

JOINT REGENERATION AND LIVEABILITY AND NEIGHBOURHOODS AND COMMUNITIES PORTFOLIO



Monday 19 January 2009

at 8.30 am

**in Committee Room D,
Civic Centre, Hartlepool**

The Mayor, Stuart Drummond responsible for Regeneration and Liveability and Councillor Peter Jackson, Cabinet Member responsible for Neighbourhoods and Communities will consider the following items.

1. KEY DECISIONS

No items

2. OTHER ITEMS REQUIRING DECISION

2.1 Selection Licensing Approval, Fees, Conditions and Delegation of Powers –
Director of Regeneration and Planning Services

3. ITEMS FOR INFORMATION

No items

4. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

No items

JOINT REGENERATION & LIVEABILITY AND NEIGHBOURHOOD & COMMUNITIES PORTFOLIO

19 January 2009



Report of: DIRECTOR OF REGENERATION & PLANNING SERVICES

Subject: SELECTIVE LICENSING APPROVAL, FEES, CONDITIONS AND DELEGATION OF POWERS

SUMMARY

1. PURPOSE OF REPORT

The purpose of the report is to -

- Report on the result of an application made to the Department for Communities and Local Government (CLG) for the introduction of a selective licensing scheme for private landlords in those areas agreed by Cabinet at its meeting on 18 February 2008;
- Seek approval for the standard conditions to be applied to licensed landlords and properties;
- Agree a fee structure for licence applications; and
- Seek approval for the delegation of powers associated with selective licensing.

2. SUMMARY OF CONTENTS

The first part of this report sets out the outcome of the application to CLG for a selective licensing designation. Secondly, it sets out a number of options for the cost and payment of licence application fees. The report also outlines the standard conditions that will be applied to the licences. Finally the report summarises procedural matters and enforcement options including a scheme of delegation for the new powers associated with selective licensing.

3. RELEVANCE TO PORTFOLIO

The Regeneration & Liveability Portfolio Holder has responsibility for housing services and community safety, including prevention and enforcement of anti-social behaviour and the Neighbourhood & Communities Portfolio Holder has responsibility for housing services. The introduction of selective licensing in areas suffering from low demand and anti-social behaviour is of widespread community interest in raising private sector housing management standards and improving the behaviour of anti-social tenants.

4. TYPE OF DECISION

Non-key

5. DECISION MAKING ROUTE

Joint Regeneration & Liveability and Neighbourhood & Communities Portfolio, 19 January 2009.

6. DECISION(S) REQUIRED

- 6.1 That Portfolio Holders note the outcome of the selective licensing application.
- 6.2 That Portfolio Holders approve a scheme of licence fees and payment options.
- 6.3 That Portfolio Holders approve the proposed standard licence conditions.
- 6.4 That Portfolio Holders approve the scheme of delegation with respect to the selective licensing powers.

Report of: DIRECTOR OF REGENERATION & PLANNING SERVICES

Subject: SELECTIVE LICENSING OF PRIVATE LANDLORDS

1. PURPOSE OF REPORT

The purpose of the report is to -

- Report on the result of an application made to the Department for Communities and Local Government (CLG) for the introduction of a selective licensing scheme for private landlords in those areas agreed by Cabinet at its February meeting;
- Seek approval for the standard conditions to be applied to licensed landlords and properties;
- Agree a fee structure for licence applications; and
- Seek approval for the delegation of powers associated with selective licensing.

2. BACKGROUND

- 2.1 The background to the introduction of selective licensing is covered in Cabinet reports of 18 February and 27 May 2008, attached as Appendices 1 and 2.
- 2.2 At the meeting of 27 May 2008, Cabinet agreed to the making of an application to the Department for Communities and Local Government setting out Hartlepool's case to introduce a selective licensing scheme in those areas, and to seek approval of the designation.

3. OUTCOME OF APPLICATION

- 3.1 An application to introduce a selective licensing scheme in six small areas of the town was made to CLG in August 2008 and following the submission of additional supporting information in November, the application was approved on 10 December 2008.
- 3.2 Before the scheme can become effective, a formal approval document must be authenticated by the Council and sent back to CLG for signature on behalf of the Secretary of State. Once confirmed, the scheme will come into force after three months. An update on the scheme commencement date will be provided at the meeting.

- 3.3 The scheme will last for a maximum of five years once confirmed.

4. LICENCE CONDITIONS

- 4.1 The Housing Act 2004 specifies that a licence must include the following mandatory conditions requiring the licence holder:
- a) if gas is supplied to the house, to produce to the local housing authority annually for their inspection, a gas safety certificate obtained in respect of the house within the last 12 months;
 - b) to keep electrical appliances and furniture made available by him in the house in a safe condition;
 - c) to supply the authority, on demand, with a declaration by him as to the safety of such appliances and furniture;
 - d) to ensure that smoke alarms are installed in the house and to keep them in proper working order;
 - e) to supply to the authority, on demand, with a declaration by him as to the condition and positioning of such alarms
 - f) to supply to the occupiers of the house a written statement of terms on which they occupy it;
 - g) to demand references from persons who wish to occupy the house.
- 4.2 In addition to the mandatory conditions set out in 4.1, the Council may include other conditions considered appropriate for regulating the management, use or occupation of the house.
- 4.3 A set of proposed licence conditions that will apply to all licensable properties is attached in Appendix 3. In producing the proposed conditions, consultation has been carried out with landlords at the private landlords' forum, with representatives from relevant Council officers and with a small focus group of landlords which included representatives from the National Landlords' Association, the Hartlepool Landlords' Association, individual landlords and letting agents.
- 4.4 There may be some circumstances where additional conditions will apply to some properties and these will be considered on a case by case basis.
- 4.5 The Housing Act 2004 requires the authority to serve a notice with a copy of the proposed licence on the licence applicant and to consider any representations made before issuing the licence. At this stage, the authority may consider revising the terms and/ or conditions of the licence.
- 4.6 In most cases, licences will last for five years but can be issued for a shorter period if justified, for example if the applicant has a poor history.

5. FEE STRUCTURE

- 5.1 Financial implications were previously outlined in the February and May Cabinet reports. The total cost of the scheme over six years (including 2008/09 setting up costs) has been estimated at £612,625.

- 5.2 The financial commitment from the Council and NDC amounts to £398,182 up to the expected scheme end date in 2014. This leaves a shortfall of £214,443, which would need to be met by licence application fees.
- 5.3 We estimate that there are 520 properties that would be required to be licensed within the selected areas, and that an average licence fee of £413 would need to be generated in order to balance the budget.
- 5.4 As identified in the May Cabinet report, there is a financial risk that the level of fee income could be lower than estimated due to landlords selling properties, changing the tenure to owner-occupation, and difficulties in maintaining an adequate income stream. These issues will need to be closely monitored.
- 5.5 During the consultation with landlords, the issue of licence fees was raised. Landlords concerns were two-fold: that some landlords may be unable to pay a large one-off fee for a licence application, particularly those who had a large portfolio and secondly that landlords who had already shown a commitment to partnership working with the Council through membership of the voluntary accreditation scheme should be rewarded by a reduction in the licence fee.
- 5.6 It was suggested that landlords should be offered the ability to pay for their application fee in instalments. Fees could be collected over a 12 month period or it has been suggested that landlords could pay an annual fee. It would be recommended that if either of these options were chosen that an additional charge should be levied to cover administration costs. There will be a risk that offering payment by instalments over five years may result in difficulties collecting the full amount, particularly as properties change hands.
- 5.7 It is also proposed that where a licence holder applies for a variation of their licence as set out in item 6.3, it is recommended that a 50% fee is charged to cover the cost.
- 5.8 There are a number of options suggested for consideration for the fee structure and these are set out in the attached Appendix 4.
- 5.9 Taking all options into consideration, option 3 is considered to be the preferred alternative as it offers a reduction for accredited landlords as well as offering an incentive for returning applications in a reasonable timescale.

