

CABINET AGENDA



18th September 2012

at 9.30 am

in Committee Room B, Civic Centre, Hartlepool

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Hill, Lauderdale and Thompson

1. **APOLOGIES FOR ABSENCE**
2. **TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
3. **MINUTES**

To receive the Record of Decision in respect of the meeting held on 3 September 2012 (previously circulated)

4. **BUDGET AND POLICY FRAMEWORK**
No items.
5. **KEY DECISIONS**
5.1 Selective Licensing - *Director of Regeneration and Neighbourhoods*

6. **OTHER ITEMS REQUIRING DECISION**

No items.

7. **ITEMS FOR DISCUSSION/INFORMATION**

No items.

8. **REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**

No items.

CABINET REPORT

18th September 2012



Report of: Director of Regeneration and Neighbourhoods

Subject: SELECTIVE LICENSING

1. TYPE OF DECISION/APPLICABLE CATEGORY

Key Decision (tests i & ii apply). Forward Plan Reference No. 20/12

2. PURPOSE OF REPORT

- 2.1 To provide members with an evaluation of the existing Selective Licensing scheme in order to consider how effective the scheme has been in contributing to the reduction of anti-social behaviour and low demand. Based on this information members are also asked to consider whether to proceed with a formal proposal to introduce an additional designation for further areas of the town.

3. BACKGROUND

- 3.1 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 current designation of Selective Licensing was implemented in May 2009 covering 6 areas of the town and in September 2011 Cabinet agreed to delay their decision to consider extending the scheme into further areas for 12 months until a thorough evaluation of the evidence available from the existing scheme had been undertaken. This report will provide an analysis of the impact the scheme has had on each of the existing 6 areas and indicate the effectiveness of Selective Licensing in Hartlepool.

4. THE CURRENT SELECTIVE LICENSING DESIGNATION

- 4.1 The current Selective Licensing designation within Hartlepool covers six areas of the town as detailed at **Appendix 1**.

The aims of the scheme are to;

- address low demand in the designated areas
- contribute to reducing anti social behaviour
- assist to sustain neighbourhoods and communities
- raise and improve the profile of private rented accommodation
- improve the quality of the stock of privately rented housing
- improve access to good quality affordable housing
- improve management standards of privately rented housing
- contribute to the regeneration of the designated area

It is important to note that although the current designation remains in force until April 2014, licences granted during this period are usually valid for 5 years, and are therefore enforceable well beyond the actual end of the scheme.

4.2 EVALUATION OF THE IMPACT OF THE EXISTING SELECTIVE LICENSING DESIGNATION

The Selective Licensing Steering Group, established to direct the current and future activity of Selective Licensing, receives regular scheme evaluation reports based on the original baseline information provided when the scheme was given approval by the Secretary of State.

A summary of this evaluation information for each of the 6 existing areas is provided below;

4.2.1 Area A

Area A includes 230 residential dwellings within the Jesmond ward (previously Dyke House) which has a total of 2781 dwellings. This area is approximately one mile north of the town centre and the housing stock is predominantly two bedroom terraced housing built circa 1900.

Area A	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	119	55	-54%	11900	8,806	-26%
PSH Complaints	90	124	+38%	816	734	-1%
Empty > 6mnths (snapshot)	50	0	-100%	1849	1056	-57%

Prior to the designation it was estimated 83 (36%) of residential properties would need to be licensed, prior to CPO there were 33 licensed private rented properties within this area of which only 6 remain in place (as properties await demolition).

Historically, this area has been the subject of high levels of crime and disorder, accompanied by low levels of income and high levels of employment deprivation. In April 2008, the area was highlighted as an anti-social behaviour and criminal damage

hotspot, incidents of anti-social behaviour have reduced year on year and at a significantly higher rate than the rest of the town. A major regeneration scheme in the area has seen large scale property acquisition and demolition of 201 properties is due to be completed this year.

Selective Licensing is employed as a tool to drive up standards in some areas of the private rented sector as process of acquisition for a major regeneration scheme is being undertaken.

The increase in service requests dealt with by the private sector housing team reflects the introduction of a more proactive area based work in partnership with Housing Hartlepool which meant there was a greater reporting of issues and this allowed for earlier intervention.

4.2.2 Area B

The area comprises of 175 residential properties within the new Victoria ward (previously Stranton) which has a total of 3796 dwellings. This area is approximately half a mile north of the town centre and the housing stock is predominately two bedroom, terraced houses built circa 1900.

Area B	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	80	62	-23%	11900	8,806	-26%
PSH Complaints	50	24	-52%	816	734	-1%
Empty > 6mths (snapshot)	21	5	-76%	1849	1056	-57%

Prior to the designation it was estimated that 58 residential properties (33%) would be licensable, as at August 2012 we have licensed 88 private rented properties (50% of the dwellings in the area).

Prior to the designation for Selective Licensing the area was suffering from high levels of anti-social behaviour, these levels have reduced over the 3 years and feedback from the local residents association is that licensing has contributed to this and is beginning to have a positive impact in the area.

4.2.3 Area C

The area comprises of 212 residential dwellings within the Victoria ward (previously Grange), which has a total of 2869 dwellings. This area is approximately half a mile north-west of the town centre and is comprised of predominantly two bedroom, terraced housing built circa 1900.

Area C	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	75	59	-21%	11900	8,806	-26%
PSH Complaints	9	40	344%	816	734	-1%
Empty > 6mnths (snapshot)	71	50	-30%	1849	1056	-57%

Prior to the designation it was estimated that 51 (24%) would be licensable; as at August 2012 we have licensed 51 private rented properties within the area (24%).

Historically, there are high levels of crime and anti-social behaviour problems linked to the area and in April 2008 it was highlighted as an anti-social behaviour and criminal damage hotspot.

As part of a major regeneration scheme in the area a process of property acquisition is well underway and it is anticipated this will be completed by 2015, (to date 77 properties have been purchased by the Council and valuations and negotiations are currently ongoing for a further 29).

4.2.4 Area D

The area comprises of 367 residential dwellings within the Victoria ward (previously Stranton), which has a total of 3796 dwellings. This area is located adjacent to the town centre with a mix of property types, mostly built circa 1900. Many are small two bed room, two storey properties, but there are a number of larger three storey properties with three or four bedrooms. There are also a number of commercial properties in the area with accommodation provided above. All dwellings are terraced.

Area D	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	254	161	-37%	11,900	8,086	-26%
PSH Complaints	54	28	-48%	816	734	-1%
Empty > 6mnths (snapshot)	36	24	-33%	1849	1056	-57%

Prior to the designation it was estimated that 104 (28%) would be licensable; as at August 2012 we have licensed 158 private rented properties in the area (43% of the dwellings in the area).

Historically this area has experienced high levels of crime and disorder problems and in April 2008 was identified as an anti-social behaviour and criminal damage hot spot.

4.2.5 Area E

The area has 666 residential properties within the Burn Valley ward which has a total of 3796 dwellings. This area is located approximately one mile to the South of the town centre and is predominantly two bedroom terraced housing, built circa 1900, although there are also a number of larger three storey properties.

Area E	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	357	248	-31%	11900	8,806	-26%
PSH Complaints	42	37	-12%	816	734	-1%
Empty > 6mnths (snapshot)	62	35	-44%	1849	1056	-57%

Prior to the designation it was estimated that 189 (28%) would be licensable; as at August 2012 we have licensed 282 private rented properties within this area (42%).

Historically the area has suffered from high levels of crime and disorder and prior to the designation, Cornwall Street was declared a POP (Problem Oriented Policing) area due to repeat anti-social behaviour and criminal damage offences in and around the street, many of these being linked to private sector tenancies. This area has seen a significantly higher reduction in ASB compared to the town as a whole and can in part be attributed to the Selective Licensing scheme.

4.2.6 Area F

The area comprises of 125 residential dwellings within the Foggy Furze ward, which has a total of 2560 dwellings. This area is located approximately one and a half miles to the South of the town centre. Most of the housing stock in the area was constructed circa 1930, originally built as three bedroom properties many have since been altered to two beds, utilising the third smaller bedroom as a bathroom.

Area F	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	63	64	+2%	11900	8,806	-26%
PSH Complaints	50	17	-66%	816	734	-1%
Empty > 6mnths (snapshot)	55	19	-65%	1849	1056	-57%

Prior to the designation it was estimated that 35 (28%) properties would be licensable, as at August 2012 we have licensed 32 private rented properties within this area (26%).

A major regeneration scheme in the area, in partnership with Housing Hartlepool and Keepmoat FHM, is well underway and all properties acquired to make way for the scheme have now been demolished, including 18 on Borrowdale and Kathleen St. The new development will include a mixture of 2 and 3 bed houses and bungalows, with a 50/50 split between social rented housing and private sale.

