

SELECTIVE LANDLORD LICENSING NEWPORT SCHEME

EVALUATION REPORT 2023

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INTRODUCTION

1. Aim of the evaluation

Middlesbrough Council currently operates three Selective Landlord Licensing (SLL) schemes which are 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 five-year period for the designation of the Newport 1 Selective Licensing Scheme ends on 12th June 2024.

The designation on the Council's North Ormesby Selective Licensing scheme ends on 13th June 2026 and the Newport 2 scheme will end on 2nd July 2028.

The aim of this report is to present the findings of an evaluation of the Selective Licensing scheme in the Newport 1 area.

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 Newport consists of:

- Analysis of data from Middlesbrough Council and other stakeholders collected during the 2019 - 2024 licensing period;
- 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 Newport. The report summarises the performance outputs of the Newport 1 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

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.

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;*

In 2015 the criteria for designating Selective licensing schemes were widened to include poor housing conditions and high levels of deprivation, crime and migration. The improvement of management standards in the private rented sector will help to combat housing problems associated with deprivation.

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 solution 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 Newport 1 Selective Licensing scheme was introduced in 2019, 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.

4. The introduction of Selective Licensing in Newport 1

Newport was experiencing major challenges associated with social and economic decline this included:

- high levels of crime and antisocial behaviour;
- high levels of private rented properties and poor living conditions;
- high levels of 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

A significant and concerning pattern of housing and subsequent social decline in parts of Newport could be identified:

- the older terraced properties were no longer the first time buyers ‘house of choice’ they had been in previous generations;
- the low demand for two bedroom terraced properties had led to private sector landlords purchasing properties at relatively cheap prices;
- some, but by no means all, of these landlords have housed tenants who have gone on to present a wide range of problem behaviours further fuelling low demand levels;
- this concentration of issues has seen a broad range of social problems manifest themselves from drug and alcohol abuse to domestic violence and high crime levels.

Whilst Newport may not always be recognised as the most disadvantaged area against every statistical measure, the rate of its decline, its vulnerability in terms of crime, social isolation, and the impact of welfare reform provides a particularly compelling picture of chronic need – especially in conjunction with the apparent housing market failure. If not addressed, this decline could threaten the long-term stability of the area.

Index of Multiple Deprivation (IMD).

The IMD 2015 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 6 meaning it is the 6th most deprived local authority area in England.

LSOA's can be combined to give a measure/rank of deprivation for ward areas. In 2015 the Newport was ranked 38th most deprived ward, of 7522 wards, in England, putting Newport in the top 1% of most deprived wards in England. This is a decline of 49 places from a previous ranking of 87th in 2010.

Newport ward is ranked as the 5th most deprived ward in Middlesbrough and it has also seen a significant decline in the levels of 'employment' with the national ranking moving negatively from 254th in 2007 to 86th worst in 2015

Newport ward is ranked as the 25th worst ward of the 7529 wards in England with regards to 'Income Deprivation Affecting Children Index' it has also seen a gradual decline in the levels of 'income' with the national ranking moving negatively from 214th in 2007 to 26th worst in 2015.

Fuel poverty

Fuel poverty in England is measured by the Low Income High Costs indicator, which considers a household to be in fuel poverty if they have fuel costs that are above average, and if they were to spend that amount they would be left with an income below the official poverty line.

The key drivers behind fuel poverty are: the energy efficiency of the property, the cost of energy, and the household income.

Newport has a rate (26.8) of its households living in fuel poverty, almost three times the national rate (11%).

A part of Newport ward (Newport 1) was designated for Selective Landlord Licensing in June 2019 and this came into force on the 13th June 2019. Every landlord who privately rents a property in the designated area of Newport 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 Newport 1 scheme was set at £730 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. The payment was split in to two parts with £365 + £20 Fit and Proper Fee payable at the time of the application and £365 payable at the Notice of Intention stage.

With 800 licensable properties originally identified in the Newport 1 Selective Licensing area, an income of £600,000 was predicted from the scheme. The actual income has exceeded expectations as the number of licensable properties has changed over the five years of the scheme due to exemptions, sales

of properties and changes in tenure. To date (Nov 2023) 1,054 properties have been licensed and 1263 licences have been issued (this figure represents where properties have been relicensed due to changes in tenure.) This has generated fee income of £974,033 made up of licence fees, part licensed properties and late fee charges. Income from the licence fees is ring fenced and it can only be used for the delivery of the SLL scheme. Throughout the life of the scheme the fees have covered the staffing resource costs of the following SLL posts which are necessary for the delivery of the scheme: Manager, Co-ordinator, SLL Neighbourhood Safety Officer, Environmental Health Officer, SLL Assistant and Tenancy Relations Officer, Regulatory Compliance Officer.

PERFORMANCE

Throughout the period of the Newport 1 SLL scheme a series of performance measures have been monitored to track the progress and outcomes of the scheme. The data presented below relates to the period of the SLL scheme up to September 30th 2023, unless otherwise stated.

6. Low Demand for Housing

The Council introduced Selective Licensing in part of Newport 1 ward 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 as turnover, low property prices, a transient tenant population and high proportion of empty properties.

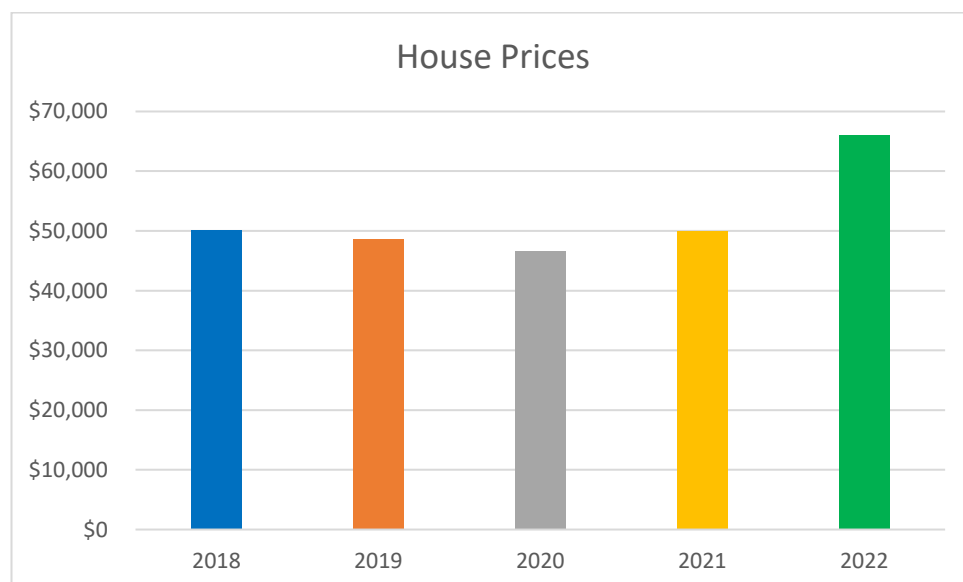
6.1 House Prices

Prior to the introduction of SLL:

With average sales prices in Newport at £50,000¹, they were amongst the lowest in the town. Average price in other town centre wards were higher (£64,000 in Central).

The average house price for Middlesbrough was £143,000). A number of factors were at play, including the disproportionate levels of private rented properties when compared with other parts of the town, high levels of crime, antisocial behaviour and deprivation, and empty properties. These older terraced properties were no longer the first-time buyers 'house of choice' as they had been in previous generations.

After the introduction of SLL (until December 2022):



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

Conclusion: There is evidence that house prices in Newport are starting to increase. During the designation period general observations have identified that there has also been an increase in the number of renovations of properties.

6.2 Turnover of tenants

Prior to the SLL scheme Newport 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.

After the introduction of SLL up to the period end of December 2022:

Following the period of designation of the SLL scheme in Newport the table below shows that the turnover of properties started to decrease. However, in 2022 the turnover is much higher, this could be attributed to the protection offered to tenants during the Covid pandemic and the movement afterwards.

	New Occupations (accounts)						
	Properties at 1 Jan	Accounts in year	Accounts Count	Rate for all Properties	Rate for Properties Count	Properties Count	Rate for all Properties
2017	1673	2908	660	39.5%	122.2%	540	32.3%
2018	1674	2787	636	38.0%	127.5%	499	29.8%
2019	1670	2729	640	38.3%	121.2%	528	31.6%
2020	1670	2597	593	35.5%	120.8%	491	29.4%
2021	1665	2426	513	30.8%	121.0%	424	25.5%
2022	1663	2633	654	39.3%	125.8%	520	31.3%

Data Source: Middlesbrough Council, Council Tax records.

Conclusion: Throughout the life of the SLL scheme there was a year on year reduction in the number of properties changing hands in Newport, only with the exception of 2022 which may be a delayed impact of the covid pandemic.

6.3 Empty Properties and Long Term Empties (More than 6 Months)

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

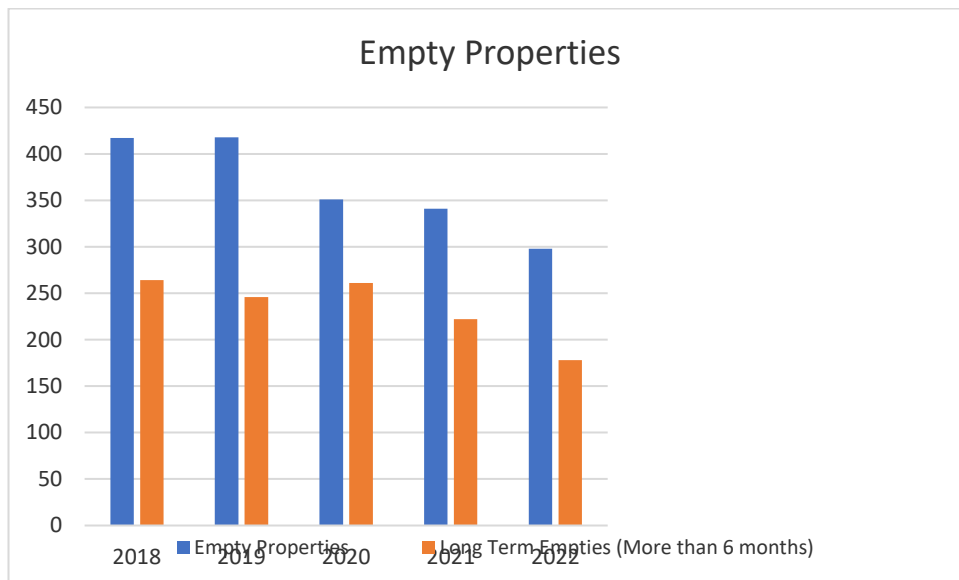
- deny homes to those in need;
- attract vermin, crime, arson, vandalism, fly-tipping and anti-social behaviour;
- are a source of anxiety for owners and neighbours;
- reduce the value of neighbouring properties; and as a consequence,
- are a drain on public services and budgets.

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. The SLL team have become more involved in engaging with the owners of empty properties which are open for access, to require them to act quickly to secure them, or to take legal action when the owner is not cooperative.

Prior to the introduction of SLL:

Council Tax records tell us that at the end of September 2018 there were 418 long-term empty properties in Newport, which equates to 22% of total stock. Newport has the highest proportion of long term empties than any other area in Middlesbrough. This contributes to a negative image causing uncertainty for established residents and making it hard to attract people to the area. A Rent & Refurb Scheme was introduced in 2017 and Empty Homes Funding from the HCA as far back as 2013 has been available, however the numbers of empty properties have fluctuated throughout the five years of the scheme.

After the introduction of SLL (end of December 2022):



Data Source: Middlesbrough Council, Empty Property dashboard

Conclusion: Whilst the number of empty properties has decreased they still remain high. There has been a 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. The SLL team have been more actively involved in taking legal action, where necessary, to secure empty properties which become open for access. This has increased the efficiency of securing properties in a shorter timescale.

Recommendation for future SLL scheme: To continue with the delivery of the current scheme's approach to dealing with vacant properties.

7. Property Conditions

Middlesbrough's Private Sector Stock Condition Survey (PSSCS) 2008 identified Newport as having the second highest proportion of non-decent dwellings in Middlesbrough at 49.3%. 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.

The survey also recorded a non-decency remedial cost score as (£40.3m and an average of £3,685, per non decent dwelling).

The same survey identified Newport as having the second largest proportion of vulnerable households (50.1%) living in non-decent homes.

Newport was also found to have the second highest proportion of homes with a Category 1 hazard (23.1%). Examples of Category 1 hazards include:

- Damp and mould
- Excess cold
- Falls on stairs
- Hot surfaces
- Falls on the level
- Fire

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.

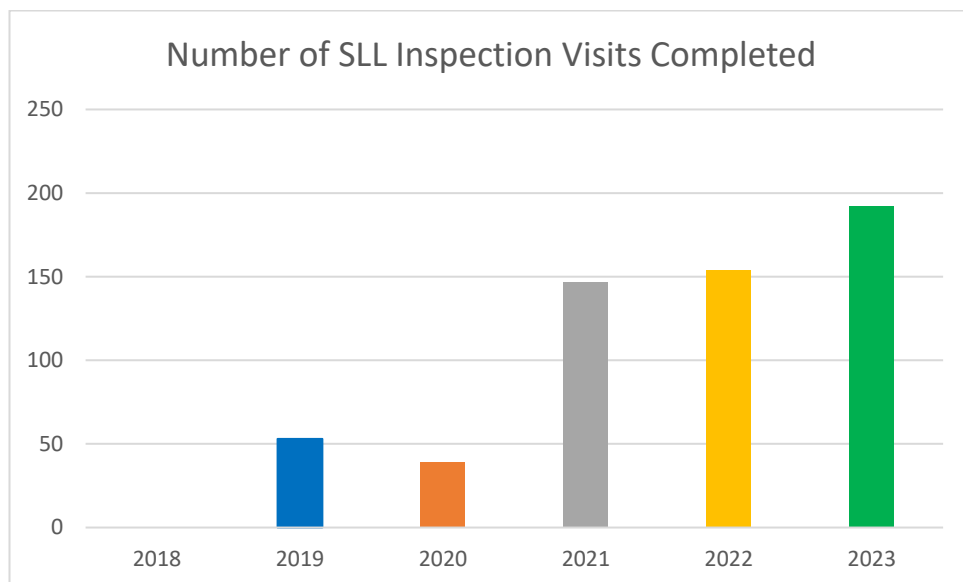
7.2 Housing disrepair

Prior to the introduction of SLL:

Between 2015/16 and 2016/17 the Council received 197 complaints of housing disrepair in private rented properties in Newport. Over this same period the Council issued 37 pre-formal schedules of work to landlords in Newport and served 11 statutory repair notices.

