



# **Proposal to designate a Selective Licensing Scheme in the Miners Estate in the Kidsgrove Ward**

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## **1.0 Introduction**

Selective licensing was introduced by the Housing Act 2004 as a means to tackle housing conditions in a specific and strictly defined part of a local authority area.

Within an area subject to selective licensing all owners of privately rented properties need a licence to operate. A licence is valid for a maximum of five years and contains conditions that the licence holder must meet. Breaches of licence conditions are a criminal offence as is the failure to apply for a licence.

This report sets out a proposal to designate an area in Kidsgrove, known as, the Miners Estate as a selective licensing area. The area suffers from low housing demand and anti-social behaviour which makes it appropriate for this action. This information in the report will be used by the Council to invite comments and feedback from all stakeholders as part of a consultation on the proposal.

Following consultation the Council will consider all responses received together with any other relevant information and prepare a report for a decision on whether the area should be designated as a selective licensing area. The Council must also consider whether there are any other courses of action available that would achieve the same objectives. Only where there is no practical and beneficial alternative to a selective licensing designation should a scheme be progressed.

## **2.0 What is a selective licensing scheme**

Selective licensing is a regulatory tool contained within the Housing Act 2004, supported by 'A guide to Selective licensing in the Private Rented Sector' published by The Department for Communities and Local Government in March 2015.

Schemes can be proposed if an area is experiencing one or more of the following;

- low housing demand (or is likely to become such an area),
- a significant and persistent problem caused by anti-social behaviour,
- poor property conditions,
- high levels of migration,
- high level of deprivation,
- high levels of crime.

### **2.1 Low Housing Demand**

When deciding if an area is suffering from, or likely to become, an area of low housing demand, the following should be considered.

- The value of residential premises in the area, in comparison to the value of similar premises in other areas which the authority considers to be comparable.
- The turnover of occupiers of residential premises (in both rented and owner occupied properties).
- The number of residential premises which are available to buy or rent, and the length of time for which they remain unoccupied.
- The general appearance of the locality and the number of boarded up shops and properties.

Other factors to consider are:

- A lack of mixed communities in terms of tenure, for example, a high proportion of rented property, low proportion of owner occupied properties;
- A lack of local facilities;

- The impact of the rented sector on the local community, for example, poor property condition, and anti-social behaviour etc.

The scheme should state how it will help address the problems associated with low demand in the designated area.

The outcome of the scheme should be a reduction in or elimination of the blight of low demand which has led to identifiable improvements in the social and economic conditions of the area.

## **2.2 Anti-Social Behaviour**

In deciding whether an area suffers from anti-social behaviour, it is recommended that Councils consider whether private sector landlords are not effectively managing their properties so as to combat incidences of anti-social behaviour caused by their tenants or people visiting their properties. In particular whether the area suffers from anti-social behaviour as a result of this failure or because this failure significantly contributes to that problem.

In considering whether the area is suffering from anti-social behaviour which a landlord should address regard must be had as to whether the behaviour is being conducted within the curtilage of the rented property or in its' immediate vicinity and includes acts of (but not limited to);

- intimidation and harassment of tenants or neighbours,
- noise, rowdy and nuisance behaviour affecting persons living in or visiting the vicinity,
- animal related problems,
- vehicle related nuisance,
- anti-social drinking or prostitution,
- illegal drug taking or dealing,
- graffiti and fly posting,
- and litter and waste within the curtilage of the property.

The scheme should state what measures will be taken to address the problems associated with anti-social behaviour.

The outcome of the scheme should be a reduction in, or elimination of, anti-social behaviour (caused by tenants in the private sector) in the designated area.

## **2.3 Poor property conditions**

It is recommended to consider the following factors to help determine whether there are poor property conditions in the area.

- The age and visual appearance of properties in the area and whether a high proportion of those properties are in the private rented sector.
- Whether following a review of housing conditions under section 3(1) of the Act, the authority considers a significant number of properties in the private rented sector need to be inspected in order to determine whether any of those properties contain category 1 or 2 hazards. In this context "significant" means more than a small number, although it does not have to be a majority of the private rented stock in the sector. It would not be appropriate to make a scheme if only a few individual properties needed attention.

The scheme should state what action the authority intends to take under Part 1 of the Act if it identifies there are serious deficiencies with properties, including the timescale for taking the appropriate action and its enforcement plan for non-compliance with improvement notices or prohibition orders it serves.

The outcome of the designation would be a general improvement of property conditions in the designated area within the lifetime of the designation.

#### **2.4 Selective licensing as part of the overall housing strategy**

Selective licensing is not a tool that can be used in isolation. The selective licensing scheme must be consistent with the overall housing strategy and co-ordinated with procedures for homelessness, empty properties, anti-social behaviour in the private rented sector, and housing market renewal activity.

Councils must also ensure that selective licensing complements other measures. It should only be used where existing measures alone are not sufficient to tackle the underlying housing problems of a specific area. Councils should also carefully consider any potential negative economic impact that licensing may have on their area, particularly the risk of increased costs to landlords who are already fully compliant with their obligations. These additional costs can reduce further investment and are frequently passed on to tenants through higher rents.

The Council must show it has considered whether there are any other courses of action available to them that might provide an effective method of achieving the objectives that the designation is intended to achieve. Also how the making of the designation will significantly assist the local housing authority in achieving its' objectives.

#### **2.5 Consequences of Designating a Selective Licensing Area**

If a selective licensing area is designated any private landlord wishing to operate in the designated area must apply for a licence for every tenanted house within the area. An application would need to be submitted for each property in accordance with specified requirements. The Council is entitled to charge a fee that accompanies the application. Further details relating to the proposed fee and fee structure can be found in appendix 3.

As part of this application process, proposed licence holders and managers will be required to provide information that they are a 'fit and proper person' and that they have satisfactory management arrangements in place, including for dealing with anti-social behaviour.

Further details about the 'fit and proper person' criteria can be found in appendix 4. In circumstances where the Council are not satisfied that the licence holder or manager are a 'fit and proper person' and / or the management arrangements are unsatisfactory, then it can refuse to grant a licence.

A licence is valid for up to 5 years. A licence will have conditions, there will be mandatory ones relating to;

- obtaining references for new tenants,
- providing gas safety certificates,
- keeping electrical appliances safe,
- providing working smoke alarms,
- provided a written tenancy agreement.

The council can also include discretionary conditions, proposed licence conditions are shown in appendix 5.

## **2.6 Implications of renting out a property without a licence**

It is a criminal offence to rent out a property in a selective licensing area without a licence. Failure to apply for a licence could lead to prosecution, with the penalty of a criminal conviction and a maximum fine of £20,000.

A landlord of an unlicensed property is unable to serve a section 21 (eviction) notice under the Housing Act 1988 in relation to a short hold tenancy of the whole or part of any property which is an unlicensed house.

## **2.7 Management Orders**

Part 4 of the Housing Act 2004 introduced the use of Management Orders. The Council has a duty to make a management order where:

- the property ought to be licensed, but is not, and the Council considers there is no reasonable prospect of it granting a licence in the near future; and
- it is necessary to take steps to ensure the health, safety and welfare of persons occupying the property, or persons living in or owning properties in its immediate vicinity, are protected.

An Interim Management Order allows the Council to take possession of the house against the immediate landlord, and subject to existing rights to occupy allows the Council to:

- do anything in relation to the house, which could have been done by the landlord including repairs, collecting rents etc;
- spend monies received through rents and other charges for carrying out its responsibility of management, including the administration of new tenancies;
- create new tenancies (with the consent of the landlord).

## **2.8 Breach of licence conditions**

A licence holder (or person bound by the licence conditions) will also commit a criminal offence if they fail to comply with any condition of a licence. This offence is punishable by a fine not exceeding £5,000.

