are contained in appendices.

POLICY BACKGROUND AND PROJECT SET UP

3. Background to Selective Licensing

Part 3 of the Housing Act 2004 provides that a Council (i.e. the Local Housing Authority) may declare a licensing scheme for privately rented accommodation if the following conditions are met: -

- *that the area is, or is likely to become, an area of low housing demand; and;*
- *that the area is experiencing a significant and persistent problem caused by anti-social behaviour;*

Selective Licensing requires that any person wishing to rent out a property in a designated area must first obtain a licence from the Council. In order to grant such a licence the Council must be satisfied that the landlord is a “fit and proper” person with satisfactory management arrangements in place to deal with any anti-social behaviour caused by their tenants. Selective Licensing applies only to private landlords, not to social landlords.

Selective Licensing is intended to be just one of many tools available to the Council to address low demand and anti-social behaviour, it is not a stand-alone panacea for every issue affecting a neighbourhood. Therefore, the 2004 Act requires the Council to identify how Selective Licensing will work alongside other measures by showing how it forms part of an overall strategic approach, contributing to existing policies and underpinning future plans for the area.

A full public consultation must be carried out before a decision can be made to introduce a Selective Licensing scheme. This should include consultation with local residents, including tenants, landlords and managing agents, and other members of the community who live, run businesses or provide services in the area proposed for designation. Those outside of the designation who will be affected should be included too.

When the North Ormesby Selective Licensing scheme was introduced in 2015, Secretary of State approval was required to designate an area. However, since April 2010 this power has been delegated to local authorities, who must still meet all the other requirements of the 2004 Act to ensure that a scheme is legally enforceable.

As of 1st of January 2019, 44 local authorities have reported operating one or more SLL schemes. 4 local authorities operate schemes that cover 100% of the local area, and 9 further authorities report operating a scheme that required approval because of the 20% criterion.

4. The introduction of Selective Licensing in North Ormesby

North Ormesby faced significant major social and economic challenges as summarised below:

- between 2007 and 2010 the North Ormesby area had the most significant increase in deprivation across the whole town;
- the private rented sector increased by 118% (2001-10) and owner occupation dropped by 18%; and

- poorly managed properties has continued to feed a concentration of anti-social behaviour and crime, confirmed by the Big Local survey which confirmed it as a key concern for local residents.

As a consequence of this concentration of issues a broad range of social problems have manifested themselves, from drug and alcohol abuse to domestic violence. The transient nature of households has also increased the turnover of the area with the local primary school seeing only 50% of those children who start the school at Reception year staying on until Year 6.

North Ormesby had become the destination of those with limited housing choices. In some cases, those with the most chaotic lifestyles, and a range of social, health and welfare problems that require extensive public sector support, had become concentrated in North Ormesby and our other inner areas. A proactive and preventative approach is needed to manage this structural imbalance or the Council and other public sector bodies will continue to pick up the service demands and costs generated by individuals and families. Typically the inner areas demonstrate:

- a) High crime rates;
- b) Poor health outcomes;
- c) High levels of social care needs;
- d) Educational under achievement;
- e) Low employment levels;
- f) Benefit dependency; and,
- g) Disconnection from the job market.

Index of Multiple Deprivation (IMD).

The IMD 2010 identifies areas of multiple deprivation for each local authority area as a whole and also for smaller areas within each local authority known as Lower Layer Super Output Areas (LSOAs).

The IMD is a relative measure of deprivation and is based on a variety of indicators. Each of the 32,482 LSOAs in England are assigned a score based on deprivation levels, and also a rank based on each of the scores. Rankings for the 326 English districts and boroughs are also calculated. Middlesbrough has a rank of average score of 8 meaning it is the 8th most deprived local authority area in England.

In 2010 the 2 LSOAs for North Ormesby were in the 10% most deprived nationally being ranked 326 and 328 of 32,482 LSOAs. Both LSOAs had declined since 2007 with one showing the biggest decline in Middlesbrough, falling by 1,172 places.

The North Ormesby and Brambles Farm ward is the third most deprived ward in the town, and has declined since 2004.

The Housing Act 2004 gives Local Authorities the power to introduce Selective Licensing for privately rented properties in areas experiencing low housing demand and/or significant and persistent anti-social behaviour. The purpose of the Selective Licensing scheme is to improve standards of property management in the private rented sector, over a five year period of designation which, when combined with other measures, should lead to improved social and economic conditions.

The area of North Ormesby was designated for Selective Landlord Licensing in September 2015 and this came into force on the 1st January 2016. Every landlord

who privately rents a property in the designated area of North Ormesby is required to apply for a licence to do so.

5. Selective Licensing Fees

The Housing Act 2004 gives the Council the power to charge landlords a fee for all costs it incurs carrying out its Selective Licensing functions. The Act also allows the Council to take into account costs incurred in carrying functions in relation to Interim and Final Management Orders (so far as they are not recoverable under that part of the Act).

The licensing fee in the North Ormesby scheme was set at £580 per property, plus a £20 Fit & Proper Fee per licence holder. The fee was calculated by estimating the number of licensable properties, and the anticipated staffing costs required to carry out the functions of the scheme (4.5 FTEs and an Apprentice). The payment was split in to two parts with £290 + £20 Fit and Proper Fee payable at the time of the application and £290 payable at the Notice of Intention stage.

With 550 licensable properties originally identified in the North Ormesby Selective Licensing area, an income of £319,000 was predicted from the scheme. The actual income has varied and exceeded expectations as the number of licensable properties has altered over the five years due to exemptions, sales of properties and changes in tenure. To date we have licensed 934 properties and generated fees of £608,896 this figure is made up of licence fees, part licensed properties and late fee charges. Income from the licence fees is ring fenced meaning that it can only be used for the delivery of the SLL scheme. North Ormesby fees pay for the following SLL staffing: Manager, SLL Officer, SLL Neighbourhood Safety Officer, SLL Assistant, Apprentice and Tenancy Relations Officer.

PERFORMANCE

Throughout the period of the North Ormesby SLL scheme a series of performance measures have been monitored to track the progress and outcomes of the scheme.

6. Low Demand for Housing

The Council introduced Selective Licensing in North Ormesby on the basis that there was compelling evidence of low housing demand. In line with legislation and guidance the Council considered the indicators of low housing demand such turnover, low property prices, a transient tenant population and high proportion of empty properties.

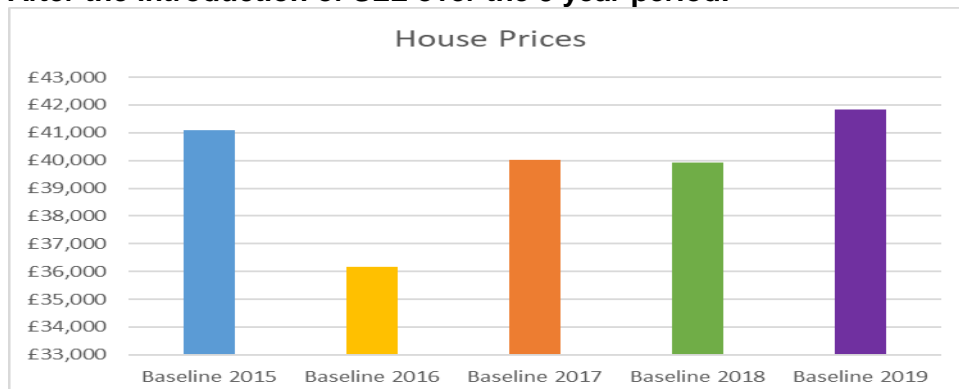
6.1 House Prices

Prior to the introduction of SLL:

With average sales prices in North Ormesby at £48,000 (Land Registry sold prices between August 2013 and July 2014), they were amongst the lowest in the town. (The average house price for Middlesbrough at this time was £124,000). Performance baseline figures the year prior to the scheme (2015) using Land Registry sold prices show house prices at £41,000.

Prices ranged from £25k-£30k up to £55k dependent on the particular location. Those purchasing properties in North Ormesby were predominantly investors looking to buy to rent.

After the introduction of SLL over the 5 year period:



Data source: HM Land registry Open data <https://landregistry.data.gov.uk/app/standard-reports/report-design>

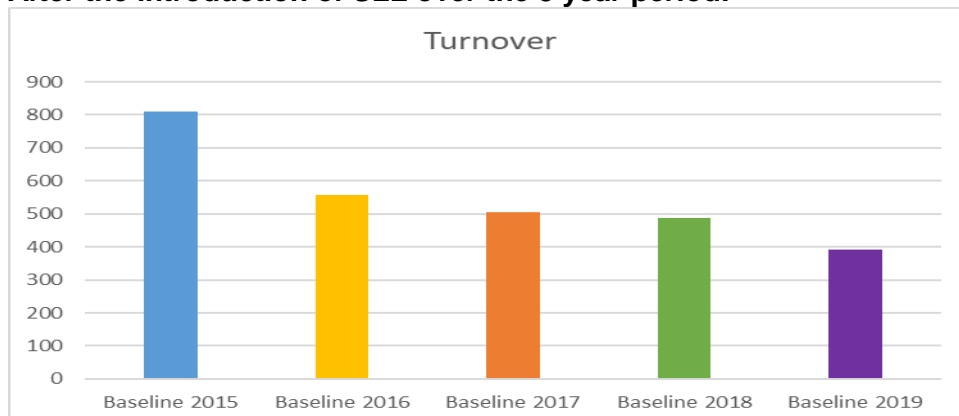
Conclusion: This clearly shows that house prices in North Ormesby are starting to increase. During the designation period observations have indicated that there has been an increase in the number of renovations happening within properties.

