

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

Date 14th September 2016

HEADING Miners Estate, Galleys Bank, Kidsgrove

Submitted by: Gill Taylor

Portfolio: Planning and Housing and; Communities and Social Cohesion

Ward(s) affected: Kidsgrove

Purpose of the Report

To review the consultation feedback and options for intervention on the Miners estate in order to address low housing demand and the issues arising therefrom.

Recommendations

- (a) That Cabinet considers the options for intervention and approves the establishment of a pro-active multi-agency approach with immediate effect to build community capacity and maximise opportunities for external funding.**
- (b) That officers be authorised to re-prioritise existing resources, in consultation with relevant Portfolio Holders, in order that this initiative can be effectively co-ordinated and managed by the Partnerships Team. That a further report is submitted to Cabinet in October 2016 outlining the medium term resource implications to ensure future delivery can be sustained and that any service impacts can be agreed.**
- (c) That the Housing Team engage with the National Landlord Association and local landlords to join the voluntary accredited landlord scheme, information is widely promoted through to local residents on the housing standards they should expect and officers continue to benchmark with other Local Authorities who have delivered landlord licensing schemes to ensure that the Council can deliver a scheme if necessary.**
- (d) That officers establish monitoring and evaluation arrangements to enable the efficacy of this initiative to be assessed by the Council and its strategic partners in the context of both this estate and on the basis that any learning can be used to address similar estate-based issues elsewhere in the Borough in future.**

Reasons

Following local concerns about a wide range of issues on the Miners Estate in Kidsgrove, resulting in low housing demand, a range of options have been considered and full consultation on the option of Selective Licensing has been undertaken with the aim of establishing the most appropriate intervention(s).

1 The Background

- 1.1 The Council recognises the importance of having good quality privately rented housing which is managed to the highest standards. The Council wishes to build on the positive relationships with landlords in the Borough and is committed to tackling unsatisfactory property conditions and poor standards of management. A range of actions and support will be provided where required and this includes the introduction of Selective Licensing where appropriate.
- 1.2 The Miners Estate in Kidsgrove has been highlighted as an area where Councillors are concerned about high levels of private renting, anti-social behaviour and the appearance of the estate. The houses are good sized family homes with three bedrooms, front and rear gardens.
- 1.3 Properties in the estate were built in the 1950s by the Coal Board to a non-traditional, pre-fabricated, Schindler design, which is known to have a limited life span. The properties were sold in the 1980s many to the occupiers and the rest were auctioned. Between 1990 and 1995 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 were eligible for and were offered grants under the Housing Defects Act 1984. 183 of the 540 properties were rebuilt and can be bought with a mortgage. The remainder are still built of the original construction, meaning that they cannot be bought with a mortgage and are more likely to be privately rented. It should be recognised that without landlords buying properties for cash to rent out, they may be left empty. This high level of privately rented properties has however led to the concerns about anti-social behaviour and the appearance of the estate.

Estate Walks

- 1.4 Estate walks have been undertaken by Councillors and senior managers to get to know the estate, the houses, history and the concerns. The Council led a public evening meeting on the 5th June 2014 attended by the Police, at this meeting Councillors called for improved reporting of anti-social behaviour and crime as the figures were not felt to reflect the true situation.
- 1.5 An estate walkabout on 12th September 2014 led to an estate Impact Day on 16th October 2014 followed by an evening meeting. The fire service carried out 40 visits and all fire hydrants were tested, bulky refuse was collected and discussions took place to highlight parking concerns and the potential impact on access for emergency vehicles.

Earlier work which was done

- 1.6 In the early 1990's, 183 properties were re-built through grant assistance at a cost of £37-40,000 per property and 22 properties were bought by the Council and transferred unimproved to Aspire Housing, the stock transfer company. For the properties that were improved this increased their value and ensured they could be bought with a mortgage.
- 1.7 The estate fell within the Renew North Staffordshire Housing Market Renewal Pathfinder area and a community visioning project was undertaken in 2004.
- 1.8 The aim of the project was to "provide a framework to secure a long term sustainable future for the Galleys Bank [Miners Estate] estate and to contribute to the wider regeneration of the area". This led to a research project report produced by DTZ

Pieda Consulting with recommendations around redevelopment although these were not subsequently taken forward.