## **3.0 Newcastle-under-Lyme and the Miners Estate**

Newcastle-under-Lyme has a mix of urban and rural areas covering 211 square kilometres in north Staffordshire. Newcastle and Kidsgrove are the main towns both have good links to the M6 motorway and Kidsgrove has a station with services to Manchester and Birmingham.

The selective licensing proposal covers an estate in Kidsgrove known locally as the Miners Estate and also includes flats above the shops in neighbouring King Street and flats at Lamb Street Stores. It is an area consisting of approximately 475 properties, over 45% of which are privately rented. The specific streets are shown in appendix 1. Sometimes the estate is also known locally as Galleys Bank, this name has not been used to avoid any confusion with a road in Kidsgrove called Galleys Bank which is not in the proposed area.

As the name suggests the estate was originally built in by the Coal Board to house miners. The properties were built in the 1950s to a non-traditional, pre-fabricated, Schindler design, which is known to have a limited life span. The properties were sold by the coal board in the 1980s with many occupiers choosing to purchase them. Those that were not bought by the

occupiers were auctioned which attracted investors often from outside the area. Several of the tenants at the time remain as protected tenants. Between 1990-95 a major refurbishment programme overseen by the Council helped to rectify defects with the non-traditional construction. Those owning property prior to a cut-off date when the defects became evident were eligible for and were offered grants under the Housing Defects Act 1984. Whilst those who had purchased after the date were ineligible. This has led to approximately half of the properties being reinstated to a condition where a mortgage can be obtained with the remainder still being original construction.

Mortgage companies are not willing to lend on the original construction properties, limiting their market to cash buyers. While this limits their value it does not affect the rental return hence making the properties attractive to landlords. This can make the properties attractive to investors looking for quick returns rather than to provide and manage decent quality housing that will have a positive impact on the local community.

This has led to a situation where nearly half the properties are privately rented leading to concerns that the tenants and landlords do not have the same care for an area as the owner occupiers.

### **3.1 Why is selective licensing needed**

The Council propose to designate a Selective Licensing area in the Miners Estate because the area is experiencing significant low housing demand and the local authority is satisfied that 'designating' it for selective licensing will, when combined with other measures, lead to improved social and economic conditions in the area.

This proposal seeks to make the case for selective licensing on the low housing demand criteria focusing on low property value, the turnover of occupiers, high proportion of rented property and the impact of the rented sector on the local community including poor property condition and antisocial behaviour.

Evidence from other selective licensing schemes in the county does suggest that selective licensing contributes to a reduction in anti-social behaviour. One way this may be achieved is through the mandatory condition for landlords to gain references for prospective tenants.

Selective licensing will form an important component of wider regeneration in Kidsgrove, it allows the Council to focus on ensuring landlords adhere to good management practices and that tenants contribute positively to the community and mixed tenure environment.

### **4.0 Evidence - showing the proposed area is suffering from low housing demand**

The area proposed for selective licensing does not fit within specific ward or super output area boundaries and so data in the evidence is specific to the defined area.

#### **4.1 Tenure and high levels of private renting**

Mapping of the estate using land registry and Council tax data has identified the tenure and occupation of the majority of the homes. This shows the significant levels of private renting in the proposed area, at least 45%, or almost 1 in every 2 people privately renting showing the significant impact of this tenure. This is very high compared to the borough average of 10% and the national average of 16%. Analysis of recent sales shows this is increasing. This high level of private renting is an indicator of low demand for owner occupiers in the area. The symptoms of low demand started when the non-traditional construction design became apparent and mortgages could not be gained on the non-upgraded properties.

#### 4.1 Property Values

In considering property values and sales houses that are original construction and reinstated construction have been considered separately as the original construction ones have a greater tendency to be privately rented. Sales and property value information has been sourced from HM Land Registry.

The table below shows the number and percentage of sales and the value of housing split into original construction and reinstated construction for 2013, 2014 and the first half of 2015. The non-traditional construction design of the Miners Estate means residents are disproportionately likely to be living in low-value homes, this is especially so with the properties still of original construction. Homes in the Miners estate are banded in Council Tax Band A.

<b>Table 1- House sales in the Miners Estate</b>	2013- full year	2014 – full year	2015 – half year
Number of sales	9	21	2
% of properties sold	2	4.5	0.5
Average value of original construction properties	48,357	48,750	n/a
Average value of reinstated properties	83,580	86,106	100,000

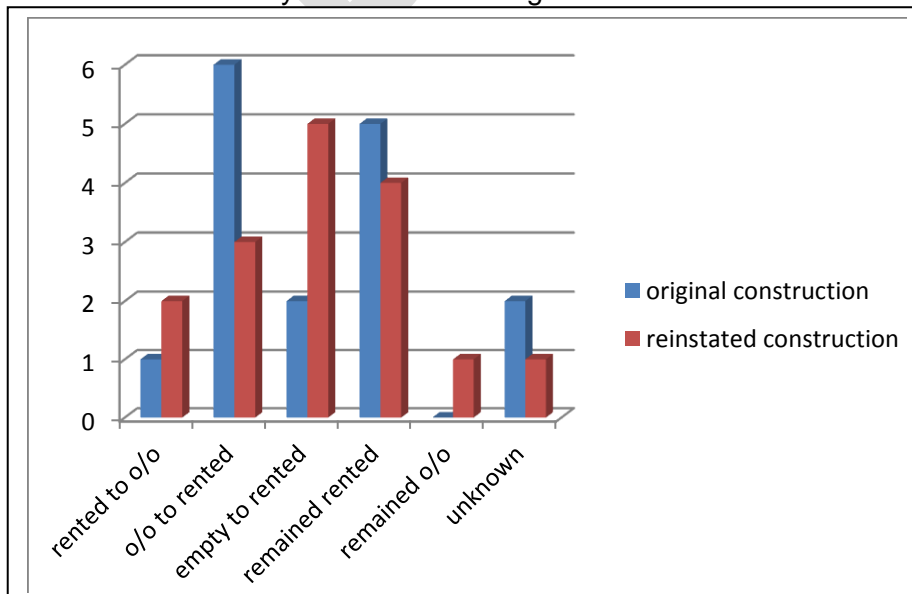
Source – HM Land Registry

The average house price for a semi-detached house in the borough in 2014 as recorded by HM land Registry was £128, 183. The average house price for a semi-detached house in England in 2013 according to Office of National Statistics figures was £228, 620. Showing housing on this estate to be up to 79% lower than the English average.

In undertaking an analysis of property values, under the selective licensing guidance a comparison should be made with comparable areas (e.g. in term of housing, local amenities etc) HM Land Registry figures for a similar estate of semi-detached housing in Silverdale shows average house prices to be higher at £68,000 for 2013, £63,937 for 2014 and £92, 333 for the first half of 2015. Similarly average prices for the streets immediately surrounding the miners Estate are higher at £105,000 for 2013, £100, 338 for 2014 and £98, 500 for 2015. Showing the proposed area to have low value housing in comparison.

Graph 1 below seeks to identify tenure changes in those sales over the last three years to understand how tenures change with sales and whether this links into the construction status. This indicates a mixed scenario but there is a greater tendency of movement into private rented. It also shows how this sector helps with bringing empty properties back into use.