The graphs below show the number of rented properties in Newport 1 which inspected throughout the course of the SLL (up to Sept 2023) to ensure they met housing standards (HHSRS). The incorporation of housing standards inspections into the SLL scheme has resulted in improved housing conditions for residents. In normal circumstances, the majority of housing inspections are to be carried out in the first three years of a SLL scheme. However, the covid pandemic and legal restrictions prevented internal housing inspections from being carried out between March 2020 and June 2021. Officers resumed carrying out the inspections and they have identified an increased number of properties with category 1 and 2 defects which has put additional demand on their time. There have also been challenges to gaining access to some properties, mainly due to the nature and sometimes chaotic lifestyles of the tenants. In some cases, 3 and 4 attempts were required to access the properties to carry out the housing inspection. Consequently (October 2023) there are 600 housing inspections outstanding. The number of staff carrying out HHSRS inspections has been increased (within the financial envelope of the scheme) and it is forecasted that the inspections will be completed by the end of the scheme.

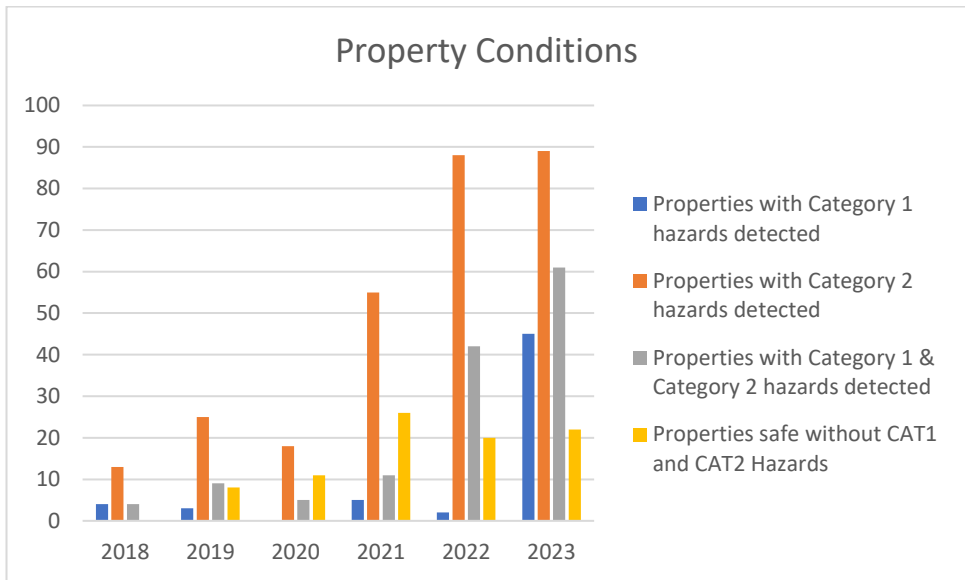
Number of SLL Housing Inspection Carried Out:



Data Source: Selective Licensing Spreadsheet

Conclusion: It was planned that a 100% of the licence properties in Newport 1 would be inspected in the first 3 years of the scheme. However, due to Covid restrictions the inspection programme was delayed. If a property was licensed but was vacated before the inspection was carried out, it would be delayed until the property was tenanted again. 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 programme to complete the housing inspections. These 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.

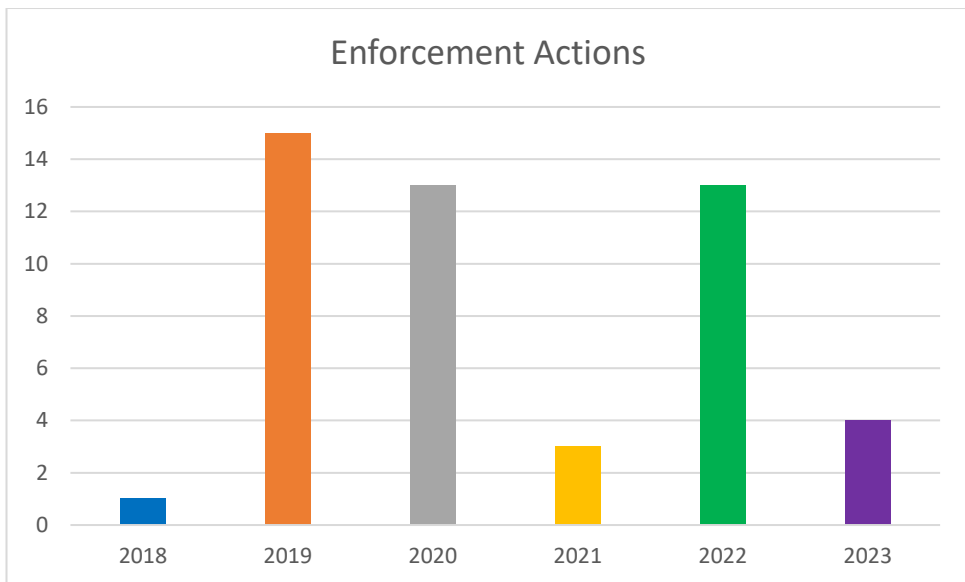
Property Conditions from Inspections:



Data Source: FLARE data system

The housing inspections carried out as part of the SLL scheme have identified more properties with category 1 and 2 hazards. 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. In the graph below the data for 2018 is reflects the low number of tenants coming forward to report poor housing conditions and the resulting low number of enforcement actions compared with future years where proactive housing inspections, under the SLL scheme are carried out. The Regulatory Compliance Code sets out a wide range of enforcement actions ranging from advisory to legal action. Enforcement action is required in a relatively small number of cases as a result of landlords not responding to the “softer” approach or where conditions are so hazardous

Enforcement action taken in respect of serious disrepair issues:



Data Source: FLARE data system

Conclusion: The proactive housing inspections incorporated into the Newport 1 SLL scheme have resulted in identifying a significant number of rented properties with poor housing conditions. Without the SLL scheme the improvements to these properties would not have been achieved. There are significant number of number of properties which have CAT1 and CAT2 hazards.

Recommendation for future SLL scheme: To maintain housing standards inspections as a requirement of the SLL scheme.

Targeted proactive Housing Inspections in Central ward (THIP)

Between October 2022 and March 2023, a proactive housing inspection initiative was undertaken in a small area of Central Ward. This Targeted Housing Inspection Programme (THIP) was developed to investigate private rented housing conditions in the Central ward and to measure landlord voluntary engagement.

The initiative aimed to look at the physical condition of properties and to ensure that landlords or agents are meeting their legal responsibilities, including gas safety and electrical safety and minimum energy efficiency performance standards. In addition to the assessment of property conditions tenants were also offered support in relation to a wide range of matters including cost of living issues, health needs and financial advice and referrals/signposting to local advice and support services.

Over 300 letters were sent to Landlords and tenants informing them of the THIP and that Council Officers would be carrying out housing standards inspections of the property and for landlords to allow officers access to their properties. Landlords were asked to contact the Public Protection Service to arrange an inspection of their property.

140 (47%) landlords responded to the letters to arrange an inspection of their properties. Out of these 140 properties access was only gained to 42 properties for a housing inspection to be carried out.

Whilst many landlords did provide access to their property, this initiative demonstrated the difficulty that voluntary schemes have in engaging with landlords and also their tenants. Often tenants do not wish to provide access for fear of eviction from their home and often affordable accommodation is difficult to find.

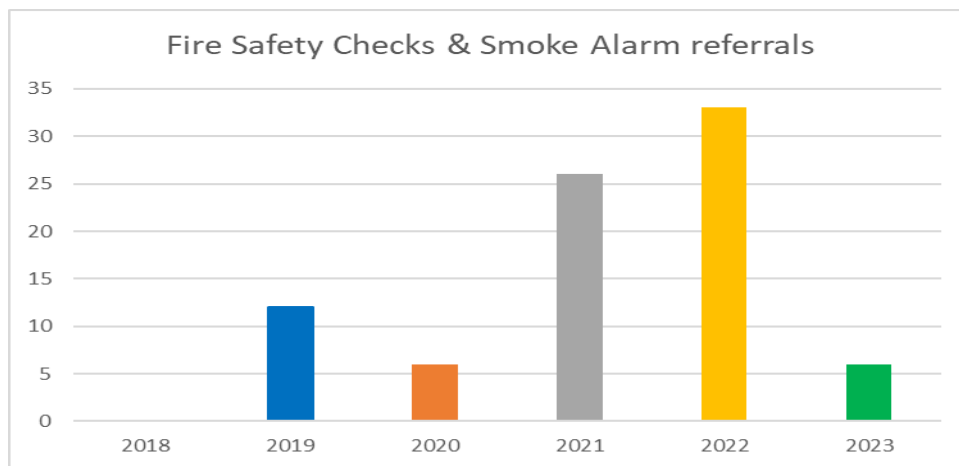
Case Study to support Housing Disrepair

Stacey Carlisle Deputy Head Teacher Newport Primary School - *“As a school we have found it very helpful to know that we can refer families to SLL. Many of our families are new to the area, or indeed new to the country, and find themselves in properties which are not fit for purpose. On occasion they are not aware that the home conditions are unacceptable, and worry that raising concerns may result in them losing their homes. This can be stressful and impacts greatly upon the children and parents. Now we know that when a family comes to us for help, we can refer them to SLL who have always been hugely supportive. They make sure that the families know their rights and help them to resolve their housing issues quickly and efficiently, ensuring that safety and home conditions meet expected standards. The service families receive has always been timely and professional and we have had lots of families very grateful for their support”.*

Fire Safety Checks.

It is a mandatory condition that smoke alarms are fitted at each floor level within a property. From 1 October 2015, the Smoke and Carbon Monoxide Alarm (England) Regulations 2015 have required at least one working smoke alarm installed on every storey of rental property. Where there is a fixed combustion appliance (excluding gas cookers), landlords are also required to have a carbon monoxide alarm installed in the room. Landlords must also make sure that there are adequate working alarms at the start of each new tenancy. 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 then the landlord is required to rectify this.

Fire Safety Check referrals made by team following property inspection:



Data Source: FLARE data system & Selective Licensing Spreadsheet

Conclusion: If the housing inspections were not carried out, there would a large number of private rented properties where the tenants would be at significant risk with inadequate smoke and fire protection.

8. Management Standards

By introducing Selective Landlord 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.

Reputable landlords are provided with assurance when a Selective Licensing scheme is 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. They also potentially face legal action if their properties do not meet the HHSRS standards.

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 Selective Licensing areas.

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.

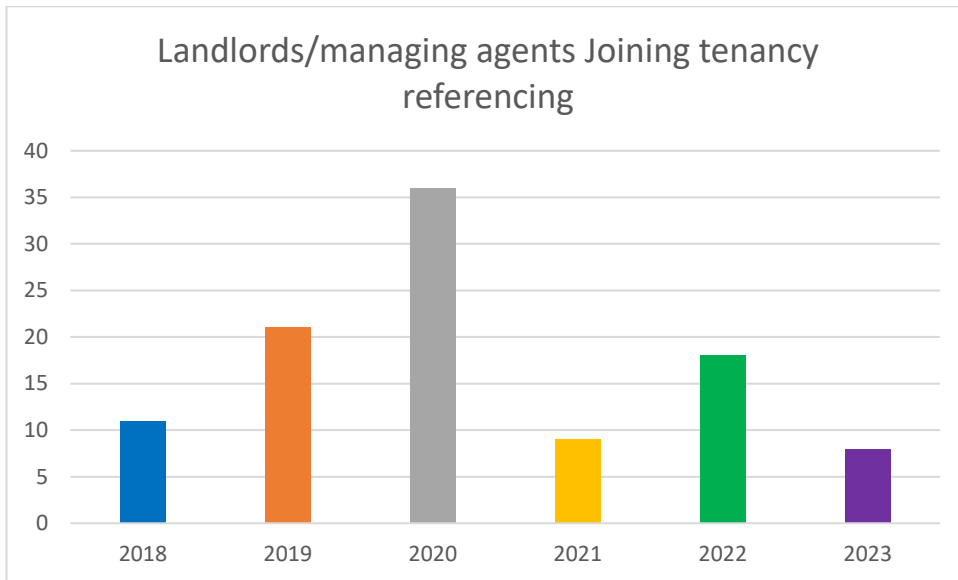
Prior to the introduction of SLL:

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:

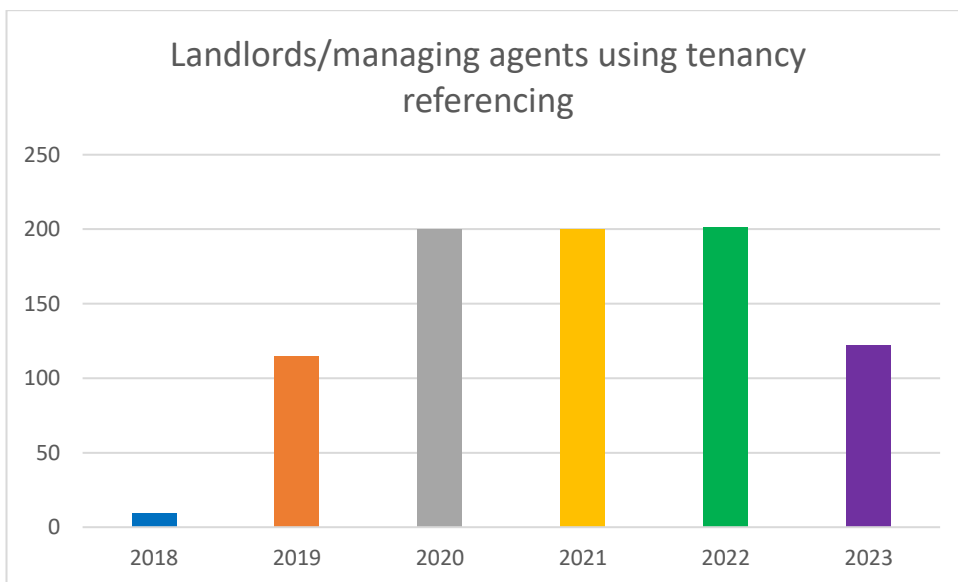
When SLL was introduced tenancy referencing became a mandatory condition of the licence, in addition to conditions requiring landlords to provide a copy of a tenancy agreement, up to date gas safety certificate and an anti-social behaviour plan.

Landlords/managing agents joining tenancy referencing:



Data Source: FLARE data system

Landlords/managing agents using tenancy referencing:



Data Source: FLARE data system

Conclusion: A SLL licence condition is that all landlords must reference their tenants using Middlesbrough Council FREE referencing service, before placing them in a tenancy. The graphs show that during the course of the scheme landlords have not only joined the tenancy referencing scheme, but are also using the service.

9. Antisocial Behaviour & Early Help

9.1 Antisocial Behaviour

Antisocial 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 antisocial 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 antisocial behaviour that the Selective Licensing Neighbourhood Safety Officer 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:

ASB

There was a total of 1,240 complaints of anti-social behaviour received in Newport in 2016/17 by the Council's Private Housing Enforcement and Antisocial Behaviour Teams.

