

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**SELECTIVE  
LICENSING  
PROPOSAL**

## INTRODUCTION

1. Stockton-on-Tees Borough Council (the Council) has a growing private rented sector, which accounted for 5.2% of the borough's housing stock in the 2001 census, rising to 13.1% in the 2011 census. This sector is important in meeting the borough's housing needs, so it is vital that what is on offer is safe, of decent quality and well managed.
2. Whilst an increase was experienced in each of the boroughs wards, it was more significant in those wards where private rental housing was already a significant tenure, specifically:
  - Town Centre increased to 23.4%
  - Parkfield and Oxbridge increased to 30.2%
  - Mandale and Victoria increased to 23.9%
2. Nationally the private rental sector (using figures from the 2016/17 English House Condition Survey) accounts for 20% of the total housing stock in England. With the Department of Communities and Local Government (DCLG) highlighting that areas are considered as having a high proportion of privately rented properties if they are above this national level.
3. Whilst the Council recognises that the private rented housing sector provides a valuable housing offer in terms of meeting housing need and providing housing choice it can also bring a challenge, specifically in those areas where private rental housing is a significant tenure. These challenges can and do culminate in areas suffering from low housing demand and the often associated issues of high rates of crime and anti-social behaviour and higher than average number of empty properties etc. In addition this is often coupled with an area suffering from high levels of deprivation and a transient population. Central Stockton area (crossing the Stockton Town Centre and Parkfield & Oxbridge wards) and the North Thornaby area (in the Victoria & Mandale ward in Thornaby) display these characteristics.
4. Against this backdrop it is proposed to implement an area based, targeted intervention within the central Stockton and the Victoria area in the Mandale & Victoria ward. This approach will work to deliver a localised approach to identifying and addressing key local issues and priorities by working collaboratively with our local communities and partners.
5. Given that the high rates of private rental housing in these localities appeared to be an issue we are proposing the introduction of Selective Licensing as a potential 'tool' to address some of the issues faced Central Stockton and North Thornaby.
6. Selective Licensing is a scheme where all private landlords of properties within a defined boundary must have a licence before they can let those properties out.
7. For the Council to be able to declare a Selective Licensing designation it must be able to satisfy one or more of the following conditions:
  - low housing demand (or it is likely to become such an area);
  - a significant and persistent problem caused by anti-social behaviour;
  - poor housing conditions;
  - high levels of migration;
  - high levels of deprivation;
  - high levels of crime.
8. The Council is proposing that Selective Licensing is required within each of the proposed locations on the basis that the areas are, or are likely to become areas of low housing demand, have high concentrations of private rented properties (well above the national average) and are

experiencing high levels of deprivation. Our proposal is further underpinned by evidence that these areas suffer significant and persistent anti-social behaviour and high levels of crime.

9. The Housing Act 2004 (the Act) sets out the scheme for licensing private rented properties in a local housing authority area. Under the Act a local housing authority can designate the whole or any part of its area as being subject to Selective Licensing,
10. **All** private landlords operating in a designated Selective Licensing area would be required to obtain a licence from the local authority for each property that they let out.

A licence is valid for up to 5 years and will contain a series of conditions that the licence holder will be required to comply with.

A landlord operating without a licence or failing to adhere to licence conditions commits a criminal offence.

Landlords will be charged a fee for each property licence.

When operated effectively Selective Licensing provides local authorities with an additional, proactive tool (which will support existing activity) to help up-lift an area.