6.2 Turnover of tenants

Prior to the introduction of SLL:

Council Tax records provided a guide as to the proportion of properties experiencing turnover in occupancy in the North Ormesby area. Of the 1,791 Council Tax accounts in 2013/14 a change occurred in 72.8% of them, requiring a new account to be created, affecting 705 properties (39%). In the preceding year a change requiring a new account to be created occurred on 85.8% of accounts, affecting 870 properties (50%).

After the introduction of SLL over the 5 year period:



Data Source: Middlesbrough Council, Council Tax records.

Conclusion: Prior to the SLL scheme North Ormesby had a more transient population typically housed in privately rented accommodation which can have a negative impact on the stability and desirability of an area. It can also affect community integration and investment and affect school performance negatively. Following the designation of the SLL scheme it can be seen that the turnover of properties has decreased each year which indicates that properties are not changing hands as much and there is a more static population contributing to improved community cohesion.

6.3 Empty Properties and Long Term Empties (More than 24 Months)

The problems empty properties cause for local communities are well known, but in summary they:

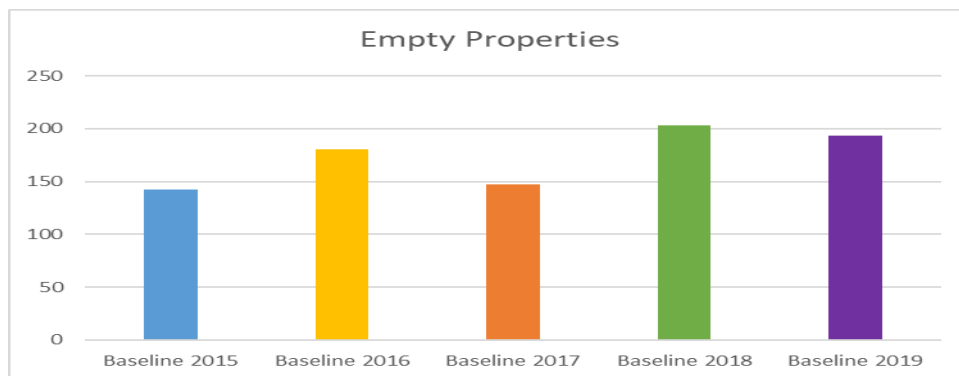
- deny homes to those in need;
- attract vermin, crime, arson, vandalism, fly-tipping and anti-social behaviour;
- are a source of anxiety for owners and neighbours;
- reduce the value of neighbouring properties; and,
- as a consequence, are a drain on public services and budgets.

Empty properties which become open for access due to vandalism or criminal damage are subject to legal notices which require the owner to secure the property. This action is taken by officers in the Public Protection Service and this has not changed throughout the life of the scheme

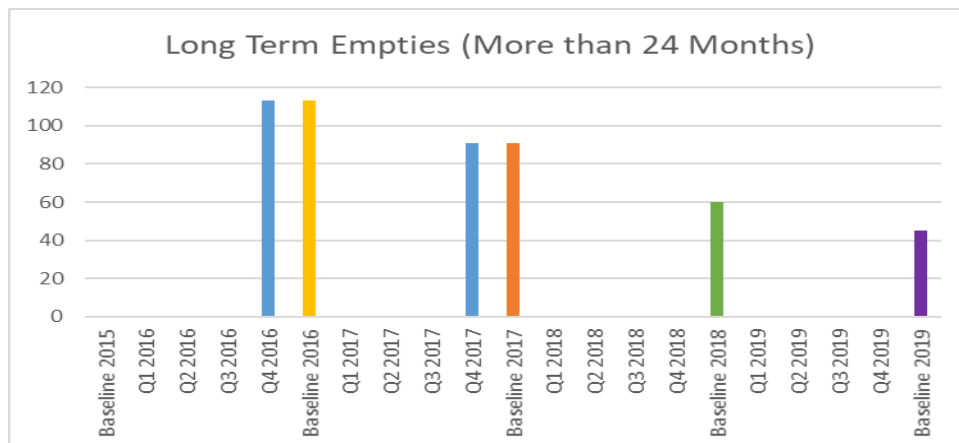
Prior to the introduction of SLL:

At the end of September 2014, according to Council Tax records, there were 68 long-term empty properties in North Ormesby, which equates to 3.9% of total stock. North Ormesby had the second highest proportion of long term empty properties than other areas in Middlesbrough. This position contributed to a negative image causing uncertainty for established residents and making it hard to attract people to the area.

After the introduction of SLL over the 5 year period:



Data Source: Middlesbrough Council, Council Tax records



Data Source: Middlesbrough Council, Council Tax records

Conclusion: Even with the introduction of Middlesbrough Councils Rent & Refurb scheme and Thirteen purchasing properties in the area, there has been a fluctuation in the numbers of empty properties throughout the five year of the scheme. However, there has been a very distinct decline in the number of long term empty properties which are the most problematic in terms of attracting antisocial behaviour, damage and contribute to lack of confidence in safety in the community.

Recommendation for future SLL scheme: To continue with the delivery of the current scheme's approach to dealing with vacant properties. It is proposed that the SLL team will be given additional responsibility to serve legal notices to secure empty properties which become open for access. This would potentially increase the efficiency of securing properties in a shorter timescale.

7. Property Conditions

Middlesbrough's Private Sector Stock Condition Survey (PSSCS) 2008 identified North Ormesby as having the highest proportion of non-decent dwellings in Middlesbrough at 60.5%.

North Ormesby also recorded the highest non-decency remedial cost score by area (£40.3m and an average of £3,685, per non decent dwelling).

North Ormesby was also found to have by far the highest proportion of homes with a Category 1 hazard (37.8%). Examples of Category 1 hazards include:

- inadequate heating
- absence of working fire alarms
- leaking roofs
- broken rail on a steep stairway
- lack of physical security, such as doors and windows not closing or locking properly.

7.1 Improving housing standards

Non-decent homes do not meet current statutory minimum standards, are not in a reasonable state of repair, do not have reasonably modern facilities and fail to provide a reasonable degree of thermal comfort.

Middlesbrough's Private Sector Stock Condition Survey (PSSCS) 2008 identified North Ormesby as having the largest proportion of vulnerable households (74.2%) living in non-decent homes.

7.2 Housing disrepair

Prior to the introduction of SLL:

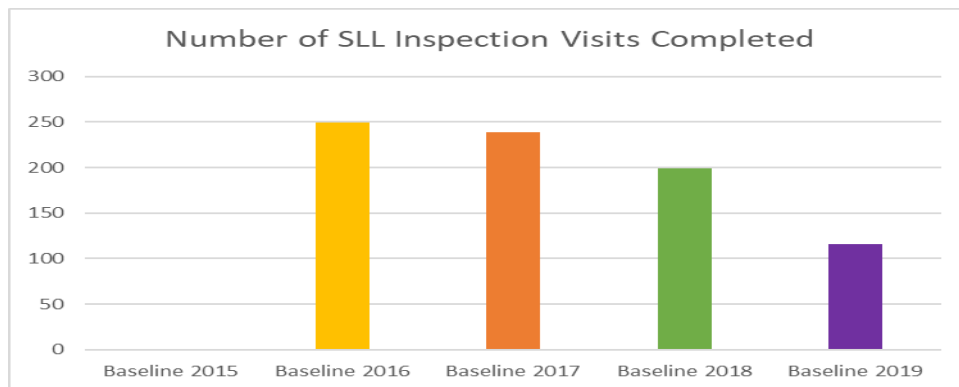
The Council received 145 complaints of housing disrepair in private rented property in North Ormesby between 2011/12 and 2013/14, this equates to 8.4% of the private rented properties in North Ormesby, the town average being 3.4%.

- The Council issued 41 pre-formal schedules of work to landlords in North Ormesby between 2011/12 and 2013/14 (2.4% of private rented housing in the area) with the town average being 0.6%.
- The Council served 9 statutory housing repair notices on landlords in North Ormesby between 2011/12 and 2013/14
- Baseline figures for the scheme show that in the year prior to the introduction of the SLL Scheme 6 housing standards inspections were carried out in North Ormesby following complaints from their tenants. The inspections identified 2 category 1 Hazards and 21 Category 2 hazards

After the introduction of SLL over the 5 year period:

The graphs below show the number of rented properties in NO which have been inspected throughout the course of the SLL to ensure they met housing standards. Generally, residents in the private rented sector do not complain about standards in their property, for a wide range of reasons, which is evident in the low number of complaints in 2014. The incorporation of housing standards inspections into the SLL scheme has resulted in improved housing conditions for residents. The majority of the inspections were completed in 2016/17 (the first two years of the scheme) with the number of inspections declining in 2018/19 due to the reduced numbers of properties requiring inspections which is reflected in the figures.