4.3 Outcome of evaluation

As previously mentioned although the existing designation will remain in force until the end of April 2014, the interim evaluation findings demonstrate that selective licensing has already made a valuable contribution towards the following;

- A reduction in ASB across all areas
- A reduction in long term empty homes
- Active take up of tenant referencing and through the continued increase in demand for 'The Good Tenant Scheme' service, which may be used by anyone wishing to take up private rented accommodation.
- Raised awareness of expected housing standards through proactive work from the Private Sector Housing Team leading to an improvement in management standards.

As a result of these early indications it would appear that, together with other complementary initiatives, Selective Licensing is having a positive impact in Hartlepool.

This evaluation has also confirmed that effective research of the proposed areas is vital before the final area boundaries are determined for any proposed extension, in order to understand the potential number of licensable properties and confirm their ownership details. Prior to the designation the number of licensable properties was underestimated throughout most of the areas which resulted in delays in issuing and subsequently processing licensing applications in the first two years of the scheme.

In May 2011 the management of Housing Services underwent a mini reorganisation and staffing resource for the Selective Licensing scheme was relocated to the Housing Options Centre. This was done in order to address a number of concerns which had emerged in relation to the overall management and implementation of the scheme, as previously detailed in the previous Cabinet report of September 2011.

This relocation was also an opportunity to refocus all 'Landlord/Tenant' housing issues to a 'first stop shop' approach to the Housing Options Centre. Following this relocation all relevant policies and procedures have been reviewed and updated and clear guidelines for all aspects of the licensing process developed which can now easily be replicated should it be agreed to extend licensing into further areas of town.

5. COMPLEMENTARY INITIATIVES

- 5.1 In partnership with Housing Hartlepool the Council are also progressing with the implementation of an **Empty Homes Pilot Scheme** providing an incentive approach to bringing empty homes back into use. Work is currently underway to refurbish and relet 19 properties across the town including several within the licensing areas.
- 5.2 **The Housing Options Centre** was developed and opened in September 2009 to provide a focus and first stop point of access for any and all housing enquiries, across all tenures. The services provided from the Centre include responding to and preventing homelessness, assistance with accessing and sustaining suitable accommodation, landlord and tenant issues, including tenancy disputes and tackling harassment and illegal evictions; money and benefit advice including assistance in negotiations with the recovery of mortgage and rent arrears.

Housing Standards

Housing Standards Officers undertake inspections of licensed properties to ensure compliance with some licence conditions and to determine whether properties are free from unacceptable hazards that may affect the health of tenants. Any properties found to require improvements are brought to the attention of the licence holder and enforcement action taken where necessary. Although being free from unacceptable hazards is not a condition of a selective licence, this has been used as a tool to raise property standards.

- 5.3 **The Landlord Accreditation Scheme** was introduced in Hartlepool in 2002 to recognise landlords who manage their properties to a good standard. The scheme is administered by the Council and membership is free. There is no legal requirement for landlords to join, as it is on a purely voluntary basis.

A successful accreditation scheme can help to increase the supply of good quality accommodation, to the benefit of existing tenants and potential tenants who may not have considered renting privately in the past. It also helps to foster better landlord/tenant relationships and reduces the need for formal enforcement intervention by the Council.

Since the implementation of the selective licensing scheme there has been a dramatic increase in the number of landlords applying to become accredited, however as this increase is almost exclusively within the licensing areas this could be interpreted as being in direct response to the substantially discounted licensing fee which is awarded to 'accredited' landlords.

The existing scheme is primarily focused on property standards and has minimal influence on the management practices of landlords. Administering the scheme is very resource intensive and there is little evidence to demonstrate how effective its implementation has been, more critically in September 2011 an internal audit report identified that 'no assurance' could be placed on any of the control objectives reviewed within the audit, for example some of the detailed findings of the audit included the following risks;

- The risk of that Accreditation may be awarded without necessary assurance that Landlords meet criteria of the scheme was determined to be high
- The risk that evidence may not be available to support property inspection results was determined to be medium.
- There was a high risk associated to the lack of evidence of the supply of the required annual safety certificates.

Following the outcome of the audit the following options have been considered to move accreditation forward;

1. Enhance the existing scheme to mitigate all risks and ensure objectives are being met – this could not be achieved without additional investment and staffing resources.
2. Develop a new scheme in partnership with one of the nationally recognised accreditation schemes – this would involve additional costs and the Council would still have to carry out effective property inspections and on going monitoring needing additional staffing resources.
3. Promote take up of membership to one of the nationally recognised schemes that focus on management standards and continued professional development of member landlords, this would involve landlords having to pay a fee for membership and passing an initial test of competency but this would require no involvement or costs to the Council. The two main nationally recognised schemes have both confirmed that they would be happy to receive additional members in this area and would be able to confirm to the Council on request if a landlord had been ‘accredited’ by them. Should landlords decide to join such a scheme they would benefit from the possible associated discounts for licensing form being an accredited landlord.

Although accreditation is not a statutory requirement an effective scheme can bring added value and improve management standards and expertise within the sector. A report on the future of the Landlord Accreditation function will be presented to Cabinet before the end of the calendar year.

5.4 The Empty Property Purchasing scheme

The Council recognised that there needed to be more options to help bring empty homes back into use therefore members agreed a fund to buy empty properties on the open market, which will be added to the Council’s portfolio of housing stock. This stock will be managed by Housing Hartlepool on an agency basis but remain in the ownership of the Council. At the same time the government introduced a scheme called ‘Cluster Homes Empty Property Scheme’, the Council submitted a bid to this scheme and was successful in securing match funding. This has resulted in the opportunity to purchase 100 homes over the next two years, 2012/15 this will effectively double the amount of housing stock in Hartlepool owned directly by the Council. Currently we are in the process of buying the first of these additional homes which will be refurbished to a high standard and let to people in housing need in Hartlepool.

5.5 The Good Tenant Scheme

This scheme is a free to use tenant referencing service managed by Hartlepool Community Safety Team, and delivered by the Housing Advice Team at the Housing Options Centre. The aim of the scheme is to reduce anti-social behaviour in the private rented sector by providing landlords with information regarding a person's tenancy history to assist a landlord in deciding whether to offer a member of the scheme a property, to highlight any previous tenancy issues that may be of concern and where appropriate by linking people to appropriate support to help them to get and then to maintain a property. This information is provided to the landlord with a person's written permission.

6. APPROVAL OF AN ADDITIONAL DESIGNATION

- 6.1 When the current Selective Licensing scheme was implemented by Hartlepool Borough Council in May 2009, under the Housing Act 2004, there was a legal requirement to submit a detailed submission document to the Department of Communities and Local Government (DCLG) before the designation could be approved by the Secretary of State.
- 6.2 Following a change to the legislation in April 2010 local authorities can now approve the introduction of a Selective Licensing scheme, under what is known as a 'general consent' regime. This new regime does not free local authorities from providing evidence for their schemes or from any of the other legislative requirements. Indeed, failure to meet the statutory requirements could result in local authorities facing a costly judicial review.
- 6.3 An example of this can be seen when a selective licensing scheme was introduced by Hyndburn District Council in March 2010. Subsequently a group of over 300 landlords, who were backed by the Residential Landlord Association, challenged the Council and won a judicial review which resulted in the designation being quashed. The court ruled that the council had failed to consult; had not followed the relevant guidance and had made misrepresentations in its proposals. Therefore the decision and the resulting designation were both ruled unlawful.

The solicitor acting for the Landlords said *“Hyndburn landlords have established that landlords and indeed others affected by the proposed designation must have sufficient information provided to them, to allow for intelligent and meaningful discussions to take place during consultation....To canvass opinions on the general principles of selective licensing is simply not enough.”*

Hyndburn District Council were required to go back to the drawing board and start the proposal process again, before they were able to implement a new scheme in August 2012.

- 6.4 Further examples of Selective Licensing in other Local Authority areas include the following;

Oxford: Oxford has introduced a licensing scheme covering the whole city in two phases. Oxford has created a new team to deliver licensing, consisting of 16 officers and two team leaders. Oxford's initial scheme was turned down by CLG, who were possibly concerned that a precedent was being set. Oxford responded by introducing

a property accreditation scheme, and by the time they proposed their current scheme general consent had been introduced.

Private landlords in Oxford applied for judicial review of the scheme in September 2010 on the grounds that it was illegal and the council would unfairly profit from it. Oxford agreed and made some minor changes to the scheme, and is confident the judicial review will not be resurrected. However, there are no large landlord associations with any membership in the city, and landlords are not particularly well organised. Oxford has reported success in landlords applying for the scheme and paying the fee. Oxford uses an online application form and charge £1150 over the five years.