Evidence from other authorities suggests that offering a financial incentive may improve the return rate of applications and ultimately the delivery of the scheme.

6. PROCEDURAL MATTERS AND ENFORCEMENT OPTIONS

- 6.1 Where an application for a licence has been made, the authority must either –
- grant a licence; or
 - refuse to grant a licence
- 6.2 Before granting a licence, the authority must ensure that:
- Applicants are ‘fit & proper persons’ or employ agents who are;
 - The proposed management arrangements for the house are satisfactory
- 6.3 Once issued, a licence holder may apply for a **variation** of the licence, for example where there is a change of manager or a change in occupancy levels.
- 6.4 Licences may be **revoked**:
- a) in agreement with the licence holder;
 - b) if the licence holder dies (and for three months after the death);
 - c) if there has been a serious breach of a licence condition or repeated breaches of a condition;
 - d) if the licence holder is no longer considered to be a fit and proper person;
 - e) where the authority considers that the management of the house is being carried out by persons not considered to be fit and proper;
 - f) if the house to which the licence relates ceases to be licensable;
 - g) where a licence has been granted under Part 2 of the Housing Act 2004 (for a house in multiple occupation);
 - h) where the authority consider at any time that there were issues with the structure of the house.
- 6.5 Where the person having control of, or managing a house that is required to be licensed, but intends to take steps to secure that the house is not required to be licensed, they may apply for a **Temporary Exemption Notice (TEN)**, which will allow a three month exemption from the requirement to be licensed. A second TEN may be applied for in exceptional circumstances.
- 6.6 If a manager or person having control of a licensable property fails to apply for a licence they could be liable on conviction to a fine up to £20,000. Failure to comply with a licence condition could result in a fine not exceeding level 5 on the standard scale.
- 6.7 No rent is payable in respect of a property that ought to be licensed but isn't. Any rent that is paid to a landlord during a period when no rent should have been paid may be subject to a **Rent Repayment Order**. Local Authorities may apply to the Residential Property Tribunal to have any Housing Benefit repaid.
- 6.8 Where a property ought to be licensed but isn't, and there is no prospect of it being licensed in the near future, or the ‘health and safety condition’ is met, the Council has a duty to apply to the Residential Property Tribunal for an **Interim Management Order**, which may last for up to 12 months.

The health and safety condition concerns the protection of the health, safety or welfare of the occupiers or persons occupying or having an estate or interest in any premises in the vicinity. If the IMO is granted, the Council must take immediate steps to deal with the health and safety condition and to take steps to either grant a licence, make a Final Management Order or revoke the IMO.

- 6.9 A **Final Management Order** (FMO) may be made following the service of an IMO to secure the proper management of an HMO on a long-term basis (up to five years) in accordance with a management scheme. A management scheme is a plan setting out the details of the intentions of the Local Authority in managing the house including the financial arrangements.

7. OPERATION OF THE SCHEME

- 7.1 In order to exercise the Council's duties in the day to day operation of the scheme under Part 3 of the Housing Act 2004, the Director of Regeneration and Planning will:
- a) determine whether to grant a licence and to determine the licence conditions;
 - b) determine applications to vary licences;
 - c) make decisions with regards to the revocation of licences where:
 - i) there is agreement with the licence holder;
 - ii) the licence holder dies;
 - iii) the property ceases to become licensable;
 - iv) there has been a significant breach of licence conditions;
 - v) the licence holder or manager is no longer considered to be a 'fit and proper' person;
 - vi) the property becomes unsuitable for licensing.
 - d) make decisions regarding the service of Temporary Exemption Notices
 - e) be responsible for authorising the making of Interim and Final Management Orders.
 - f) approve the initiation of prosecution proceedings.
- 7.2 A regular monitoring report will be provided to the Portfolio Holders on the operation of the scheme.

8. RECOMMENDATIONS

- 8.1 That Portfolio Holders note the outcome of the application for selective licensing designation.
- 8.2 That Portfolio Holders agree to adopt the standard licence conditions, with the proviso that officers may vary or apply additional conditions where the situation dictates.
- 8.3 That Portfolio Holders agree to adopt Option 3 as set out in Appendix 4 with respect to the fee structure and offers the flexibility to pay the licence fee

over a 12 month period. Payment by instalments would be conditional upon the fee being paid in full upon the sale or transfer of the property or a variation, for example where there is a change of management. In addition that Portfolio Holders agree that a 50% fee is charged on an application to vary an existing licence.

- 8.4 That the Portfolio Holders agree the arrangements for the day to day operation of the scheme as set out in 7.1.

CABINET REPORT

18th February 2008



Report of: DIRECTOR OF REGENERATION AND PLANNING SERVICES

Subject: SELECTIVE LICENSING OF PRIVATELY RENTED HOUSES

SUMMARY

1. PURPOSE OF REPORT

To outline the merits of introducing a selective licensing scheme for private landlords and to set out proposals for an initial target area with subsequent phases to be determined subject to monitoring of conditions, impact and capacity.

2. SUMMARY OF CONTENTS

The report briefly outlines the legal framework behind licensing, sets out the process for designating a scheme and sets out a timescale for introducing a scheme.

3. RELEVANCE TO CABINET

The possibility of adopting a selective licensing scheme for areas suffering from low demand is of widespread community interest in raising private sector housing management standards and improving the behaviour of anti-social tenants. A decision to adopt this discretionary power may affect substantial areas of the Borough, particularly the regeneration areas situated towards the centre of the town.

4. TYPE OF DECISION

Key, test (i) and (ii) apply.

5. DECISION MAKING ROUTE

Cabinet.

6. DECISION(S) REQUIRED

- 6.1 That Cabinet agrees to the principle of a phased introduction of selective licensing taking into account the availability of resources and manageability
- 6.2 That **Option 1 or Option 2** is selected as the first phase of a selective licensing scheme subject to consultation with residents, landlords and others with an interest in the areas.
- 6.3 That a report be prepared for Cabinet to agree the proposed first phase designation taking into account the results of local consultation.
- 6.4 In order to ensure that standards are driven up in areas outside of the designation, it is recommended that the scope for amending existing services be developed in a way that would complement the selective licensing scheme.

Report of: DIRECTOR OF REGENERATION AND PLANNING SERVICES

Subject: SELECTIVE LICENSING OF PRIVATE LANDLORDS

1. PURPOSE OF REPORT

- 1.1 To outline the merits of introducing a selective licensing scheme for private landlords and to set out proposals for an initial target area with subsequent phases being determined subject to monitoring of conditions, impact and capacity.