- 1.9 In 2008 / 09 there was a major proactive housing condition project on the estate for privately rented properties. This led to 57 properties being targeted, 41 properties were improved, 29 Category one hazards removed, £34,000 spent on work in default and £86, 845 invested by landlords. All tenants gave positive feedback on the initiative and none reported harassment or attempted eviction as result.

Developments since that time

- 1.10 Alongside the estate walkabout and meetings the last two years have focused on information gathering, estate mapping, working with portfolio landlords and co-ordinated working between officers dealing with antisocial behaviour, partnerships and environmental matters with regular visits to the estate. This has led to obtaining land registry information on all houses cross checking this with council tax records to confirm occupation and tenure and maintaining an overview of sales and tenure changes. 35 property condition visits have been undertaken with appropriate follow up activities, many of these have been proactive working with the portfolio landlords.

2 Review of the data

Earlier and current data

- 2.1 Data has been collated on;
- Property sales as recorded by the land registry, split by reinstated and un-reinstated.
 - Average value of housing since 2000, split by reinstated and un-reinstated.
 - Average value compared to comparison areas.
 - Tenure changes following house sales.
 - Comparison of number of sales against neighbouring areas.
 - Service requests to the council relating to environmental matters and housing, analysed by tenure and compared to other wards in the council.
 - Anti-social behaviour and crime statistics analysed by tenure and compared to other wards in the council.
 - Local Area Partnership (LAP) profile information compared to other LAP statistics.
- 2.2 This was presented in a report on “Evidence and analysis to inform decision making – November 2015”. This was the culmination of the work since 2013 in order that stakeholders understand the issues affecting the estate, by reviewing the collated statistics. Information on ASB, crime, Fire and Rescue, Housing and Environmental Health has also been updated to include recent data.

Interpretation of data

- 2.3 The information was analysed against the relevant Government publication (“Selective Licensing in the private rented sector – A guide for local authorities, Department of Communities and Local Government, March 2015”) to determine if a case could be made to introduce selective licensing on the estate as a means to ensure private sector landlords were meeting all their obligations.

From this two decisions were made as summarised in the table below.

Decision	Guidance	Reason
<p>1</p> <p>There was insufficient information to progress to a proposal based on anti-social behaviour and, or crime.</p>	<p>To consider whether private sector landlords in the designated area are not effectively managing their properties so as to combat incidences of anti-social behaviour caused by their tenants or people visiting their properties and in particular the area suffers from anti-social behaviour as a result of this failure or because that 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.</p> <p>In considering whether an area suffers from a high level of crime the local housing authority may wish to have regard to whether the area has displayed a noticeable increase in crime over a relatively short period, such as in the previous 12 months; whether the crime rate in the area is significantly higher than in other parts of the local authority area or that the crime rate is higher than the national average. In particular the local housing authority may want to consider whether the impact of crime in the area affects the local community and the extent to which a selective licensing scheme can address the problems.</p>	<p>Analysis of anti-social behaviour showed it was not only an issue with privately rented properties and often occurring outside the curtilage of properties.</p> <p>Comparing the crime statistics which are several years old with other wards using the Local Area partnership figures did not show high levels compared to other areas when assessed in the context of the guidance. Officers will endeavour to obtain up to date statistics from Staffordshire Police should the Council wish to pursue this in the future.</p> <p>In addition the Deputy Commander Newcastle LPT advised via email that there is no evidence to increase resources to the estate.</p>
<p>2</p> <p>That a proposal could be made on low property demand</p>	<p>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 (whether in terms of type of housing, local amenities, availability of transport).</p> <p>The turnover of occupiers of residential premises (in both rented and owner occupied properties).</p>	<p>It was felt there was sufficient evidence from the average value analysis and council tax information on turnover of households.</p>

- 2.4 Following this decision the evidence relating to low property demand was collated into a Selective Licensing Proposal Report. This was agreed by Cabinet on 20th January 2016 as being a robust evidence based proposal and proceeding to consultation was approved, with the feedback to be fully considered prior to recommending the next steps. This document can be found in the links to background papers.

3 Consultation

Background to consultation

- 3.1 The Selective Licensing consultation exercise involved residents, landlords, agents, local businesses, schools and stakeholders. Much effort was put into ensuring correct contact details to maximise feedback. The letters encouraged recipients to visit web pages for more information or to contact a named officer and contained a feedback form designed to encourage comments to be made and a pre-paid envelope again to maximise responses.