Stoke on Trent : To designate a Selective Licensing scheme in one ward, Stoke used ASB data from the previous three years provided by the police. The data was broken down into different classifications and mapped onto individual streets. ASB data from the previous year was then mapped to individual properties, which was cross referenced to a database with tenure information on every property in the area. This database of 900 properties was built using:

- Land registry (£5000 was spent on searches of every property in the ward)
- Accreditation scheme records
- Council tax records
- An ownership confirmation form sent to every property

It was therefore possible to state confidently how many properties would be licensable and how much ASB was associated with licensable properties. The scheme started in November 2011, and application forms were sent to the owners of every licensable property. By February 2012, half of the forms had been returned, substantially more than Stoke were expecting.

A local landlord association is active in Stoke and made substantial representations against the scheme during and after the consultation. The chair of the association also informed Stoke he would be applying for judicial review and took legal advice. As no application for judicial review was forthcoming, Stoke assume the legal advice was against this. The main benefit to Stoke of working this way has been to establish exactly which landlords own which properties in the area designated.

7. PROPOSAL TO DESIGNATE FURTHER AREAS OF HARTLEPOOL

7.1 Before a local authority can approve the introduction of a designated area for Selective Licensing there are two main key areas of activity which must be carried out to ensure compliance with the legislation, these are:

- i) Carrying out an extensive **consultation exercise**, for a minimum period of ten weeks, of all those persons who are likely to be affected by the proposal, which includes elected members, residents, local businesses, landlords, community groups, stakeholders and partners.

- ii) Assessing the feasibility of the scheme, this involves researching and collating evidence for inclusion in a comprehensive **business case** report, which must then be considered by elected members prior to a decision being made.

7.2 A detailed list of all the streets previously put forward for consideration for Selective Licensing is attached at **Appendix 2**. These areas were identified by mapping all complaints of anti social behaviour received by both the Police and the Council's Anti Social Behaviour Unit, all complaints relating to property condition reported to the Council's Private Sector Housing Team. A rough line was then drawn around each cluster of mapping points to put forward the proposed streets. Closer examination of each of these streets is now underway in order to determine the following;

- The percentage of private rented properties within each street
- The number of relevant anti social behaviour complaints involving private sector tenancies
- The number of private sector housing complaints – used as an indicator of poor management standards
- The number of long term (over 6 months) empty properties within each street - used as an indicator of low demand if higher than the town average.
- The sales volume and values within each street over the last three years – used as indicator of low demand if values fall below the town average.

The total number of residential properties within each of these streets is 3056 and based on our current knowledge of tenure make up 997 private sector tenancies would be potentially licensable. This is almost double the numbers originally estimated for the existing designation and needs to be much further refined to ensure that there is clear evidence of anti social behaviour and/or low demand in each of the proposed streets that can be linked to private sector tenancies. Without such robust evidence there is significant risk that any proposal will be challenged with a judicial review.

It should also be noted that prior to implementing the existing designation, which included 1757 residential properties in total, it was estimated that only 520 would be licensable however as at August 2012 we have licensed 651 with a further 98 applications at various stages in the licensing process. Therefore it would be prudent to undertake Land Registry checks prior to any final proposal in order to have a more accurate picture of the likely scale of the scheme. This will incur an additional up front cost, however will remove an element of risk in managing the scheme.

7.2.1 Undertake extensive research of the proposed area

To ensure that every reasonable attempt is made to identify all relevant persons and potentially licensable properties, prior to commencement of the two activities detailed below, intensive work must be carried out by officers to obtain and collate all of the required information from a number of sources to determine;

- the scope of the consultation
- ownership and tenure details of all residential properties within the proposed area
- all potentially licensable properties
- evidence of ASB linked to private sector tenancies

- evidence of low demand
- any other relevant information.

7.2.2 **Effective consultation**

This activity is extremely resource intensive, and must be carefully planned and managed to avoid potential legal challenge. A draft comprehensive consultation project plan has been produced for this purpose and is attached for information at **Appendix 3**.

Included in this project plan is the formal consultation document, and a summary of this will be widely circulated to all persons likely to be affected by the proposed designation. Consultation should only take place once some of the evidence for the scheme has been collated and included in the written document, the full version of which will be readily accessible on the Hartlepool Borough Council website. The analysis of the preliminary consultation exercise which was carried out in March/May 2011 will also be used as evidence in support of the proposal and will be included in this document.

Any representations made during the required minimum 10 week period must be afforded careful consideration and be responded to in full, together with any subsequent amendments to the proposal, before the final consultation report is published.

7.2.3 **Prepare a detailed business case**

Once the above consultation exercise has been completed, a full business case must be prepared and considered by Cabinet, before a decision can be made to designate an area for Selective Licensing. The business case report will include amongst other things the full data and evidence supporting the proposal, as defined by the legislation. A checklist will be incorporated to assist members to gauge how well the legislative requirements have been met in relation to approving a designation. An outline draft of the expected content of the business case report is attached at **Appendix 4**.

8. EQUALITY AND DIVERSITY CONSIDERATIONS

- 8.1 An Impact Needs Requirement Assessment (INRA) Equality Impact Assessment (EIA) and Diversity Impact Assessment (DIA) will be undertaken before progressing to final approval to identify any adverse or differential impact this scheme may have.

9. SECTION 17

- 9.1 The Crime and Disorder Act 1998 requires local authorities to consider crime and disorder reduction in the exercise of all their duties, the existing Selective Licensing designation has already contributed to a reduction in anti social behaviour in these areas and would continue to do so if a further designation was implemented in areas where there is clear evidence of ASB being linked to private sector tenancies.

10. LEGAL CONSIDERATIONS

10.1 The legislation governing Selective Licensing and providing the local authority with the power to designate a Selective Licensing scheme is;

- Section 80 of the Housing Act 2004
- The Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2010.
- The Government guidance document; '*Approval steps for additional and selective licensing designations in England*' provides the main point of reference for all activities which must be undertaken.

11. FINANCIAL CONSIDERATIONS

11.1 The implementation and delivery of any Selective Licensing scheme must be self financing and the detail of the final fee structure cannot be determined until the final size of the potential scheme is identified following the outcome of the research into the areas put forward for consideration including the consultation response.

11.2 Additional staffing resources will be needed to assist with the ongoing preparatory work and the extensive consultation required, funding of £30,000 has already been identified to appoint an officer on a temporary fixed term contract to assist with the necessary work required to progress the scheme for approval.

12. RECOMMENDATIONS

12.1 Members are asked to note the evaluation of the current designated Selective Licensing areas and approve that officers;

- Refine the proposed areas to include only those streets where there is evidence of;
 - ASB linked to private sector tenancies
 - Low demand (sale values, empties, turnover)
 - Higher proportion of private rented properties within the street (over 25%)
- Carry out a thorough consultation as prescribed by guidance.
- Appoint a temporary Selective Licensing Officer to assist with the extensive preparatory work needed to progress with a formal proposal to designate a further Selective Licensing scheme.
- Report the outcome of the consultation and refinement of the proposed areas back to Cabinet with a timetable for implementation should approval be agreed.
- Funding / staffing

13. BACKGROUND PAPERS

13.1 Cabinet report of 26th September 2011 - Selective Licensing Of Privately Rented Houses

14. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

- i) List of Addresses in Current Selective Licensing Designation Area
- ii) List of Addresses in Proposed Designation Area
- iii) Draft Consultation Project Plan (template)
- iv) Draft Business Case for Selective Licensing (template)

15. CONTACT OFFICER

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APPENDIX 1

List of Addresses in Current Selective Licensing Designation Area

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

List of Addresses in Proposed Designation Area**APPENDIX 2**

Area 2A – Jesmond Ward	
Avondale Gardens	Parton Street
Brougham Terrace 43 to 81 odds	Raby Road 178 to 206 evens
Mapleton Road	St Oswalds Street
Millbank Road	Wharton Terrace
Area 2B – Victoria Ward	
Angus Street	Murray Street
Brafferton Street	Raeburn Street
Brook Street	Roseberry Mews
Christopher Street	Roseberry Road
Collingwood Road	Ryan Court
Collingwood Walk	Sandringham Road
Cundall Road	Sheriff Street 4 to 180 evens + 43 to 99 odds
Duke Street	Stephen Street
Grosvenor Street	Suggitt Street
Harcourt Street	Topcliffe Street
Hart Lane 117 to 203 odds	Weldeck Road 40 to 106 evens
Laburnum Street	Zetland Road
Area 2C – Stranton Ward	
Alderson Street	South Road 21 to 33 odds
Carlton Street	St Pauls Road
Johnson Street	Stofold Street
Mitchell Street	Thornton Street
Osborne Road 1 to 7 odds	
Area 2D – Burn Valley Ward	
Alston Street	Grasmere Street
Baden Street	Keswick Street
Bangor Street	Kimberley Street
Burn Valley Road	Leyburn Street
Colenso Street	Penrhyn Street
Colwyn Road	Powell Street
Ellison Street	Rydal Street
Elwick Road 39 to 167 odds	Thirlmere Street
Area 2E – Foggy Furze Ward	
Edgar Street	Sydenham Road
Hereford Street	Wensleydale Street
Kendal Road	Worcester Gardens
Kent Avenue	
Area 2F – Headland & Harbour Ward	
Burbank Street	Clark Street
Area 2G – Burn Valley Ward	
Waldon Street	
Kilwick Street	Elwick Road 1 to 13 odds + 2 to 22 evens
Holt Street	Bathgate Terrace