2. BACKGROUND

- 2.1 The Housing Act 2004 introduced a discretionary power for Local Housing Authorities to designate areas for the selective licensing of private sector rented housing suffering from, or likely to suffer from, low demand and/or significant and persistent anti-social behaviour. The term “selective” recognises the intention to apply this only to specific targeted areas. Selective licensing is intended to be a focussed and intensive area-based activity targeted in a small area normally not more than a ward or 500 to 1000 licensable dwellings.

- 2.2 A ‘low demand area’ means any neighbourhood (of at least 50 dwellings) where private sector housing is predominant and one or more of the following symptoms apply:

- private property values are low or falling
- visibly high numbers of properties are for sale or to let
- a high percentage of empty private houses, particularly for over 6 months
- a high turnover of population

‘Significant and persistent anti-social behaviour’ means causing harassment, alarm or distress, which is affecting or potentially affecting one or more people not of the same household, and continuing despite warnings having been given.

- 2.3 The objective is to improve the housing management standards of the landlords in the areas designated which, it is envisaged, will reduce anti-social behaviour and increase occupancy of the housing stock stabilising demand in the areas chosen.
- 2.4 The Council must be satisfied that designation will significantly assist them to improve social or economic conditions or to reduce or eliminate anti-

social behaviour. It must also consider whether other courses of action are available that might provide an effective method of achieving those objectives.

- 2.5 Consultation has indicated overwhelming support from residents in the central parts of the town for the introduction of licensing, whilst landlords were less in favour.
- 2.6 Selective licensing needs to be integrated and to have a consistent strategic fit with other initiatives aimed at regeneration of older housing areas in Hartlepool. However while it is a useful tool, just as 'bad' landlords are not the sole reason for the decline of an area, selective licensing is not the sole solution to all problems. There needs to be a balancing of expectations of what selective licensing can achieve.
- 2.7 The maximum period for a selective licensing scheme is five years although if conditions persist a further designation may be made.

3. SCRUTINY ACTION PLAN

- 3.1 The Scrutiny Enquiry Action Plan on the Performance and Operation of Private Rented Accommodation and Landlords indicated, that in the period up to November 2007 and prior to the introduction of any selective licensing scheme, an evaluation should be undertaken of its feasibility and benefits, the level of staffing and financial resources required for its effective operation, and the practicalities of operating voluntary accreditation and tenant referencing schemes alongside it. Advice has been taken from authorities operating schemes, discussions have been held with Department for Communities and Local Government (CLG) and information has been collated to indicate areas suitable for the introduction of a scheme. This forms the basis of this report.
- 3.2 The benefits of selective licensing are seen to include the following:
 - an end to the "revolving door syndrome" whereby anti-social tenants are evicted by one landlord only to move to another house in the vicinity, and in some cases the property vacated then occupied by a further anti-social tenant.
 - a driving up of landlord standards generally as landlords whose portfolios includes properties in a selective licensing area are likely to meet the standards required across their portfolio.
 - increased confidence by residents in the ability of partner agencies to tackle anti-social behaviour hence higher rates of reporting.
- 3.3 Existing schemes have been found to overlap with more radical HMR intervention involving the acquisition and demolition of property. It would appear from experience elsewhere that selective licensing can overlap the areas earmarked for the implementation of such schemes helping to manage the difficult period leading up to demolition and redevelopment.

- 3.4 Displacement of “poor” landlords and associated problems to areas outside of the designated selective licensing areas has been a concern. Evidence from schemes so far however seems to suggest a general improvement in adjoining areas identified as potential future selective licensing areas.
- 3.5 The operation of voluntary accreditation and tenant reference schemes alongside selective licensing are complementary to targeted selective licensing schemes. It is regarded as good practice to continue the former while operating the latter.

4. **LEGAL FRAMEWORK**

- 4.1 After considering the evidence, and being satisfied that selective licensing should be introduced, the Council must pass a resolution to designate an area. Approval to designate an area must be obtained from CLG. The approval process is set out in **Appendix 1**. Initial difficulties experienced by some authorities seeking designation from CLG appear to have been resolved. Regular liaison with specialist officers in CLG should ensure consideration and hopefully approval of proposals are not unduly delayed.
- 4.2 Once licensing is introduced in an area landlords would have to:-
- Apply for a licence for all of their houses
 - Be ‘fit & proper persons’ or employ agents who are
 - Manage their tenancies effectively
 - Demand references from prospective tenants
 - Take reasonable steps to deal with complaints of anti social behaviour by their tenants
 - Take adequate steps to keep their properties safe
- 4.3 A number of enforcement options are also available to the Local Housing Authority as follows:-
- Failure of a landlord in the designated area to apply for a licence could attract a fine of up to £20,000
 - Failure of a landlord in a designated area to comply with licence conditions can result in revocation of the licence which would prevent the landlord from renting it.
 - Action against a landlord for repayment of rent where rent has been charged on an unlicensed property.
 - As a last resort, an authority can apply to a Residential Property Tribunal to make arrangements to take over management of a house.

5. EXISTING MEASURES

- 5.1 In Hartlepool there are a number of initiatives and services currently in place or under development that aim to address many of the issues associated with low demand and anti-social behaviour. Despite such measures being in place, however it is considered that further controls via selective licensing are necessary to reduce the issues associated with concentrations of private rented housing including ASB and empty properties to an acceptable level. Existing measures are outlined below:-

5.2 The Private Sector Housing Team

This team deals with the condition of both occupied, privately rented accommodation and empty properties. A wide range of regulation and enforcement action is undertaken.

5.3 Housing Advice and Homelessness Team

The Housing Advice and Homelessness team work with private landlords and tenants with the aim of encouraging long term sustainable tenancies. In some cases landlords are encouraged to accept nominations with housing plans and support.

5.4 The Anti-Social Behaviour Unit

The Council and Police have a joint ASB Unit utilising shared information and staff who deal with cases from both the privately owned and rented sectors. The Unit works closely with Housing Hartlepool's Tenancy Relations and Enforcement Team (TRET) on cases which affect their tenants. There are agreed procedures for dealing with cases, from diversionary activities and early intervention with individuals; referrals to support agencies (including tenancy support), through to enforcement. A range of enforcement options have been used in the areas being considered, such as ASB Orders and Injunctions for individuals, Dispersal Orders, and targeted Police operations.

5.5. Housing Market Renewal Activity

Parts of the housing market in Hartlepool are not in balance. There are high numbers of small, older terraced houses which are no longer attractive to owner-occupiers and have in many cases been bought by investors or include high number so voids. A pro-active programme of Housing Market Renewal co-ordinated by the Council's HMR team and delivered through Hartlepool Revival and Housing Hartlepool has focussed actively on the areas suffering most housing stress, and pursued compulsory purchase orders (CPOs) where necessary to secure the regeneration and redevelopment of key sites. This has been undertaken in close consultation with local communities. Further funding has been sought to take forward this programme via Tees Valley Living and the Regional Housing Board and other funders. Clearance activities and redevelopment has begun to address some of the issues targeted by selective licensing. It is expected that the supply of investment

properties will reduce and this should lead to a reduction in the speculative purchase of properties. As demand rises, it is expected that there will be a reduction in the number of void properties.