Miners Estate – analysis of tenure changes in house sales 2013 – 15





## 4.2 Occupancy turnover

In order to assess property turnover council tax records have also been considered. An analysis of new Council Tax accounts can give an indication of turnover of properties (although it can slightly over emphasize turnover if the account returns to the landlords name between tenancies). There have been the following household turnovers in the Miners Estate;

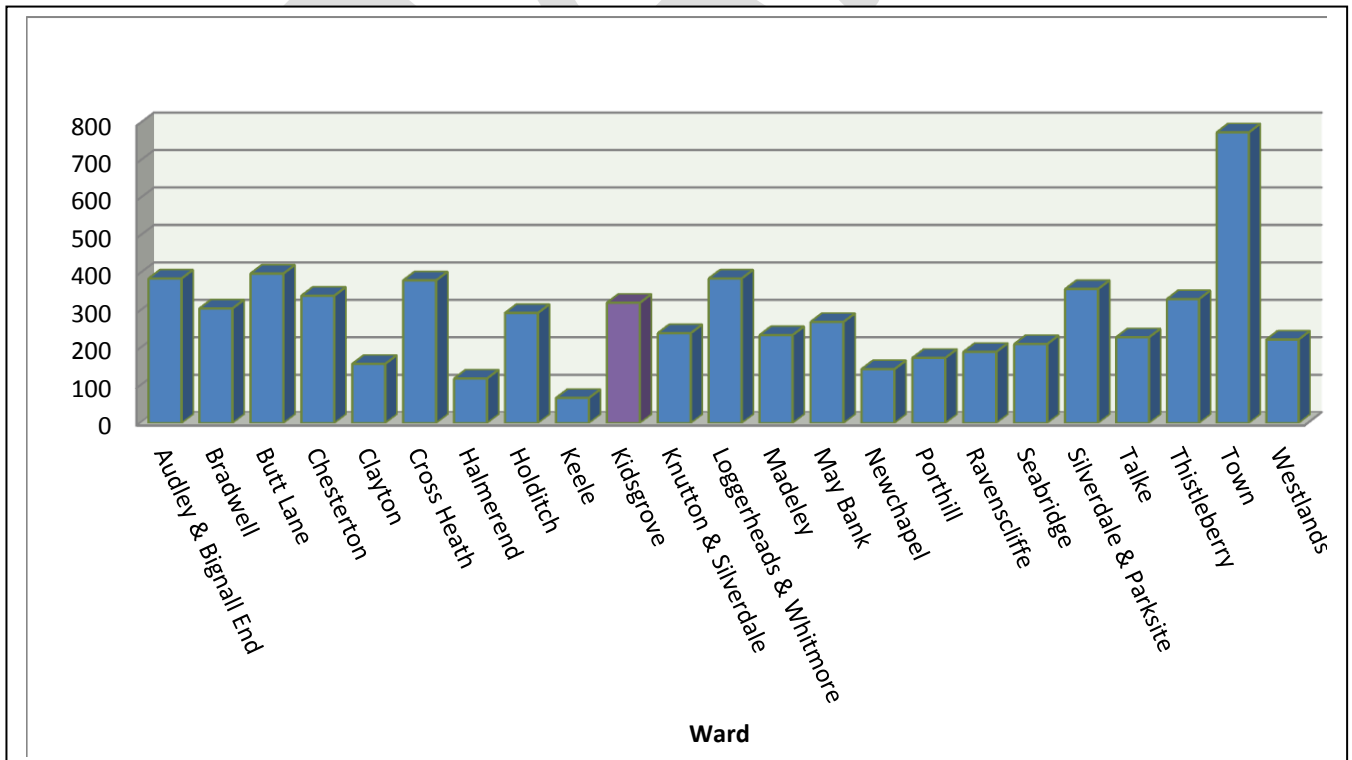
- 34 in 2013,
- 54 in 2014,
- 64 in the first half of 2015.

It is unclear why this has increased over this period which will warrant further analysis and investigation as this proposal proceeds. Anecdotal evidence suggests there is a high turnover within the private rented sector moving, often at short notice from one property to another. Improved landlord practices may help prevent unnecessary turnover.

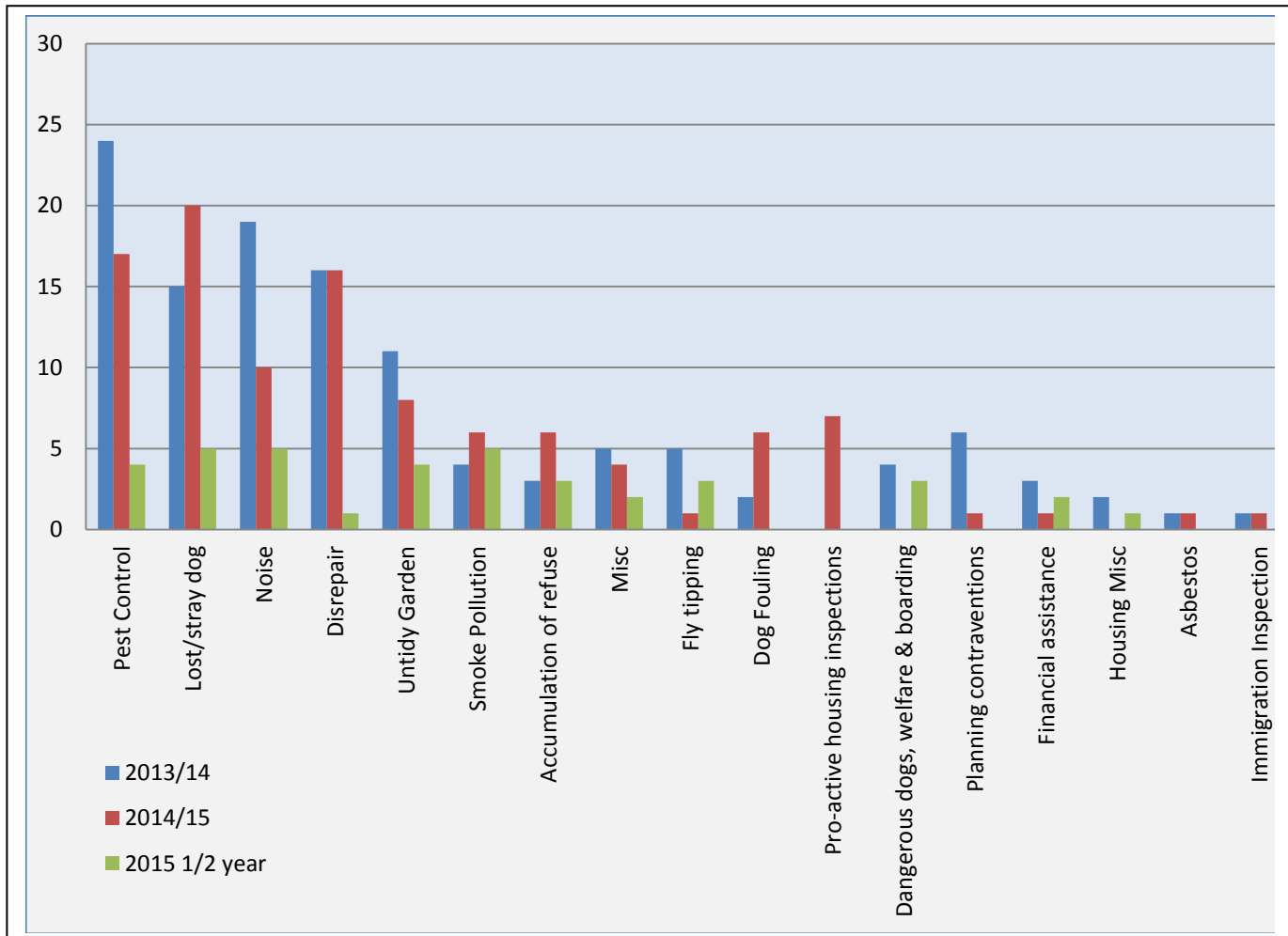
## 4.3 Housing Condition

The 2008 house condition survey shows that the greatest incidence of category one hazards in housing is associated with the private rented sector. Given the high proportion of privately rented properties in this proposed area it follows that there will be a high incidence of failings in property condition.