Houghton Street
Whitburn Street

Lister Street

Area 2H – Victoria Ward

Everett Street

Area 2J – Jesmond Ward

Wynnstay Gardens
Helmsley Street

Oakley Gardens

Housing Act 2004

Proposal to designate an area for Selective Licensing

Consultation Project Plan

- Contents:**
- Part 1 – Project Scope**
 - Part 2 – Action Plan**
 - Part 3 – Finance/Resources**
 - Part 4 – Risk Assessment**
 - Part 5 – Consultation Document**
 - Part 6 – Consultation Document (Summary)**

Note: Items marked in red cannot be inserted until activities as described are completed

PART 1 – Project Scope

Legal framework
<p>It is a legal requirement to carry out a consultation exercise before designating an area for Selective Licensing under the Housing Act 2004:</p> <ul style="list-style-type: none"> • <i>Section 80(9) “Before making a designation the authority must:</i> <ul style="list-style-type: none"> a) <i>Take reasonable steps to consult persons who are likely to be affected by the designation; and</i> b) <i>Consider any representations made in accordance with the consultation and not withdrawn.”</i> • The ‘General Approval 2010’ regime introduced a new requirement that the consultation period must last a minimum of ten weeks.
Objective
To ensure that the consultation exercise, undertaken by Hartlepool Borough Council for the purpose of considering making a Selective Licensing designation, complies with the requirements of the Act.
Aims
<ul style="list-style-type: none"> • To explain the proposal and what the scheme aims to achieve. • To seek and consider the views of those who may be affected by the introduction of a designation. • To provide evidence to allow the Council to reach a decision on whether to proceed with a 2nd Selective Licensing Designation.
Methodology
<p>Consultation will be by a variety of methods to engage with local residents, managing agents, elected members and other members of the community who live or operate businesses or provide services within the proposed designation. It also includes local residents and those who operate businesses or provide services in the surrounding area outside of the proposed designation that will be affected. Every effort will also be made to identify landlords and their agents to ensure, as far as possible, that they are fully consulted.</p> <p>The Council will make the consultation as wide as possible by publishing a comprehensive ‘Draft Proposal to Designate a Private Landlord Selective Licensing Scheme’ on the website and making available hard copies on request. A summary of the draft designation proposal together with a questionnaire will be distributed to all those likely to be affected.</p> <p>Residents and local businesses</p> <p>Housing Services staff will attend residents meetings and road show events for residents and businesses both during the daytime and evening in each of the nine proposed areas. Details of these will be distributed with the summary leaflets and resident/business questionnaires immediately prior to the official commencement of the consultation period and will also be widely publicised.</p>

Landlords, Letting/Managing Agents

Landlords and/ or their representatives will receive a letter and summary proposal and landlord/agent questionnaire immediately prior to the official start of the consultation. They will also be invited to attend an informal drop in session during the evening.

Stakeholders/partners/community groups

All will be contacted by email/letter with details of the proposal and stakeholder questionnaire. They will be advised of the road show dates/venues and will be asked to promote the consultation to their members. A few copies of the summary proposal will be included and they will be invited to provide any feedback/comments.

Ward Councillors

Ward Councillors in the nine proposed areas will be contacted by e mail/letter ahead of the general mail out to all councillors. They will be provided with the Draft Proposal document together with the full consultation plans for all groups. They will be asked to provide feedback/comments.

All HBC Councillors

A letter/e mail will go to all councillors to advise them of the proposal

HBC staff

A briefing note will be e mailed to all HBC staff to advise them of the proposal. Any teams who may feel the impact of the proposal will be invited to provide feedback/comments.

General

A press release will be issued to local media/press to promote the consultation; this will include the dates and venues of the road show and drop -ins.

Posters will be placed in various locations around the proposed areas as well as in all HBC public buildings around the town.

The road show will be held at various locations within the nine proposed areas as well as in the main Town Centre shopping centre.

Information including the full draft proposal document will be available on the Council website which will enable anyone with internet access to find out more about the proposal. They will also be able to complete an online comments/feedback form.

Every effort will be made to ensure that the consultation is inclusive and accessible for all those wishing to participate in accordance with the Corporate Equality and Diversity Policy. Consultation documents can be made available in a different format or language upon request.

Resources
<ul style="list-style-type: none"> • The project will be managed by the Principal Housing Advice Officer • The project team will consist of: <ul style="list-style-type: none"> - Tenancy Relations Officer - Landlord/Tenant Officer - Support Services Officer - Temporary Officer • The approved budget is £30k
Outcomes
<ul style="list-style-type: none"> • A report (business case) containing the findings of the consultation and any subsequent amendments will be presented to the Council before a decision on whether to proceed with the introduction of a new designation is made.
Timescales
<ul style="list-style-type: none"> • The project planning will be finalised prior to the commencement of the consultation event < insert date > • The consultation exercise will commence <insert date> and end <insert date> • Affected persons will be given adequate opportunity to give their views and these will all be considered and responded to. <Insert date> (Allow one month after end of consultation for appraisal etc) • The findings of the consultation will be published <insert date> • Any amendments will be made to proposal <insert date> • The final proposal and recommendation will be presented to Cabinet <insert date>

Part 2 – Action Plan

Groups to be consulted	Actions	Comments
Residents and local businesses	<p>Mail drop</p> <p>Approximately xx, Resident and Business Selective Licensing questionnaires and summary proposal leaflets will be hand delivered to the proposed designation area and to areas and neighbourhoods adjacent to the proposed area who may be affected by the designation.</p> <p>Of which x, 000 questionnaires will be distributed within the area, and x,000 questionnaires will be distributed to areas adjacent to the proposed designation area.</p>	<p>The docs will be delivered in the preceding xx days prior to the commencement of the formal consultation period.</p> <p>Details of the road show events for residents and local businesses will be included.</p> <p>Respondents will be given xx weeks to fill out their forms and send them back using a FREEPOST envelope. Appendix 1 illustrates the extent of the consultation area.</p>
	<p>Road show sessions</p> <p>Housing Services Officers will attend these informal sessions and will be on hand to answer any questions. Detailed statistical data will be on display together with other relevant information.</p> <p>The sessions will be held in various accessible locations throughout each of the proposed areas and will be held during the daytime and some evenings to ensure those who work are also able to attend. Attendees will be given the opportunity to give any feedback/comments.</p>	<p>Appendix 2 shows dates and venues</p>
	<p>Residents Associations/Groups</p> <p>Housing Services Officers will attend the regular scheduled meetings, where there are active associations, and will deliver a brief presentation to members on the details of the proposal. They will also be able to answer any questions.</p>	<p>Appendix 3 shows dates and venues</p> <p>Attendees will be given the opportunity to give any feedback/comments.</p>

Landlords, Letting/Managing Agents	<ul style="list-style-type: none"> Identify all landlords and letting/ managing agents operating within the nine proposed areas Identify all national landlord organisations Create database for mailshot from information gathered. 	<p>All available HBC records must be thoroughly researched to ensure wherever possible that ownership contact details are obtained. This will ensure that all persons within this group are fully consulted.</p>
	<p>Direct mail</p> <p>All landlords/agents will be sent the summary proposal leaflet and Landlord & Managing Agents Selective Licensing questionnaires over the same period. Approximately x, will be posted out to all known landlords and agents.</p>	<p>The docs will be delivered in the preceding xx days prior to the commencement of the formal consultation period.</p> <p>Details of the drop in events for landlords and agents will be included.</p>
	<p>Drop in sessions</p> <p>Housing Services Officers will attend these informal sessions and will be on hand to answer any questions. Detailed statistical data will be on display together with other relevant information.</p> <p>Copies of the full draft proposal document will be available together with further copies of the Landlord & Managing Agents Selective Licensing questionnaires.</p>	<p>Attendees will be given the opportunity to give any feedback/comments.</p>
Stakeholders/ Partners/ Community groups	<p>Identify all consultees in this group including:</p> <ul style="list-style-type: none"> Police Fire service Citizens Advice Bureau RSL Housing providers Create mailing list 	
	<p>Send copy of full draft proposal document with covering letter and stakeholder questionnaire.</p> <p>Send additional copies of summary proposal for distribution where appropriate to raise awareness of consultation.</p>	