5.6 Voluntary Landlord Accreditation Scheme

The town wide Voluntary Landlord Accreditation Scheme encourages landlords to become members and to adhere to a Code of Conduct setting out minimum standards of property condition and management. Landlords are offered support and guidance on all matters, including setting up and ending tenancies.

The scheme by its very nature does not include all private landlords. It tends to attract “good” landlords and to some extent “poor” landlords are excluded by the fact that they are not able to comply with the basic requirements set out in the Code of Conduct. Despite this, there are over 350 member landlords (including agents) in the Hartlepool Scheme. This scheme has established a good working relationship with many landlords and is encouraging improvement in standards. It is complementary to the targeted selective licensing scheme now being proposed.

5.7 Neighbourhood Policing – Problem Solving Approach

Neighbourhood policing was introduced across the whole town in April 2006. In five priority neighbourhoods, which include Dyke House, Grange and Stranton wards, there are additional officers, depending on the scale of the problems in the area. Each neighbourhood has one dedicated police officer and police community support officer. Neighbourhood Policing takes a proactive approach to problem solving, whereby residents, ward councillors, and council officers consider what the problems are and agree priorities to tackle. If problems cross ward boundaries, or are too complicated to tackle locally, there are 3 multi-agency Joint Action Groups (JAGs), which operate in the North, Central and South areas which consider and coordinate appropriate action.

5.8 Tenant Referencing Scheme

The development and implementation of a town-wide tenant referencing service is currently underway following the appointment of a Tenant Referencing Officer as part of the Anti-Social Behaviour Unit.

The service will not seek to exclude tenants and those considered to be a ‘risk’ will be encouraged to engage with appropriate support providers.

Tenant referencing is considered a useful tool in its own right as a means to address anti-social behaviour. Obtaining a suitable reference should, in theory, remove any doubt about a prospective tenant’s suitability for a potential tenancy.

Although this service will be available to all landlords, its voluntary nature is likely to attract the more responsible ones.

A mandatory requirement of selective licensing is that references must be demanded by the landlord. However consideration will be given to the introduction of a discretionary condition as part of the Selective Licensing Scheme that requires landlords to use the Council run scheme so that the validity of information supplied will be robust and will allow measures to be put into place where tenancies might otherwise fail.

5.9 NDC Regeneration Programme

A substantial programme of comprehensive regeneration is underway in the centre of the town which has had a significant beneficial effect on the centre of the town and supported significant community safety, housing and environmental management programmes. Three years of the programme now remains including significant housing improvement activity.

- 5.10 Overall, substantial activity is already in place nevertheless problems persist. It is crucial that all this activity outlined in section 5 is linked and where appropriate integrated with the proposed selective licensing scheme. A proportion of the activity and resources need to be focussed on the areas proposed for the selective licensing scheme comprising older, private terraced housing areas containing concentrations of private rented property and exhibiting problems of anti-social behaviour and high void levels. A significant proportion of the tenant referencing officer's and the landlord accreditation officer's time for example will therefore be devoted to directly supporting the operation of the selective licensing scheme dedicated team (See Section 7).

6. EVIDENCE TO SUPPORT A SELECTIVE LICENSING DESIGNATION IN HARTLEPOOL

- 6.1 A general consultation exercise was undertaken to determine residents' and landlords' and other stakeholders' views on the possibility of a selective licensing scheme in Hartlepool. Consultation documents were sent to all known residents associations, residents in the North Central Hartlepool (NCH) and New Deal for Communities (NDC) areas and the Burn Valley Ward, landlords and agents. The consultation was publicised through:
- Drop in sessions
 - Presentations to Residents Associations and Landlords Forum
 - Consultation made available on line
 - Hartlepool Mail and local radio
 - Newsletters.

6.2 Of the residents who responded:

- 92% residents said they wanted private landlords to be licensed in their area
- 36% thought it would work best in an area based on a ward boundary
- 27% preferred the introduction in a larger area such as a combination of the NCH and NDC areas
- Only 39% of landlords who responded thought they should be licensed
- 30% thought it would work best in a small area
- 27% preferred a much larger area such as NCH and NDC combined.

6.3 The issue of selective licensing was examined in some detail during the Neighbourhood Services Scrutiny Forum's investigation into the performance and operation of private sector rented accommodation and landlords. Whilst it was recognised that the consultation had been a useful starting point, it was noted that further work was needed before a decision could be made about whether to proceed with an application to CLG for approval of a selective licensing scheme.

6.4 Consultation with the small number of authorities who have selective licensing schemes suggests that a phased introduction is preferred. A phased approach across the areas of older private terraced properties in the centre of the town would allow progress to be monitored more accurately and to identify the resources required to manage a scheme effectively. Although it is perhaps a little early to draw meaningful conclusions from schemes up and running, other authorities are reporting improvements both within the designated areas and in areas 'under threat' of designation.

6.5 Various data has been used using GIS to demonstrate the spatial distribution of issues in the central part of the town and the concentration of factors which indicate suitability for inclusion of some areas in a selective licensing scheme.

- Police anti-social behaviour incidents
- Anti-social behaviour unit cases
- Private sector housing team service requests
- Housing Benefits claims for private sector tenants
- Council tax empty property data.

6.6 Analysis of this information demonstrates that the issues of anti-social behaviour, empty properties and housing and public health service requests, still occur at a significant level. Moreover they continue to be perceived as a major issue in the town and this will be further tested through consultation of those with an interest in the proposed first phase areas.

6.7 The analysis suggests a number of concentrations of problems in areas of smaller older terraced properties where there are also concentrations of private rented property. Eleven areas have been identified ranging in size from 125 properties to 666 properties. In total these comprise some 3461 properties and contain over 1000 private rented dwellings. (**See Appendix 2**).

- 6.8 These areas have been analysed in a standardised manner and ranked (lowest number needs most attention).

7. STRUCTURE OF SCHEME PROPOSED

- 7.1 In Hartlepool the problems areas vary in size and are dispersed across the central part of the town. A focussed phased approach is therefore advocated. Consideration has been given on how a licensing scheme could be practically implemented in terms of staffing requirements and financial implications.
- 7.2 It is suggested that in the region of 500 licensable properties would be a manageable target for an initial first phase of action. There are an estimated 1000 private rented dwellings in the 11 areas shown on the plan attached and therefore a decision would need to be made on where to target a first phase. The emphasis would be on identifying as quickly as possible those properties and landlords where concerted action is needed, and to proceed as quickly as possible into a second phase. It would need to be made clear to landlords and tenants that all of the 11 areas have potential to be included in a licensing scheme.
- 7.3 There are two suggested options to take forward a first phase of selective licensing as follows:

Option 1 – North Central Area Cluster

The rankings show that five areas in the north central area are ranked in the first seven areas. This option reflects the largest concentration of the more highly ranked areas and comprises areas 1-6 on the plan which potentially targets 399 licensable properties. The rank of the six sites included would be 1, 3, 4, 5, 7, and 9. This approach has the benefits of actions being focused and more mutually reinforcing. This option includes areas in North Central Hartlepool and the NDC area where future HMR activity is envisaged and includes areas in three wards.

Option 2 – Worst First Approach

This would consist of the six highest ranked areas numbered 1, 2, 3, 4, 10 and 11 on the plan, containing an estimated 536 privately rented properties. This reflects the worst areas but is a more dispersed approach which implies that interventions are less mutually reinforcing and perhaps more difficult to manage. This option includes areas in North Central Hartlepool and the NDC area where future HMR activity is envisaged and in four wards.