In addition, in 2016 Cleveland Police recorded 1678 incidents of antisocial Behaviour in Newport ward, which was an increase of 4.8% on the previous year and the highest number per ward other than Central ward. Newport had the third highest rate of antisocial behaviour per population of any ward in Middlesbrough, behind North Ormesby and Central wards.

Crime

During the period 1st October 2021 to 30th September 2023, Newport ward had the third highest rate of crime out of all wards across Middlesbrough. Newport ward has also consistently had the third highest rate of crimes marked as racially aggravated accounting for at least 12% of all racially motivated crime within Middlesbrough across the period. During this period there were a total of 5768 crimes, 47 of which marked as racially motivated, additionally there were 139 deliberate fires within the ward.

After the introduction of SLL:

ASB

Currently in financial year (FY) 2023/24 there have been a total of 3149 reported incidents of ASB to Cleveland Police, this is 42% lower than the full financial year of 2022/23 following a reduction in the previous year of 22%. This decrease can also be seen in Newport with the total of 287 ASB reports currently for financial year 2023/24 being lower than FY2022/23 by 46%, with last year also being lower than the one before by 64%.

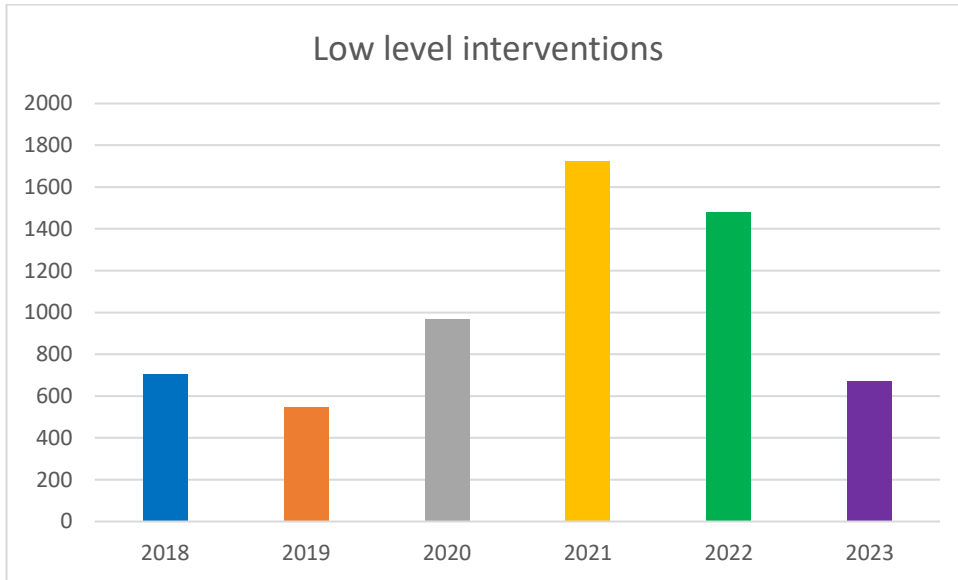
ASB levels in FY2022-23 significantly reduced resulting in the yearly average also reducing, resulting in month-on-month levels so far in FY2023-24 appearing higher, but the levels of ASB counts per month overall are still lower than in 2020-21 and look to be somewhat static.

Crime

Whilst Newport ward remains the third highest ward in relation to the rate of crime per 1000 head of population, the general trend is decreasing. In Financial Year (FY) 2021/22 the crime rate was 116.3 crimes per 1000 Head of Population, this increased to 254.9 in FY2022/23, and currently in FY2023/24 the rate is at 106.2 per 1000. Whilst the rate of crime looks to be increasing considering this data only captures half of the financial year, it is currently still lower than in previous years. Currently in FY2023/24 there have been 1311 reported crimes, this was 3079 in 2022/23, 1378 in 2021/22, and 2975 in financial year 2020/21.

In Newport the levels of police reported crime have been continuously decreasing with levels in 2023-24 recording some of the lowest seen over the last 3 financial year periods. The total of 163 crimes in October 2023 is lower than in 2022 by 41.3%, lower than in 2021 by 36.3%, and lower than in 2020 by 29.4%.

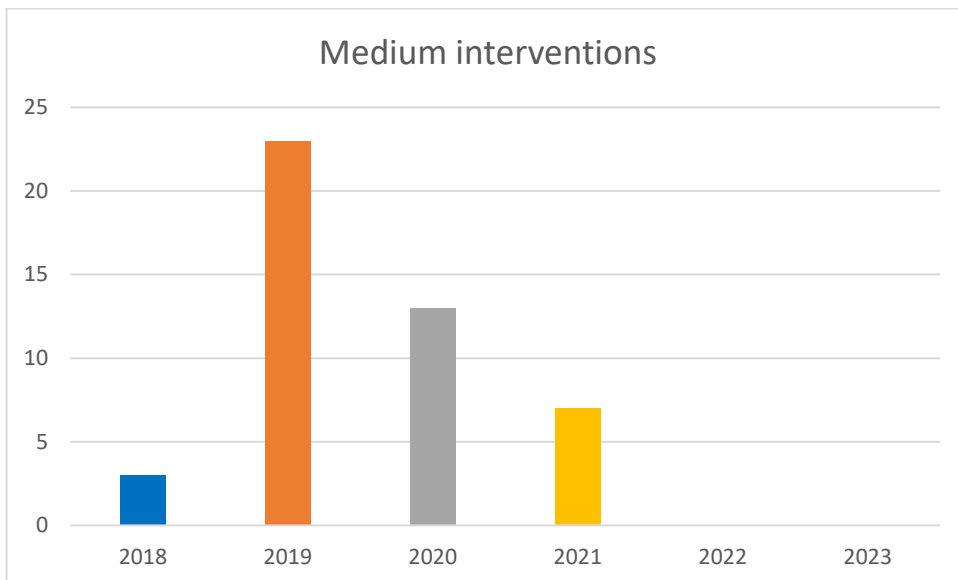
Number of low level interventions



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.

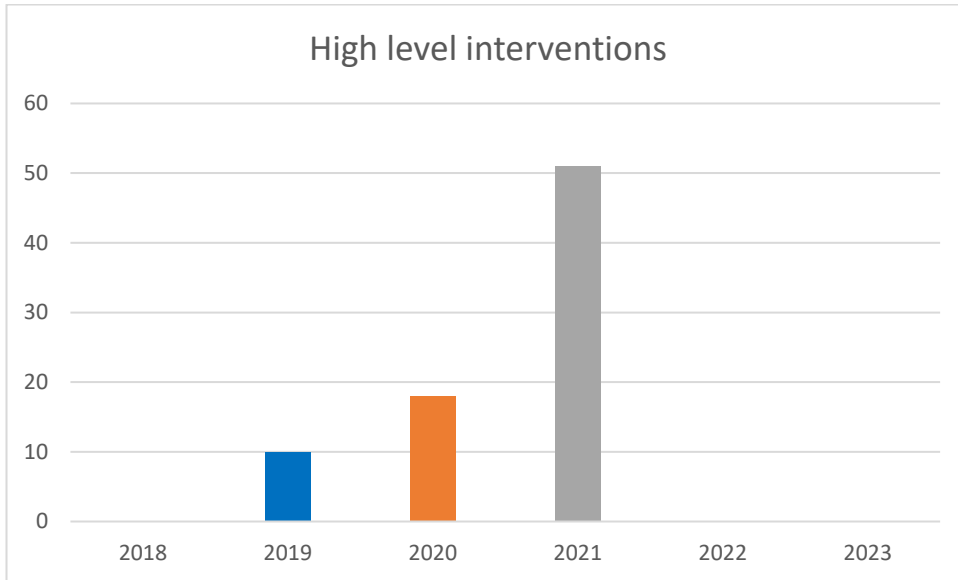
Number of medium interventions



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:

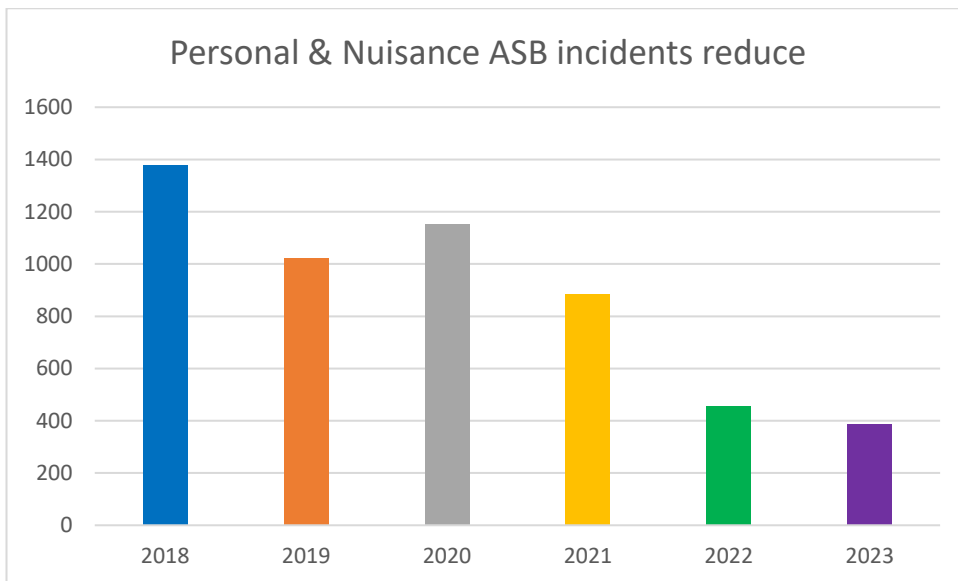


Data Source: FLARE data system

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: The figures demonstrate the wide range of interventions delivered as part of the SLL scheme to tackle antisocial behaviour. These also show that the low level interventions are effective in preventing any further escalation in behaviour which requires a higher level of intervention.

Reduction in Personal & Nuisance ASB incidents (Police Data):



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

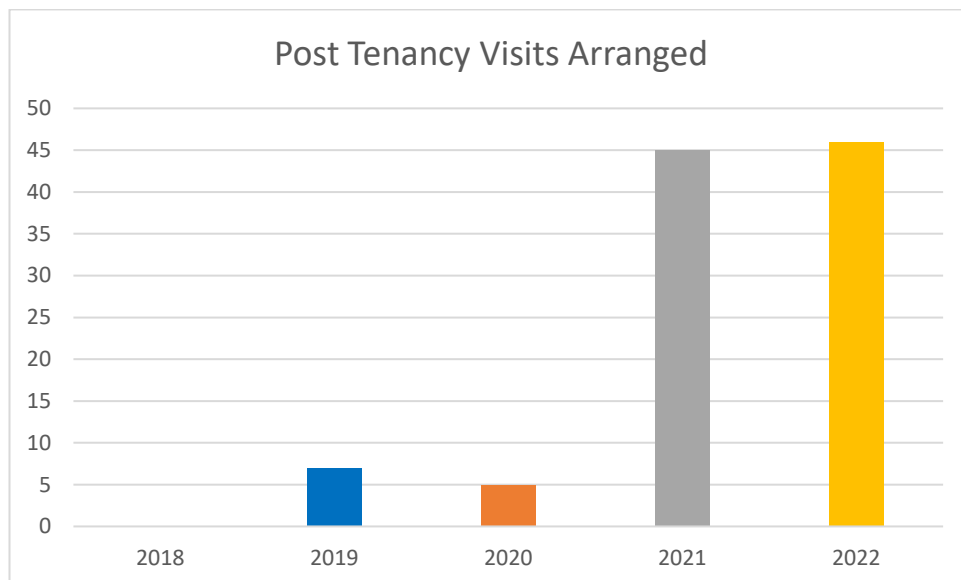
The personal and nuisance antisocial behaviour incidents in Newport (Police data) has reduced by 45.5% reduction between June 2019 and June 2023.

9.2 Early Help

A multi-agency/disciplinary team visit was made to each property which incorporated the housing standards inspection. Issues identified includes 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.

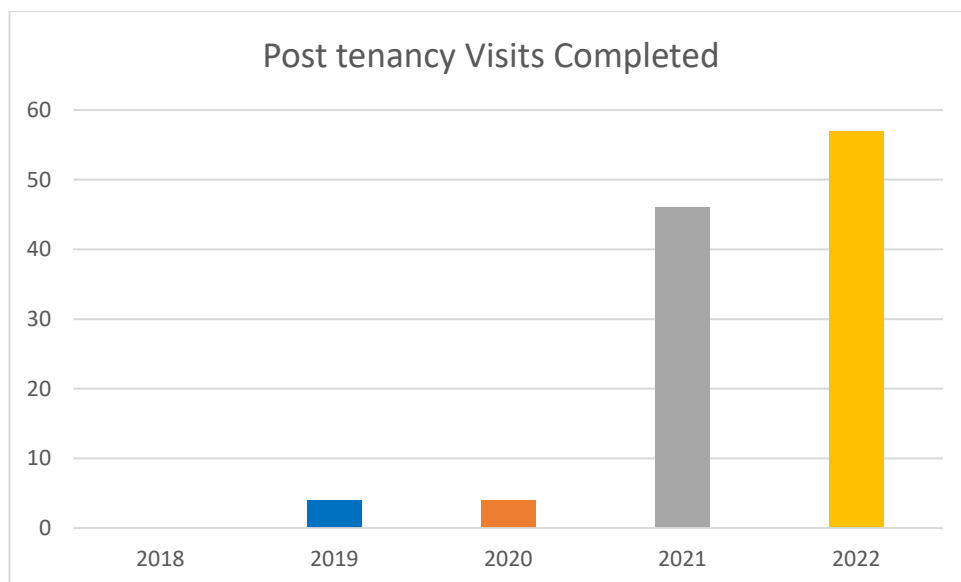
Post tenancy visits were carried out for all new tenancies. Part of the Tenancy Relations Officer's role was to carry out a post tenancy visit approximately 4 weeks after the new tenancy had commenced to ensure that the tenant had settled into their new home and to discuss any concerns/issues they may have. If there was history of previous anti-social behaviour this visit was 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. During 2020 the number of visits are low due to COVID restrictions. In April 2023 there was a change in focus to only visit red referenced tenants and they are now carried out by the Neighbourhood Safety Officer jointly with the landlord.