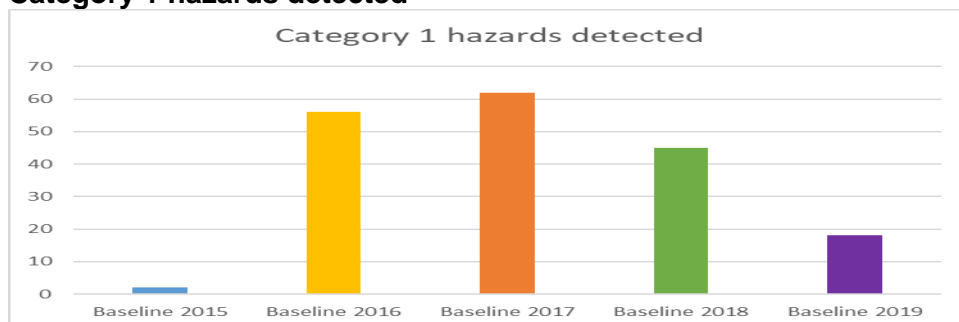
Number of SLL Inspection Visits Completed



Data Source: Selective Licensing Spreadsheet

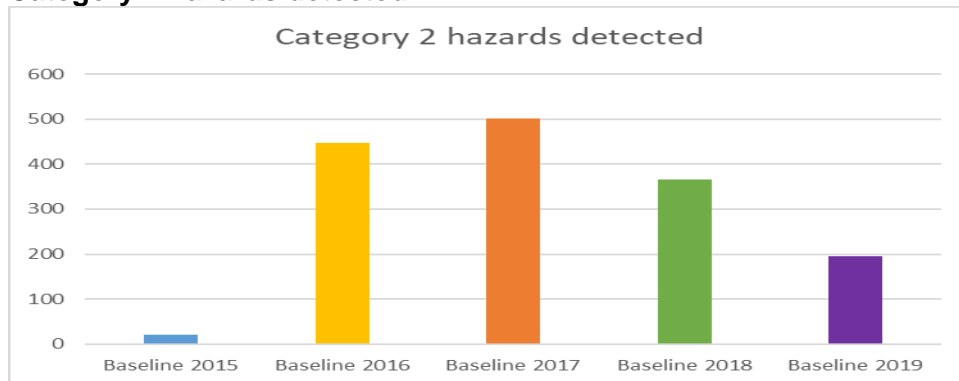
Conclusion: It was originally intended that a 100% of the licence properties in North Ormesby would be inspected in the first 2 years. However, it became evident that due to the nature and chaotic lifestyles of the tenants access to the properties was often difficult and on some occasions it took 3 and 4 attempts to be able to carry out the inspection. In addition, if a property was licensed but was vacated before the inspection was carried out, it would be delayed until the property was tenanted. It was also evident over the course of the SLL scheme that new properties became licensable and required an inspection. The graph above shows the extended timescale required to complete the housing inspection. The figures for the housing inspections also provide the numbers of multi-agency visits made to each property to offer wider support, including the Tenancy support for vulnerable residents.

Category 1 hazards detected



Data Source: FLARE data system

Category 2 hazards detected

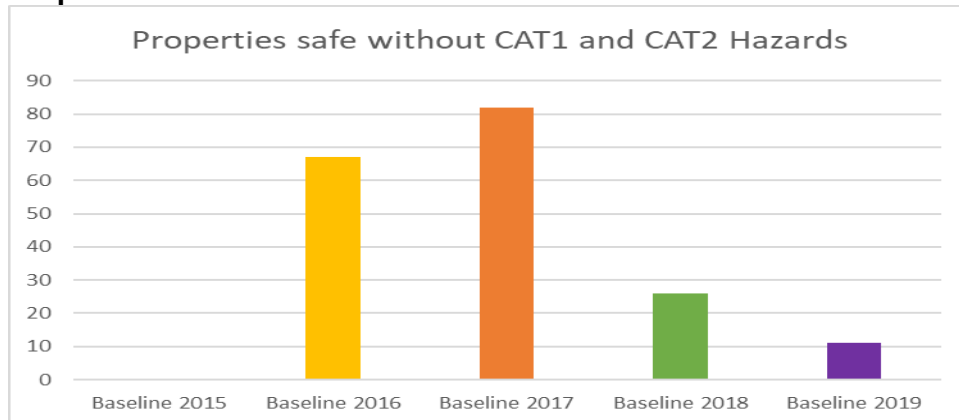


Data Source: FLARE data system

Conclusion: Category 1 hazards are those where the most serious harm outcome is identified, for example, those hazards which may cause death, permanent paralysis, and permanent loss of consciousness, loss of a limb or serious fractures. There is a legal duty to take action when category 1 hazards are identified, and a power to enforce against category 2 hazards. The baseline data shows the low number of tenants which were coming forward to report poor housing conditions. The proactive housing inspections incorporated into the SLL scheme has resulted in a significant increase the number of properties with poor housing conditions in NO and a significant improvement in housing conditions. Without the SLL scheme these improvements would not have been achieved.

Recommendation for future SLL scheme: To maintain a multi-agency approach to property visits and housing standards inspections as a requirement of the SLL scheme.

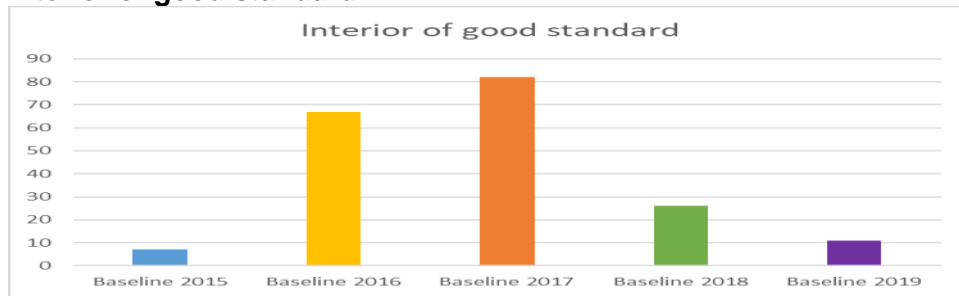
Properties safe without CAT1 and CAT2 Hazards



Data Source: FLARE data system

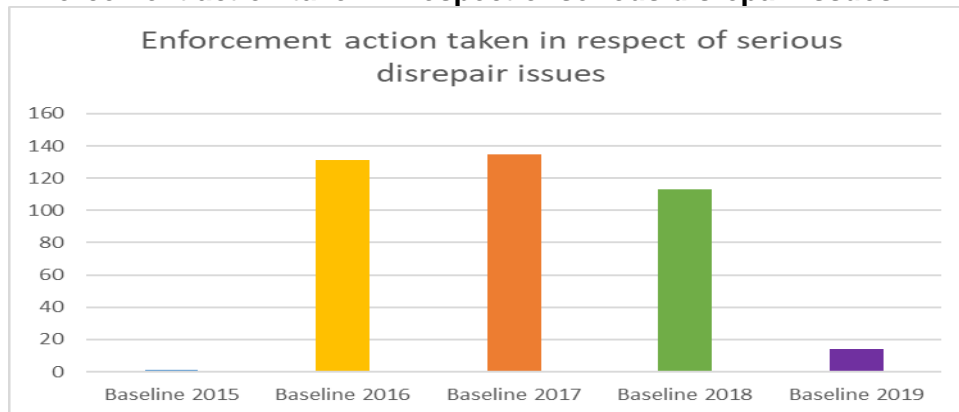
The above graph shows the number of properties safe without Cat1 and CAT 2 hazards. As with the previous graph the majority of the inspections were completed in 2016/17 (the first two years of the scheme) the number of inspections declined in 2018/19 due to the lower number of inspections required to be completed which is reflected in the figures.

Interior of good standard



Data Source: FLARE data system

Enforcement action taken in respect of serious disrepair issues



Data Source: FLARE data system

Case studies are provided to support the above (Appendix 6 – Case study 1 & 2.)

8. Management Standards

By introducing selective licensing the Council is fully utilising the suite of tools introduced by the Housing Act 2004 to address management standards and property conditions within the private rented sector. As part of a coordinated approach, Selective Licensing compels landlords to maintain good standards and raise the profile of problem properties. Through the increased awareness amongst the community and across agencies, Selective Licensing has become a valuable mechanism for identifying and dealing with bad practice amongst private landlords.

Whilst reputable landlords are provided assurance with a Selective Licensing scheme in place, those landlords whose business practices did not meet the required minimum standards are encouraged and supported to improve their management standards. Landlords who were not willing to work with the Council could face being refused a licence and ultimately having a Management Order imposed against the property which removes it from their control.

8.1 Tenancy Referencing

The Tenancy Referencing Service offers a free service to member landlords which allows them to make informed choices about prospective tenants when letting properties in the Middlesbrough area.