8. STAFFING REQUIREMENTS

8.1 In order to meet the target suggested in 7.2, it is suggested that a dedicated team of three officers is needed, to deal specifically with selective licensing which is likely to comprise three newly created posts:

- Selective Licensing Co-ordinator
- Selective Licensing Enforcement Officer
- Selective Licensing Support Officer

This team of three would be supported by re-focussing of existing staff within the private sector housing team and the anti-social behaviour unit, with strong links to the Landlord Accreditation and Tenant Referencing schemes.

9. FINANCIAL IMPLICATIONS

9.1 Schemes have in some cases involved considerable mainstream funding to establish dedicated teams.

9.2 Resources required to develop and operate a selective licensing scheme include coordination, consultation and feed back, processing of applications, undertaking assessments, collecting fees, processing appeals, operating registers, providing support and taking enforcement action.

9.3 Fees may be charged for the issuing of a licence to help to cover administrative costs. Whilst Government originally expected licensing schemes to be self-financing, evidence from other local authorities suggests that the full cost of a licence would be overly burdensome on landlords and would be several times the feasible level of fees normally charged. Whilst attempting to regulate the sector, it has to be recognised that the private rented sector provides a valuable source of accommodation to those people who can't afford to or don't want to own their own home and those who do not wish to be tenants of registered social landlords.

9.4 The experience of existing selective licensing schemes is that the staffing costs involved in licensing are likely to cost considerably more than can be generated from licensing fees. Considerable mainstream budget provision has been made to run a selective licensing scheme in another Tees Valley authority. Given local circumstances the costs of operation and the degree of funding that can be generated from licences needs to be tested and adjustments made as necessary again suggesting a phased approach.

9.5 Current licence fees range from around £250 to £500 per property for a five year licence; in some cases discounts are offered to landlords who are members of Landlords' Associations and council-run accreditation schemes. It is anticipated that the average licence fee per property will be in the region of £400. However, further work is required to establish a fee structure for Hartlepool. The fee income generated from licences will be recycled back into the scheme.

- 9.6 The NDC programme has in the region of £100,000 in the Action Plan towards tackling anti social behaviour associated with the private rented sector over the remaining life of the programme to support, complement and help to deliver a selective licensing scheme. When this is appraised by the NDC the proportion of designated areas within the NDC area will influence the outcome of their approval process. Both options proposed for the first phase of selective licensing include significant proportion of sites in the NDC area.

10. TIMETABLE FOR IMPLEMENTATION

- 10.1 Although extensive general consultation has already taken place, further consultation must be carried out so that all those affected by the specific scheme now proposed have the opportunity to comment on the detail of the proposed scheme.

- 10.2 It is proposed that the timescale for the implementation of the first phase of the selective licensing scheme would be as follows:

Cabinet approval to prepare submission	February 2008
Consultation on detailed proposals completed within	April 2008
Appointment of Licensing Officer/ Co-ordinator	May 2008
Approval by Cabinet to Phase 1	
designation areas and arrangements	May 2008
Submission to DCLG	May 2008
Anticipated approval by DCLG	July 2008
Scheme starts three months from date of approval (this is a requirement of the procedure)	October 2008

- 10.3 The second phase would be based upon a further analysis of the potential areas already identified outside the selected first phase and surrounding areas in the central part of the town subject to capacity and the monitoring of impact and further analysis and would be dependent on the pattern of issues then exhibited. The intention would be to encourage a general improvement and discourage displacement of “poor” landlord activity into new areas.

11. RECOMMENDATIONS

- 11.1 That Cabinet agrees to the principle of a phased introduction of selective licensing taking into account the availability of resources and manageability
- 11.2 That Option 1 or Option 2 is selected as the first phase of a selective licensing scheme subject to consultation with residents, landlords and others with an interest in the areas.
- 11.3 That a report be prepared for Cabinet to agree the proposed phase one designation, taking into account the results of consultation and further

refinement of operational arrangements and in the light of NDC consideration of support.

- 11.4 In order to ensure that standards are driven up in areas outside of the designation, it is recommended that the scope for amending existing services be considered in a way that would complement the selective licensing mandatory scheme.

CABINET REPORT

27 May 2008



Report of: DIRECTOR OF REGENERATION & PLANNING SERVICES

Subject: SELECTIVE LICENSING OF PRIVATE LANDLORDS AND THEIR PROPERTIES

SUMMARY

1. PURPOSE OF REPORT

To report the results of consultation on the introduction of a selective licensing scheme for private landlords in those areas agreed by Cabinet at its February meeting, to agree the designation of those areas, and to seek approval from Cabinet to proceed with an application to the Department for Communities and Local Government (CLG) for confirmation of the designation.

2. SUMMARY OF CONTENTS

The report outlines the results of consultation exercise on the introduction of a selective licensing scheme for private landlords in targeted areas of the town. The report also sets out NDCs commitment to the scheme.

3. RELEVANCE TO CABINET

The possibility of adopting selective licensing for areas suffering from low demand and anti-social behaviour is of widespread community interest in raising private sector housing management standards and improving the behaviour of anti-social tenants. A decision to adopt this discretionary power may affect substantial areas of the Borough.

4. TYPE OF DECISION

Non key.

5. DECISION MAKING ROUTE

Cabinet

6. DECISION(S) REQUIRED

- 6.1 That Cabinet note the results of the consultation exercise.
- 6.2 That Cabinet agrees to designate a selective licensing scheme in respect of the areas previously identified as Areas A to F.
- 6.3 That approval is given to making an application to the Department for Communities and Local Government setting out Hartlepool's case to introduce a selective licensing scheme in those areas, and to seek approval of the designation.
- 6.4 That Cabinet acknowledges the concerns raised by residents about area boundaries and agrees to consider these areas as part of any second phase should evidence support it, subject to resources.

Report of: DIRECTOR OF REGENERATION & PLANNING
SERVICES

Subject: SELECTIVE LICENSING OF PRIVATE LANDLORDS

1. PURPOSE OF REPORT

- 1.1 To report the results of consultation on the introduction of a selective licensing scheme for private landlords in those areas agreed by Cabinet at its February meeting, to agree the designation of those areas, and to seek approval from Cabinet to proceed with an application to the Department for Communities and Local Government (CLG) for confirmation of the designation.

2. BACKGROUND

- 2.1 The principle of a phased introduction of selective licensing was approved at Cabinet on 18 February 2008.
- 2.2 It was agreed that a first phase of action covering six areas, based on a 'worst first' approach, should be pursued and for residents, landlords and others with an interest in those areas to be consulted. The areas are identified as A to F in Appendix A and were previously referred to as 'Option 2'.
- 2.3 At the time of reporting to Cabinet in February, the outcome of an application for funding made to the NDC was unknown.

3. CONSULTATION

- 3.1 Residents' consultation documents were delivered to all properties in the proposed areas. In addition documents were sent to Residents' Associations in the areas and Ward Councillors representing the five wards including areas A to F. Residents were also given the opportunity of attending drop-in sessions to discuss the proposals.
- 3.2 Landlords' Consultation documents were sent to 707 landlords with properties in the town, including Registered Social Landlords.
- 3.3 Both consultation documents were also made available on-line.