Post Tenancy Visits Arranged (up to the period March 2023):



Data Source: FLARE data system

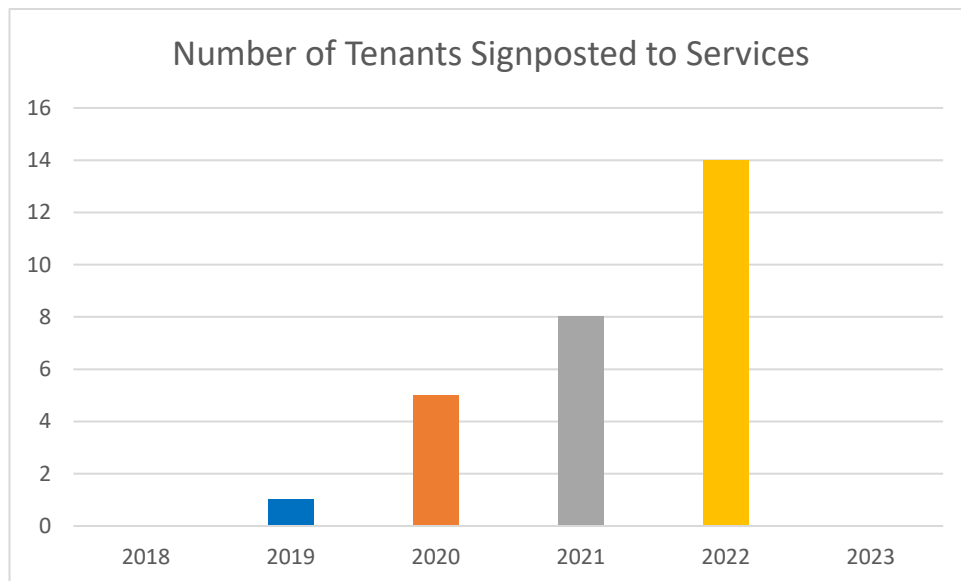
Post tenancy Visits Completed (up to the period March 2023):



Data Source: FLARE data system

Conclusion: Post tenancy visits are useful to identify any early support needs. Focusing on red referenced clients is seen as an effective preventative measure and a better use of resources than visiting all tenants. In addition offering support through the joint visit and housing inspections is considered to be a valuable means of engagement and identifying any needs.

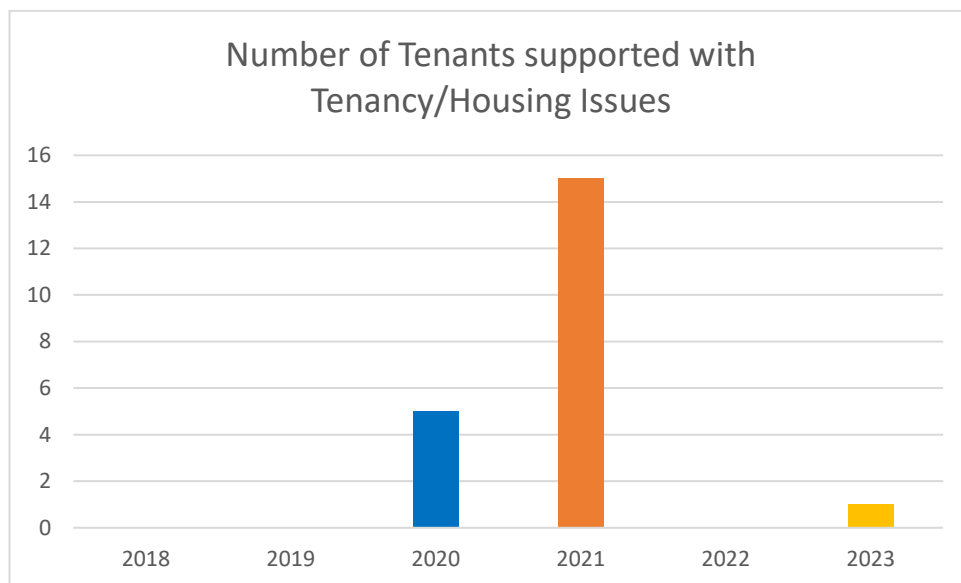
Number of Tenants Signposted to Services:



Data Source: FLARE data system

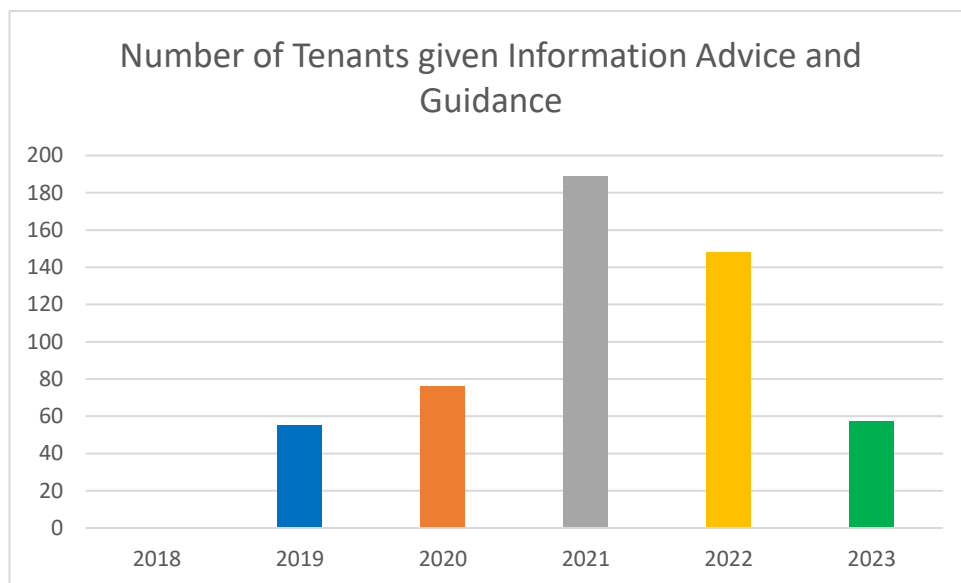
Conclusion: During inspection and post tenancy visits the tenancy relations officer discusses the tenant's needs and referrals into other services such as Mental Health, substance misuse and debt services. Without this SLL intervention these tenants may not access the services they require or access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

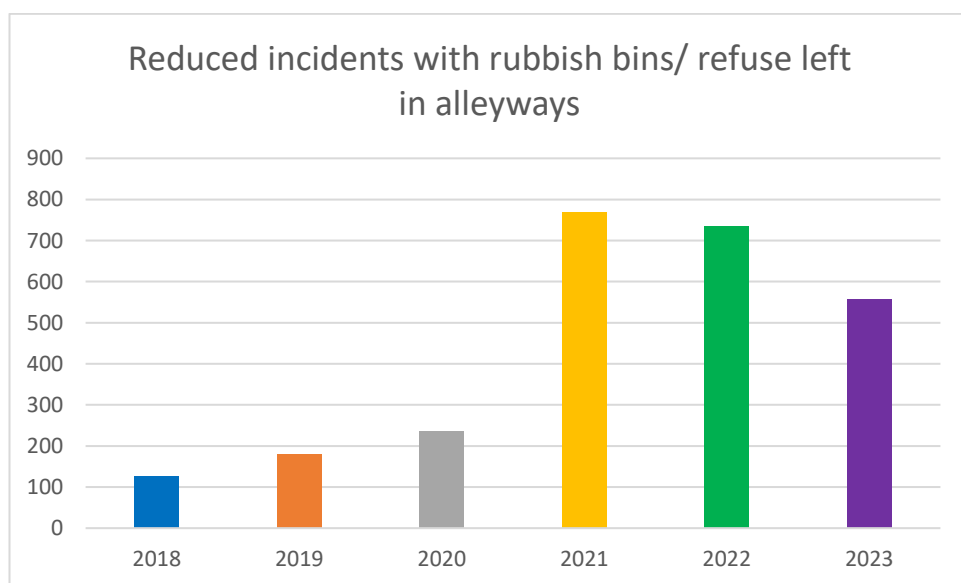
10. Environmental Nuisance

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

After the introduction of SLL over the 5 year period:

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.

Reduction in incidents with rubbish bins/ refuse left in alleyways:



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

Conclusion: The figures show an increase in the number of reports during 2021 followed by a small reduction in the number of reported incidents of dumped waste and environmental issues. There is still work to be done to tackle environmental nuisances.

11. Application Process

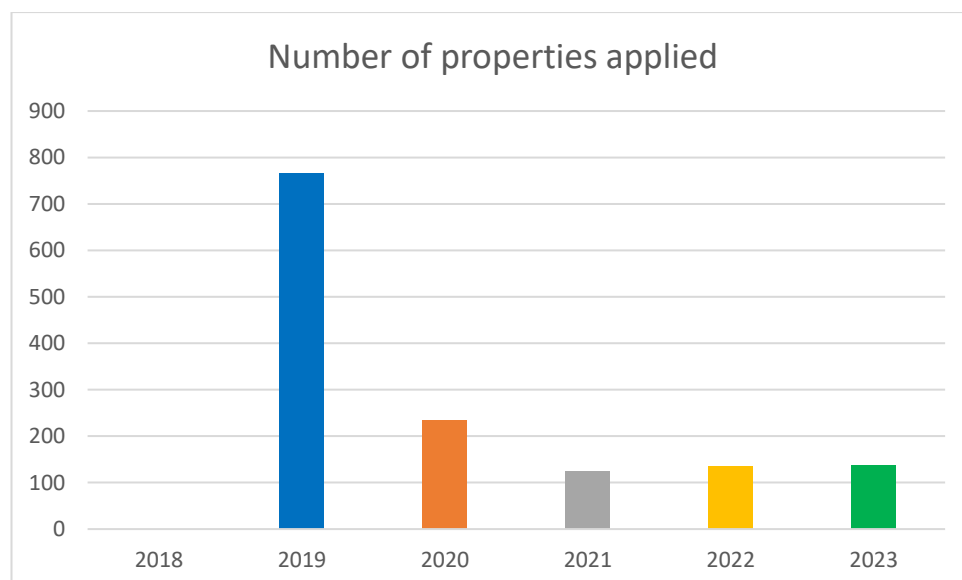
11.1 Applications Received

Within the designated area of Newport 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 800 properties would require licences, to date (Nov 2023) 1,054 properties have been licensed. and 1263 licences have been issued (this figure represents where properties have been relicensed due to changes in tenure.)

Number of properties applied up to the period 30th September 2023:



Data Source: FLARE data system

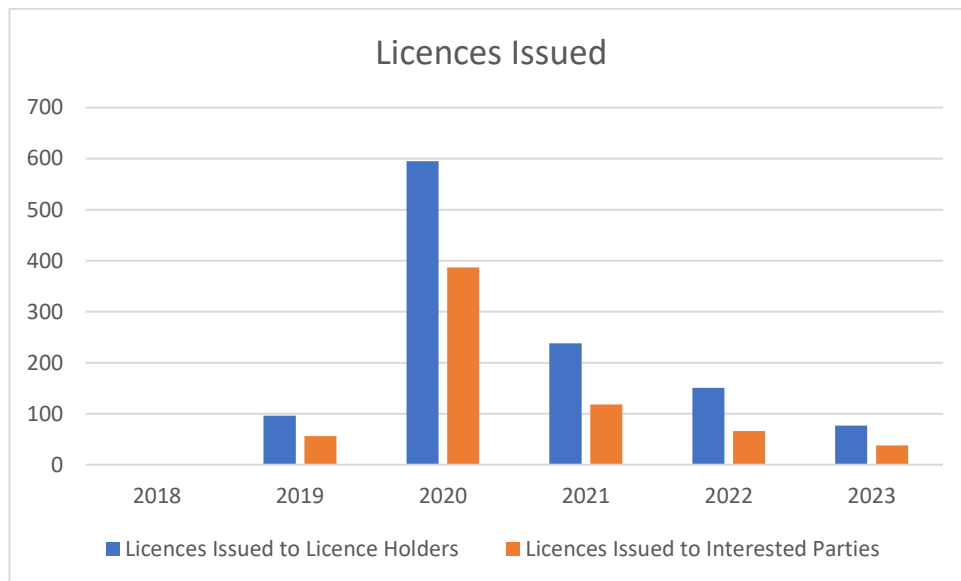
Conclusion: The number of properties applying for the scheme have decreased over the course of the SLL scheme demonstrating that most landlords complied with the requirement to licence in 2019. Applications have been received throughout the duration of the scheme due to the sale of properties and changes in tenure and also as non compliant landlords are pursued using legal powers.

11.2 Licences issued to licence holder and to interested parties

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

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

Licences Issued to Licence holders and Interested Parties:



Data Source: FLARE data system

12. Enforcement

Failing to apply for a licence could lead to issuing a civil penalty notice or prosecution with the potential for 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

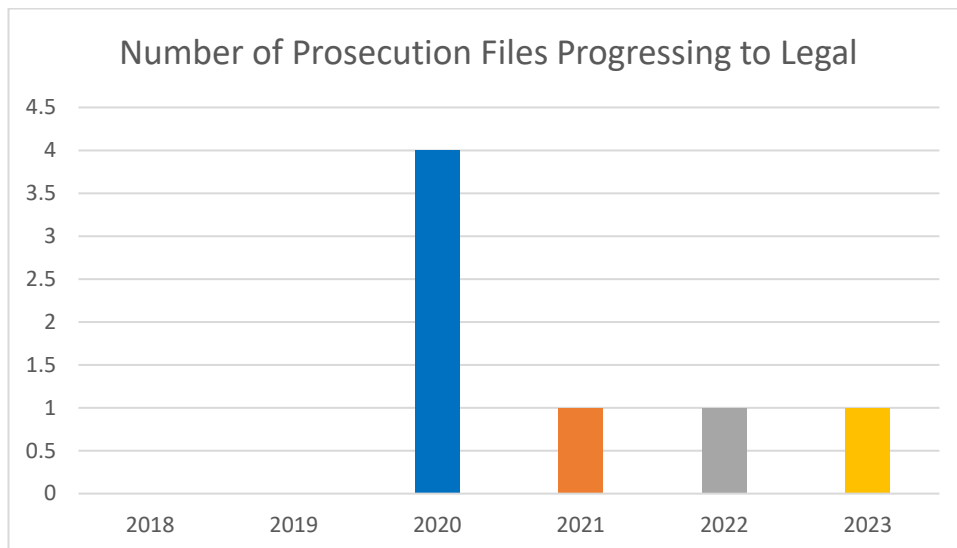
Landlords are given adequate time and support to apply for a Selective licence. They are sent an initial notification letter, giving 4 weeks to apply. If no application is received they are then sent a reminder letter incurring a £100 late fee and giving a further 14 days to apply for a licence. If an 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 Newport ward.

After the introduction of SLL up to the period 30th September 2023

Number of Prosecution Files Progressing to Legal Services:



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

The low number of cases indicate that most landlords have complied with the SLL scheme. However, considerable time and effort is put into chasing a larger number of landlords for payment, some landlords require further reminders which includes a late payment fee and some only respond at the summons stage, apply for a licence and the case did not progress to a hearing. What is not shown here is the amount of time and work which goes into chasing landlords and putting a legal case together. A range of enforcement tools are used to ensure compliance, and this is in accordance with the Enforcement Policy (currently under review). Officers are now using Civil Penalties which is a penalty notice for non payment and prosecution if the penalty is not paid. This has the advantage of being an immediate penalty, legal cases can take months to progress to a court hearing, and it is hoped that this will encourage more landlords to apply within the expected timescales.