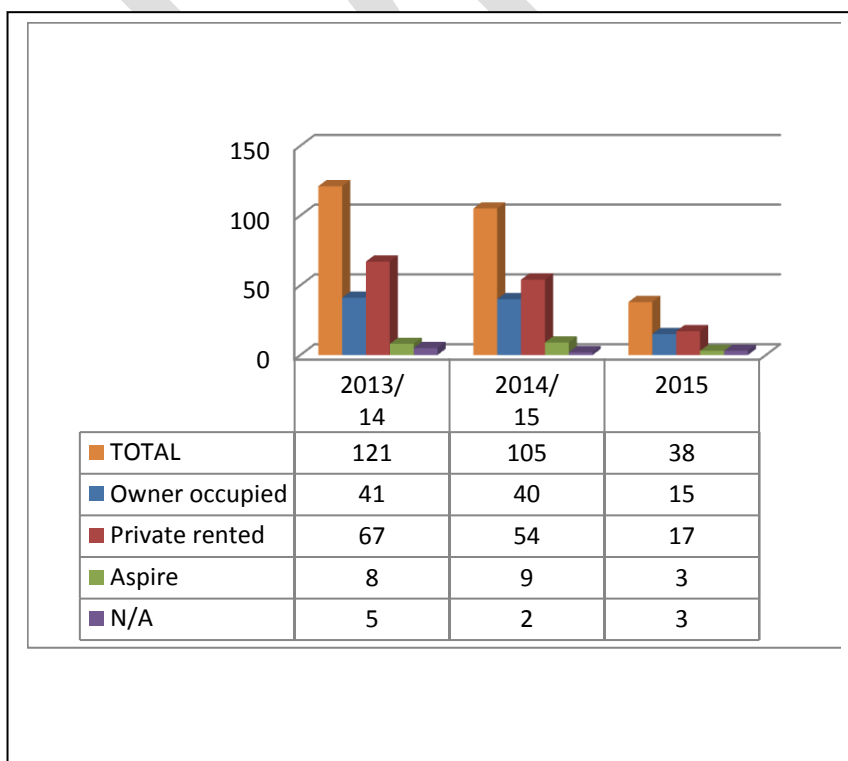
Graph 2 Below shows the breakdown of service requests to the environmental health and housing services in 2013 / 14 by ward. Kildgrove has 5<sup>th</sup> most service requests behind Town, (which has a high prevalence of student properties which is likely to account for the high figures) Silverdale and Parkside, Cross Heath and Chesterton which are on a similar level. This includes services to owner occupiers for financial assistance.



Graph 3 below shows a breakdown of the service requests received by environmental health / housing in the Miners Estate broken down by year and type.



Graph 4 below shows environmental health / housing service requests in the Miners Estate broken down by tenure and year showing the use of services by residents especially those who rent.



#### 4.4 Landlord Profile

There are several landlords with sizable portfolios of property in the Miners Estate. Of the approximately 250 rented properties at least 138 are owned by a landlord with more than one property on the estate. Aspire Housing Association own 24 properties on the estate although this may be a changing following the recent auction of one of their properties on Whitehall Avenue. A landlord who is a member of the North Staffordshire Landlord Accreditation Scheme owns 23 properties on the estate and at least three other locally based landlords have portfolios of between eight and fourteen properties. Analysis of recent sales on the estate which are shown in graph 1 indicate that much recent investment in the estate has been locally based from the Cheshire and Staffordshire region.

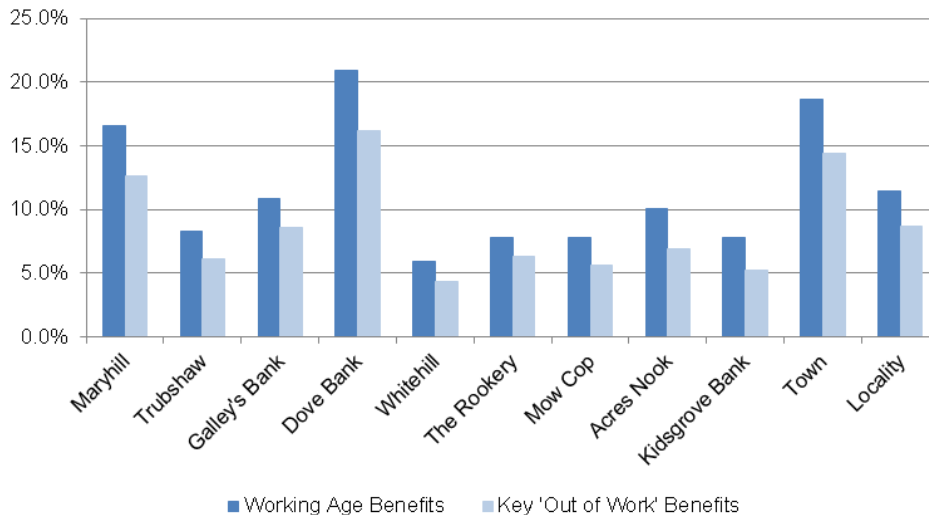
As part of the selective licensing evidence gathering the owner of every property has been identified in order to ensure who to communicate with about every rented property is known.

#### 4.5 Living Environment, Population, household and Benefits

The Miners Estate falls amongst the 20% most deprived areas in the Country in the indices of multiple deprivation which considers factors such as income, employment, education, housing, crime and environment. There are higher than average proportions of lone parents with dependent children in this area compared to Kidsgrove in general, as identified in the Kidsgrove Local Area Partnership report February 2015.

Graph 5 below compares areas within Kidsgrove for recipients of working age benefits, the area containing the Miners Estate is Dove Bank which has the highest percentage of recipients. Source Kidsgrove Local Area Partnership report February 2015.

#### Working Age Benefits - Feb 2014

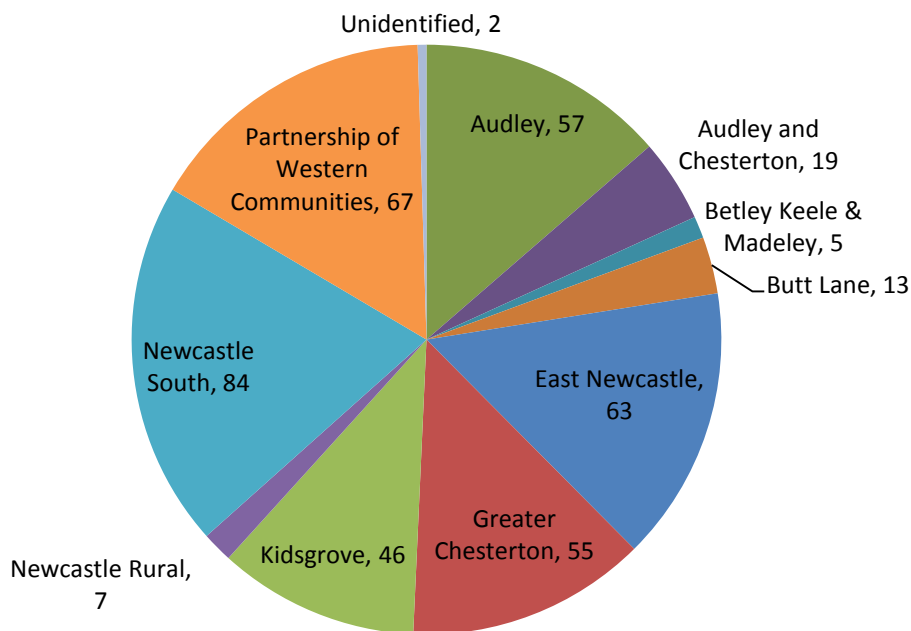


This comparatively high level of benefit dependency in the proposed area means the population will be disproportionately affected by benefit changes that could increase tenancy turnover and detrimentally affect the viability of the private rented sector in the area.

Housing is a key aspect of the wider determinants of health, poor housing, insecure tenancies, regularly moving, feeling scared within the home all impact on physical and mental health and well-being, educational attainment and social exclusion. Good housing provides a sound basis to gain and maintain work and to prosper. All these factors link into establishing a better environment on the estate.