4. RESULTS OF LANDLORDS' CONSULTATION

- 4.1 A full breakdown of results from the Landlords' consultation is attached in Appendix B.
- 4.2 99 landlords responded to the consultation, of which 36 owned or managed properties in the proposed licensing areas. 34 landlords were members of the Landlord Accreditation scheme. The response represented a return rate of 14%.
- 4.3 Overall, the landlords who took part in the consultation owned or managed 8823 in the town, 345 of which were in the proposed selective licensing areas.
- 4.4 Half of the landlords responding agreed with the areas identified for the first phase of licensing. Landlords likely to be most directly affected however, were slightly less in favour with 39% being in agreement with the proposed areas.
- 4.5 Members of the Landlord Accreditation scheme were no more or less in favour of the proposals than non-members.
- 4.6 Generally, landlords agreed that there were issues in the areas where they owned or managed properties and those landlords with properties in the proposed licensing areas were more likely to say that there were problems.
- 4.7 Anti-social behaviour was the biggest problem according to landlords responding, with 31% of all landlords agreeing it was a problem and 50% of landlords with properties in the proposed areas. Property condition, low house values and empty properties also scored highly in the proposed areas.
- 4.8 Whilst a high proportion of landlords agreed that anti-social behaviour was an issue where they owned or managed properties and 62% of them agreed that landlords in the designated areas should be required to deal with anti-social behaviour caused by their tenants, a number felt that it should be dealt with by others.
- 4.9 Ten landlords commented that anti-social behaviour was a matter for the police and/or Local Authority to deal with. Some felt that they had little power to deal with such matters and felt it would place them in vulnerable positions.
- 4.10 Overall landlords thought that the two issues that would be improved following the introduction of licensing in the proposed areas would be property condition and anti-social behaviour. One third of landlords with properties in the proposed areas thought that anti-social behaviour and property condition would improve following the introduction of licensing.

APPENDIX 2

- 4.11 Those landlords not in favour of selective licensing expressed concerns that designating areas as such will do nothing to improve social or economic conditions and in some cases will result in good landlords and tenants not wanting to invest in, or live in a 'stigmatised area.'
- 4.12 Tenant referencing or 'vetting' was a major concern for landlords, some of whom felt it was not possible to obtain accurate references. To some extent this concern will be minimised by the use of the recently introduced 'Good Tenant Scheme' in Hartlepool. As one landlord put it –

'Licensing individually will not solve any problems – it needs to run alongside a good referencing system from the Council which needs to be advertised as being in force and adhered to. If this happens then it may help to combat anti-social behaviour which is the biggest problem.'

5. RESULTS OF RESIDENTS' CONSULTATION

- 5.1 A full breakdown of results from the Residents' consultation is attached in Appendix C.
- 5.2 In total, 273 residents' consultation documents were returned and this represented a return rate of approximately 18% of occupied properties.
- 5.3 The majority of responses came from owner occupiers (70%). Private tenants represented 19% of the respondents.
- 5.4 Nine out of ten respondents agreed with the areas identified for the introduction of selective licensing, although a number of responses suggested that area boundaries should be amended to take in additional properties adjacent to the areas considered.
- 5.5 Six residents disagreed with the areas selected for the introduction of licensing: two thought that it should be a town-wide scheme; two disagreed because their areas had not been included and one commented that it should include registered social landlords.
- 5.6 Overall, 95% of respondents said that they wanted licensing in their area. Only two respondents disagreed.
- 5.7 Overall, 34% of residents thought that low demand for housing was a problem in their areas. However, this ranged from 17% in Area E to 56% in Area F.
- 5.8 High turnover of occupiers was thought to be a problem by 54% of residents overall. This ranged from 34% in Area F to 72% in Area C.
- 5.9 Anti-social behaviour was the biggest issue in the residents view with 76% of respondents saying this was a problem. This ranged from 71% in Area B to 92% in Area C.

- 5.10 Residents in Area B thought that property condition was the biggest issue in their area with 82% saying it was a problem. Overall 62% of residents stated that it was a problem in their areas.
- 5.11 Empty properties were considered to be a problem in all areas, with two thirds of residents stating this was a problem. 91% agreed that this was a problem in Area F.
- 5.12 Over 90% of residents thought that landlords should be required to:
- Demand references for prospective tenants
 - Ensure the safety of gas, electrical appliances, furniture and smoke alarms
 - Supply the tenants with a written tenancy agreement
 - Deal with anti-social behaviour caused by their tenants
 - Ensure that rented properties meet a minimum condition standard
- 5.13 Overall, 83% of residents thought that introducing licensing would bring about an improvement in anti-social behaviour in their areas, whilst 46% thought it would improve demand for housing.

6. BOUNDARY ISSUES

- 6.1 Although residents were supportive of the introduction of licensing in their areas, some queries were raised about the proposed area boundaries.
- 6.2 Some landlords and residents indicated that they thought that licensing should be extended to the whole town and to all landlords, including Registered Social Landlords. The designation of selective licensing has to be based on the need to focus on those areas where additional action is considered to be necessary to tackle low demand or anti-social behaviour. A town-wide scheme would take the focus away from those areas, there would be difficulties in providing the evidence to support such a scheme, and central government approval would be unlikely. Registered Social Landlords can not be included in selective licensing schemes, but are expected to operate in accordance with statutory housing management guidance issued nationally by the Housing Corporation.
- 6.3 It was suggested that St Oswalds Street, Parton Street, Avondale Gardens and Mapleton Road in the North (Area A) and Hereford Street, Sydenham Road, Kendal Road (part) and Wensleydale Street (part) in the South (Area F), should be included within the boundaries.
- 6.4 If the suggested boundary amendments in 6.3 were to be agreed, residents and landlords with properties in those areas would need to be consulted and this could result in a delay of up to three months in making an application to CLG. The additional streets would not be natural extensions to the boundaries of Areas A and F, and would need to be considered as areas in their own right, although based on the criteria used for the previous report,

APPENDIX 2

these streets were not indicated as priorities. The issue for these additional streets is as much about worries over displacement of problems from the proposed areas as dealing with existing problems. The commitment to monitor the possible 'second phase' areas and to focus existing landlord accreditation and anti-social behaviour unit services could be extended to include the streets identified in 6.3.

- 6.5 Overall, it is recommended that the area boundaries are not amended, but for the purpose of considering a future second phase, the additional streets could be included alongside the other identified areas.

7. CONCLUSIONS FROM THE CONSULTATION

- 7.1 Support from residents in the proposed selective licensing areas was overwhelming, and although not as supportive, a significant proportion of landlords agreed with the proposals.
- 7.2 Landlords and residents were in agreement that there were problems in the proposed licensing areas, although landlords' expectations of the impact of licensing were much lower than those of residents.
- 7.3 Both residents and landlords agreed that anti-social behaviour and property condition were the two issues most likely to be improved by the introduction of licensing.
- 7.4 On balance, whilst not wanting to over-burden landlords with additional regulation and expense, the needs of residents directly affected by problems is so significant that the council needs to consider the action it can take.