Conclusion: There are a relatively small number of prosecution files submitted to Legal Services for non-compliance with the scheme. Compliance was achieved by using the wide range of regulatory approaches in accordance with the Enforcement Policy.

The results of some of the legal proceedings are summarised below:

- 5 landlords applied before their cases were scheduled for court.
- 1 landlord accepted a caution as an alternative to prosecution.
- 2 landlords applied following the issue of a summons.
- 1 case is pending a Civil Penalty

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 locality based working) and working together with landlords. This multi-agency approach is being achieved through the delivery of the Locality based working arrangement in both Newport and North Ormesby wards. SLL work closely alongside other agencies as part of this set up, benefiting from the close ground level working. A Landlord's Forum has been set up and is currently chaired by a landlord. It is in its early stages of development and further engagement with landlord's is needed to improve attendance.

Case Study to support Partnership Working

Police Testimonial (Inspector 0895 Darren Birkett Middlesbrough North NPT) – "As Neighbourhood Inspector I am delighted with the partnership we have with the Selective Licence Scheme colleagues.

On a daily basis we share intelligence and work closely together to support individuals and communities and to tackle and disrupt those who cause harm to our communities.

We regularly combine assets to safeguard individuals but also to enforce legislation such as house closure orders”.

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 ward, 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 Selective Landlord Licensing 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 1 SLL scheme. The audit found that the scheme has strong control measures, there were no recommendations and had exceeded the Council's expectations.

A further audit of the Selective licensing schemes commenced on 12th June 2023. The audit which focused on the Selective Landlord Licensing Schemes currently operating in the areas of North Ormesby and Newport 1. The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- The scheme is well administered and the financial model is fit for purpose.
- The performance of the project is monitored and the Council's objectives are met.

Auditors found that the SLL Schemes are well administered, the financial model is fit for purpose, and that performance of each of the schemes is monitored to ensure that the Council's objectives are met.

The Statement of Policy and Procedure for Selective Landlord Licensing (SPPSLL) is published on the Council's website and clearly sets out the requirements of the schemes, and is appropriately reviewed, updated and approved. The aims and objectives of each of the schemes provide links to the Council's Strategic Plan and to the improvement of housing. The Selective Landlord Licensing (SLL) team works in close partnership with other Council services and external agencies to maximise the benefits of the schemes.

Overall Conclusions from the audit are that a sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. Their overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

CONCLUSION

In accordance with the guidance from Local Government Regulation, the effectiveness of the Newport 1 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 evaluation of outcomes and performance have demonstrated that the Selective Landlord Licensing Scheme in Newport 1 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".

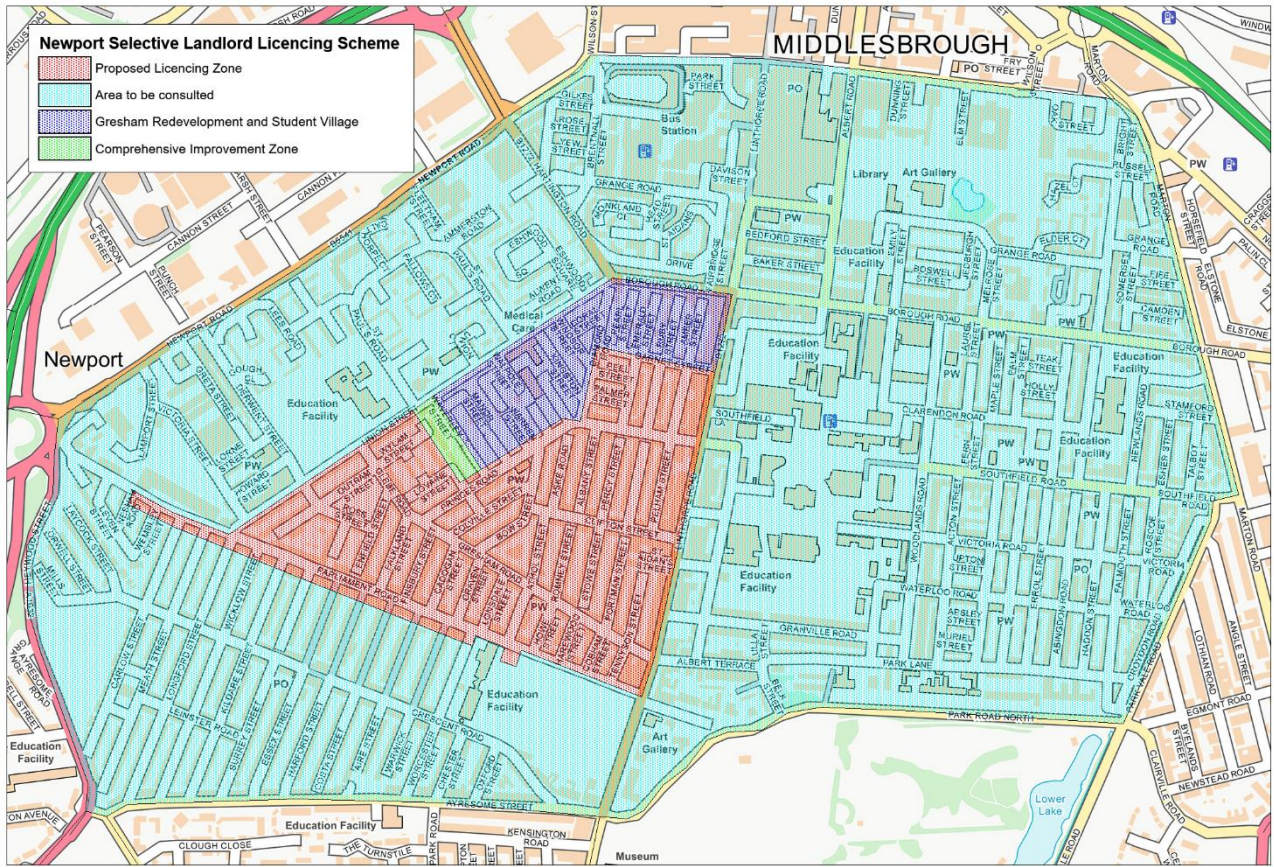
- Raising community confidence through the appropriate use of enforcement powers against landlords who are failing to comply with the provisions of the Housing Act 2004.

In carrying out this evaluation of the Newport 1 scheme there are areas of learning and improvement which have been identified some of which will be considered in the delivery of future schemes:

- Expanding the team's role in securing empty, open for access properties. The SLL team have been actively involved in taking legal action, where necessary, to secure empty properties which become open for access. This has increased the efficiency of securing properties in a shorter timescale.
- Inspection delays due to Covid restrictions. This situation was unforeseen and the impact was unprecedented but it has had an impact on the face to face elements of the delivery of the scheme. It has delayed the housing inspection programme which has impact on the delivery of other elements of the scheme.
- There have also been challenges to gaining access to some properties to carry out a housing inspection, mainly due to the nature and sometimes chaotic lifestyles of the tenants. The team will be introducing cold call visits to aid the inspection process.
- Post tenancy visits to focus solely on red referenced tenants and are now carried out by the Neighbourhood Safety Officer jointly with the landlord. All support is still to be offered through this joint visit and housing inspections.
- Maximising enforcement tools. Enforcement of the scheme now includes the use of Civil Penalties in addition to prosecution for Housing Act offences, including non licensing and poor housing standards. For anti-social behaviour Community protection warnings and notices are being issued.
- A review of the procedure for a Fit & proper person check. This will now be achieved through a Disclosure Barring service (DBS) check to make it more robust.
- An additional charge of £100.00 will be made for the submission of incomplete applications. This is considered to be a better approach than rejecting applications which is more costly to the applicant.
- Consideration to providing those landlords making applications for licences in the last twelve months of the designation to be eligible for a reduced fee of 50% of the second payment, where properties have not been licensable prior to the 12 month deadline. Offering discounts have to be carefully considered in the context of ensuring that the scheme is adequately resourced throughout its life and that they do not encourage landlords to delay making their application.

APPENDICES

APPENDIX 1 MAP OF DESIGNATED AREA



APPENDIX 2 FIT AND PROPER PERSON CHECKS

Middlesbrough Council, for the purposes of deciding whether to grant or refuse an application for a licence under section 88(3) (a) or (c) of the Housing Act 2004, will (among other things) have regard to the evidence that the person is a fit and proper person to be the licence holder or (as the case may be) the manager of the house. Middlesbrough Council will evaluate and take into account any evidence of:

- (a) They have committed any offence involving fraud or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003 (c. 42) (offences attracting notification requirements);
- (b) Practised unlawful discrimination as defined in the Equality Act 2010 on the grounds of sex, sexual orientation, gender reassignment, age, race, religion or belief, marital status, pregnancy, maternity, or disability in, or in connection with, the carrying on of any business; or
- (c) Contravened any provision of the law relating to housing or landlord and tenant law.

A criminal conviction or evidence of unlawful discrimination or breaches of housing or landlord and tenant law doesn't necessarily mean that a landlord won't pass the test. The Council will have to look at every case individually and weigh up all the circumstances when making a decision. For example, the Council will have to think about:

- What the conviction was for;
- The circumstances of the case;
- How long ago it was and whether it is spent or not;
- Whether or not it will affect the person's ability to be a good landlord;
- The risk of the same thing happening again and whether that would affect the person's duties as a Licence Holder.

In addition Middlesbrough Council will also examine evidence:

- (a) If it shows that any person associated or formerly associated with the landlord or managing agent (whether on a personal, work or other basis) has done any of the things set out in subsection (a) to (c) above, and
- (b) It appears to the council that the evidence is relevant to the question whether the landlord is a fit and proper person to be the licence holder or (as the case may be) the manager of the house.

Middlesbrough Council will consider that a person is not a fit and proper person if a banning order under section 16 of the Housing and Planning Act 2016 is in force against the person.

For the purposes of the fit and proper test Middlesbrough Council will assume, unless the contrary is shown, that the person having control of the house is a more appropriate person to be the licence holder than a person not having control of it.

Middlesbrough Council in deciding for the purposes of whether the proposed management arrangements for the house are otherwise satisfactory, will have regard (among other things) to the following considerations:

- Whether any person proposed to be involved in the management of the house has a sufficient level of competence to be so involved;
- Whether any person proposed to be involved in the management of the house (other than the manager) is a fit and proper person to be so involved; and
- Whether any proposed management structures and funding arrangements are suitable.

Middlesbrough Council

Newport 1 area

Selective Landlord Licensing Conditions

(Housing Act 2004)

Mandatory Conditions Schedule 4 Housing Act 2004

1. Gas

If gas is supplied to the house, the Licence holder shall provide to Middlesbrough Council a Gas Safety Certificate issued within the previous 12 months at the time of the application and thereafter annually.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004.

2. Electrical appliances

The Licence holder shall keep all electrical appliances and furniture supplied in a safe condition and must provide a declaration as to their safety at the time of application and thereafter on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004.

3. Furniture and furnishings

The Licence holder shall ensure that furniture and furnishings supplied by them are compliant with the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (as amended 1989 and 1993) and must provide a declaration as to their safety at the time of application and thereafter on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004.

4. Smoke alarms

The Licence holder shall ensure that at least one smoke alarm is installed on every storey in their rental property which is used as living accommodation. The landlord (or someone acting on behalf of the landlord) must ensure all alarms are in proper working order at the start of each new tenancy. Landlord must provide a declaration as to their condition and positioning to Middlesbrough Council on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004, The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 and to comply with minimum fire safety standards LACORS.

5. Carbon Monoxide alarms

The Licence holder shall ensure that a carbon monoxide alarm is installed in any room in the house which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance. The landlord (or someone acting on behalf of the landlord) must ensure all alarms are in proper working order at the start of each new tenancy. Landlord must provide a declaration as to their condition and positioning to Middlesbrough Council on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004, The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 and to comply with minimum fire safety standards LACORS.

6. Tenant references

The licence holder must demand and obtain references for all prospective occupiers of the house to enable the licence holder to make an informed decision regarding occupancy of the property.

All references shall be obtained by the licence holder via the **FREE** Middlesbrough Council, tenant referencing service.

The licence holder must retain all references obtained for occupiers for the duration of this licence and must provide Middlesbrough Council, upon demand and within 14 days of that demand, a copy of pre-let reference checks along with full names and dates of birth of each occupant.

NOTE: Details of how to contact Middlesbrough Council in respect of the tenant referencing service can be found at: <https://www.middlesbrough.gov.uk/planning-and-housing/landlord-and-tenant-support/tenancy-referencing-service/tenancy-referencing-service-further-information>

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004

7. Terms of occupation

The Licence holder shall supply to the occupiers of the house a written statement of the terms on which they occupy the property. A copy of the terms will be provided to the Council on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004

Additional Conditions of Licence imposed by Middlesbrough Council

The Licence holder must ensure that the premises fully comply with the conditions set out below unless notified otherwise

8. Number of occupiers

The Licence holder shall ensure that the number of occupants in the property does not cause overcrowding.

Reason: To ensure that the premises comply with Middlesbrough's space and amenity standards.

9. Heating and Insulation/Energy Efficiency

The Licence holder shall provide a copy of a valid Energy Performance Certificate. Also, when requested during the period of the Licence, to complete and return to the authority, an energy efficiency assessment questionnaire of the licensed property.

Reason: To safeguard the health and well-being of the occupants with regards to the reduction of fuel poverty and national energy efficiency measures and to be aware of the statutory requirements for Energy Performance Certificates (EPCs).

10. Property management

The Licence holder shall ensure that:

- a) all repairs to the house or any installations, facilities or equipment within it are carried out by competent and suitably qualified persons, for example Corgi registered operatives for gas appliances and an electrical contractor who is a member of an approved scheme, such as NICEIC, BSI, NAPIT, ELECSA or BRE.
- b) all occupants of the house receive written confirmation detailing arrangements in place to deal with repairs and emergencies and report nuisance and anti-social behaviour;
- c) if accommodation is provided on a furnished basis and includes electrical appliances, copies of user manuals or equipment provided as part of the agreement for the occupation of the house;
- d) all occupiers are made aware of the Selective Licencing scheme, licence and it's conditions.

Reason: To safeguard the health, safety and well-being of occupants.

11. Security

The Licence holder shall ensure that:

- a) the security provisions for the access to the dwelling (including but not limited to locks, latches, deadbolts and entry systems) must be maintained in good working order at all times;
- b) where window locks are fitted, keys are provided to the relevant occupant;
- c) where previous occupants have not surrendered keys, a lock change is undertaken prior to new occupants moving in; and,

- d) where alley gates are installed to the rear of the licensed property, tenants are aware of how to obtain a key.