Ward Councillors	Contact by e mail/letter 2 weeks before general mail out to all Councillors. Provide copy of Draft Proposal document plus copy of Consultation Project Plan.	Ward Councillors will be invited to attend the consultation events alongside officers.
All HBC Councillors	Contact by e mail/letter to advise of proposal together with summary proposal doc. and copy of 3 questionnaires.	
HBC Staff	Send briefing note to all staff by e mail advising them of proposal and consultation.	Contact details for relevant officers able to answer general consultation queries will be included.
General	A general press release will be issued to the local and national media/press for publication 1 week prior to the official start date of the formal consultation period.	This will coincide with the distribution of the consultation publicity information and will include dates and venues of the road show for residents and drop in for landlords and their representatives.
	<p>Posters will be displayed in cafes/pubs/community centres in and around the nine proposed areas.</p> <p>Posters will be displayed in all HBC public buildings and reception areas, together with copies of the summary proposal and questionnaires.</p> <p>The consultation will be highlighted on the Homepage of the Council website with a direct link to the full draft proposal document. All groups of consultees will be able to complete an online comment/feedback form.</p>	
	Housing Staff will also be available to answer general e mail and telephone queries during the consultation period.	
Consultation responses and evaluation	Following the conclusion of the formal consultation exercise a full evaluation and analysis will take place.	Must allow ample time following end of consultation for representations which come in near deadline and amend proposal following responses if appropriate.

Publication of consultation findings	This report will be published and included in the final business case to be presented to Cabinet for consideration before a final decision to approve a new designation is made.	
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<Appendices 1,2 & 3 to be attached>

Part 3 - Financial (budget, fees, etc.)

<To include explanation here that scheme must be self financing and the preparatory work to progress for approval cannot be funded from fees.>

Part 4 – Risk Assessment

Risk	Description of impact	Probability of risk	Impact	Action by	Action/outcomes	Revised risk
Failure to identify, as far as is possible, potentially licensable properties.	Under estimation of scope of scheme and associated allocated resources	Very high	Very high	LI/JB/SB	Undertake appropriate research	Low
Failure to carry out legislative requirement to consult with all those who may be affected by the proposal, which could result in judicial review	Landlords not being identified prior to consultation and potential approval of designation could result in a judicial review.	Very high	Very high	LI/JB/SB	Undertake appropriate research	Low
Restrictive budget constraints	<ul style="list-style-type: none"> Negative impact on quality consultation. Inadequate staffing resources to carry out effective research and other related duties. Other service areas severely compromised. 	High	Very high	LI	Approval of proposed budget by Cabinet to appoint temporary member of staff	Low
Insufficient planning and preparation of consultation exercise	An uncoordinated and unprofessional consultation likely to result in a poor quality and inferior consultation which could result in legal challenge	High	Very high	LI/JB	Detailed Project Planning approach applied	Low
Substantial opposition to proposal from landlords which may be supported by National Landlord Associations.	This could prove to be very time consuming in ensuring a full and proper response is made, which in turn could delay the process considerably beyond any proposed implementation timescales.	Very high	Very high	LI/JB	Comprehensive consultation plan and document containing appropriate evidence	Medium
Insufficient specialist staff available to give detailed information and answer queries: i) at the numerous consultation road show and	<ul style="list-style-type: none"> Pressure on specialist staff to attend many evening events/meetings in addition to standard working hours. 	High	High	LI/JB	<ul style="list-style-type: none"> Undertake staff training/awareness sessions Staff Rota of allocated duties 	Low

<p>ii) drop in sessions which will be held during the daytime and in the evening</p> <p>In the office during busy periods or when staff are attending the consultation events</p>	<ul style="list-style-type: none"> • Inaccurate information being given out, which may result in respondents dissatisfied with non specialist information. • Other service areas compromised 					
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Part 5 – Consultation Document (Main)

Hartlepool Borough Council

<insert logo>

Draft proposal to introduce a scheme to Licence Private Landlords

“YOUR OPINION COUNTS!”

Consultation period

<from date to date>

If you require this information in a different format, for example large print, audio or in different languages please call **xxxxxxxxxxxx**

Introduction – What this document is about

In May 2009 Hartlepool Borough Council implemented an area designated for ‘Selective Licensing of Residential Accommodation’ under the Housing Act 2004, which makes it a legal requirement for anyone controlling or managing private rented property within this area to apply for a licence.

The Council is now considering introducing an additional landlord licensing scheme within the town and this document aims to give an explanation of why, where, when and how we are proposing to do this.

It is essential that the community, landlords and all other parties who may be affected by the scheme have the opportunity to make comment on this proposal and details of how you can give us your views are provided towards the end of the document.

It is important to stress that a decision on whether or not to proceed with the proposal, either in its current or amended form, will not be made by the Council until after this consultation has ended and any representations made to us have been given full consideration.

Hartlepool

Hartlepool is located on the North East coast within the Tees Valley sub –region, with a population of approximately 92,000. It is a compact town with good transport links, by road, rail and sea, to the rest of the region and country and has an established world class marina, which recently hosted the internationally acclaimed ‘Tall Ships’ event.

The Borough comprises established, densely populated urban areas and expanding suburbs, as well as a number of rural villages set in attractive countryside. The town has enjoyed a major transformation over the last 20 years through varied programmes of regeneration together with both public and private sector investment.

The wide reaching effects of the recent economic downturn continues to present challenges across the housing market however, the council’s strong political and managerial leadership, working with its partners, has created an organisation that has delivered its aims and objectives in the past and is well positioned to achieve those of the future ensuring that it continues to develop and maintain successful communities where people want to live.

Background to Selective Licensing

Selective Licensing is a tool which is available to local authorities under the Housing Act 2004 to introduce regulation for privately rented properties where there is evidence that it is likely to be beneficial and have a positive impact on the regeneration of the local area. A local authority can designate a Selective Licensing area if it satisfies one or both of the following conditions:

- The area is experiencing **low housing demand** (or is likely to become such an area) and the authority is satisfied that making a designation will, when combined with other measures taken by the authority or by the authority in conjunction with others, would contribute to an improvement in the social or economic conditions in the area.

- The area is experiencing a **significant and persistent problem caused by anti-social behaviour** and that some or all private sector landlords in the area are not taking appropriate action to combat the problem.

The local authority must consider whether the making of a designation when combined with other measures taken by the authority, or by the authority in conjunction with others, will lead to a reduction in, or elimination of the problems.

What is low demand?

When deciding if an area is suffering from, or likely to become an area of low housing demand, the legislation requires local authorities to consider, amongst other things, the following factors:-

- 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);
- The turnover of occupiers of residential premises;
- The number of residential premises which are available to buy or rent, and the length of time for which they remain unoccupied.

Why are we considering introducing selective landlord licensing in these areas?

Hartlepool Borough Council has a good track record of using a range of interventions available to tackle problems within the private rented sector, providing support and advice to landlords on disrepair and management issues which in turn helps them to secure a decent, reliable return on their investment.

Where necessary we also make use of legislative enforcement powers to improve property standards and housing conditions. This work, which we carry out on a daily basis, includes:

- Mandatory HMO licensing
- Empty property enforcement
- HMO standards enforcement
- Housing standards - Housing Health & Safety Ratings System (HHSRS)

Despite these interventions there is still a lack of formal regulation within this sector and landlords do not have to demonstrate that they are competent or committed to manage their tenancies effectively and are relatively free to practice as they see fit, which can have a continued negative impact on the neighbourhood.

We believe that the introduction of a formal licensing scheme will provide the additional fair and effective regulation that is required to help us improve the quality of life for those living in these communities.

In recent years there has been a rapid growth in the private rented housing sector within Hartlepool and whilst we recognise that private landlords make an essential contribution to meeting housing need, through providing rented homes, there are concerns that in certain areas poor management practices by landlords have led to increased incidents of anti-social behaviour linked to these tenancies.

What are the benefits of Selective Licensing?