8. FINANCIAL IMPLICATIONS

- 8.1 Staffing requirements and financial implications were outlined in the February report. In order to deliver the licensing scheme, three new posts will be needed. The cost associated with these posts has been estimated at around £480,000, for the five-year period.
- 8.2 Initial set-up and operational costs, such as statutory advertising, recruitment, equipment and information & communications technology has been estimated at around £40,000 over the five years.
- 8.3 Hartlepool New Deal for Communities agreed in April to provide financial assistance of £139,970 over a three-year period towards the initial set up and running costs of the licensing scheme, subject to a number of conditions, around the operation of the scheme, outputs and recruitment of staff.
- 8.4 Although expected by central government to be self-financing, the experience of existing selective licensing schemes is that because the

APPENDIX 2

licensing fee has to be fair on landlords the amount of income generated is not sufficient to meet scheme costs. Other schemes charge between £200 and £500 per property, reflecting discounts, for example, to members of accredited schemes. It is anticipated that the average licence application fee charged will be in the region of £400 for a five-year licence. On the basis that 500 properties may require licensing, it is anticipated that up to £200,000 of income may be generated over the lifetime of the scheme.

- 8.5 The financial commitment from the Council and NDC together with the anticipated fee income is expected to sufficiently resource the scheme over the five-year life of the first phase. The financial risk for the scheme is that the level of fee income could be less than estimated due to landlords selling properties changing the tenure to owner-occupation, and difficulties in maintaining an adequate income stream in year. These issues will need to be closely monitored.

9. DESIGNATION OF THE SELECTIVE LICENSING AREAS

- 9.1 In order to designate an area under Section 80 of the Housing Act 2004, the Cabinet has to be satisfied that:

- *the area is, or is likely to become, an area of low housing demand, and/or it is experiencing a significant and persistent problem caused by anti-social behaviour*
- *making the designation will, when combined with other measures taken in the area by the housing authority or others, significantly contribute to the improvement of social or economic conditions in the area or lead to a reduction in, or elimination of anti-social behaviour problems*
- *other courses of action available to the council which might provide an effective method of achieving those objectives have been considered*
- *representations made as a result of consultation have been considered*
- *exercise of the selective licensing powers would be consistent with the council's housing strategy*
- *a coordinated approach will be adopted for dealing with issues of homelessness, empty properties and anti-social behaviour as a result of combining licensing with other courses of action available to the council and other persons.*

- 9.2 The council already has activities and initiatives in place which have an impact on private rented housing and these were referred to in the February report. Whilst these initiatives work well, the voluntary nature of those

APPENDIX 2

directly influencing the standards of management of private rented houses is not making the impact needed, and this is borne out by the results of the recent residents' consultation. Introduction of selective licensing could provide the legal and operational basis for the council to be more proactive, utilising the existing schemes and ensuring a more targeted approach.

- 9.3 The introduction of selective licensing is consistent with the objectives of the housing strategy in trying to secure a well managed and maintained private rented sector, improving options for tenure selection and reducing pressure on providing affordable housing, and contributing to housing market renewal.

10. RECOMMENDATIONS

- 10.1 That Cabinet note the results of the consultation exercise.
- 10.2 That Cabinet agrees to designate a selective licensing scheme in respect of the areas identified as Areas A to F in Appendix A.
- 10.3 That approval is given to making an application to the Department for Communities and Local Government setting out Hartlepool's case to introduce a selective licensing scheme in those areas.
- 10.4 That Cabinet acknowledges the concerns raised by respondents about area boundaries, and agrees to consider these areas as part of any second phase should evidence support it, subject to resources.
- 10.5 That Cabinet recognises concerns about displacement of problems into areas outside the designated scheme and agrees to monitor and respond to issues resulting from introduction of the scheme.

APPENDIX 2

Areas Considered for Phase 1 of Selective Licensing scheme

Area A		Area E	
Brougham Terrace	2 to 40 Evens	Charterhouse Street	
Grainger Street	1 to 21 Odds	Cornwall Street	
Gray Street		Derby Street	
Hurworth Street		Devon Street	
Perth Street		Dorset Street	
Turnbull Street	46 to 68 inc	Eton Street	
Area B		Harrow Street	
Addison Road	2 to 4 Evens	Jackson Street	
Belk Street		Marlborough Street	
Cameron Road		Oxford Road	2 to 136a Evens
Furness Street		Richmond Street	
Area C		Rossall Street	
Blake Street	2 to 18 Evens	Rugby Street	
Carr Street		Shrewsbury Street	11 to 39a Odds
Hart Lane	31 to 57 Odds	Uppingham Street	
Jobson Street		Area F	
Murray Street	77 to 79 Odds	Borrowdale Street	
Richardson Street		Kathleen Street	2 to 8 Evens
Rodney Street			1 to 5 Odds
Area D		Patterdale Street	
Avenue Road	36 to 60 Evens		
Dent Street			
Derwent Street			
Elliott Street	2 to 12 Evens 1/1A		
Errol Street			
Lowthian Road			
Morton Street			
Raby Road	25 to 57 Odds		
Straker Street			
Wharton Street			
York Road	11 to 81 Odds		
	2 to 48 Evens		
Young Street	5 to 11 Odds		



Hartlepool Borough Council

Summary of Licence Conditions for Properties in Selective Licensing Areas

**Housing Act 2004
Section 90**

Standard Conditions Applicable to Houses in Selective Licensing Areas

The following conditions will apply to all properties that are required to be licensed under the provisions of the Housing Act 2004. All conditions apply to the Licence Holder and their appointed agent.

Mandatory Conditions

- 1** If gas is supplied to the house, the Licence Holder must produce to the authority annually for their inspection, a valid gas safety certificate. All works must be carried out by a CORGI registered engineer.
- 2** The Licence Holder must:-
 - (i) Keep electrical appliances and furniture made available by him in the house in a safe condition.
 - (ii) Supply the authority, on demand with a declaration as to the safety of such appliances and furniture.
- 3** The licence holder must:
 - (i) Ensure that smoke alarms are installed in the house and to keep them in proper working order: and
 - (ii) Supply the authority, on demand with a declaration by him as to the condition and positioning of such alarms
- 4** The Licence Holder must provide the occupiers of the house with a written statement of the terms on which they occupy it. The Licence Holder shall provide a copy of the agreement to the authority on demand.

Property Conditions

- 5** The Licence Holder must:-
 - (i) ensure that the electrical installations within the house are in a safe condition.
 - (ii) where remedial works are required the Licence Holder must ensure that works are carried out within the recommended guidelines.
- 6** If accommodation within the house is provided on a furnished basis and includes electrical appliances, the Licence Holder must produce to the authority for their inspection a portable appliance test (PAT) certificate

within the first twelve months of the licence period. The landlord should carry out (PAT) testing of appliances provided by them at the start of each new tenancy.

- 7 The Licence Holder will use reasonable endeavour to ensure that at the start of the tenancy tenants arrange Home Fire Safety Visits from the Fire Brigade.
- 9 The Licence Holder must take reasonable steps to allow officers of the authority upon production by such officers of identification, access to the house for the purpose of carrying out inspections of the house at all reasonable times.
- 10 The Licence Holder will ensure that there is adequate and relevant buildings insurance cover.
- 11 Where relevant construction works are to be carried out to the property, the Licence Holder must ensure that appropriate consent is obtained from Building Control and Development Control at Hartlepool Borough Council.
- 12 The Licence Holder must ensure that all repairs to the house or installations, facilities or equipment within it are carried out in compliance with the Landlord and Tenant Act 1985.
- 13 The Licence Holder will have authority to spend at least up to £1,500 in order to carry out emergency repairs.