Reason: To safeguard the health, safety and well-being of occupants.

12. External areas, refuse and waste

The Licence holder shall ensure that:

- a) the exterior of the property is maintained in a reasonable decorative condition and state of repair, including the removal of graffiti;
- b) the tenants are instructed in their responsibilities to maintain at all times any garden, yard and other external areas within the curtilage of the house, and ensure they are kept in a reasonably clean and tidy condition;
- c) the tenants are instructed in their responsibilities in respect of refuse storage and disposal, to include details of what day refuse collections take place and what type of receptacle to use for household waste and recycling;
- d) where they are aware of a pest problem or infestation at the property, they will take steps to ensure that a treatment program is carried out to eradicate it. Records shall be kept of such treatment programs and these shall be provided to the Council on demand;
- e) access is available at all times to adequate, external, refuse storage or suitable arrangements are in place for the collection of refuse.

Reason: To ensure that the domestic hygiene and condition of the licensed property is maintained.

13. Training

The Licence holder and/or Manager shall undertake property management training courses or information days, where required to do so by the Council. The training/information days will be provided by Middlesbrough Council.

Reason: To enable the Council to provide licence holders with the knowledge and expertise to improve the management of their properties.

14. Management / Anti-social behaviour

The Licence holder shall take reasonable and practical steps to reduce or prevent anti-social behaviour by persons occupying or visiting the house and the use of premises for illegal purposes.

The Licence holder shall:

- a) provide a written action plan to Middlesbrough Council outlining procedures for dealing with anti-social behaviour at the time of application. This must be reviewed annually and submitted on request;
- b) obtain tenant references prior to granting a tenancy as to previous tenancy conduct, including behaviour of that of the proposed occupier and household;

- c) provide the local authority, upon request, the full names and dates of birth of each occupant of the property;
- d) if he/she receives a reference request for a current or former tenant he must refer the matter to Middlesbrough Council's tenancy referencing service who will carry out the reference on their behalf;
- e) cooperate with Middlesbrough Council, Cleveland Police and other agencies in resolving complaints of anti-social behaviour or criminal activity. The Licence holder and/or their nominated Managing Agent must not ignore or fail to take action against any complaints regarding their tenants. Written records of action taken, if any, shall be maintained and made available for inspection by an authorised officer of Middlesbrough Council on request;
- f) ensure that the appropriate authorities (namely Middlesbrough Council and Cleveland Police) are informed, where they have reason to believe that their tenant's behaviour involves criminal activity;
- g) contact the tenant within 14 days if a complaint is received, or criminal or anti-social behaviour is discovered. The tenant must be informed of the allegations of their behaviour in writing and of the consequences of its continuation. The Licence holder should maintain contact with the Council's Neighbourhood Safety Team in order to monitor complaints and take appropriate action;
- h) endeavour to attend home visits, interviews, multi-agency meetings or case conferences arranged by the Council or Police as and when necessary;
- i) make regular (at least quarterly) inspections of the property to ensure that the property is in a decent state of repair and that the occupiers are not in breach of tenancy terms and conditions. Written records of inspections made, conditions noted and actions taken as a result shall be maintained and made available for inspection by an authorised officer of Middlesbrough Council;
- j) ensure that each tenant is made aware that they are responsible for their own behaviour and the behaviour of other occupiers and visitors. Tenants shall be made aware that if they, other occupiers, or their visitors: engage in criminal activity within the locality, or cause nuisance or annoyance to neighbours; or use abusive or threatening language or behaviour to neighbours; fail to store or dispose of refuse properly; or cause damage to fixtures, fittings, fire prevention or alarm equipment or installations, or to the fabric of the premises; or fail to give access to the landlord or his agent for the purpose of maintaining communal areas or, upon reasonable notice, to inspect or undertake works within their accommodation. They will be liable to enforcement action which may include possession proceedings either under the terms of the tenancy, pursuant to Section 21 of the Housing Act 1988 or pursuant to Grounds 13 or 14 of Schedule 2 to the Housing Act 1988;
- k) ensure that the occupants of the property are aware of the services available to them and how they can report nuisance and anti-social behaviour to the local authority.

Reason: To safeguard the well-being of occupants, persons visiting the premises and persons in the immediate locality.

15. Notification / consultation of changes

The Licence holder and Managing Agent shall consult with Middlesbrough Council before making any material changes to the layout, amenity provision, fire precautions or occupation of the house. They must inform Middlesbrough Council of:

- a) details of any convictions obtained after the initial licence application that may be relevant to the Licence holder and/or the property manager and their fit and proper person status and in particular any such conviction in respect of any offence involving fraud or dishonesty, or violence or drugs or any offence listed in Schedule 3 to the Sexual Offences Act 2003;
- b) details, after the initial licence application, of any finding by a court or tribunal against the Licence holder and /or the manager that he/she has practiced unlawful discrimination on grounds of sex, colour, race, ethnic or national origin or disability in, or in connection with, the carrying on of any business;
- c) details, after the initial licence application, of any contravention on the part of the Licence holder or manager of any provision of any enactment relating to housing, public health, environmental health or landlord and tenant law which led to civil or criminal proceedings resulting in a judgment or finding being made against him/her;
- d) details, after the initial licence application, about any property the Licence holder or manager owns or manages or has owned or managed for which a local housing authority has refused to grant a licence under Part 2 or 3 of the Act, or has revoked a licence in consequence of the Licence holder breaching the conditions of his/her licence;
- e) details, after the initial licence application, about any property the Licence holder or manager owns or manages or has owned or managed that has been the subject of an Interim or Final Management Order under the Housing Act 2004;
- f) the property becoming empty;
- g) changes to liability insurance;
- h) notification of repossession/foreclosure;
- i) successful claims against the Licence holder for default of tenancy deposits;
- j) change in managing agent or the instruction of a managing agent;
- k) the undertaking of substantial works to the property, including conversions and modernisations or emergency problems relating to fire, flood or disaster and the tenants are made temporarily homeless.

Reason: To safeguard the health, safety and well-being of occupants in the event of changes during the period of the Licence and to enable the Council to decide whether the licence holder continues to be fit and proper to hold a Selective Landlord Licence.

16. Absence

The Licence holder shall have in place suitable emergency and other management arrangements in the event of their absence. The name and contact details of the Licence holder and/or manager must be supplied to each occupier and must also be on display in a prominent place.

Reason: to safeguard the health, safety and well-being of occupants in the event of temporary absence of persons in control.

17. Compliance inspections

The Licence holder shall allow the Council to undertake Licence compliance checks. Council officers will give the Licence holder at least 24 hours notice of these checks and produce valid authorisation at the time of visit. If the inspection is because the Council suspects there has been a breach of Licence conditions then no notice period will be provided.

Reason: To ensure that the property complies with the Housing Act 2004 and Licence conditions.

APPENDIX 4 EXEMPTIONS

Properties that are exempt from requiring a licence are those that are:

1. Subject to a Prohibition Order, under Section 20 of the Housing Act 2004, that has not been suspended.
2. Business premises.
3. Houses in Multiple Occupation (HMO) that require a statutory HMO licence.
4. Tenancies for agricultural land/holdings.
5. Controlled by a local housing authority, Police authority, Fire and Rescue authority or a Health Service body.
6. Occupied solely by students undertaking a full-time course of further or higher education, and where the person managing or in control of it is the educational establishment.
7. Tenancies granted for more than 21 years and the agreement does not allow the landlord to end the tenancy earlier than the term of the lease (the property must be occupied by the original person who was granted the tenancy or members of their family).
8. The tenant is a member of the landlord's family. (The house must be the occupier's main residence. The person granting the occupancy must be the freeholder or leaseholder, which is for a period of more than 21 years. This lease must not contain a provision allowing the landlord to end the tenancy earlier than the term of the lease);
9. Tenancies or licenses granted for the occupancy of a holiday home.
10. Accommodation that the occupier shares with the landlord or licensor or a member of the landlord or licensor's family.

APPENDIX 5 FEE STRUCTURE

Fee and charging structure for the implementation of Selective Landlord Licensing in a the Newport 1 area.

Part 3 of the Housing Act 2004 enables the Council to require the application for a Licence to be accompanied by a fee fixed by the Council.

The Council is not permitted to make a profit from the introduction of a Selective Landlord Licensing scheme and any surplus must be ring-fenced to the scheme. The fees should, however, take account of all costs incurred in carrying out all duties under this part of the Act.

Licence Fees

To meet the costs involved in running the Newport 1 Selective Landlord Licensing Scheme it is proposed to charge fees of:

- £730 per Single Occupancy Household Unit
- £20 per Fit and Proper Person Check – in respect of the proposed Licence Holder and the proposed manager (if a different person from the Licence Holder)

This fee has been calculated based on the cost to run the various elements of work needed to administer and enforce the scheme; the number of officers required to fulfil these tasks and the officer time needed to complete them were identified and then costed.

Where a licence is refused or revoked, the applicant or licence holder will not be entitled to any refund of fees and will be required to pay any outstanding charges linked to the application.

Applications resulting from a change in ownership of a licensed property will be charged the full standard fee.

Owners should give careful consideration to the person designated as Licence holder as licences run for a maximum of 5 years and are non-transferable. If the licence holder changes for any reason, the full licence fee is payable by the first licence holder and the new licence holder will also need to pay the full standard fee. The new licence holder will not incur a penalty charge as long as the application form, fees and documentation are received within three months of the change of ownership/manager.

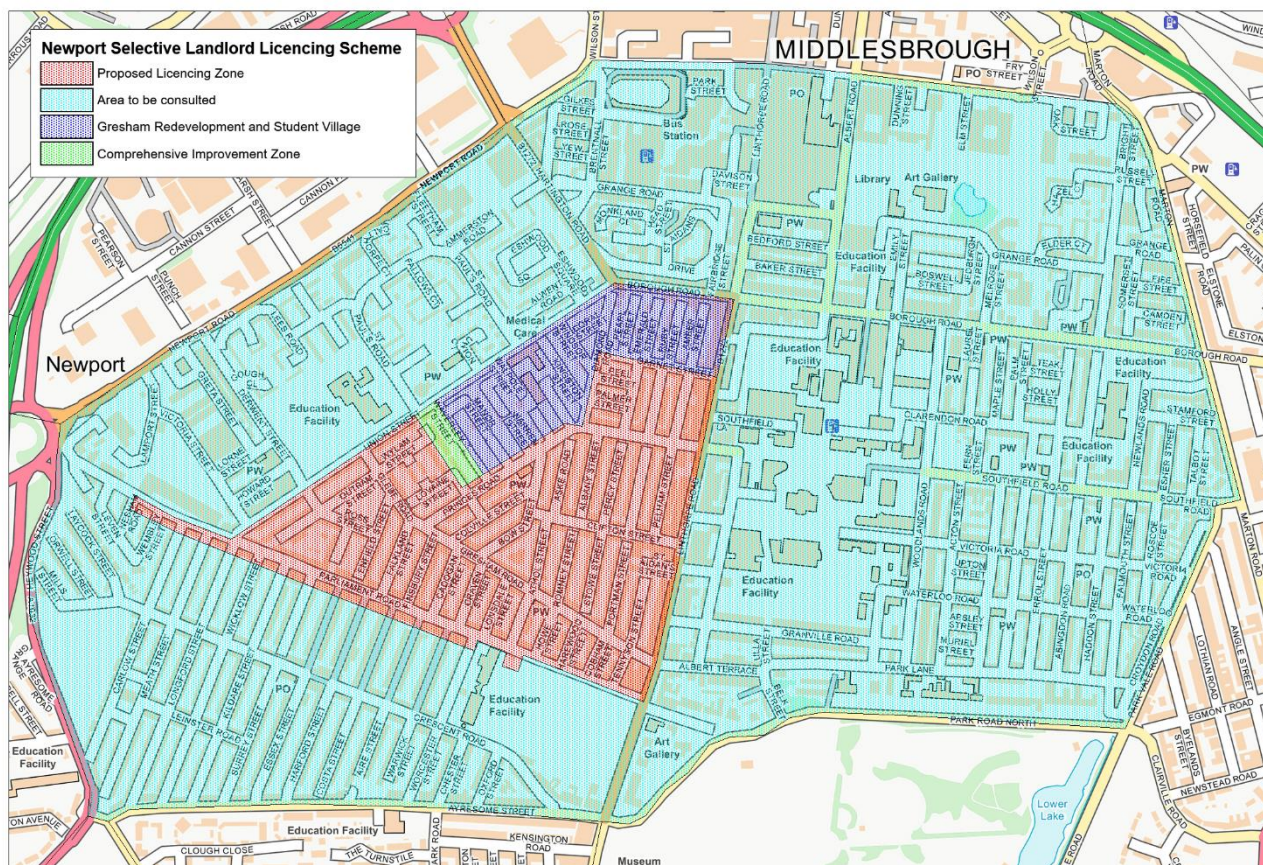
Applications for licences in the last six months of the designation will be eligible for a reduced fee of 50%, where properties have not been licensable prior to the 6 month deadline.

The Council will look to recoup its additional costs where landlords fail to come forward during the licensing timescales or provide incomplete applications which requires additional work from the team.

Method of Payment

This fee is divided into two payments the second only becoming payable when it is decided the landlord is fit and proper to be issued with the licence. The first £365 + £20, will be used to administer the application and fit and proper process. The second £365 will be used for the ongoing administration and the enforcement of the legislation associated with the scheme.

Proposal by Middlesbrough Council to introduce Selective Landlord Licensing in a part of the Newport ward (Newport 1)



Selective Landlord Licensing
Middlesbrough Council
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ABOUT THIS CONSULTATION

The Housing Act 2004 gives the Council powers 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 such schemes is to improve standards of property management in the private rented sector. The Council can make the 'designation' if it believes this will, when combined with other measures, lead to improved social and economic conditions in the area.

The Council proposes to introduce Selective Licensing in Newport, as outlined on the map at Appendix 1. The Council's proposal is made on the grounds that Newport is an area of low housing demand with significant levels of antisocial behaviour.

This document explains why the Council believes Selective Licensing is needed in Newport, how it will operate alongside and complement other measures, the improvements it will bring about and why alternative remedies are insufficient.

The Council wants to hear from those who are likely to be affected by the proposed scheme, including local tenants, landlords, managing agents and other members of the community who live or operate businesses or provide services within the proposed designation. This includes local residents and those who operate businesses or provide services in the surrounding area outside of the proposed designation who are likely to be affected. This wider consultation area is also outlined on the map at Appendix 1.

Details of how to respond to the consultation are set out from page 12.

The consultation will last for a period of 11 weeks, starting on 12th November 2018 and closing on 28th January 2019. After this time the results will be published, including a summary of the responses received and how these have either been acted on or not, giving reasons in each case.

The Council will make a final decision on Selective Licensing after it has fully considered the responses to the consultation.