- 3.2 In summary the Council received the following responses:-

Findings

- 80 replies from owner occupiers
- 19 replies from tenants
- 33 replies from landlords and agents
- 6 replies from businesses / schools / stakeholders

- 3.3 Many of the respondents took time to provide comments, the majority have been constructive and very useful in understanding the feelings of those with a connection to the estate.

- 3.4 The headline to the results is that 87% of owner occupiers agreed with licensing and 9% didn't know. 75% of landlords & agents disagreed with licensing, 14% didn't know.

Interpretation of findings

- 3.5 It is clear from the consultation that residents have concerns about the estate and feel that intervention of some form is needed. When asked about alternative interventions to selective licensing many wider environmental issues were highlighted including eyesore gardens and fencing, refuse accumulations and bin management, the number of pets especially dogs, dog fouling, parking on verges and pavements, drives without a dropped kerb, state of open areas, lack of litter picking, neighbour disputes and anti-social behaviour, levels of policing and CCTV. Many people felt that focus shouldn't just be on the rented properties and many people commented on the fundamental issue being the construction of the houses.

- 3.6 Some respondents identified that the other options rather than selective licensing could be pursued and that special measures should just apply to the poor landlords. Concerns were expressed that the selective licensing fee will simply be passed onto tenants via an increase in rent.

- 3.7 Comments were received that past skip days and proactive visits to poor properties were good.

4 The Analysis

- 4.1 Analysis leads to two important factors which raise key risks to going ahead with selective licensing; is there a practical alternative and will it achieve the aim?

Selective licensing in the private rented sector, A guide for local authorities, DCLG, March 2015 states	Comments
<p>Factor 1 – Is there a practical alternative?</p> <p>Item 7 – The Council must also consider whether there are any other courses of action available to it that would achieve the same objective or objectives as the proposed scheme without the need for the designation to be made. For example, if the area is suffering from poor property conditions, is a programme of renewal a viable alternative to making the designation? In areas with Anti-Social Behaviour, where landlords are not taking appropriate action, could an education programme or a voluntary accreditation scheme achieve the same objective as a selective licensing designation?</p> <p>Item 8 - If the problems of anti-social behaviour are only associated with a small number of properties a local housing authority should consider making a Special Interim Management Order, rather than a selective licensing designation covering properties with regard to anti-social behaviour.</p> <p>Item 9 - Only where there is no practical and beneficial alternative to a designation should a scheme be made.</p>	<p>The National landlords Association and one other respondent consider that all other options have not been exhausted.</p> <p>Interventions carried out are summarised in Section 1 to this report. Full details are in section 6 of the Selective Licensing Proposal Document; there is a link to this in the background papers section.</p> <p>The guidance at item 9 is clear in advising that Selective Licensing should be regarded as the option of last resort.</p>
<p>Factor 2 – Will it achieve the stated aim?</p> <p>In relation to declaring an area for selective licensing based on low housing demand as per the Council’s proposal.</p> <p>Item 14 - The outcome of the scheme should be a reduction in or elimination of the blight of low demand which has led to improvements of the social and economic conditions of the sector, which are identifiable.</p>	<p>The National Landlords Association state “the issue of structural problems due to inconsistency of build will not and cannot be resolved by selective licensing”. This point is also raised by many residents and landlords.</p> <p>It is the case that property value of the un-reinstated houses is due to their construction being designated defective under the Housing Defects Act 1984. Improvements in the environment and property condition can be gained through selective licensing but officers would question whether this could address value, and therefore demand, without addressing property construction.</p>

Causes of the issues

- 4.2 The comments made on defective construction are particularly pertinent and lie at the heart of the issues on this estate.
- 4.3 Without a major redevelopment programme this fundamental aspect cannot be addressed. Without this projects will not have an impact on tenure or increase the value of the un-reinstated properties to be comparable with the reinstated ones. However it is accepted that the environment can be better managed to improve the appearance of the estate in the short term.

5 The Options

- 5.1 Following a review of the consultation the following options have been identified and appraised;
1. Do nothing
 2. Remedial action in relation to problems as they arise
 3. Proactive estate management
 4. A managed multi-agency approach
 5. Selective licensing
 6. Comprehensive redevelopment
- 5.2 The Appendix includes a matrix of the options giving greater detail on what each entails, what it can achieve and the costs, summarised below.