A traffic light system is used to explain the results of the reference check. This lets landlords make an informed choice about whether or not to allocate a tenancy.

- Green: indicates no issues.
- Amber: may indicate that there has been no previous tenancy held, or there may have been some minor tenancy issues or rent arrears.
- Red: indicates evidence of eviction, anti-social behaviour, or high rent arrears.

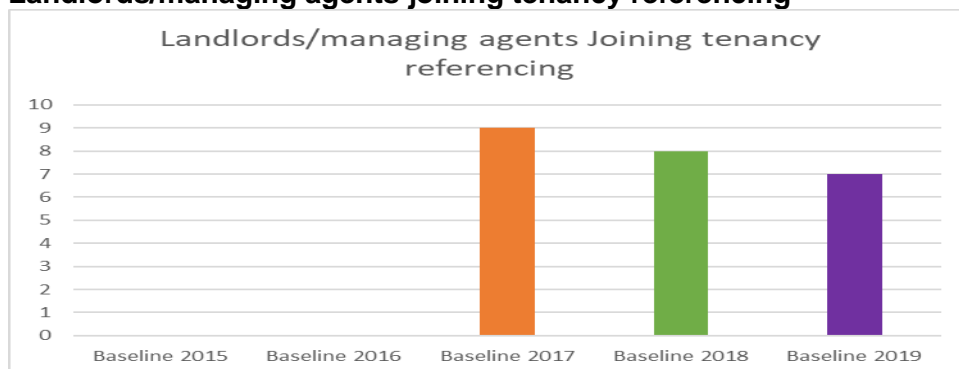
Prior to the introduction of SLL:

Landlord referencing existed but it was discretionary for landlords to join and use the service.

After the introduction of SLL over the 5 year period:

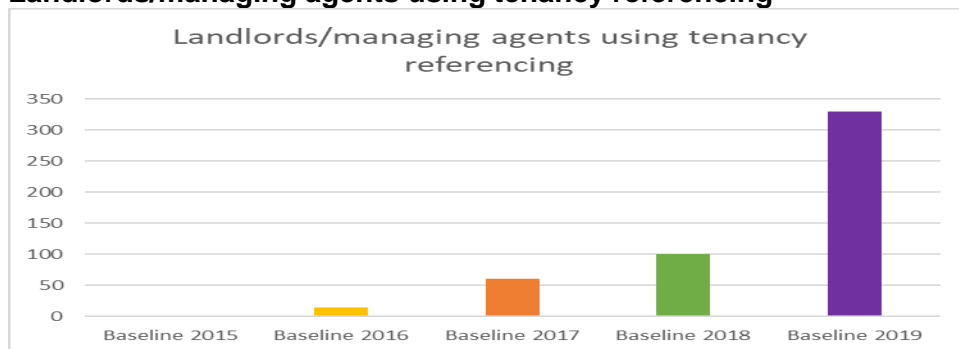
When SLL was introduced tenancy referencing became a mandatory condition of the licence, in addition to conditions requiring landlords to provide a copy of a tenancy agreement, up to date gas safety certificate and an anti-social behaviour plan.

Landlords/managing agents joining tenancy referencing



Data Source: FLARE data system

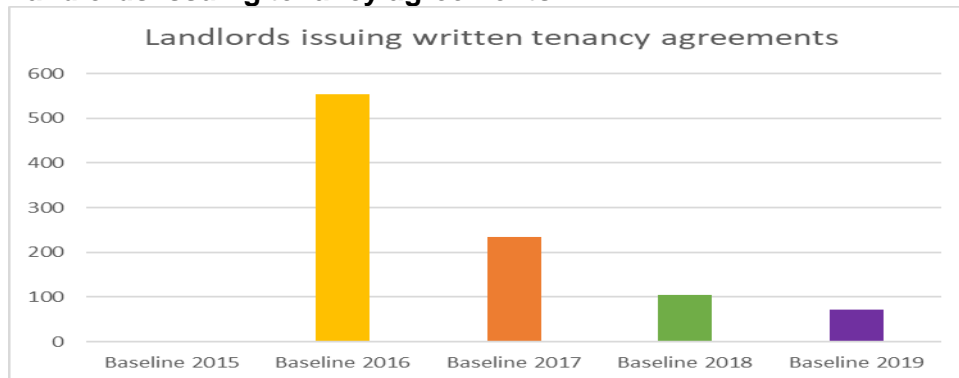
Landlords/managing agents using tenancy referencing



Data Source: FLARE data system

Conclusion: A licence condition of the scheme is that all landlords need to reference their tenants before placing them in a tenancy but can use any referencing service they choose. The graphs show that during the course of the scheme landlords have not only joined but are using the service. Recommendation for future SLL scheme: It is proposed that a mandatory condition is introduced for landlords to use Middlesbrough Council FREE referencing service as this is a robust service which is broader than the current scheme as it also looks at antisocial behaviour in previous tenancies.

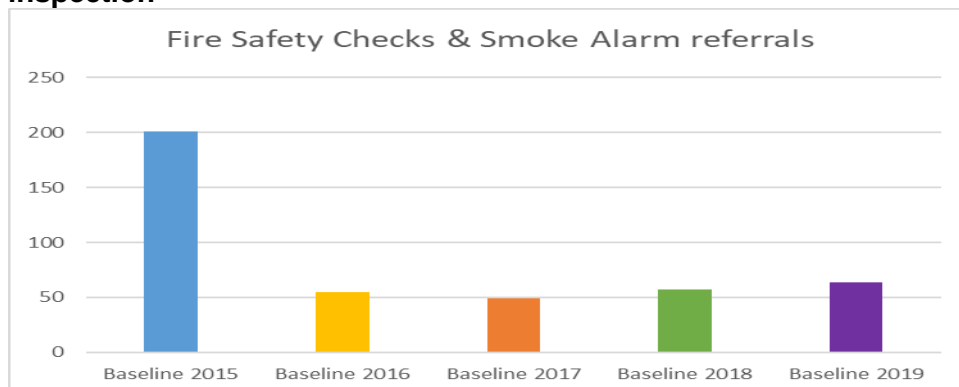
Landlords issuing tenancy agreements



Data Source: FLARE data system

Conclusion: When landlords apply for a selective licence it is mandatory that they must upload a copy of the current tenancy agreement along with the application form. The decrease in numbers throughout the scheme is due to the number of applications received.

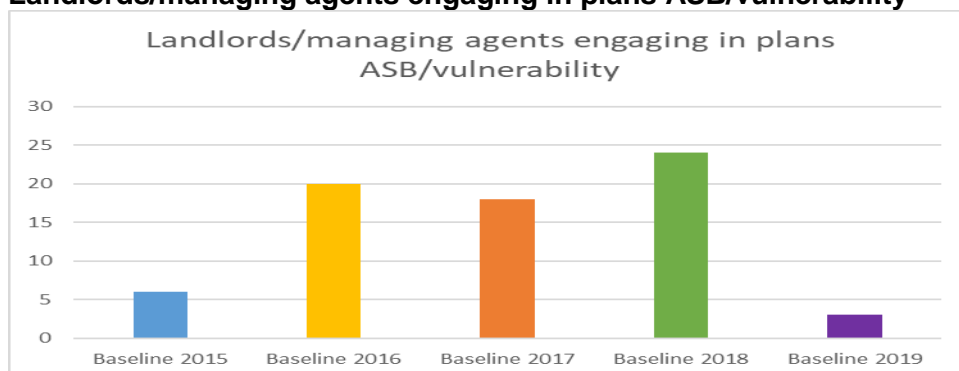
Fire Safety Checks & Smoke Alarm referrals made by team following property inspection



Data Source: FLARE data system & Selective Licensing Spreadsheet

Conclusion: It is a mandatory condition that smoke alarms are fitted at each floor level within a property. At the start of the tenancy it is the landlord's responsibility to ensure alarms are fitted, during the tenancy it is the tenant's responsibility to ensure the alarms stay in a working condition. On each housing inspection every tenant is offered a home fire safety check with the fire brigade and if smoke alarms are not present or found to be not working new smoke alarms are requested. If these visits were not carried out there would a larger number of properties without adequate smoke and fire protection.

Landlords/managing agents engaging in plans ASB/vulnerability



Data Source: FLARE data system

9. Antisocial Behaviour & Early Help

9.1 Antisocial Behaviour

Anti-social behaviour and crime can have a devastating effect on individuals and communities. It describes a wide range of everyday nuisance, disorder and crime from graffiti and noisy neighbours to harassment and street drug dealing. It is sometimes dismissed as trivial, but anti-social behaviour has a huge impact on victims' quality of life and it is often the public's number one priority when it comes to local concerns.

The types of anti-social behaviour that the Council's Community Safety Team regularly deals with includes:

- Vandalism, graffiti, and other deliberate damage to property or vehicles
- Teenagers hanging around on the streets
- Rubbish or litter lying around
- Drug use and dealing
- Drunk or rowdy behaviour
- Chaotic families.