Should the Council decide to introduce a scheme then all affected parties will be formally notified 3 months in advance of it coming into operation.

CHALLENGES FACING NEWPORT

Newport is experiencing major challenges associated with social and economic decline this includes:

- high levels of crime and antisocial behaviour;
- high levels of private rented properties and poor living conditions;
- high levels of 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

A significant and concerning pattern of housing and subsequent social decline in parts of Newport can be identified:

- the older terraced properties are no longer the first time buyers 'house of choice' they have been in previous generations;
- the low demand for two bedroom terraced properties has led to private sector landlords purchasing properties at relatively cheap prices;
- some, but by no means all, of these landlords have housed tenants who have gone on to present a wide range of problem behaviours further fueling low demand levels;
- this concentration of issues has seen a broad range of social problems manifest themselves from drug and alcohol abuse to domestic violence and high crime levels.

Whilst Newport may not always be recognised as the most disadvantaged area against every statistical measure, the rate of its decline, its vulnerability in terms of crime, social isolation, and the impact of welfare reform provides a particularly compelling picture of chronic need – especially in conjunction with the apparent housing market failure. If not addressed, this decline could threaten the long-term stability of the area.

LOW HOUSING DEMAND

The Council is looking to introduce Selective Licensing in Newport on the basis that there is compelling evidence of low housing demand. In line with legislation and guidance the Council has considered the indicators of low housing demand described in the following section. The evidence points to an area with a high incidence of private renting, low property prices, a transient tenant population and high proportion of empty properties.

Tenure mix

The Newport ward has an area of 229 hectares which represents 4.25% of the total area of Middlesbrough with a resident population of 11,440 which represents 8.27% of the total Middlesbrough resident population of ~138,000.

The 2015 election ward of Newport had 5,006 households, which represents 8.75% of Middlesbrough's 57,203 households.

The largest number of households was 'private landlord or letting agency accommodation' at 40.7%. That compared with 15.1% for Middlesbrough as a whole, 23.7% for North East Region and 13.6% for the whole of England.

The second largest number of households was 'owned outright accommodation' at 17.7%. That compares with 30.6% for Middlesbrough as a whole, 27.1% for North East Region and 34.5% for the whole of England.

Empty properties

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.

At the end of September 2018, according to Council Tax records, there were 418 long-term empty properties in Newport, which equates to 22% of total stock. Newport has the highest proportion of long term empties than other areas in Middlesbrough. This position contributes to a negative image causing uncertainty for established residents and making it hard to attract people to the area.

Property values

With average sales prices in Newport at £50,000², they are amongst the lowest in the town. Average price in other town centre wards are higher (£64,000 in University). The average house price for Middlesbrough is £143,000). A number of factors are at play, including the disproportionate levels of private rented properties when compared with other parts of the town, high levels of crime, anti-social behaviour and deprivation, and empty properties. These older terraced properties are no longer the first time buyers 'house of choice' they have been in previous generations.

Turnover

The presence of a more transient population typically housed in privately rented accommodation can have a negative impact on the stability and desirability of an area. It can also affect community integration and investment.

² Land Registry, Sold Prices, 2017..

Transience can also attract disadvantaged people to the area, which in turn can lead to increased social deprivation.

The Newport Ward also has a culturally diverse community with over 45 languages being used within the ward. This brings significant benefits to the local area i.e. many migrants have settled in the ward and established new businesses, contribute to the local economy and support the population levels. The local community hub supports both the settled and migrant community however there is inevitable some tensions that currently exist.

Council Tax records provide a guide as to the proportion of properties experiencing turnover in the Newport area. Of the 1,671 Council Tax accounts in 2017/18 a change occurred in 71% of them, requiring a new account to be created, affecting 737 properties (44%). In the preceding year a change requiring a new account to be created occurred on 73% of accounts, affecting 734 properties (43%).

Housing stock condition

Middlesbrough's Private Sector Stock Condition Survey (PSSCS) 2008 identified Newport as having the second highest proportion of non-decent dwellings in Middlesbrough at 49.3%. 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.

The survey also recorded a non-decency remedial cost score as (£40.3m and an average of £3,685, per non decent dwelling).

The same survey identified Newport as having the second largest proportion of vulnerable households (50.1%) living in non-decent homes.

Newport was also found to have the second highest proportion of homes with a Category 1 hazard (23.1%). Examples of Category 1 hazards include:

- Damp and mould
- Excess cold
- Falls on stairs
- Hot surfaces
- Falls on the level
- Fire

Newport also had the second lowest SAP rating (42) – this compares the energy performance of different homes and is measured on a scale of 1 to 100. The higher the rating the lower the fuel costs.

Housing disrepair

The Council received 197 complaints of housing disrepair in private rented property in Newport between 2015/16 and 2016/17

The Council forwarded 37 pre-formal schedules of work to landlords in Newport between 2015/16 and 2016/17

The Council served 11 statutory repair notices on landlords in Newport between 2015/16 and 2016/17.

Illegal eviction/harassment

Between 2015/16 and 2016/17 there were 23 complaints of illegal eviction and harassment in Newport.

Anti-social 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.

Anti-social behaviour that the Council's Community Safety Team regularly needs to deal 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.

There was a total of 1,240 complaints of anti-social behaviour received in 2016/17 by the Council's Private Housing Enforcement and Anti-Social Behaviour Teams.

In 2016 Cleveland Police recorded 1678 incidents of Anti-Social Behaviour in Newport ward, an increase of 4.8% on the previous year and the highest number per ward other than Central ward. Newport has the third highest rate per population of any ward in Middlesbrough, behind North Ormesby and Central wards.

Crime

Newport is experiencing some of the highest levels of criminal activity in Middlesbrough. Within the calendar year of 2016 there were 2087 crimes reported in Newport, the highest number per ward outside Central. This puts Newport 3rd in rate of crime per ward within Middlesbrough, behind Central and North Ormesby.

WIDER INDICATORS

Index of Multiple Deprivation (IMD)

The IMD 2015 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 6 meaning it is the 6th most deprived local authority area in England.

LSOA's can be combined to give a measure/rank of deprivation for ward areas. In 2015 the Newport was ranked 38th most deprived ward, of 7522 wards, in England, putting Newport in the top 1% of most deprived wards in England. This is a decline of 49 places from a previous ranking of 87th in 2010.

Newport ward is ranked as the 5th most deprived ward in Middlesbrough³ and it has also seen a significant decline in the levels of 'employment' with the national ranking moving negatively from 254th in 2007 to 86th worst in 2015

Newport ward is ranked as the 25th worst ward of the 7529 wards in England with regards to 'Income Deprivation Affecting Children Index' it has also seen a gradual decline in the levels of 'income' with the

³ www.middlesbrough.gov.uk/index.aspx?articleid=2135

national ranking moving negatively from 214th in 2007 to 26th worst in 2015⁴

Fuel poverty

Fuel poverty in England is measured by the Low Income High Costs indicator, which considers a household to be in fuel poverty if they have fuel costs that are above average, and if they were to spend that amount they would be left with an income below the official poverty line.

The key drivers behind fuel poverty are: the energy efficiency of the property, the cost of energy, and the household income.

Newport has a rate (26.8)⁵ of its households living in fuel poverty, almost three times the national rate (11%).

HOW THE PROPOSED SELECTIVE LICENSING SCHEME WILL WORK

Licence application

Within the designated area all privately rented properties will need a licence to operate. The owner of the rented property will need 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 will be valid for a maximum 5 years, although the Council has discretion to grant the licence for a shorter period of time where there are problems with the application such as evidence of insufficient management. Failing to apply for a licence could lead to prosecution and an unlimited fine. If prosecuted, this could lead to the licence holder no longer being classed as 'fit and proper' (see below) and would mean they would need to find someone else to hold their licence and undertake the management of the property.

Fit and Proper Person test

As part of the application process, proposed licence holders and managers will be required to prove that they are "fit and proper persons" and that they have satisfactory management arrangements in place, including those for dealing with anti-social behaviour. A plan for how they will handle complaints of anti-social behaviour will need to be submitted with the application.

When deciding whether a landlord and/or managing agent is "fit and proper" the Council will look at whether they have:

- (d) They have committed any offence involving fraud or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003 (c. 42) (offences attracting notification requirements);
- (e) Practised unlawful discrimination as defined in the Equality Act 2010 on the grounds of sex, sexual orientation, gender reassignment, age, race, religion or belief, marital status, pregnancy, maternity, or disability in, or in connection with, the carrying on of any business; or
- (f) Contravened any provision of the law relating to housing or landlord and tenant law.

To check this, all applications will require detailed information from the landlord and any relevant managers.

⁴ Tees Valley Unlimited, Ward Statistics, September 2014.

⁵ Gov.UK Fuel poverty: sub-regional data under low income high cost indicator, 2015.

A criminal conviction or evidence of unlawful discrimination or breaches of housing or landlord and tenant law doesn't necessarily mean that a landlord won't pass the test. The Council will have to look at every case individually and weigh up all the circumstances when making a decision. For example, the Council will have to think about:

- What the conviction was for;
- The circumstances of the case;
- How long ago it was and whether it is spent or not;
- Whether or not it will affect the person's ability to be a good landlord;
- The risk of the same thing happening again and whether that would affect the person's duties as a Licence Holder. (Appendix 2).

Where the Council has concerns, applicants will be required as part of the licence conditions to seek a Disclosure Scotland.

There will be a fee to cover the Council's costs of carrying out the fit and proper person checks, which will be £20.00 per person. Landlords with multiple properties will only be required to pay this fee once, if it is the same owner and manager.

Licence conditions

The licence holder will have to satisfy a number of conditions. Breaches of these licence conditions could lead to prosecution and a fine of £5,000.

Mandatory conditions relate to the following requirements:

- a landlord must obtain references from all persons wishing to occupy the property;
- landlords must produce gas certificates;
- electrical appliances must be kept safe;
- the property must have working carbon monoxide alarms in any room in the house which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance;
- the property must have working smoke alarms; and,
- each tenant must be provided with a written tenancy agreement.

The Council is proposing to include a number of discretionary conditions which relate to the management of the property, including: ensuring the number of occupiers does not cause overcrowding with the property, to supply a copy of the Energy Performance Certificate to the Council, and have a suitable anti-social behaviour plan in place. The proposed licence conditions are attached to this document at Appendix 3.

Refusal to grant a licence

If the licence application is refused, and there is no reasonable prospect of the property being licensed in the near future, the Council can apply for an Interim Management Order to take over the management of the property for up to one year or until such time as the owner is able to rectify the reasons for the licence being refused. If the owner is unable to rectify the problems then the Council can apply for a Final Management Order to take on the management for up to 5 years.

In some circumstances rather than refuse the licence, it may be possible for the owner to apply for a temporary exemption notice. This allows 3 months for the owner to take such steps as are necessary so the property no longer requires a licence e.g. the property has been sold to an owner-occupier.

Failure to apply

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.

Exemptions

There are certain properties that are exempt from applying for a licence, they are detailed at Appendix 4.

Inspection programme

The Council will inspect all private rented properties within the area. High risk properties that are known to be problematic will be prioritised. The inspection programme will check for compliance with selective licensing conditions including:

- the working order and positioning of smoke alarms;
- carbon monoxide detector;
- tenancy agreements supplied to the tenant;
- property management arrangements.

Compliance action will be taken against landlords who breach licence conditions. Landlords will not be deemed to be 'fit and proper' if housing offences are proven against them in the courts.

The inspections will be completed by a multi-agency/disciplinary team, this could include a Licensing Officer, Police, Neighbourhood Safety Officer and Tenancy Relations 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 will make referrals to relevant agencies and follow-up any actions.

The other services offered through the tenancy relations support will be of benefit to landlords, tenants and the wider community to help to reduce the turnover of tenants.

Licence 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 Council proposes to charge a basic fee of £730.00 for a licence.

The Council will split the licence fee payment into two equal instalments, one payment to be made upon application for a licence, with the other payment to be made upon the licence being granted.

The proposed fee structure is set out in detail at Appendix 5.

Income from the licence fees is ring fenced meaning that it can only be used for this project and not for any other reason. It is anticipated the scheme will require 6 FTEs and an Apprentice to operate.

BENEFITS OF THE SELECTIVE LICENSING SCHEME

Introducing this scheme in Newport will have a number of benefits to the community, landlords, tenants and owners, both directly and indirectly, including:

- Improved management and condition of privately rented accommodation.
- Support for landlords in dealing with anti-social tenants.

- Reductions in levels of anti-social behaviour.
- Educating tenants about their responsibilities and the impact of their behaviour on the community and neighbours.
- Encouraging 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 market 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.
- Encourage 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.

The Council aims to build better working relations with landlords in the area and concentrate resources on eradicating bad practice by some landlords.

License conditions will help to ensure that vulnerable tenants are living in accommodation where the management is capable of dealing with their needs.

It will also help the Council to better target resources in dealing with anti-social tenants and take enforcement action against unprofessional landlords.

Selective Licensing will seek to develop a more consistent level of property management among all private landlords in the area, thus assisting prospective private tenants in making a positive, confident choice about their next home.

Reputable landlords can be assured that if a Selective Licensing scheme were in place, those landlords whose business practices do not meet the required minimum standards would be encouraged and supported to improve their management standards. Landlords who are not willing to work with the Council could face being refused a licence and ultimately having a Management Order imposed against the property.

Case Studies from North Ormesby Scheme

Tenant Support: During a tenancy inspection visit with a landlord, it was identified that the tenant was struggling with mental health issues due to spiralling debts. Whilst at the property a debt enforcement agency arrived to reclaim goods to the value of the debt. Both the Officer and landlord negotiated on the tenant's behalf, providing evidence that the property was a furnished tenancy and that their only belongings were clothing and toiletries. The Tenancy Relations Officer arranged an appointment for the tenant to attend Citizens Advice and also made a referral to Firmer Foundations (mental health support). During the Citizens Advice appointment the tenant disclosed significant debts; therefore a Debt Relief Order was applied for (due to severe mental health issues) and a food bank voucher was issued. The tenant has now applied for different benefits and is receiving the much needed support they required.

Property Conditions: The SLL Team had arranged numerous inspection visits to a property but the tenant repeatedly wouldn't allow access. An evening visit was made and the tenant finally opened the door. The tenant was initially angry as they were confused as to who their managing agent was as they

kept changing. The tenant agreed for officers to carry out the inspection which highlighted at least four Category 1 (most serious) Hazards in the property. These included: no boiler, no heating, no hot water, the bathroom roof had fallen in (which was propped up with pole), the kitchen was inaccessible and had no cooking facilities. Due to the condition of the property and the hazards identified, a Prohibition Order was served. The Landlord has since installed a new boiler, new kitchen (including cooking facilities), new bathroom roof, bathroom suite, new rear windows downstairs and a new back door. The landlord has also informed the tenant that he is going to supply new carpets in the property downstairs.