6 Options appraisal

Option	Advantages	Disadvantages	Costs	Risks
1. Do nothing	Equality of resources throughout the borough	Doesn't deal with the issues raised in the consultation	Within current resources	Doesn't meet expectations or the apparent needs
2. Remedial action in relation to problems as they arise	Equality of resources throughout the borough	Doesn't deal with the issues raised in the consultation	Within current resources	Doesn't meet expectations or the apparent needs
3. Proactive estate management	Tackles a wide range of issues including the wider environment and appearance of the estate - focuses on the 'problems'. Isn't held back by the statutory requirements and ability to challenge that applies to option 5.	Reprioritising resources means other projects / actions will not be undertaken. Re-prioritisation of resources would adversely affect service delivery standards in	Re-prioritisation of existing resources would not incur additional costs An alternative approach to resourcing could be to establish a dedicated team	Some service areas may not have evidence of the need for re-prioritising resources / not doing other projects If resources are prioritised other work will not be completed and there may be customer

	<p>if successful, it has the potential to be rolled out to other areas without having to make a case and consultation.</p> <p>Can focus on owner occupiers as well as tenants.</p> <p>Make full use of proposed new powers for fixed penalty notices and fines for housing defects.</p>	<p>other parts of the Borough where there may be evidence of greater need.</p> <p>This approach is unlikely to be sustainable in the long term.</p>	<p>of new staff but this would require budget efficiencies and more significant service reductions elsewhere.</p>	<p>complaints.</p>
<p>4. Managed multi-agency approach co-ordinated through the Newcastle Partnerships Team</p>	<p>Could be combined with option 3 to cover more issues. Will ensure that partners are held to account for individual areas of responsibility.</p> <p>Will co-ordinate partnership activity to create efficiencies and prevent duplication. Will co-ordinate and facilitate community involvement and development to contribute to improvements in the local area</p> <p>Will contribute to raising community aspirations and spirit.</p> <p>Will give best opportunities to create sustainability in the local area.</p>	<p>Reprioritising resources means other projects / actions may not be undertaken.</p> <p>Re-prioritisation of resources would adversely affect service delivery standards in other parts of the Borough where there may be evidence of greater need.</p> <p>From past experience with community regeneration programmes, Community Development is likely to take significant time to become embedded.</p>	<p>Additional external funding could be applied for to assist in target hardening, community regeneration projects, etc.</p> <p>Requires prioritisation of resources to the estate by both services within the Council and partner agencies.</p>	<p>Other partners / agencies may not be prepared to be involved.</p> <p>If resources are prioritised other work will not be completed.</p>

<p>5. Selective Licensing</p>	<p>Key issues that are not compulsory under any other option are; requirement to keep landlord details up to date; requirement for tenant referencing; proactive inspection of all rented property.</p> <p>Supported by the owner occupiers who responded to the consultation.</p>	<p>Must be able to demonstrate that low property demand has been turned around.</p> <p>Not supported by the landlords who responded to the consultation.</p> <p>May give a stigma to the estate.</p>	<p>Income will be generated with an assumption it can be used to fund a short term post.</p> <p>Income will not cover all costs or those of associated activities.</p> <p>Approx. £33k for implementation, set up & management costs. Income of £118k will cover officer and admin for 2.5 years. Remaining 2.5 years will need funding. £35k or 1fte re-prioritised for complimentary activities.</p> <p>ICT input needed to set up licence application on line.</p>	<p>Risk of challenge against the issues highlighted under the consultation analysis.</p> <p>Risk of challenge against the consultation being predetermined.</p> <p>Risk of properties being left empty to avoid the fee or sold to novice landlords.</p> <p>Fee likely to be passed on to tenants.</p> <p>Cannot be introduced in isolation; must be in conjunction with other services and agencies, which may not be prepared to do this, to address the raft of issues raised.</p> <p>If resources are prioritised other work will not be completed.</p>
<p>6. Comprehensive redevelopment</p>	<p>Only option to address the core issue and which will reduce the prevalence of private sector renting.</p>	<p>Expensive and not previously welcomed by residents because of disruption to core community</p>	<p>Substantial costs and partnership working with no known realistic funding model. Longer term</p>	<p>Lack of Resident acceptance.</p> <p>Major project</p>

	Consistent with the 2004 research project by Renew.		intervention.	
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7 Recommended options and reason