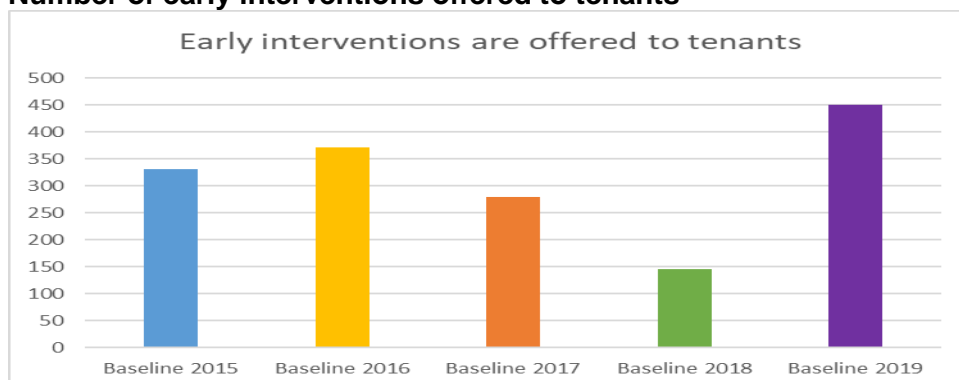
Prior to the introduction of SLL:

In Middlesbrough between 2011/12 and 2013/14 there was a total of 1,917 complaints of anti-social behaviour received by the Council's Private Housing Enforcement and Anti-Social Behaviour Teams, an increase over that period of 67.9%.

Between October 2013 and September 2014, Cleveland Police also dealt with 732 cases of anti-social behaviour in North Ormesby. This was the second highest rate per population in the town. The ward with the highest rate was Middlehaven, which includes town centre related anti-social behaviour e.g. reports of drunk/rowdy behaviour, often handled by Street Wardens.

After the introduction of SLL over the 5 year period:

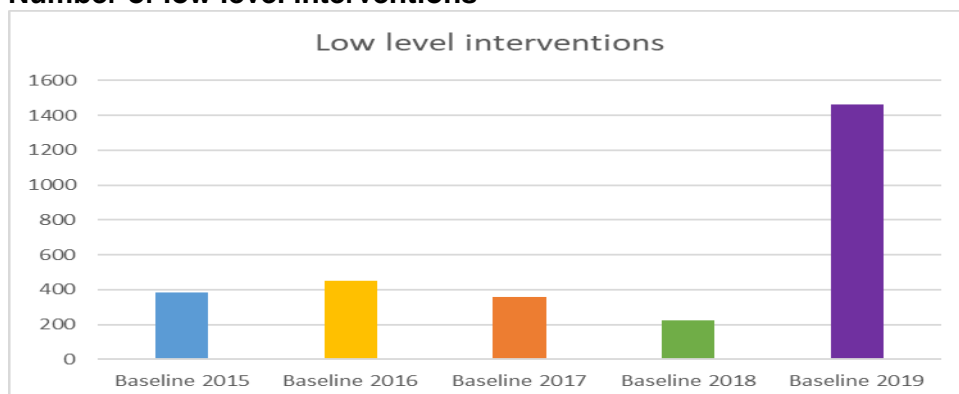
Number of early interventions offered to tenants



Data Source: FLARE data system

Early interventions are: referrals into other services for support.

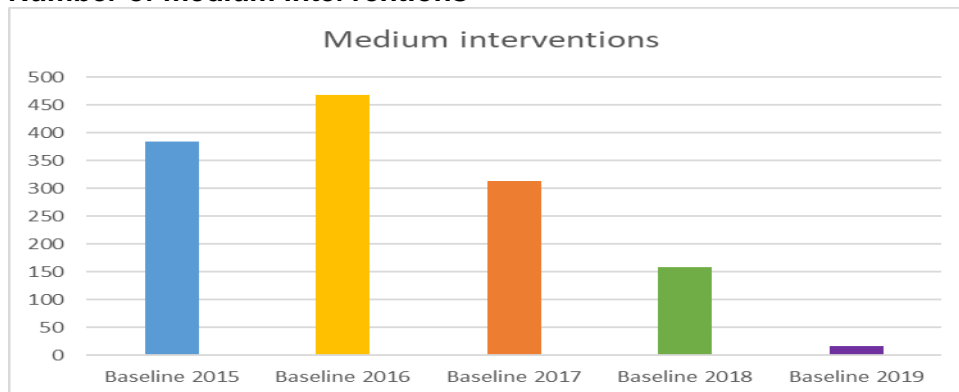
Number of low level interventions



Data Source: FLARE data system

Low Interventions are: cases open/closed, telephone call/e-mail, letter drop, diary sheets received, initial warning letters, motorbike warning letter, site meetings and joint patrols.

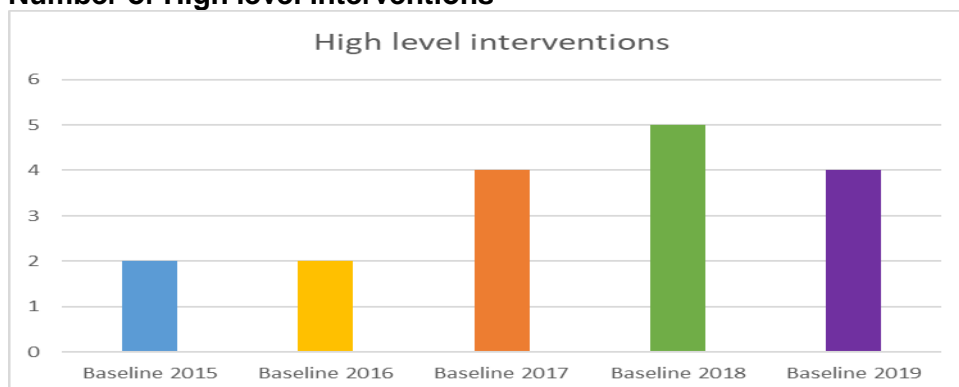
Number of medium interventions



Data Source: FLARE data system

Medium Interventions are: second warning letter, final warning, ABC issued, ABC breached, joint interviews and tenancy breach interview.

Number of High level interventions



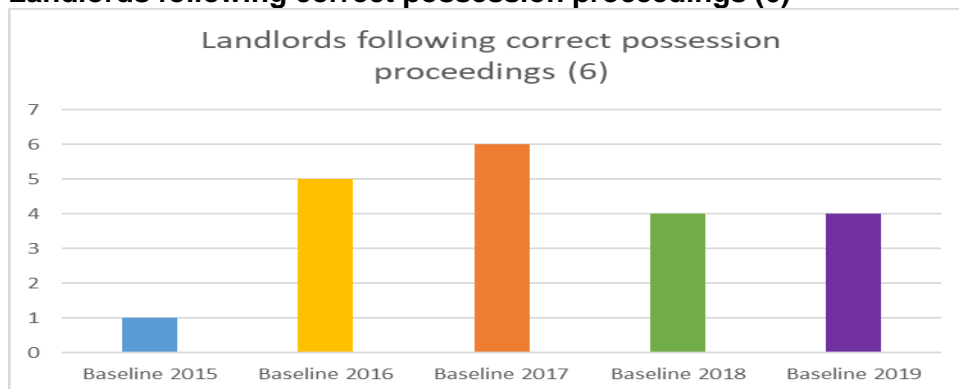
Data Source: FLARE data system

High level interventions are: Criminal Behaviour Orders, Civil Injunction, House Closures (all for high levels of persistent antisocial behaviour and a last resort after all low and medium level interventions have been exhausted).

Conclusion: It should be noted that in 2018 in line with Community Safety Neighbourhood Safety officers, the categories for the codes for early, low, medium and high interventions were reviewed. This resulted in a number of the previous early and medium interventions being moved into the low category which explains the discrepancy in figures.

The figures demonstrate the wide range of interventions delivered as part of the SLL scheme to tackle antisocial behaviour.

Landlords following correct possession proceedings (6)

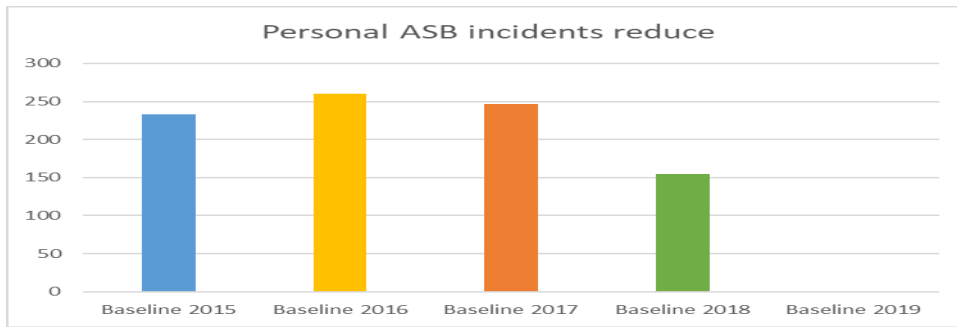


Data Source: FLARE data system

A Case Study is provided to support the above in Appendix 6 – Case Study 5

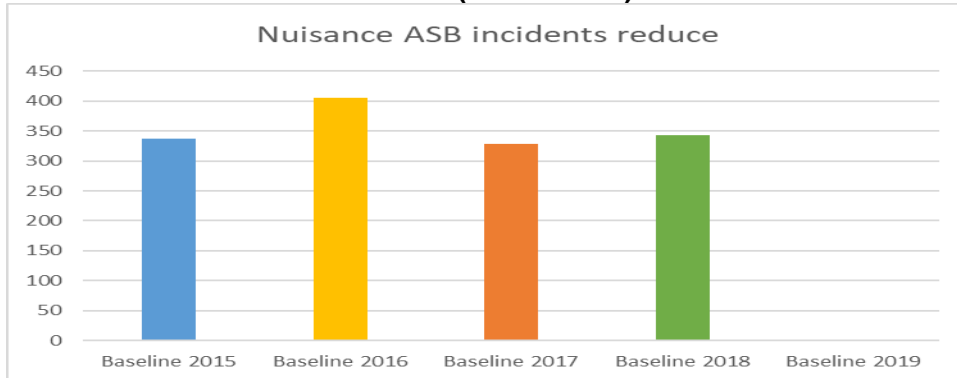
Landlords following correct possession proceedings are: Landlord's serving section 8 or section 21 notices.