- Reduced levels of anti social behaviour
- Raised demand for property
- Improved management and condition of privately rented accommodation
- Support for landlords in dealing with anti social tenants
- Education for tenants in their responsibilities to behave in a tenant like manner
- Education for tenants to ensure they only live in properties that meet a minimum standard
- Direct support and advice to Landlords from the newly created Landlord/Tenant Unit
- All Landlords to act in a professional manner with well written tenancy agreements, inventories and protected deposits
- Encouragement of landlords not to take tenants with a poor reference
- Further development of the Good Tenant Scheme referencing system to enable landlords to make informed decisions when letting property
- Improvement of the image and perception of the area
- Encouragement in the market to increase rents and values of property in the area
- Encouraging a change to the tenure mix of the area.
- Create a 'level playing field' for landlords, no longer allowing less competent or unscrupulous landlords to cut corners, while good landlords get tarred with the same brush.

How does licensing of landlords work?

It works by making it a legal requirement, within a specifically designated area, for landlords to obtain a licence to allow them to rent out their property. Landlords will be required by law to provide essential information about themselves and their business and any other relevant person connected to the property. This includes their 'fit and proper' status, and full details of the tenancy management arrangements.

How can licensing a landlord improve the anti social behaviour of their tenants?

Our experience shows that some landlords are either not equipped to manage the anti social behaviour of their tenants or they are not inclined to recognise their responsibility to do so.

The use of early intervention can be very successful in eradicating problems of nuisance, such as loud music, unruly children, foul language and problem pets and so on. However in many cases the opportunity to resolve the problem when it first appears is missed, either because the landlord fails to engage with the Council, or in some cases refuses to, on the premise that dealing with anti social behaviour "is not their problem".

It is important to understand that private tenants themselves can suffer as a result of the anti social behaviour of others and through licensing the Council will ensure that landlords support all of their tenants.

Who will need a licence?

Anyone who controls or manages private rented accommodation within the designated area will need to apply for a licence if the property is occupied, although there are some exceptions to this requirement for example if the property is rented out as holiday accommodation. Registered Social Landlords are not covered by this legislation.

What will landlords need to do to comply?

The Council has recently established a Landlord/Tenant Team who will make every effort to support and guide landlords through the licensing process and beyond, although anyone who deliberately fails to work with us and evades making a licence application may find themselves subject to legal proceedings, which could result in a substantial fine of up to £20,000 and any rent collected during the unlicensed period could be reclaimed by either the tenant or the Council.

A licence will be required for each property which is rented out. This licence will have conditions attached, around the effective management of the property, which will ensure landlords act responsibly. The legislation dictates that there must be:

- Conditions requiring the licence holder, 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.
- Conditions requiring the licence holder;
 - (a) To keep electrical appliances and furniture made available by him in the house in a safe condition;
 - (b) To supply the authority, on demand, with a declaration by him as to the safety of such appliances and furniture.
- Conditions requiring the licence holder;
 - (a) To ensure that smoke alarms are installed in the house and to keep them in proper working order;
 - (b) To supply the authority, on demand, with a declaration by him as to the condition and positioning of such alarms.
- Conditions requiring the licence holder to supply to the occupiers of the house a written statement of the terms on which they occupy it.
- Conditions requiring the licence holder to demand references from persons who wish to occupy the house.

In addition to these mandatory conditions the Council also has the discretion to apply additional conditions which we consider appropriate for regulating the management, use or occupation of the house concerned. These may include, but not be restricted to:

- Conditions requiring the taking of reasonable and practicable steps to prevent or reduce anti-social behaviour by persons occupying or visiting the house.

It should be noted that these conditions will not require landlords to do anything over and above standard recognised 'best practice' and should not prove to be too onerous. These conditions would be monitored by the Council to ensure they were being complied with however support and guidance would be offered to licence holders where required. These conditions would be monitored by the Council to ensure they were being complied with however support, guidance and where appropriate training will be provided by us to licence holders where required.

Any licence holder found to be in breach of the licence conditions can face, upon conviction in a Magistrates' Court, a fine of up to £5,000. In such circumstances, the Council will then consider whether it is appropriate to revoke the licence and make a Management Order taking over the management of the property.

Will there be a fee charged for the licence?

Selective Licensing schemes must be self financing wherever they are approved and therefore fees do have to be applied. Refer to (CIPFA Licensing Fee Toolkit)

Which areas will be affected and why?

We have carried out extensive research, through the Safer Hartlepool Community Safety Partnership, which shows that the proposed Selective Licensing areas suffer from both low demand and antisocial behaviour.

We have examined data related to all areas across Hartlepool and found the following areas demonstrate substantial evidence of these problems.

<insert map >

Area 2A – Jesmond Ward

Avondale Gardens	Parton Street
Brougham Terrace 43 to 81 odds	Raby Road 178 to 206 evens
Mapleton Road	St Oswalds Street
Millbank Road	Wharton Terrace

Area 2B – Victoria Ward

Angus Street	Murray Street
Brafferton Street	Raeburn Street
Brook Street	Roseberry Mews
Christopher Street	Roseberry Road
Collingwood Road	Ryan Court
Collingwood Walk	Sandringham Road
Cundall Road	Sheriff Street 4 to 180 evens + 43 to 99 odds
Duke Street	Stephen Street
Grosvenor Street	Suggitt Street
Harcourt Street	Topcliffe Street
Hart Lane 117 to 203 odds	Weldeck Road 40 to 106 evens
Laburnum Street	Zetland Road

Area 2C – Stranton Ward

Alderson Street	South Road 21 to 33 odds
Carlton Street	St Pauls Road
Johnson Street	Stotfold Street
Mitchell Street	Thornton Street
Osborne Road 1 to 7 odds	

Area 2D – Burn Valley Ward

Alston Street	Grasmere Street
Baden Street	Keswick Street
Bangor Street	Kimberley Street
Burn Valley Road	Leyburn Street
Colenso Street	Penrhyn Street
Colwyn Road	Powell Street
Ellison Street	Rydal Street
Elwick Road 39 to 167 odds	Thirlmere Street

Area 2E – Foggy Furze Ward

Edgar Street	Sydenham Road
Hereford Street	Wensleydale Street
Kendal Road	Worcester Gardens
Kent Avenue	

Area 2F – Headland & Harbour Ward

Burbank Street	Clark Street
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Area 2G – Burn Valley Ward

Waldon Street	
Kilwick Street	Elwick Road 1 to 13 odds + 2 to 22 evens
Holt Street	Bathgate Terrace
Houghton Street	Lister Street

Whitburn Street

Area 2H – Victoria Ward

Everett Street

Area 2J – Jesmond Ward

Wynnstay Gardens

Oakley Gardens

Helmsley Street

< Insert Area descriptions/narrative >

< Insert baseline info >

- Property price
- Tenure of proposed area
- Vacancy rates
- Estimated licensable properties
- ASB stats in proposed area
- Crime stats

Consultation 2011

We carried out an extensive consultation exercise in Mar/May 2011 to gauge the initial response of those who would be affected by the introduction of a licensing scheme in these areas, including residents and landlords. We did this by a variety of methods including inviting people to complete questionnaires as well speaking to them in person at various drop-in sessions and at community groups.

The following is a brief summary of the findings of the 2011 consultation:

< Insert analysis when completed >

Current designation

The current Selective Licensing designation was implemented in May 2009 covering 6 areas of the town. There are approximately 1750 residential properties located here of which we estimate around 750 are privately rented and therefore licensable, although this can fluctuate.

To date we have granted over 650 licences with further licence applications under various stages of assessment. Officers have been extremely successful in securing licence applications from the vast majority of landlords however, enforcement action is currently being undertaken against those who have continued to operate without a licence or where there is evidence of any breach of their licence conditions

What has been the effect of the current landlord licensing scheme in Hartlepool?

General info & evaluation outcomes

A trend analysis of the data and outputs is provided for each of the six existing areas. This evaluation suggests that, although the designation remains in force until April 2014, along with other initiatives the scheme is having a positive impact on reducing Anti Social Behaviour and low demand for properties in those areas.

Area A

This area is comprised of 230 residential dwellings within the Jesmond ward (previously Dyke House) which has a total of 2781 dwellings. This area is approximately one mile north of the town centre and the housing stock is predominantly two bedroom terraced housing built circa 1900.

Historically, this area has been the subject of high levels of crime and disorder, accompanied by low levels of income and high levels of employment deprivation. In April 2008, the area was highlighted as an anti-social behaviour and criminal damage hotspot, incidents of anti-social behaviour have reduced year on year and at a significantly higher rate than the rest of the town. A major regeneration scheme in the area has seen large scale property acquisition and demolition of 201 properties is due to be completed this year.