- 7.1 The Council is committed to supporting the private rented sector and tackling problems on estates where they arise. The recommended option at this stage, taking account of the evidence and the available approaches for action, is a Proactive Managed Multi-agency approach. This is an innovative approach drawing on a wide range of resources, focusing them on the biggest concerns but without being bound by the statutory obligations and the risks associated with selective licensing, yet meeting residents' expectations. In view of the Council's current and medium term financial position officers would recommend that this initiative should be implemented by the re-prioritisation of existing resources. It is acknowledged that this will have an adverse effect on some current services or on service-delivery standards in other parts of the borough; it is intended that a report be brought to the next available Cabinet meeting for members to assess these impacts and make any necessary decisions about service re-prioritisation.
- 7.2 A number of meetings have been held with local representatives, in particular the local residents association; these have been positive and indicate a willingness to take forward a managed multi-agency approach. With support from the Partnerships Team the local residents could be supported to deliver a range of projects. As part of this approach support should be given to seeking external funding.
- 7.3 It is important that private rented tenants are given the support required to ensure they live in a safe home. Through the Housing Team targeted advice and support can be given on the estate. As a first step the information available to residents will be reviewed and where appropriate improvements will be made, this may include improved information on the website and targeted leaflet advice on the estate. Pro-active inspections will also take place and enforcement action will be used where necessary to ensure the minimum standards are in place. The Council will also work with the National Landlords Association to encourage good landlord practices and will seek to encourage landlords on the estate to join the voluntary accredited scheme.

8 Legal implications

- 8.1 There are no legal implications with the recommended option other than to reflect that the Council and its partners can utilise a number of existing statutory powers and duties to address some of the key issues. Provided that those organisations are able to prioritise the taking of such actions.
- 8.2 Option 5 could have adverse legal implications if a decision were challenged as risks have been highlighted relating to the Council's ability to demonstrate compliance with the guidance.
- 8.3 If landlords operate without a licence or fail to comply with licence conditions a prosecution file is prepared. This may impact on legal services resources.

9 Financial implications

- 9.1 Options 1 and 2 would have minimal resource implications.

Options 3, 4, and 5 involve either reprioritisation of existing resources or additional resources. For option 3 a matrix has been prepared which highlights work that can be funded from the Selective Licensing fee and the associated work that cannot be.

- 9.2 As indicated above, in terms of the Council's revenue budget, officers are recommending that this initiative should be delivered using existing officer resources on a re-prioritised basis given that there is no current budget provision for the initiative and that there is no known alternative funding source at the time of writing (although officers will explore the scope for the latter). It is noted that there are risks of increased costs arising from the re-prioritisation of work streams; such pressures would have to be managed within existing resources in consultation with relevant Portfolio Holders. In addition it should be noted that there is no provision for this initiative within the capital programme so any such demands that arise would have to be the subject of a further report and be considered alongside other capital programme requirements and the likelihood of the Council having to borrow to meet any requirement.
- 9.3 A review of press cuttings on legal challenges for selective licensing indicates costs can range from £20,000 to £100,000 which can be recouped if it is successfully defended. The risks highlighted about what the Council could be challenged on, the likelihood of challenge and the likelihood of a successful defence have been considered as part of the option appraisal.

10 Major risks

- 10.1 The most significant risk in adopting the recommended course of action is the inability of all partners to prioritise resources in order that the initiative can be effective. The mitigation of this risk lies in the commitment of the partners to the multi-agency approach being promoted. In addition the Council and its partners will need to manage the potential difficulties that may arise from de-prioritising other services.

11 Background papers

Cabinet Reports

23.07.14

<http://moderngov.newcastle-staffs.gov.uk/ieListDocuments.aspx?CId=118&MId=2235&Ver=4>

11.11.15

<http://moderngov.newcastle-staffs.gov.uk/ieListDocuments.aspx?CId=118&MId=2566&Ver=4>

20.01.16 - Including the Selective Licensing proposal

<http://moderngov.newcastle-staffs.gov.uk/ieListDocuments.aspx?CId=118&MId=2568&Ver=4>

Selective licensing in the private rented sector, a guide for local authorities, DCLG, March 2015

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418551/150327_Guidance_on_selective_licensing_applications_FINAL_updated_isbn.pdf

Consultation webpage

<https://www.newcastle-staffs.gov.uk/all-services/housing/consultation-selective-licensing-miners-estate-kidsgrove>

[Further information on the consultation responses including the National Landlords Association response is available on request.](#)

12 Appendix

Appendix – Matrix of option appraisal and costs (available on request).