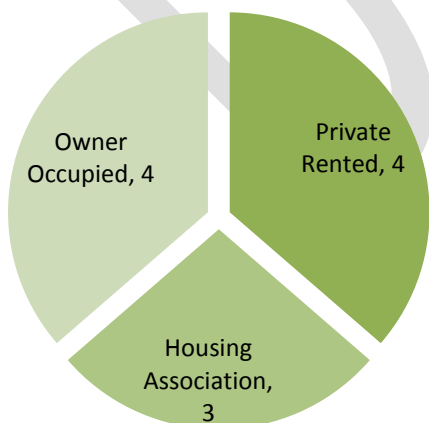
#### 4.6 Anti-Social Behaviour

Pie chart one below shows the incidences of antisocial behaviour reported to the Council broken down by ward for the period 1<sup>st</sup> August 2014 to 31<sup>st</sup> July 2015

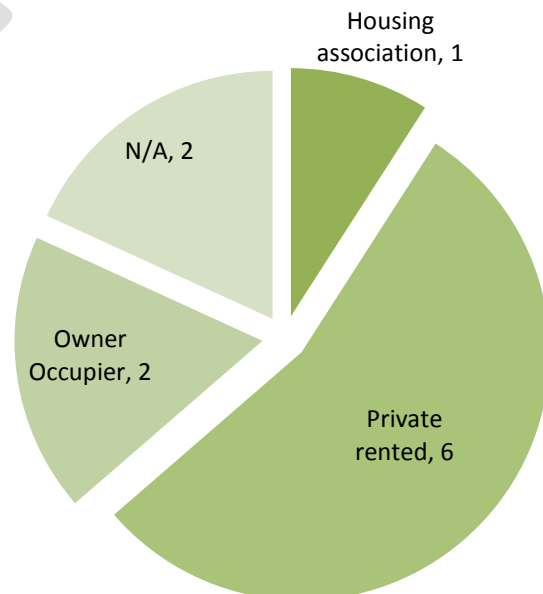


Pie charts two and three below relate specifically to anti-social behaviour connected with the Miners Estate as reported to the Council. Chart two shows the tenure of the household reporting concerns and chart three the tenure of the household complained about, which shows a link with private renting.

Pie chart two



Pie chart three

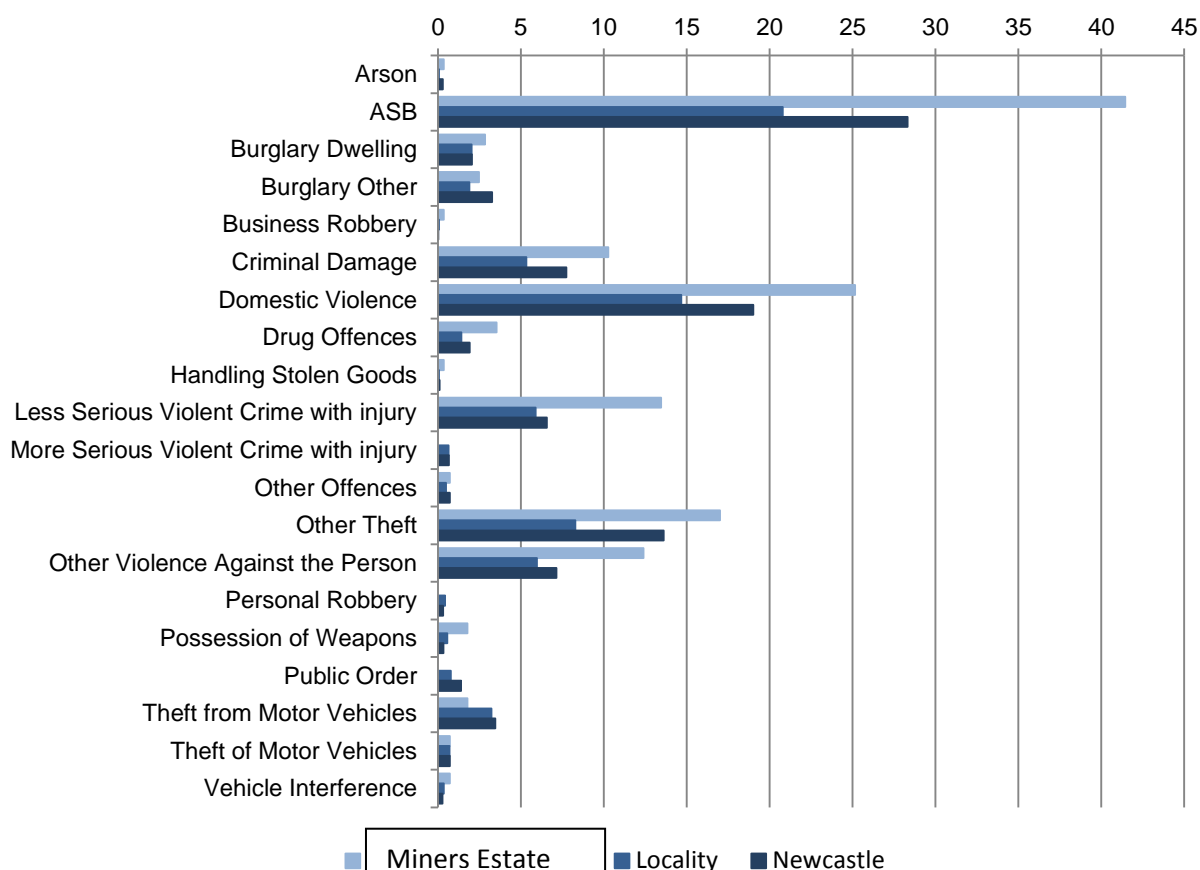


#### 4.7 - Criminal Behaviour

Table 2 below show crime occurring in Kidsgrove, Newcastle as a whole and Staffordshire as a whole over the last 12 months. Shown also as a % of the population where the population of Kidsgrove is 6827 of Newcastle is 75,082 and of Staffordshire is 1,061,000. Source Staffordshire Police.

Categories of Crime	Kidsgrove (inc Miners estate)	% of pop	Newcastle Borough	% of pop	Staffordshire County	% of pop
Violence against the person	77	1.1	2238	2.9	20,576	1.9
All drug offences	5	0.07	188	0.25	2336	0.2
Serious acquisitive crime	23	0.3	1020	1.36	11036	1.0
All criminal damage (excluding arson)	44	0.6	1079	1.44	9399	0.89
Arson	3		69		417	

Chart three below shows the breakdown of crime types recorded in the Miners Estate and surrounding roads. Source Kidsgrove Local Area Partnership report February 2015.



- Rates of reported ASB in the area are particularly high when compared to the locality and the borough averages, however the rate has fallen by about 13% since the previous 12 month period.

- The rate of 'burglary dwelling' increased by a third when compared to 2012/13 and the rate is now slightly higher than average.
- Criminal damage in the area has reduced by almost 20% over the past twelve months but the rate remains higher than borough and locality averages.
- Whilst the rate of reported domestic violence is higher than average, it has fallen by 15% compared to the previous year.
- Drug offences in the area have increased by over 40% and are now higher than average.
- Rates of less serious violent crime with injury have increased by over 70% in the past 12 months and are now double both the locality and borough averages. Rates in the locality have increased by 110% and across the borough by 20%.
- 'Other theft' includes offences involving theft of both unattended personal property and property from outside people's homes. The rate of these types of offences hasn't changed since the previous year but is higher than the averages.
- Rates of 'other violence against the person' have increased by 150% in the past 12 months, reflecting smaller increases in the locality (60%) and across the borough (15%).
- The rate of possession of weapons offences is higher than average at 1.8 compared to the previous year when there were no recorded offences in this area. The rate across the borough has increased by 86%.

## **5.0 How will selective licensing support the council's wider strategies**

### **5.1 Housing Strategy**

The Housing Strategy 2011 – 2016 has three objectives:

- To contribute to the prosperity and sustainability of the borough of Newcastle under Lyme;
- To meet housing needs and develop housing choices for borough residents;
- To support vulnerable people and prevent homelessness in the borough of Newcastle under Lyme.