The increase in service requests dealt with by the private sector housing team reflects the introduction of a more proactive area based work in partnership with Housing Hartlepool which meant there was a greater reporting of issues and this allowed for earlier intervention.

Area A	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	119	55	-54%	11900	8,806	-26%
PSH Complaints	90	124	+38%	816	734	-1%
Empty > 6mths (snapshot)	50	0	-100%	1849	1056	-57%

Area B

This area comprises of 175 residential properties within the new Victoria ward (previously Stranton) which has a total of 3796 dwellings. This area is approximately half a mile north of the town centre and the housing stock is predominately two bedroom, terraced houses built circa 1900.

Prior to the designation for Selective Licensing the area was suffering from high levels of anti-social behaviour, these levels have reduced over the 3 years and feedback from the local residents association is that licensing has contributed to this and is beginning to have a positive impact in the area.

Area B	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	80	62	-23%	11900	8,806	-26%
PSH Complaints	50	24	-52%	816	734	-1%
Empty > 6mnths (snapshot)	21	5	-24%	1849	1056	-57%

Area C

The area comprises of 212 residential dwellings within the Victoria ward (previously Grange), which has a total of 2869 dwellings. This area is approximately half a mile north-west of the town centre and is comprised of predominantly two bedroom, terraced housing built circa 1900.

Historically, there are high levels of crime and anti-social behaviour problems linked to the area and in April 2008 it was highlighted as an anti-social behaviour and criminal damage hotspot.

As part of a major regeneration scheme in the area a process of property acquisition is well underway and it is anticipated this will be completed by 2015, (to date 77 properties have been purchased by the Council and valuations and negotiations are currently ongoing for a further 29).

Area C	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	75	59	-21%	11900	8,806	-26%
PSH Complaints	9	40	344%	816	734	-1%
Empty > 6mnths (snapshot)	71	50	-70%	1849	1056	-57%

Area D

The area comprises of 367 residential dwellings within the Victoria ward (previously Stranton), which has a total of 3796 dwellings. This area is located adjacent to the town centre with a mix of property types, mostly built circa 1900. Many are small two bed room, two storey properties, but there are a number of larger three storey properties with three or four bedrooms. There are also a number of commercial properties in the area with accommodation provided above. All dwellings are terraced.

Historically this area has experienced high levels of crime and disorder problems and in April 2008 was identified as an anti-social behaviour and criminal damage hot spot.

Area D	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	254	161	-37%	11,900	8,086	-26%
PSH Complaints	54	28	-48%	816	734	-1%
Empty > 6mnths (snapshot)	36	24	-66%	1849	1056	-57%

Area E

The area has 666 residential properties within the Burn Valley ward which has a total of 3796 dwellings. This area is located approximately one mile to the South of the town centre and is predominantly two bedroom terraced housing, built circa 1900, although there are also a number of larger three storey properties.

Historically the area has suffered from high levels of crime and disorder and prior to the designation, Cornwall Street was declared a POP (Problem Oriented Policing) area due to repeat anti-social behaviour and criminal damage offences in and around the street, many of these being linked to private sector tenancies.

This area has seen a significantly higher reduction in ASB compared to the town as a whole and can in part be attributed to the Selective Licensing scheme.

Area E	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	357	248	-31%	11900	8,806	-26%
PSH Complaints	42	37	-12%	816	734	-1%
Empty > 6mnths (snapshot)	62	35	-56%	1849	1056	-57%

Area F

The area comprises of 125 residential dwellings within the Foggy Furze ward, which has a total of 2560 dwellings. This area is located approximately one and a half miles to the South of the town centre. Most of the housing stock in the area was constructed circa 1930, originally built as three bedroom properties many have since been altered to two beds, utilising the third smaller bedroom as a bathroom.

A major regeneration scheme in the area, in partnership with Housing Hartlepool and Keepmoat FHM, is well underway and all properties acquired to make way for the scheme have now been demolished, including 18 on Borrowdale and Kathleen St. The new development will include a mixture of 2 and 3 bed houses and bungalows, with a 50/50 split between social rented housing and private sale.

Area F	2007/08	2011/12	% change	Town wide 07/08	Town wide 11/12	Town wide % change
ASB Complaints	63	64	+2%	11900	8,806	-26%
PSH Complaints	50	17	-66%	816	734	-1%
Empty > 6mths (snapshot)	55	19	-35%	1849	1056	-57%

Outcome of evaluation

As previously mentioned although the existing designation will remain in force until the end of April 2014, the interim evaluation findings demonstrate that selective licensing has already made a valuable contribution towards the following;

- A reduction in ASB across all areas
- A reduction in long term empty homes
- Active take up of tenant referencing and through the continued increase in demand for 'The Good Tenant Scheme' service, which may be used by anyone wishing to take up private rented accommodation.
- Raised awareness of expected housing standards through proactive work from the Private Sector Housing Team leading to an improvement in management standards.

As a result of these early indications it would appear that, together with other complementary initiatives, Selective Licensing is having a positive impact in Hartlepool.

What other initiatives are currently in force which complements the existing licensing scheme?

A synopsis of some key complementary initiatives is provided below which demonstrates how the existing designation is part of the strategic borough wide approach to tackle the issues in the area.

- **Empty Homes Pilot Scheme**

In partnership with Housing Hartlepool the Council are progressing with the implementation of an Empty Homes Pilot Scheme providing an incentive approach to bringing empty homes back into use. Work is currently underway to refurbish and relet 19 properties across the town including several within the licensing areas.

- **The Housing Options Centre** was developed and opened in September 2009 to provide a focus and first stop point of access for any and all housing enquiries, across all tenures. The services provided from the Centre include responding to and preventing homelessness, assistance with accessing and sustaining suitable accommodation, landlord and tenant issues, including tenancy disputes and tackling harassment and illegal evictions; money and benefit advice including assistance in negotiations with the recovery of mortgage and rent arrears.

- **Housing Standards**

Housing Standards Officers undertake inspections of licensed properties to ensure compliance with some licence conditions and to determine whether properties are free from unacceptable hazards that may affect the health of tenants. Any properties found to require improvements are brought to the attention of the licence holder and enforcement action taken where necessary. Although being free from unacceptable hazards is not a condition of a licence, this has been used as a tool to raise property standards.

- **The Landlord Accreditation Scheme** was introduced in Hartlepool in 2002 to recognise landlords who manage their properties to a good standard. The scheme is administered by the Council and membership is free. There is no legal requirement for landlords to join, as it is on a purely voluntary basis. The scheme is currently under review and a number of options for future delivery are being considered.

- **The Empty Property Purchasing scheme**

The Council recognised that there needed to be more options to help bring empty homes back into use therefore members agreed a fund to buy empty properties on the open market, which will be added to the Council's portfolio of housing stock. This stock will be managed by Housing Hartlepool on an agency basis but remain in the ownership of the Council.

At the same time the government introduced a scheme called 'Cluster Homes Empty Property Scheme', the Council submitted a bid to this scheme and was successful in securing match funding. This has resulted in the opportunity to purchase 100 homes over the next two years, 2012/15 this will effectively double the amount of housing stock in Hartlepool owned directly by the Council. Currently we are in the process of buying the first of these additional homes which will be refurbished to a high standard and let to people in housing need in Hartlepool.

- **The Good Tenant Scheme**

This scheme is a 'free to use' tenant referencing service managed by

Hartlepool Community Safety Team, and delivered by the Housing Advice Team at the Housing Options Centre.

The aim of the scheme is to help reduce anti-social behaviour in the private rented sector by providing landlords with information regarding a person's tenancy history to assist a landlord in deciding whether to offer a member of the scheme a property, to highlight any previous tenancy issues that may be of concern and where appropriate by linking people to appropriate support to help them to get and then to maintain a property. This information is then provided to the landlord with the person's written permission.

How can I make a comment on this proposal?

You are able to make comments in person by attending one of our consultation events, the details of which are provided below, or by sending them directly to:

XXXXXXXXXXXXX Or on line at: XXXXXXXXXXXXXXXXXXXXXXXX

For general enquiries about this proposal please contact:

selectivelicensing@hartlepool.gov.uk

Questionnaires are also being distributed to all households and local businesses within and around the proposed areas as well as to landlords, managing agents and other interested parties. Additional copies are available by contacting the above.

Insert consultation event timetable

This consultation will run for X weeks beginning DATE to give everyone time to consider and respond to our proposals fully. Please note the last date for which comments and questionnaires will be accepted is DATE.

What happens next?

At the end of this consultation period the Council will consider any representations made before deciding whether or not to introduce Selective Licensing and confirming the details of any scheme. The Council will publish the findings of the consultation and its next steps within x weeks of the consultation ending.