Management of Licensed Properties

- 14 The Licence Holder must ensure that any persons involved with the management of the house are to the best of their knowledge "fit and proper persons" for the purposes of the Act. The Licence Holder will obtain a criminal records check via Disclosure Scotland when required to do so by the Local Authority.
- 15 The Licence Holder will not unreasonably discriminate against prospective tenants on the grounds of race, disability, gender, religion, age or sexual orientation.
- 16 The Licence Holder must take reasonable practical steps to prevent and tackle anti-social behaviour by persons occupying or visiting the house.

The Licence Holder and/or their nominated managing agent must issue new tenants with a written statement of the terms upon which they occupy the property as stated in condition 4. Where the licence holder and/ or

their nominated agent uses an agreement other than the model agreement provided by the licensing team, they must ensure that it includes clauses which prohibit the tenant from behaviour which causes harassment, alarm and distress to one or more persons not of the same household; and will allow the landlord to take reasonable steps to tackle anti-social behaviour.

Licence Holders or their agent must explain these clauses to new tenants at the time of signing the tenancy agreement.

Licence Holders or their agent must ensure that each adult occupier is made aware of any licence conditions imposed by the Council relating to the behaviour of occupants and that compliance with such conditions is made a condition of the tenancy.

The Licence Holder and/or their nominated agent must have the facilities to receive and respond to initial complaints about their tenants' behaviour.

The Licence Holder and/or his nominated agent are required to take a graded response towards the investigation of any complaint which has been made either directly to them or via Hartlepool Borough Council. This may include one or more of the following:

- visits, individually or accompanied by a member of the Anti-social Behaviour Unit or police
- warning letters
- attendance at meetings to discuss tenant behaviour
- providing supporting information to support action taken by the appropriate authority (Council/Police)
- Enforcement of the tenancy agreement (which may result in possession of the property)

- 17** The Licence Holder or their agent must ensure that they demand a reference for all prospective tenants and supply a copy to the Local Authority upon demand. It is strongly recommended that Hartlepool Borough Council's Good Tenant Scheme is used in order to ensure that an impartial and relevant reference is obtained.
- 18** The Licence Holder will arrange to undertake a detailed inventory to be agreed with each tenant upon commencement of their tenancy and kept on file by the licence holder at their business address.
- 19** The Licence Holder is required to provide the tenant with a copy of the Energy Performance Certificate at the start of the tenancy and to supply the Local Authority with a copy upon demand.

- 20** The Licence Holder shall ensure that tenants receive written confirmation detailing arrangements in place to deal with repair issues and emergencies.
- 21** The Licence Holder must act lawfully and reasonably in requiring any advanced payments from tenants, in handling rents, in returning deposits and in making deductions from deposits. The Licence Holder will provide any tenants and prospective occupiers with the following information:-
- The amount of rent payable
 - The details of any deposit required
 - Details of what the deposit covers and the of the Tenancy Deposit Scheme where the deposit is registered
 - The frequency of payments
 - The details of any utilities or other charges included in the rent and who is responsible for payment
 - The responsibility for payment of Council tax
 - Provide a regular rent statement to the tenant or council officer upon request.
- 22** The Licence Holder must ensure that there is adequate security to the property and that all security installations and fittings are in good working order and that where a burglar alarm or security light is fitted the tenant is given instructions on their use.
- 23** The Licence Holder must ensure that the exterior of the house is maintained in a reasonable decorative order and in reasonable repair.
- 24** The Licence Holder must ensure that the property is in good decorative order and a hygienic condition at the start of each new tenancy.
- 25** The Licence Holder must provide adequate facilities for the storage and disposal of refuse and must outline to tenants in writing, their responsibilities in this respect
- 26** Where there is a breach of licence and this can be resolved by appropriate training the Licence Holder and/or his manager shall undertake property management training courses as recommended by the local authority.
- 27** The Licence Holder and/or his managing agent must inform the licensing team of the authority within twenty working days of the following:-
- sale of any property and changes of tenant.
 - change in managing agent or the instruction of a managing agent;
 - any changes in their circumstances as set out in Appendix 1

Appendix 1

The Licence Holder / managing agent must notify the Licensing team of the following:-

- Details of any unspent convictions not previously disclosed to the Local Authority, that may be relevant to the licence holder 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.
- Details 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.
- Details 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.
- Information about any property the proposed Licence Holder or manager owns or manages or has owned or managed which has been the subject of:
 - (i) A control order under section 379 of the Housing Act 1985 in the five years preceding the date of the application; or
 - (ii) Any appropriate enforcement action described in section 5(2) of the Act
- Information about any property the proposed 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.
- Information about any property the proposed 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;
- The undertaking of any substantial works to the property including conversions and modernisations

Fee Structure – Option Appraisal

Option 1 – Flat Rate

To charge a standard fee for all landlords irrespective of whether they are members of the accreditation scheme.

This would mean a cost of £413 per licence in order to realise the cost of the project, £214,443.

The advantage of this is that it is administratively simple and removes the potential argument of some landlords that it is an unfair system.

The disadvantage is that it provides no reward for those landlords who have worked with the Council in recent years and who are not in general the main cause of decline in these areas.

Option 2 – Discount for Accreditation Scheme Members

To offer a reduced fee for Landlords who are members of the Accreditation Scheme on the date when they make their application.

This rewards accredited landlords for working as part of the accreditation scheme and offers an incentive to landlords with properties outside of the selective licensing areas to join the accreditation scheme.

Option 2a – Small discount

Non Accredited Landlord	£500
Accredited Landlord	£350
Total	£226,400*

Option 2b – Smaller discount

Non Accredited Landlord	£500
Accredited Landlord	£400
Total	£237,600*

Option 2c - 50% discount

Non Accredited Landlord	£600
Accredited Landlord	£300
Total	£244,800*

Option 3 – Reduced Fee/Early Application Discount

The third option is to offer a reduction in fee to Accredited Landlords and to offer a further reduction to all landlords who return their form within six weeks of issue. Another way to regard this is that there will a penalty charged to landlords who do not return their forms by the deadline and who have not contacted the licensing team to give a valid reason for this. Costs for this would be as set out below.

Non Accredited Landlord - Application after deadline	£600
Non Accredited Landlord - Application on time	£500
Accredited Landlord - Application after deadline	£450
Accredited Landlord - Application on time	£300
Total	£215,200*

Cost could be reduced to give a smaller margin, but it is important that if incentives are offered they are of a significant enough level to be taken seriously by landlords.

Payment by Instalments

To cover administrative costs, it is suggested that an additional fee of £50 per property if paying over 12 months and £100 per property if paying over five years, is levied.

Variation of Licence

It is proposed that where a licence holder applies for a variation of their licence that a 50% fee is charged.

Notes

*All totals assume that all 520 applications are returned by the application deadline.

Margin to allow for those properties that become non-licensable.

Extra income is expected from variation applications & new applications where empty properties are brought back into use or change hands.