This is consistent with the aims of selective licensing to address low housing demands, improve property condition, improve management practices and support tenants.

It is expected that the new Housing Strategy for 2016 – 2021 will have been implemented when this proposal goes to consultation, it has five key themes;

- Affordable housing,
- Help and advice for finding a home,
- Reducing the number of empty homes,
- Supporting the private sector,
- Promoting independence and inclusion.

Selective licensing will contribute strongly to achieving these aims in the designated area and to creating a balanced housing market to support social and economic improvements. A proposal for specific action on this estate is contained in priority 4 of the Strategy: To give support to Private Sector Housing.

### **5.2 Newcastle-under-Lyme Sustainable Communities plan**

Newcastle-under-Lyme is working towards being a co-operative council which means we are working together with our residents, partners and local organisations to collectively deliver the best we can using the resources we have.

The proposal will contribute to:

- creating a healthy and active community by improving housing conditions and reducing anti-social behaviour;
- our Co-operative Council aims by protecting the interests of our citizens and;

- demonstrating effective Partnership Working, with residents, businesses and agencies working in the proposed area.

### **5.3 Prevention of Homelessness Strategy 2010**

The Strategy has three priorities:

- To continue to prevent homelessness by earlier intervention and strong partnership working.
- Ensure sufficient accommodation is available for people who are or may become homeless.
- Securing the satisfactory provision of support for people who may be or are risk of becoming homeless or who have been homeless and need the support to prevent them from being homeless again.

Selective licensing is intended to improve management practices and housing condition leading in turn to more secure tenancies, less turnover and improved choice.

It is expected that the new Housing Strategy for 2016 will have been implemented when this proposal goes to consultation, it has three key priority areas;

- prevention,
- supporting households into sustainable housing solutions,
- working in partnership to address the cause of homelessness in Newcastle.

The draft strategy recognises the important role the private rented sector plays especially for households who cannot access social housing or afford to buy. There has been a substantial increase in private renting from 4.8% in 2001 to 9.3% in 2011 and it is vital this sector has safe, suitable accommodation to meet this demand.

Selective licensing can help ensure access to a good supply of private rented stock which meet expected standards of repair and good management.

### **5.4 Empty Homes Work**

Empty homes represent waste, financial expense and missed opportunity, they can blight communities, attract fly tipping, vandals and squatters and tie up resources of the council and other services. Bringing an empty property back into use is a sustainable way to meet future housing demand and has a positive effect on the whole community. Selective licensing will help develop partnerships with landlords who sometimes leave property vacant in the proposed area.

### **5.5 Working with the private rented sector**

The Council is a partner in the North Staffordshire Landlord Accreditation Scheme which recognises, promotes and supports good landlords. Through this scheme we work with many landlords to improve standards, offer training and development events and offer match funding to help with improvements often focused on energy efficiency. Selective licensing will be an additional way to work with landlords improving property standards and management practices across the sector.

### **5.6 Stronger and Safer Communities Strategy 2012 -17**

Creating stronger and safer communities is the key to developing a borough which is “prosperous, clean, healthy and safe. The Newcastle-under-Lyme Borough Council Stronger and Safer Communities Strategy 2012 – 2017 aims to create a community centred round the Council’s vision – a community that:

- Is strong, resilient, supportive and encourages people to take responsibility for their own lives whilst supporting them through difficult times;
- Is free from crime, disorder and danger;

- Lives, works and studies in areas which are organised, planned effectively and allow equal access to all services and facilities.

This strategy recognises that Kidsgrove is one of the hot spot areas for higher levels of crime, antisocial behaviour, misuse of alcohol and offending. Selective licensing will work in partnership with the anti-social behaviour team, the Police, landlords, agents and tenants to assist in dealing with issues of crime and anti-social behaviour connected to the privately rented properties.

## **6. Interventions**

### **6.1 Housing Market Renewal pathfinders**

Introduced in 2002 Housing market Renewal Pathfinders operated in areas of low housing demand with an intention to renew failing housing markets and reconnect them to regional markets, to improve neighbourhoods and to encourage people to live and work in these areas. The North Staffordshire Housing Market Renewal Pathfinder mainly focused on areas of Stoke-on-Trent but also included activities on the Miners Estate in Kidsgrove.

### **6.2 Miners Estate Proactive Visits**

In 2008 there was an estate initiative to improve standards in privately rented accommodation on the Miners estate, the actions undertaken and outcomes are in appendix 2. Following initial consideration of elective licensing the estate has received greater attention in the form of estate visits, walkabout, liaison with portfolio landlords, proactive inspections and estate days. All of which will be maintained as this proposal progresses.

### **6.3 Landlord Accreditation Scheme**

The Council is a partner in the North Staffordshire Landlord Accreditation Scheme, which has 200 members in Newcastle with 615 properties. The majority of members have student properties as the scheme strongly links in with local educational establishments.

Accreditation is supported nationwide by a range of organisations including landlord associations, local authorities, National Union of Students, Shelter and the Chartered Institute of Environmental Health.

Through continuing promotion and development of the scheme more landlords and agents are being encouraged to join enhancing the quality of rented accommodation in the borough. Landlord training, development and networking events contribute to the effectiveness of the scheme.

There are two accredited landlords with properties in the proposed selective licensing area covering 25 properties. Accreditation is voluntary and therefore will not tackle the worst accommodation standards or motivate landlords to improve poor management standards.

### **6.4 Enforcement of housing standards**

The Council responds to service requests from residents about disrepair, taking appropriate formal and informal action under the Housing Health and Safety Rating Scheme. These activities are designed to remove hazards to health, safety and welfare to residents or visitors. Activities throughout the whole borough in 2014 / 15 removed 151 serious hazards and 318 less serious hazards from properties. While this approach does improve property condition and tenant living standards it is pepper potted throughout the borough and does not have the specific impact on an area that selective licensing would have. Additionally it does not address aspects of selective licensing like the requirement to seek tenant references and to co-operate regarding anti-social behaviour.



## 7.0 Option appraisal and risk assessment

Option	Strength	Weakness	Risk
Accreditation	Shows commitment from landlords to be recognised as good, improving reputations and partnership working. Prompts landlords to go beyond legal minimum standards. Improves property condition and tenancy relations.	Voluntary Does not require references to be taken up prior to new tenancies	No compulsion for all landlords to join, so only likely to be the motivated ones. Unlikely to impact on all properties and tenants.
Enforcement	Allows focus of activities to be targeted at worst priorities.	Relies on tenant reporting, even with proactive inspections relies on tenants wishing to be involved. Does not target management practices and anti – social behaviour.	Unlikely to impact on all properties and tenants or to improve management practices.
Selective Licensing	Tackles anti-social behaviour, landlord management practices, tenant referencing and vetting as well as housing condition. Gives commitment and targeted resource to a distinct area. Can be funded by licence income.	Covers a maximum of five years during which time need to be able to demonstrate that the low demand identified has been addressed. Impacts on all landlords placing additional burdens on reputable ones. Fees may be passed on to the tenants in rent increases.	Resource intensive, Landlords may leave properties empty rather than obtain a licence, Landlords may leave the area / sell their properties further reducing demand, Landlords may avoid licensing / try to illegally evict tenants, Anti-social behaviour may be displaced to surrounding areas.

## 8.0 Why Selective Licensing is appropriate on the Miners Estate

This proposal has considered the legislative requirements and guidance on determining the need for selective licensing. The Councillors are of the opinion that the area is suffering from low housing demand the key indicators of this being low property value, the turnover of occupiers, high proportion of rented property and the impact of the rented sector on the local community including poor property condition and antisocial behaviour.

Property values – values with the Miners Estate have been assessed against borough wide figures and figures for England as a whole. Property values for the original construction properties are a third of the borough average and 79% less than the English average. Properties in the proposed licensing area are in Council Tax band A.