Should the Council decide to introduce Selective Licensing there will be a minimum of a three month notification period before any scheme will come into force. This will allow affected landlords time to apply for licences.

If you require this information in a different format, for example large print, audio or in different languages please call XXXXXXXXXXXXXXXX

Part 6 – Consultation document (Summary for circulation to all consultees)

Consultation period from date to date <div style="float: right; margin-top: 10px;">insert logo</div>
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If you require this information in a different format, for example large print, audio or in different languages please call **xxxxxxxxxxxx**

Selective Licensing of Private Landlords – YOUR OPINION COUNTS

Introduction

Following the positive impact of the current landlord licensing scheme, Hartlepool Borough Council is considering introducing a 2nd scheme for the licensing of private landlords in additional parts of the town, (see map on the next page). Before doing this we must undertake extensive consultation with everyone who may be affected by it.

What is Selective Licensing?

The Housing Act 2004 gives Councils the power to introduce the licensing of private rented homes, within a designated area, where it is or is likely to become either:

- an area of low housing demand and/or
- an area which is experiencing a significant and persistent problem caused by anti social behaviour

The aim of Selective Licensing is to improve the management of these properties to ensure they have a positive impact on the area.

Why is the Council considering Selective Licensing?

We have carried out initial research and collected evidence which indicates that the proposed Selective Licensing areas suffer from both low demand and antisocial behaviour which contrasts with other comparable areas of the town.

The Council believes that licensing can help tackle problems arising from private rented housing and can contribute to the regeneration of the area when combined with other initiatives. The Council considers Selective Licensing to provide the best chance of improving the management and conditions in the private rented sector.

Whilst we acknowledge that many landlords provide decent well-managed and maintained accommodation, which does not cause any problems for the local community, we also recognise that there are poor management practices within the private rented sector which are having a negative effect on the area.

How does it work?

All private landlords with residential property within the proposed area would need to apply for a licence for each property they let in the area. In order to become a licence holder they must be a fit and proper person. This means a landlord has to meet a certain standard before they can legally rent out a property.

Where will the proposed scheme be introduced?

The proposed designation area is outlined on the map below. Anyone requiring a larger map or clarification about a specific location should follow the contact details overleaf.

<Insert map>

<Insert street names>

What are the benefits?

We believe that Selective Licensing would benefit the local community as it would ensure that all private rented property within the designated area is managed to a satisfactory standard. Some of the added benefits we expect to see include:

- Reduced levels of anti social behaviour
- Raised demand for property
- Improved management and condition of privately rented accommodation
- Support for landlords in dealing with anti social tenants
- All Landlords to act in a professional manner with well written tenancy agreements, inventories and protected deposits
- Encouragement of landlords not to take tenants with a poor reference
- Further development of the Good Tenant Scheme referencing system to enable landlords to make informed decisions when letting property
- Improvement of the image and perception of the area
- Encouragement in the market to increase rents and values of property in the area
- Create a 'level playing field' for landlords, no longer allowing less competent or unscrupulous landlords to cut corners, while good landlords get tarred with the same brush.

Fees (to be determined following assessment of the potential size of the scheme to be put forward for approval by Cabinet)

Licences would run for a maximum of five years and carry a fee of £xxx per property.

Licence Conditions

The licences will have conditions attached, around the effective management of the property, which will ensure landlords act responsibly. The legislation dictates that there must be particular ones requiring landlords to produce safety certificates, install adequate smoke detection, and provide tenancy agreements for all new tenancies as well as taking references from prospective new tenants.

In addition to these mandatory conditions the Council also has the discretion to apply additional conditions which we consider appropriate for regulating the management, use or occupation of the house concerned. These additional conditions may include, but not be restricted to:

- Conditions requiring the taking of reasonable and practicable steps to prevent or reduce anti-social behaviour by persons occupying or visiting the house.

All of these conditions would be monitored by the Council to ensure they were being complied with however support, guidance and where appropriate training will be provided by us to licence holders where required.

Any licence holder found to be in breach of the licence conditions can face, upon conviction in a Magistrates' Court, a fine of up to £5,000. In such circumstances, the Council will then consider whether it is appropriate to revoke the licence and make a Management Order taking over the management of the property.

What will happen if a landlord does not apply for a licence?

It will be a criminal offence to operate without a licence. On conviction a landlord could be fined up to £20,000 and any rent collected during the unlicensed period could be reclaimed by either the tenant or the Local Housing Authority.

Having your say

Your views are important to us and we are seeking to obtain the opinions of all those who could be affected by the proposed scheme.

Please complete the enclosed questionnaire and return it in the prepaid envelope as soon as you have had time to fully consider the proposals. Note the consultation period ends on <date>

There will also be a number of opportunities for you to come along to public meetings to find out more and speak to us informally, where you can raise concerns or ask questions in relation to any aspect of the proposed scheme.

Details of these consultation events are enclosed and will also be advertised in the local press and posted on the Council's website.

What happens next?

The consultation with local residents, landlords, local businesses and anyone else with an interest in the area, will run for a minimum of 10 weeks to give everyone time to consider and respond to our proposals fully.

At the end of this period the Council will consider any representations made before deciding whether or not to introduce Selective Licensing and confirming the details of any scheme. The Council will publish the findings of the consultation and its next steps within x weeks of the consultation ending.

Should the Council introduce Selective Licensing there will be a minimum of a three month notification period before any scheme will come into force. This will allow affected landlords time to apply for licences.

A full copy of the Draft Proposal containing detailed information and some frequently asked questions can be found on the website:

www.hartlepool.gov.uk (replace this with link to actual documents)

Hard copies of this document are also available upon request.

For further information please contact:

The Selective Licensing Team

Tel: 01429 3523328

E-mail: selectivelicensing@hartlepool.gov.uk

APPENDIX 4

Draft Business Case for Selective Licensing

Contents:

- Introduction
- Context
- Baseline information (evidence)
- Engagement in the area
- Consultation process and responses
- Options appraisal
- Appraisal of existing scheme
- Risk assessment
- Recommendation

Introduction

To include:

- Mission statement/objective
- General overview of the area

Context

To include:

- Description of area including: why it is to be designated (ASB and/or low demand) Is it an HMR area; Is there any regeneration?
- Evidence of problems and how they relate to the PRS
- Explanation of why SL is an appropriate tool (how it meets criteria)
- Enforcement history: show all types for whole district & compare to proposed area.
- Relevant sections from Housing Strategy
- All available enforcement actions & why SL is more appropriate
- Current/past activities i.e. regeneration, accreditation and evaluation

Baseline information

To include:

- Map of the area/list of streets
- Tenure breakdown
- House prices compared to other average
- Household income
- Unemployment statistics
- Transience of tenants/residents
- Empty property data
- Environmental statistics i.e. noise nuisance, fly tipping, ASB
- Internal/external property condition including HHSRS statistics
- Case studies

Engagement in the area

To include:

- How will engage with landlords and community to apply SL
- Outcomes that will be achieved
- How licensing will be resourced
- How will promote SL alongside partnership working
- Accreditation activities
- Regeneration activities
- How fits in with housing Strategy
- How can work with other enforcement ie EDMOs
- Monitoring/measuring outcomes- evaluation
- Exit strategy
- Appraisal of effects of current scheme

Consultation process

To include:

- Consultation project plan
- Results of consultation including full analysis. Summary if issues raised
- Responses to issues/challenges and why SL is still considered appropriate
- Summary of submissions

Options appraisal

To include:

- Strengths and weaknesses of alternatives to licensing i.e accreditation
- Larger/smaller area

Risk assessment

To include:

- Description of risk i.e. failure to identify/consult all landlords. Inadequate resources
- Description of impact
- Probability
- Preventative action
- Desired outcomes

Recommendation

Outline

Checklist for consideration for elected members:

- Are the problems most acute in the area selected?
- Is there evidence that a significant proportion of the private rented houses are poorly managed?
- If ASB is one of the problems is it significant and persistent? Is it attributable to private sector tenants?
- If low demand is a reason for SL will the designation improve social and economic conditions?
- Will the designation contribute towards meeting objective of housing strategy?
- Have alternatives to SL been considered?
- Has this proved that SL is best option?
- Has the first designation been effective/ achieved desired outcomes?
- Will SL be integrated with other action in area i.e. with partners if so how?
- Have the relevant issues raised during consultation been identified/addressed?
- If yes have changes been made to the scheme as a result?
- Do responses indicate that further changes should be made?
- Will landlords be supported to improve management skills?
- Will the resources available be adequate for success of scheme?
- Have risks of scheme been identified and actions outlined?
- What will be the long term impact of scheme on proposed area/ town?
- Have all statutory requirements been taken into account for approving the scheme?