Personal ASB incidents reduce (Police Data)



Data Source: police analyst data systems provided by Middlesbrough Council Data Analyst

Nuisance ASB incidents reduce (Police Data)



Data Source: police analyst data systems provided by Middlesbrough Council Data Analyst

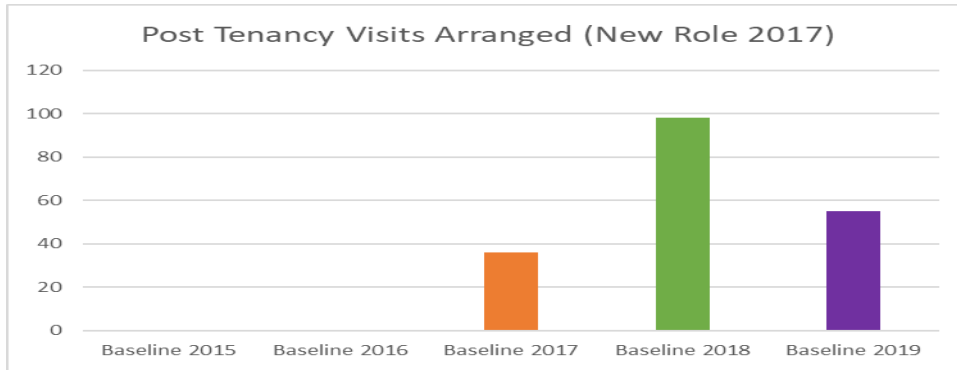
9.2 Early Help

Early Help.

It was originally planned to offer Early Help interventions supported by Children’s Centre colleagues as part of the SLL intervention. A multi-agency/disciplinary team visit was made to each property which incorporated the housing standards inspection. This team was made up of representation from SLL team, Neighbourhood Safety Officer, Early Help Practitioners, Environmental Health Officer and Police, if required. It became apparent during the course of the scheme that the most vulnerable people requiring support were single lone adults with complex needs. The delivery of the scheme was amended to include a Tenancy Relation’s Role.

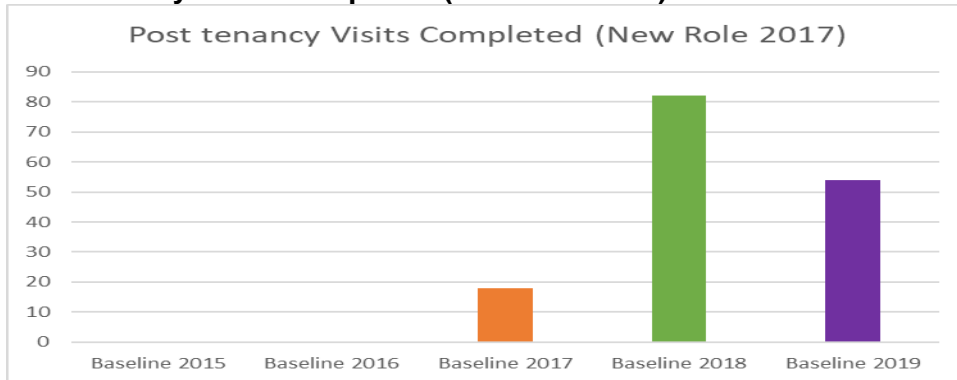
The inspection process is now carried out by the Selective Licensing tenancy relations officer and environmental health officer. This approach is to ensure that as well as checking compliance with the licence conditions, the tenants are helped and supported with any issues they may be facing. Issues may include substance misuse, parenting skills, unemployment; the team make referrals to relevant agencies and follow-up any actions. The services offered through the inspection team are of benefit to landlords, tenants and the wider community to help to reduce the turnover of tenants.

Post Tenancy Visits Arranged (New Tenancy Relations Officer Role 2017)



Data Source: FLARE data system

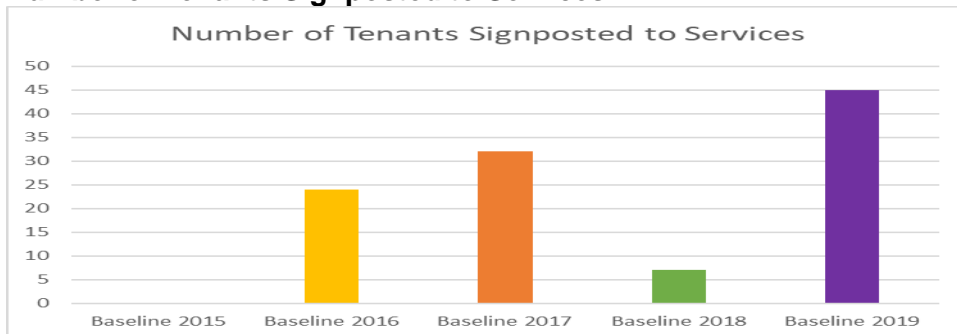
Post tenancy Visits Completed (New Role 2017)



Data Source: FLARE data system

Conclusion: Post tenancy visits are carried out on all new tenancies. Part of the Tenancy relations officer role is to carry out a post tenancy visit approximately 4 weeks after the new tenancy has commenced to ensure that the tenant have settled into their new home and to discuss any concerns/issues they may have. If there is and history of previous anti-social behaviour this visit is conducted jointly with the Neighbourhood Safety Officer. A post tenancy visit appointment letter is normally sent (Post tenancy visits arranged figure) however some visits are not prearranged for example if a complaint is made. This explains why the number of post tenancy visits completed is greater than those arranged.

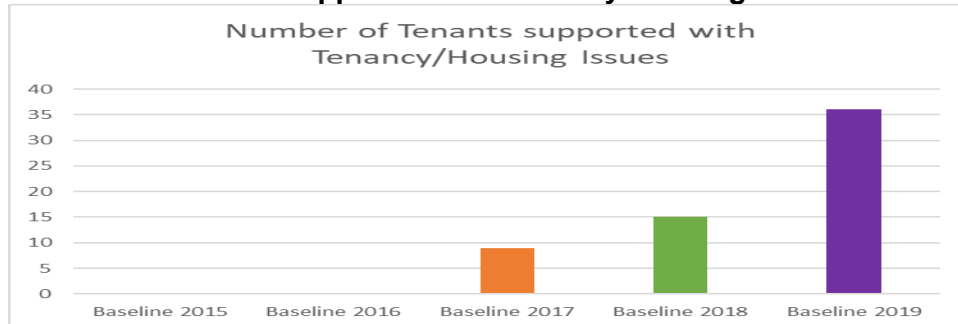
Number of Tenants Signposted to Services



Data Source: FLARE data system

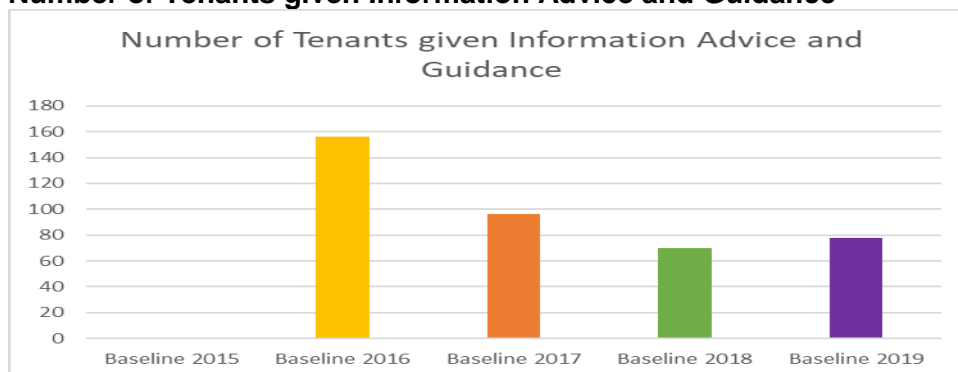
Conclusion: During inspection and post tenancy visits the tenancy relations officer discusses the tenant's needs and referrals into other services such as Mental Health, substance misuse and debt services. Without this SLL intervention these tenants may not access the services they require or access may be delayed.