Turnover - Council tax information suggests a high turnover of residents in the Miners Estate this is most likely to be associated with the private rented sector. Regularly moving home affects family stability and dynamics and will affect family health and wellbeing and may involve moving schools for children.

Tenure – analysis of tenure in the Miners Estate highlights a significantly high level of private renting at around 45%, well above the borough average of 10%.

Impact of the local community – significantly high levels of private renting and being in the bottom 20% of areas for deprivation has an impact on the local community and support needed from local agencies.

Anti-social behaviour and crime – the fear of antisocial behaviour and crime are a big factor in how residents feel about their local area, that and perceptions about the response received can also lead to a lack of reporting. The area is highlighted as one of the four hotspots in the borough for antisocial behaviour.

Co-ordinated action with other housing activities – the aims of selective licensing are consistent with the published strategies of the Council relating to Housing and Community Safety.

Other courses of action available – the option appraisal process has considered other courses of action available and the relative strengths and risks. From this selective licensing is the only co-ordinated approach to addressing property condition, management standards and antisocial behaviour that ensures all landlords become involved not just the ones who volunteer to be.

## **9. Proposal**

Based on the review of the evidence, associated policies and option appraisal the Council believes Selective Licensing is necessary on the Miners Estate to address low housing demand and high levels of private renting, ensuring privately rented properties are in good condition and well managed, reducing turnover in privately rented properties, strengthening the community and creating mixed tenure neighbourhoods, reducing the fear of crime and starting to improve the health and wellbeing of residents.

## **10 Consultation**

Under Part 3 of the Housing Act 2004 section 80 the Council has a duty to:

- Take reasonable steps to consult persons who are likely to be affected by the designation; and
- Consider any representations made in accordance with the consultation and not withdrawn.

The consultation will include:

- Information and a questionnaire to be hand delivered to all residents, businesses and people who provide services in the consultation area;
- Information and a questionnaire mailed to landlords and agents with properties in the area;
- Information and a questionnaire on line for anyone with an interest in the proposal to respond;
- General promotion of the consultation via the website, press releases, twitter, posters in community and Council buildings;

- local drop in sessions;
- All relevant Borough Council and County Council service areas, Kidsgrove Local Area Partnership, partner agencies including The Police, Fire Service, Newcastle Housing Advice, Landlords and residents associations.

Following the consultation process the results will be published and made available to the local community, including a summary of responses demonstrating how these have either been acted on or not.

### **Background papers**

Communities and Local Government - Selective licensing in the private rented sector  
A Guide for local authorities - March 2015

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/418551/150327\\_Guidance\\_on\\_selective\\_licensing\\_applications\\_FINAL\\_updated\\_isbn.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418551/150327_Guidance_on_selective_licensing_applications_FINAL_updated_isbn.pdf)

Housing Act 2004

Housing Strategy 2015 (draft)

Homelessness Strategy 2015 (draft)

Safer Communities Strategy 2012 – 2017

DRAFT

**Appendix 1**

## Street list of Miners Estate

Address	Postcode ST7	No houses
Whitehall Avenue	1ES, 1ET, 1EP, 1EW	77
Gloucester Road	1EM	44
Victoria Avenue	1EY, 1HB, 1HD, 1HF	65
Lincoln Road	1HA	26
Norfolk Road	1EZ	32
Bourne Road	1EU	32
King Street including flats above shops	1HN	45
Essex Drive	1HE	44
Somerset Avenue	1EX	18
Sussex Drive	1HG	50
Bedford Road	1HQ	28
		461
Lamb Street Stores, Lamb Street to be included in the proposal		

## Appendix 2

<b>Miners Estate Initiative August 2008/ April 2009 Summary of actions and outcomes</b>
<b>Properties</b>
57 properties were targeted
2 households refused an inspection
9 households did not respond to appointments made
42 properties inspected
a further 8 Empty properties identified from Council Tax records and visited
<b>Households</b>
19 households were vulnerable (7 elderly, 3 disabled, 9 family in receipt of benefits)
11 given information on other services such as WarmZone, Home Improvement Agency, benefit checks etc
3 reported to other agencies for assistance
<b>Disrepair found</b>
31 properties with Category 1 hazards (high risk)
40 properties with category 2 hazards (lower risk)
39 properties failed the Decent Homes Standard
<b>Action taken as a result</b>
13 cases reported to H&S executive as L/L failed to produce gas safety certificate
20 Improvement Notices served (for high risk)
4 Hazard Awareness Notices served (for lower risk)
1 Emergency Remedial Action (boiler condemned)
12 Notices for Work in Default (mainly replacement windows)
<b>Outcomes</b>
2 empty properties reported to Council Tax as occupied
37 properties improved (4 cases ongoing)
29 properties had Category 1 hazards removed (2 notices ongoing)
32 properties now meet the Decent Homes Standard
£34,000 spent on 'Work in Default'
£86,845 estimated cost spent in total (expected to exceed £100,000 when all work completed)
2 properties at least received central Heating through Warm Front grant
2 cases reported to EP for rubbish in gardens
0 tenants have reported harassment or illegal eviction as a result of the initiative
<b>Customer Satisfaction</b>
Communication - 80% very good, 20% good
Staff - 86% very good, 14% good
Views on the Initiative - 55% very good, 39% good, 6 OK
All tenants reported that they had not received any harassment or eviction from the L/L
All tenants reported that they thought the initiative was a good idea
All tenants reported that issues of disrepair had been resolved

## Appendix 3

### Proposed Fee (or consultation)

Under Part 3 of The Housing Act, section 87 (7) the Council can charge a fixed fee for selective licensing applications. Fees may take into account all costs incurred by the authority in carrying out selective licensing functions. Fees should be reasonable and proportionate and the Council is not permitted to make a profit from the selective licensing scheme. Following legal challenges to fees charged by Councils it is generally accepted that selective licensing fees can cover processing the application, monitoring licence conditions and enforcement against unlicensed operators. Overheads and set up fees for the scheme are not included in the fee calculation.

The proposed fees to be consulted on will be;

- Application fee for one property – £540.00
- Additional property - £475.00
- Discount for membership of North Staffordshire Landlord Accreditation Scheme – £70.00

A breakdown of how the fee has been calculated will be available as part of the consultation.

## Appendix 4

### Fit and Proper person

In determining a licence application the Council has to ensure the proposed licence holder and any persons involved in the management of the property meet the fit and proper persons test. Guidance in schedule 3 to Statutory Instruments 2006 No. 373 The licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous provisions) (England) Regulation 2006 has been used to determine the test for the selective licensing proposal.

#### The fit and proper test

All persons involved in the management of the property are to be identified and assessed under the 'fit and proper' person criteria. This includes the proposed licence holder and the proposed manager of the house if they are different. This requirement is to ensure that those responsible for operating the licence and managing the property are of sufficient integrity and good character to be involved in the management of property and as such do not pose a risk to the welfare or safety of persons occupying the property. A licence can be refused if there is a finding that the licence holder and/or the manager is not a fit and proper person.

When considering whether a person is 'fit and proper' the Council must have regard to any 'wrong doings' of the person concerned. In an application for a licence the applicant must provide details of the following in relation to themselves and any proposed manager:

- Any unspent convictions that may be relevant to the proposed licence holder's fitness to hold a licence, or the proposed manager's fitness to manage an house in multiple occupation or house, and, in particular any such conviction in respect of any offence involving fraud or other dishonesty, or violence or drugs or any offence listed in Schedule 3 to the Sexual Offences Act 2003.
- Details of any finding by a court or tribunal against the proposed licence holder or manager that they have practised unlawful discrimination on the grounds of sex, colour, race, ethnic or national origins or disability in, or connection with, the carrying on of any business;
- Details of any contravention by the proposed 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 being made against them.