Landlord Support:

The Selective Licensing team have assisted landlords with difficult housing benefit claims and successfully helped landlords receive payments for housing benefits, even after they have been determined as closed. A recent claim dating back more than 8 months was paid after intervention from the team. This claim amounted to more than £3000 and prevented tensions arising between the tenant and the landlord and ultimately a possible eviction.

Testimonials from North Ormesby Scheme

"For many years I prevented my clients (investors) and myself from purchasing /working in this area and told anyone who asked where to buy, not North Ormesby! Since Selective licensing has been rolled out my attitude to the area has changed dramatically due to the efforts by the team at the hub.

I can see, personally, the difference to the area and the type of tenants. I see a lot more builders vans here than I have ever seen in the street (we did have a few we managed and maintained before my change of heart). Houses look better generally, and it seems a concerted effort to remove the stigma from "Doggy" is slowly being removed for the landlords. As a comparison, to show our faith in the improvement, we are currently working on 8 refurbishment programmes in the area. In Middlesbrough, just 1!

The referencing is very good, I am an Accredited Landlord with the NLA, their referencing costs me £24 per time. It does not, however, tell me their history at previous address` s, nor their conduct, whether they have issues with housing benefits and rent etc. The service is much more beneficial to prospective and established landlords.

In my opinion, Selective Licensing has changed North Ormesby and it was much needed".

Landlord Paul Norman

"Cleveland Police fully support Selective licensing. It is an excellent process that supports the interests of the landlords, ensures safe and suitable accommodation for tenants and also helps to improve the quality of the broader community. I would fully support its expansion into other areas within Middlesbrough. I think there is an excellent working relationship with the Police".

Inspector D Snaith

HOW SELECTIVE LICENSING WILL SUPPORT STRATEGIES FOR THE AREA

Housing plays a fundamental role in delivering sustainable communities, facilitating social and environmental improvements and promoting economic growth. The Council believes that Licensing has an important role to play and offers valuable support to existing initiatives to tackle empty homes, prevent homelessness, create sustainable, high quality neighbourhoods and reduce anti-social behaviour.

Mayor's Vision and the Council's Change Programme

The proposal for Newport clearly links to the Mayors Vision in terms of its contribution to a learning

town, in which families and communities thrive, and a town that continues to transform. It contributes directly to a number of the Change Programme outcomes, specifically:

- Providing services and support to communities such that people have more fulfilling lives, feel safe and their need for support services reduces.
- Achieving longer and healthier lives, reducing health inequalities and protecting the local population from environmental hazards and incidents.
- Providing support to help families and adults in need and, maximise their independence such that dependency on services reduces.

Health and well-being

Housing has an important impact on health and well-being: good quality appropriate housing in places where people want to live have a positive influence on reducing deprivation and health inequalities by facilitating stable/secure family lives. This in turn helps to improve social, environmental, personal and economic well-being. Conversely, living in housing which is in poor condition, overcrowded or unsuitable will adversely affect the health and well-being of individuals and families.

As mentioned, the Licensing Team will promote multi-agency case intervention strategies where problems are identified.

Private rented sector

Many properties in the sector provide decent accommodation and are well managed by landlords. Selective licensing will be a vital tool in driving up standards. It will reduce the negative impact on neighbourhoods of poor landlords and encourage greater awareness and a sense of responsibility in landlords and tenants alike.

The Council's Housing Enforcement team will continue to employ a wide range of tools to tackle poor property condition, inadequate tenancy management and improve conditions in the private rented sector. These tools include:

- Mandatory HMO Licensing
- Tenant Referencing
- Empty Property Enforcement
- Housing Health and Safety Rating System (HHSRS)

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 will compel landlords to maintain good standards and raise the profile of problem properties. Through the increased awareness amongst the community and across agencies, Selective Licensing will become a valuable mechanism for identifying and dealing with bad practice amongst private landlords.

Anti-social behaviour

Selective Licensing will help to ensure that landlords meet their statutory duties regarding tenancy management and will encourage and assist them to deal with issues of anti-social behaviour by taking appropriate and effective action where they receive a complaint about their tenants.

There is a range of other initiatives that are targeted at reducing crime and anti-social behaviour operating across the Newport area and the Selective Licensing team will work in close partnership with other services and agencies to maximise the impact and contribute to improved community safety.

The Licensing Team will promote multi-agency case intervention strategies where problems are identified, which can include actions for the Police, the Youth Offending Team, ASB, and Housing

Enforcement teams. Landlords will be offered support and advice to help tackle anti-social behaviour from their tenants.

Prevention of Homelessness Strategy

The private rented sector has a central role to play in offering a decent alternative to owner-occupation or social rented housing. The sector makes a significant contribution to meeting the housing needs of vulnerable people and in many cases has prevented homelessness and minimised the use of temporary accommodation.

The Council continues to work in partnership with the private rented sector and Selective Licensing will strengthen this partnership by increasing the number of landlords working with the Council with well-managed, good quality accommodation.

By strengthening the partnership between landlords and the Council, Selective Licensing can contribute to the prevention of homelessness through effective tenancy management that minimises ASB, tackles rent payment issues in a timely and constructive manner and offers a housing option for some of the most vulnerable households in need of a home.

The Localism Act 2011 enabled the use of suitable offers of accommodation in the private rented sector and allowed this sector to be used to discharge the main homelessness duty. Against the backdrop of high demand but a shortage of accessible, affordable social housing, the sector has increasingly become a valuable resource for offering a range of more easily accessible housing solutions for homeless households, but elements of poor management contribute to repeat homelessness. Licensing has the potential to effect long term positive change in the sector and to provide considerable benefits to homeless households.

It is anticipated that the Selective Licensing scheme will help achieve a long-term reduction in the culture of 'tenancy hopping', i.e. the practice of households who are frequently homeless due to anti-social behaviour, and who may be aided by rogue landlords to move around the sector, which prevents underlying behavioural issues from being tackled and which blights local communities.

Empty homes

In Middlesbrough there were 1470 homes empty for six months or more as of 1st October 2018. The Council has already begun to tackle this issue and to date has, amongst other things, secured funding from the Homes and Communities Agency and adopted an Empty Homes Action Plan to bring empties back into use.

An important part of the strategy to tackle empty homes is actively targeting owners and providing them with information on the incentives available and the reasons why empty properties are a poor financial option. A range of promotional and marketing measures will be introduced. In some cases encouraging owners will not be enough and the Council will need to take strong enforcement action. It is anticipated that Selective Licensing will help strengthen the partnership between landlords and the Council and the benefits Licensing will deliver to the area will contribute to tackling problem empty properties in Newport.

Newport Neighbourhood Action Plan

The Newport action plan sets out suggested actions and proposes measures which can be adopted to monitor progress within the Newport Ward. The plan will be updated and monitored by the Operational Task & Finish Group on a monthly basis. The plan concentrates on the following four areas:

(a) Anti-social behaviour

- (b) Crime
- (c) Community Tensions
- (d) Environmental Issues

The Council has concluded there is an urgent need to take strong and immediate action to halt the slide of the area. However, it has also recognised that traditional forms of public sector intervention are no longer applicable and there is a need to re-focus interventions around supporting communities to practice greater levels of self-management, by focusing on strengthening those activities and structures which underpin that ability. In light of this it has agreed to formulate a comprehensive response to address the social and economic issues arising in Newport.

Selective Licensing will have an important role to play given the priorities and the fact that it responds to the need to develop a more radical partnership response to the problems in the area.

Middlesbrough Housing Strategy 2017-20

Middlesbrough's Housing Strategy (2017-20) identifies the following priorities:

- Work with local communities in areas of poor quality housing and deprivation to improve housing standards, challenge social and economic exclusion, poor public health outcomes and poverty;
- Work with private landlords to address concerns about poor housing conditions and management standards

Implementing Selective Landlord Licensing as part of a wider community plan is identified as a key action.

<https://www.middlesbrough.gov.uk/planning-and-housing/middlesbrough-housing-strategy-2017-2020>

ALTERNATIVE REMEDIES AND WHY THE COUNCIL CONSIDERS THEY ARE INSUFFICIENT

The Council has considered whether there are any other courses of action available that might provide an effective method of achieving the objectives that the designation is intended to achieve.

The following paragraphs consider other powers and projects that are available to the Council and why they could not replace the proposed Selective Licensing Designation in Newport.

Accreditation

Accreditation is a mechanism for helping landlords or agents to meet agreed standards of competence, skills and knowledge about the business of owning, managing or letting a private rented home.

Accreditation is supported nationwide by a wide range of stakeholders, including the Government, landlord associations, and local authorities, Shelter, the National Union of Students and the Chartered Institute of Environmental Health. It can aid the supply of good-quality, well-managed homes. Accreditation attracts a limited number of landlords, mainly those already providing appropriate management standards and who are motivated to improve the reputation of the private rented sector. Such schemes do not have an intensive impact in any one area, nor do they tackle the worst privately rented properties, as due to the voluntary nature the worst landlords will not engage with the Council or join the scheme.

Experience shows that it is resource intensive to encourage the poorer landlord to join accreditation and when asked to make improvements due to its voluntary nature many landlords fail to comply showing that accreditation cannot tackle the worst standards of property condition and management practices.

Enforcement of housing standards

The Housing Act 2004 introduced the Housing Health and Safety Rating Scheme (HHSRS) which allows local authorities to inspect privately rented properties to ensure the condition of that property does not have an adverse effect on the health, safety or welfare of tenants or visitors to that property. Where necessary the Council will serve statutory enforcement notices to ensure the condition is improved.

The current service is in the main reactive - a complaint will be made and an inspection will determine whether action needs to be taken.

Whilst this approach does improve property conditions it does not have a concentrated impact in one area. In addition this power does not tackle property management standards. Through the selective licensing designation and associated training advice and support, landlords will recognise what improvements need to be made to their properties reducing the need for action under the HHSRS.

In addition the Council will continue to undertake proactive property inspections in the designation area, offering advice and where necessary taking enforcement action to improve property conditions. Improved property conditions will assist in retaining tenants and attracting occupants to the area assisting in tackling low demand.

Management Orders

Part 4 of the Housing Act 2004 introduced the use of Management Orders. The general effect of a Management Order is that the Council takes control of the property, although legal ownership does not transfer from the landlord. There are two forms of Management Order, interim and final. Interim lasts for a period of 12 months which can then be followed by a final Management Order which lasts for a maximum of 5 years.

Once a Management Order is in place the Council takes over the management of the property. The occupiers pay their rent to the Council and any repair costs such as routine repairs or building insurance are taken from the rent before any surplus is given to the owner (landlord).

This power only deals with individual properties and is resource intensive.

This approach does not present a long term solution to address poor management of privately rented stock as the property is returned to the original owner who may not necessarily have improved their management standards in the interim.

The Council will use Management Orders in the designation area as a last resort to deal with landlords who fail to comply with selective licensing and improve their management standards.

Private Sector Leasing Scheme

A Private Sector Leasing Scheme is where the Council takes out a lease, normally 3 to 5 years in duration, from a private owner or landlord on their property. The Council then uses the property to provide affordable accommodation for homeless families.

There is no guarantee that landlords, especially the worst, will join the scheme and the Council cannot compel them to do so. As with Management Orders the scheme does not address poor management practices as the landlord does not gain experience, advice or training during the lease meaning that once handed back management standards will once again be unsatisfactory.

In summary the alternative options to selective licensing would require some, if not all, of the finance from the Council, which in turn comes from everyone paying Council Tax.

Selective Licensing will be self-financing, paid for by the licence applicants and not the community.

Alternative approaches – summary

There is no single solution and each alternative will have its limitations. No single intervention, including Selective Licensing, can solve the problem and therefore a co-ordinated strategy is required which links a full range of agencies and services using various interventions.

Problems relating to the use of the alternatives to Selective Licensing can include the following:

- They are expensive and there is the likelihood that some of the finance required would need to be collected from Council Tax. This seems unjust when many of the problems are caused by the lack of effective tenancy management. Selective Licensing will be self-financing, paid for by landlords.
- The use of Management Orders on all problematic properties would be neither appropriate nor feasible, given the number of properties. The Council must act in a proportionate manner and a heavy handed approach would undermine efforts to work with landlords to improve standards. Selective Licensing provides an opportunity to continue to forge partnerships with otherwise anonymous private landlords and provide training and support, where the use of these orders does not.
- Alternatives do not adequately tackle the private tenant's behaviour. This could result in the same "problem" tenant being left to float within an area without any real targeted tenancy enforcement and where required, supported tenancy referral. The proposed Selective Licence conditions include a requirement for the landlord to seek references when allocating the property and to deal with any complaints of anti-social behaviour from their tenants (and/or their visitors/children).
- None of these tools provides a long-term solution to the training of inexperienced landlords whose business would benefit, either because they are not fit, or because of their poor management arrangements.
- Whilst Selective Licensing is only to be used in areas where authorisation is sought and given, many private landlords have properties across the entire town and indeed across local authority borders. Therefore, improvements attained in management standards will have a trickledown effect and will benefit tenants and communities across wider areas.

CONSULTATION – OPPORTUNITIES TO ENGAGE & RESPOND

The consultation is being carried out over an 11 week period, and will be widely publicised using various channels of communication.

The consultation will start on 12th November 2018 and close on 28th January 2019.

Once the consultation has been completed the results will be published and made available to the local community.

The Council is required to consult with local residents, including tenants, landlords, managing agents and other members of the community who live or operate businesses or provide services within the proposed designation and those in the surrounding area which is shown on the map at Appendix 1. Everyone who responds to this consultation will have their views fully considered.

A comprehensive engagement and consultation process with partners, stakeholders and customers will include:

- Private landlords
- Private tenants
- Local communities

- Tenant and resident associations
- Landlord associations
- Citizens Advice Bureau
- Registered Social Landlords
- Local community committees
- Locally elected members
- Local businesses
- Middlesbrough Police
- Other Council service areas.

Methods of consultation

Consultation will be taking place using the following methods:

- Direct mail to landlords and residents.
- Press release to local media/press.
- Information on Middlesbrough Council's website.
- Drop-in sessions for landlords, tenants, other residents, businesses and other agencies.
- Email to all Ward Councilors.
- Email to all relevant Council service areas.

How to respond to the consultation

A questionnaire will be available to download on the Council's website. It will also be available to collect from the receptions of the Civic Centre, Town Hall, Middlesbrough House and Newport Hub.

All questionnaires and comments should be returned to: Selective Landlord Licensing, Middlesbrough Council, P.O. Box 504, Civic Centre, Middlesbrough, TS1 9FY.

If you would like any further information about the Selective Licensing proposals please contact the Selective Landlord Licensing Consultation Team on 01642 728100 / 729154 / 354150.

Or please email the team on:
licensing-consultation@middlesbrough.gov.uk