Number of Tenants supported with Tenancy/Housing Issues



Data Source: FLARE data system

Number of Tenants given Information Advice and Guidance



Data Source: FLARE data system

Conclusion: During inspection and post tenancy visits tenants are given information, advice and guidance on any matters arising, these can be tenancy issues, antisocial behaviour, information on refuse/recycling days, alley gates and more. These types of intervention assist in tackling anti social behaviour.

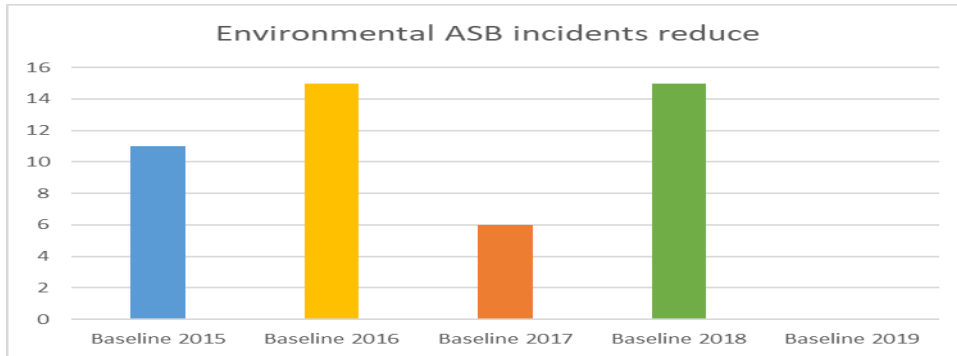
Case study provide to support the above in Appendix 6 – Case Study 3

10. Environmental Nuisance

Environmental nuisance and fly-tipping was an issue in North Ormesby especially in and at the entrance to alleys.

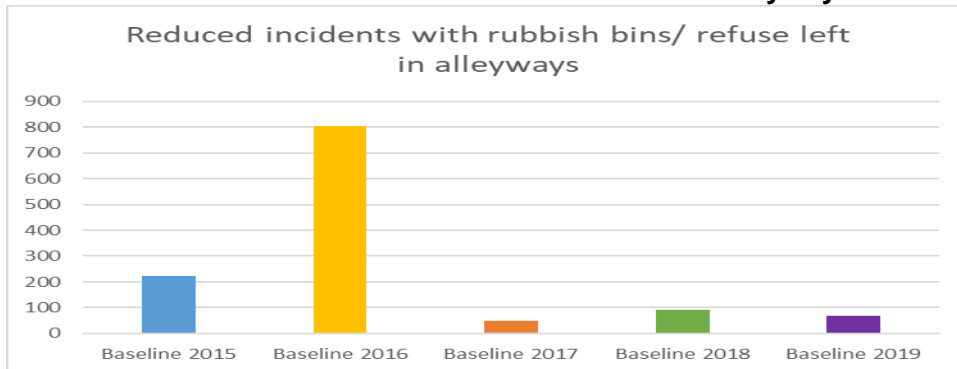
After the introduction of SLL over the 5 year period:

Environmental ASB incidents reduce



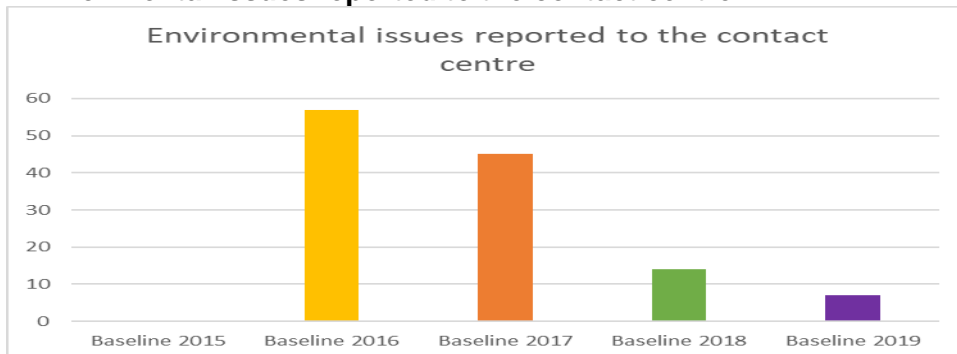
Data Source: police analyst data systems provided by Middlesbrough Council Data Analyst

Reduced incidents with rubbish bins/ refuse left in alleyways



Data Source: Street scene operative's data into Microsoft Access report

Environmental issues reported to the contact centre



Data Source: FLARE data system

Conclusion: The Selective licensing team conduct daily walkabouts in the area and introduced a multi-agency walkabout fortnightly to address the issue. Any fly-tipping or rubbish identified by the team is reported to Middlesbrough Council contact centre. The walkabouts identify hotspots and problem areas and can implement early intervention to remove waste and to attempt to prevent further dumping. The figures show a reduction in the number of reported incidents of dumped waste and environmental issues reported to the contact centre.

11. Application Process

11.1 Applications Received

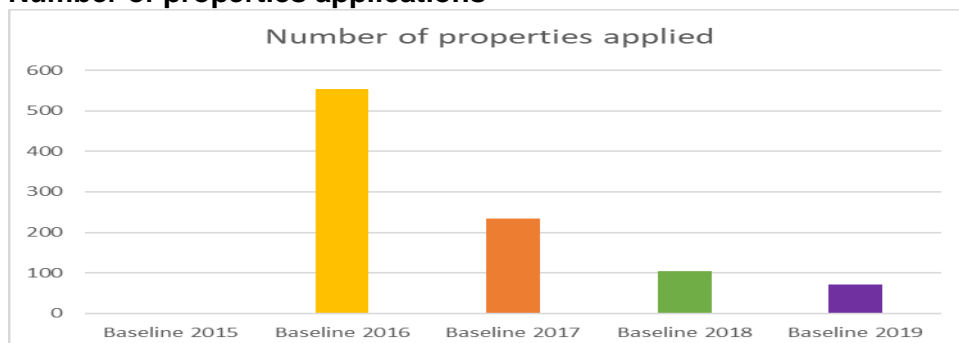
Within the designated area of North Ormesby all privately rented properties need a licence to operate. The owner of the rented property needs to make an application to the Council. The Council must be satisfied that of all the person with an interest in the

property, the most appropriate person is the licence holder, this would usually be the property owner.

The licence is valid for a maximum of 5 years. Failing to apply for a licence could lead to prosecution and an unlimited fine. If prosecuted, this would lead to the licence holder no longer being classed as 'fit and proper' and would mean they would need to find someone else to hold their licence and undertake the management of the property.

At the start of the scheme it was estimated that 550 properties would require licences, to date 934 properties have been licensed.

Number of properties applications



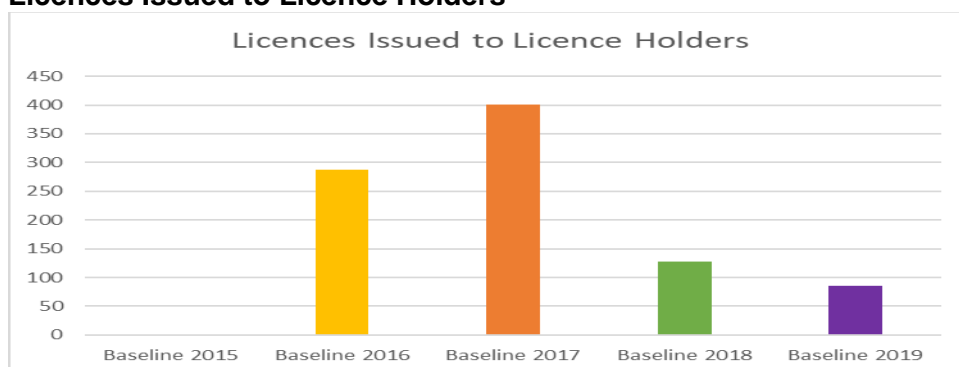
Data Source: FLARE data system

Conclusion: The number of properties applying for the scheme have decreased over the course of the SLL scheme as most landlords have complied with the requirement to licence introduced in 2016. Applications have been received throughout the duration of the scheme due to the sale of properties and changes in tenure.

11.2 Licences issued

Once a landlord has applied for a licence, the application is then checked and a notice of intention (draft licence sent including second payment link, once the second payment has been received the licence is issued.