- Information about any house in multiple occupation or shared house the proposed licence holder or manager owns or manages or has owned or managed for which a Council has refused to grant a licence under part 2 or part 3 of the Housing Act 2004, or has revoked a licence in consequence of the licensing holder breaching the conditions of his licence.
- Information about any house or house in multiple occupation the proposed licence holder or manager owns or manages or has previously owned or managed that has been the subject of an interim or final management order under the act.

The wrong doing has to be relevant to the person's fitness to hold a licence and/or manage the particular residential property and, in regard to criminal offences, the Council must only have regard to unspent convictions. Each case must be considered on its own merits and if a licence is to be refused on the ground that a person is unfit, the Council must be able to defend that decision with sound reasons.

Information should also be supplied on any enforcement action in respect of any house or HMO under his/her management or ownership (and also any former HMO or house he/she owned or managed) under the housing health and safety rating system in Part 1 of the 2004 Act so far as that enforcement action related to a category one hazard.

Applicants will be asked to sign a declaration, below, as confirmation that information supplied is correct.

*I/we declare that the information contained in this application is correct to the best of my/our knowledge. I/We understand that I/we commit an offence if I/we supply any information to a local housing authority in connection with any of their functions under any of Parts 1 to 4 of the Housing Act 2004 that is false or misleading and which I/we know is false or misleading or am/are reckless as to whether it is false or misleading.*

If the Council is not satisfied that it has sufficient information supplied with an application to make a determination, the applicant can be required to provide further details. This may be through an interview or in some circumstances it may be appropriate to request the applicant to provide a basic disclosure through the service offered by Disclosure Scotland.

## **Appendix 5 Licence Conditions (for consultation)**

### **1.0 Mandatory conditions under the Housing Act 2004**

The licence holder must:

- 1.1 Provide a gas safety certificate annually covering all gas appliances in the property (where gas is supplied).
- 1.2 Keep smoke alarms in proper working order.
- 1.3 Keep electrical appliances and furniture (supplied in the tenancy) in a safe condition.
- 1.4 Provide the occupier with a written statement of the terms and conditions of occupation.
- 1.5 Obtain references from all persons wishing to occupy the property and provide copies of references to the council on request.

### **2.0 Conditions relating to Property Condition**

The licence holder must:

- 2.1 Meet all fire safety obligations, ie provide a smoke detector on all floors of accommodation for family occupied homes and provide mains wired interlinked;

- detectors and associated fire safety provisions as prescribed by the council for multi occupied homes.
- 2.2 Inform the Council of any changes to the fire safety arrangements.
  - 2.3 Ensure that any furniture, curtains, blinds and soft furnishings provided are complaint with the Furniture and Furnishings (Fire Safety) Regulations 1988 (as amended) 1989 and 1993.
  - 2.4 Install and maintain a carbon monoxide detector in any rooms containing a solid fuel appliance.
  - 2.5 Provide the occupier with a copy of the Energy Performance Certificate at the start of the tenancy and discuss affordability of bills.
  - 2.6 Review any energy performance certificates with a rating of E and below undertaking all reasonable and practicable improvements to ensure homes can be; adequately, and efficiently heated with a programmable heating system; have adequate insulation and no uncontrollable draughts.
  - 2.7 Insulate roof spaces to a minimum of 270mm of loft insulation.
  - 2.8 Ensure loft hatches are insulated and draught proofed.
  - 2.9 Provide a valid Electrical Installation Condition Report in accordance with current IEE wiring regulations undertaken by a competent person. The report must cover a 100% visual inspection and a minimum of 25% testing. If no such report exists it should be provided within the first 12 months of the licence period. A 'competent person' is a firm that has been approved by one of the government approved Part B schemes as sufficiently competent to self-certify that its work complies with the Building Regulations. Authorised schemes are BRE Certification Ltd, British Standards Institution, ELECSA Ltd, NAPIT certification Ltd and NECEIC group Ltd.
  - 2.10 Ensure any items identified in the electrical report as C1 danger present or C2 potentially dangerous are addressed within 28 days.
  - 2.11 Ensure that any alterations or additions to the electrical installation are carried out by a competent person.
  - 2.12 Ensure kitchen Sockets are located away from sinks and cookers, in a position where appliances can be safely used.
  - 2.13 Ensure any electrical heaters are fixed to the walls and have their own electrical fused spur point.
  - 2.14 Any windows with glazing below 800mm of the floor should have safety glass fitted to BS6206.
  - 2.15 Ensure bathrooms and kitchens have adequate ventilation to remove excess moisture and prevent condensation.
  - 2.16 Maintain the property free from hazards to health addressing disrepair reported by the tenant and / or the Council in an agreed timescale.
  - 2.17 Ensure the front and rear doors of the property are secure and fitted with good quality locking systems.
  - 2.18 Ensure all steps, yards, and outbuildings surrounding the property are maintained in reasonable repair and good order.
  - 2.19 Ensure the decoration of the interior and exterior is clean and sound at the commencement of each tenancy, with appropriate cleanable paintwork to the walls of the bathroom and kitchens.
  - 2.20 Ensure there are agreed arrangements between landlord and tenant for garden maintenance and cutting any hedges (if they are present).

### **3 Conditions relating to Satisfactory Management Arrangements**

The licence holder must:

- 3.1 Provide tenants with a written tenancy agreement, which does not have any unfair terms or conditions.
- 3.2 Provide tenants with the name, address, daytime and emergency contact number for the licence holder.
- 3.3 Inform the tenants and Council of any changes to the emergency contact details.



- 3.4 Protect any deposits taken from an assured shorthold tenant in a Government authorised tenancy deposit scheme, the tenant must be given the 'prescribed information' about the deposit with timescales set out in tenancy deposit regulations.
- 3.5 Keep a record of having provided the 'prescribed information'.
- 3.6 Ensure and document that all smoke alarms are working at the start of each tenancy.
- 3.7 Ensure there are agreed arrangements for council tax and utilities payments.
- 3.8 Provide receipts to tenants for any rent payments made in cash.
- 3.9 Where the property is let with appliances they should be maintained in good repair and replaced if they fail and cannot be repaired.
- 3.10 Ensure tenants know how to operate the heating and hot water systems and any other equipment provided.
- 3.11 Not unreasonably cause or permit the water supply, drainage supply gas or electrical supplies to be interrupted.
- 3.12 Provide a detailed and agreed inventory of furniture, fixtures, equipment and property condition.
- 3.13 Have permission to let the property from any mortgage company with an interest in the property.
- 3.14 Allow access to the property to housing officers from the Council on a mutually convenient date to carry out an inspection of the property.
- 3.15 Inform the Council of any changes in circumstances that may affect the fit and proper determination.
- 3.16 Undertake and document annual visits to the property.
- 3.17 Ensure there are agreed arrangements between landlord and tenant for any animals kept at the property covering noise, storage of food, hygiene and fencing.
- 3.18 Take all reasonable and practicable steps for preventing and dealing with antisocial behaviour. The Licence Holder and/or his manager must undertake an investigation process for any complaints which have been made either directly to them, or via the Authority, regarding their occupiers. For the purposes of these conditions, antisocial behaviour is taken to comprise behaviour by the occupants of the Property and/or their visitors, which causes a nuisance and/or harassment, alarm or distress to other occupants of the property, to lawful visitors to the property or to persons residing in or lawfully visiting the locality of the Property.
- 3.19 Co-operate with all activities by the Council to prevent investigate and deal with antisocial behaviour or crime.
- 3.20 Provide a copy of the 'How to Rent' leaflet at the start of every new tenancy.
- 3.21 Ensure repairs, planned maintenance, servicing and improvements are carried out with due regard to the convenience of the occupiers.
- 3.22 Follow proper legal procedures, with the correct legal Notices being served and the correct court procedures followed where possession of the property is being sought.
- 3.23 Attend a two hour free landlord development event which is hosted by Newcastle-under-Lyme council in the first three years of the licence term.