Licences Issued to Licence Holders

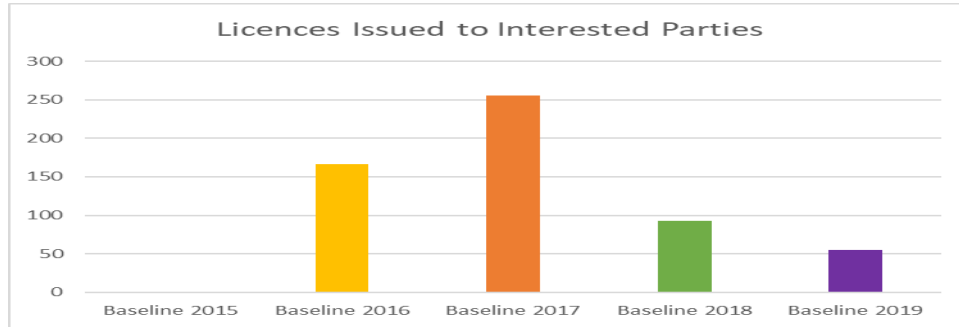


Data Source: FLARE data system

11.3 Licences issued to interested parties

If the property has an interested party in the property i.e. a mortgage company then we also issue a copy of the licence to the interested party.

Licences Issued to Interested Parties



Data Source: FLARE data system

12. Enforcement

Failing to apply for a licence could lead to prosecution and an unlimited fine. In addition to the fine the Council can apply for a Rent Repayment Order which allows amounts paid in connection with a tenancy or licence to be recovered for the period that the property should have been licensed.

12.1 Enforcement for non-compliance

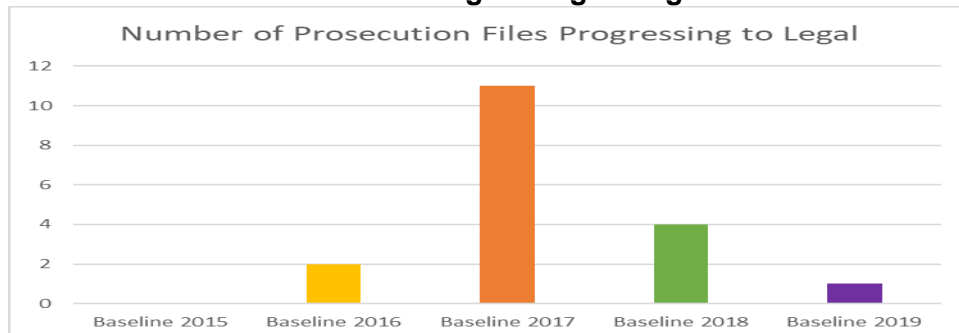
Landlords are given adequate time and support to apply for a Selective licence. They are sent an initial notification letter, giving 4 weeks to apply. If no application is received they are then sent a reminder letter incurring a £100 late fee and giving a further 14 days to apply for a licence. If an application is still not received we then pursue the landlord and take enforcement action for non-compliance with the scheme. Under the Housing Act 2004 a person commits an offence if he is a person having control of or managing a house which is required to be licensed under this Part (see section 85(1)) but is not so licensed.

Prior to the introduction of SLL:

No enforcement was taken against landlords in the North Ormesby area.

After the introduction over the 5 year period:

Number of Prosecution Files Progressing to Legal Services



Data Source: FLARE data system & Selective Licensing Legal Data spreadsheet

Conclusion: The number of prosecution files shown were submitted to Legal Services for non-compliance with the scheme. Some landlords responded at the summons stage and applied for a licence therefore the case did not progress to a hearing. The low number of cases indicate that most landlords have complied with the SLL scheme.

Number of Successful Prosecutions



Data Source: FLARE data system & Selective Licensing Legal Data spreadsheet

The results of legal proceedings are summarised below:

- 1 landlord pleaded guilty, fined £6000 (£500 per property) + £1000 costs. Landlord applied for licences after prosecution;
- 1 landlord found guilty in his absence, fined £5,500 (£500 per property) + £775 costs. The landlord still hadn't applied for licences so we applied for a Rent Repayment Order from the date of the offence he was convicted (it was successful and he was required to pay back 5 Months (£20,000) housing benefit payments).
- 3 further cases resulted in 2 successful prosecutions (1 fined £926 & 1 fined £2,546) and 1 landlord applying.
- 7 landlords were summonsed but applied for licences before the court date, and after liaison with Legal Services and it was decided that it was not in the public interest to continue with these prosecutions

Case study provided to support the above in Appendix 6 – Case Study 4

12.2 Partnership working

The SLL team work in close partnership with other services and agencies to maximise the impact of the scheme, service include police, fire brigade, community groups, youth groups and other council's services such as street warden service and environmental services. It was initially planned that SLL would be a multi-agency team and include Police, Fire Service and Social Care (similar to the place based working). It is envisaged that this multi-agency approach will be achieved through the delivery of the Locality based working arrangement proposed for North Ormesby and SLL will work closely alongside the other agencies as part of this set up, benefiting from the close ground level working.

13. Scheme Audits and Evaluations

13.1 MHCLG Independent Review of Selective Licensing schemes

An Independent Review of the Use and Effectiveness of Selective Licensing was carried out by Ministry of Housing, Communities and Local Government (MHCLG) in June 2019 and was updated in September 2019.

The survey results indicated that the most common reasons for the introduction of a SLL scheme are:

- poor housing conditions

- pervasive anti-social behaviour
- deprivation, and
- low demand.

When the London boroughs are excluded from the calculation, low demand as a reason for the introduction of selective licensing is relatively common.

With only one exception, all local housing authorities with schemes in operation considered their schemes to be at least “fairly effective” in tackling one or more of the issues licensing was introduced to address. 41% of local authorities reported their schemes were “very effective”, 51% were “fairly effective” and only 9% were “fairly ineffective” or “very ineffective”. This clearly indicates that the local authorities currently operating SLL schemes find it to be an effective policy tool.

The review overall indicates that SLL is effective policy tool with many schemes achieving demonstrable positive outcomes. This study also finds that schemes appear to be more successful as part of a wider, well planned, coherent initiative with an associated commitment of resources, as opposed to those schemes implemented in isolation which have more limited outcomes. This finding entirely consistent with the aims of the Housing Act.

13.2 Middlesbrough Council Scrutiny Panel Review

In 2018 Middlesbrough Council Scrutiny Panel reviewed the North Ormesby scheme. The Panel were extremely supportive of the scheme:

- They recognised the achievements made through SLL in the North Ormesby area, including improving community confidence which has led to increased reporting of anti-social behaviour and crime to the SLL team.
- They were extremely complimentary of the work achieved, and applauded the Selective Licensing Team for their efforts.
- They Panel also learned that in November 2017, the team had been awarded Outstanding Contribution to Prevention at the Cleveland Community Safety Awards.

Throughout the investigation, the Panel made reference to the issues within Gresham and University wards and the increasing number of private rented housing properties. The Panel were of the opinion that the excellent work achieved since the introduction of Selective Licencing in North Ormesby and hoped that any future schemes would mirror this model.

Members asked about the potential for a SLL town wide scheme which they considered would have benefits across the whole town. However, many of the wards in Middlesbrough do not meet the legislative criteria to introduce a SLL scheme such as that the area is, or is likely to become, an area of low housing demand; and; that the area is experiencing a significant and persistent problem caused by anti-social behaviour; and would put the Council at risk of legal challenge.

Additionally, if rolled out on an Early Help basis, it would almost certainly be cost prohibitive. If it was run more simply, as a licensing regime, it is unlikely to have significant impacts on supporting residents’ needs”.

13.3 Middlesbrough Council Internal Audit

An internal audit of the SLL scheme in North Ormesby was carried out in January 2019, prior to the implementation of the Newport SLL scheme. The audit found that the scheme has strong control measures, there were no recommendations and had exceeded the Council's expectations.

CONCLUSION

In accordance with the guidance from Local Government Regulation, the effectiveness of the NO Selective Landlord Licensing has been measured against the following:

- reducing anti social behaviour attributable to the private rented sector;
- improving management standards in the private rented sector;
- increasing housing demand;
- improving the environment; and
- contributing to the effectiveness of partnership working to improve the quality of life.

The above evaluation of outcomes and performance have demonstrated that Selective Landlord Licensing in North Ormesby has resulted in a wide range of positive outcomes and benefits to the community, landlords, tenants and owners, both directly and indirectly, including:

- Improved management and condition of privately rented accommodation.
- Supported landlords in dealing with anti-social tenants.
- Educating tenants about their responsibilities and their impact of their behaviour on the community and neighbours.
- Encouraged tenants to recognise when properties are of a sub-standard condition and what options are available to them.
- Promotion of landlord aspiration to let property to a higher standard and to act in a professional manner.
- Encouragement of landlords not to take tenants with a poor reference.
- Improvement of the image and desirability of the area.
- Improved values of property in the area.
- Encouraging a change to the tenure mix of the area. Protect investment in the area.
- Working with those landlords who are not providing good quality accommodation or managing their tenancies effectively and removing "rogue landlords" altogether.
- Reduced tenant turnover leading to sustainable communities, creating communities where tenants want to remain.
- Encouraged the use of reputable managing agents when landlords are inexperienced or "absentee".
- Raising community confidence through the appropriate use of enforcement powers against landlords who are failing to comply with the provisions of the Housing Act 2004.

APPENDICES

- Appendix 1 - Map of designated area
- Appendix A – Proposal Document
- Appendix 2 – Fit & Proper Person Check
- Appendix 3 – Licence Conditions
- Appendix 4 – Exemptions
- Appendix 5 – Fee Structure