### **The case for introducing Selective Licensing**

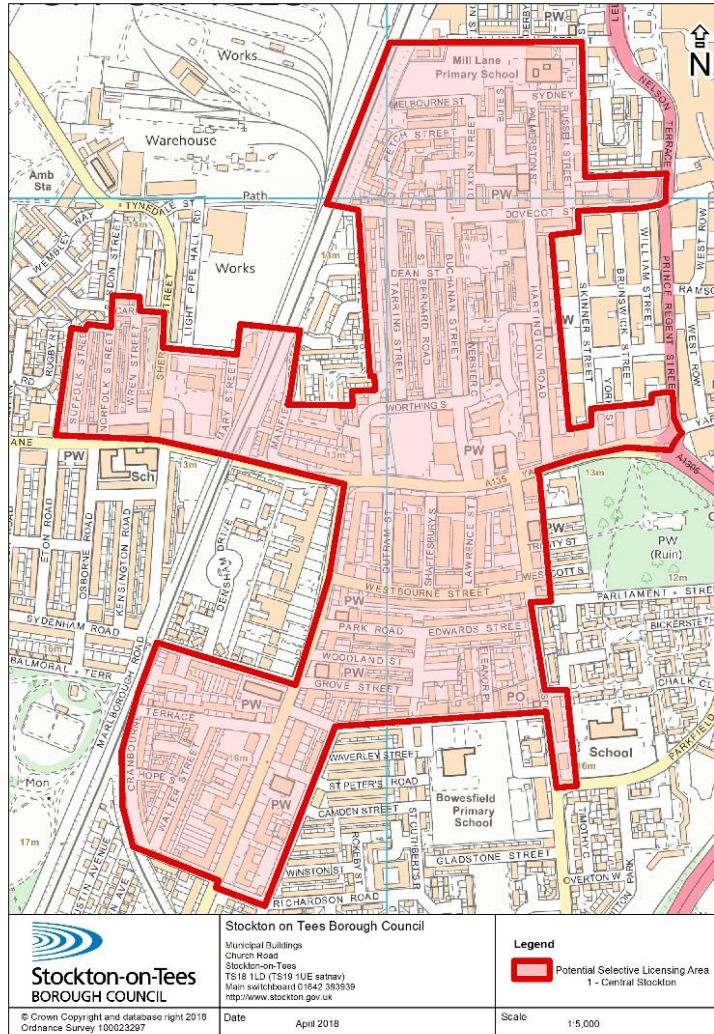
11. An evidence based exercise has been undertaken to determine whether statutory requirements can be met for the Council to introduce Selective Licensing. An initial assessment was undertaken which compared the Stockton Town Centre, Parkfield & Oxbridge and the Mandale & Victoria wards with all wards in the borough and determined that these were areas which tended to suffer from higher than average levels of private rented accommodation, high levels of deprivation and higher than average levels of crime and anti-social behaviour. This was then followed by a robust examination of each of the 3 wards to determine whether the issues faced were consistent across each ward or whether there are concentrations (pockets) experiencing issues which could justify the implementation of Selective Licensing.
12. A range of indicators have been used to undertake the assessment, these included:
  - % of households living in privately rented accommodation (Census data);
  - National Rent Deposit scheme information;
  - Rightmove house sales and rental data;
  - Civic Enforcement data, Nuisance data 2017 within Stockton-on-Tees;
  - Overall Index of Multiple Deprivation (IMD) Score: IMD 2015; and
  - Housing Enforcement (Private Sector Housing data 2017/18)
13. The exercise identified that within the three wards there are two distinct areas where there is evidence to justify the designation of a Selective Licensing Scheme. The Council is proposing that Selective Licensing is required within each of the proposed locations on the basis that the areas are, or are likely to become areas of low housing demand, have high concentrations of private rented properties (well above the national average) and are experiencing high levels of deprivation. Our proposal is further underpinned by evidence that these areas also experience significant and persistent anti-social behaviour and high levels of crime. **At this stage these areas are not finalised.** They are included to provide a broad guide to the potential areas and refinement of the proposed areas will form a key part of the public consultation exercise.

14. The areas proposed for inclusion within the Selective Licensing designation are:

- **Area 1: Central Stockton**

This is an area of older, predominantly terraced housing located in Central Stockton, which crosses the Parkfield & Oxbridge and Stockton Town Centre wards. The map below details the

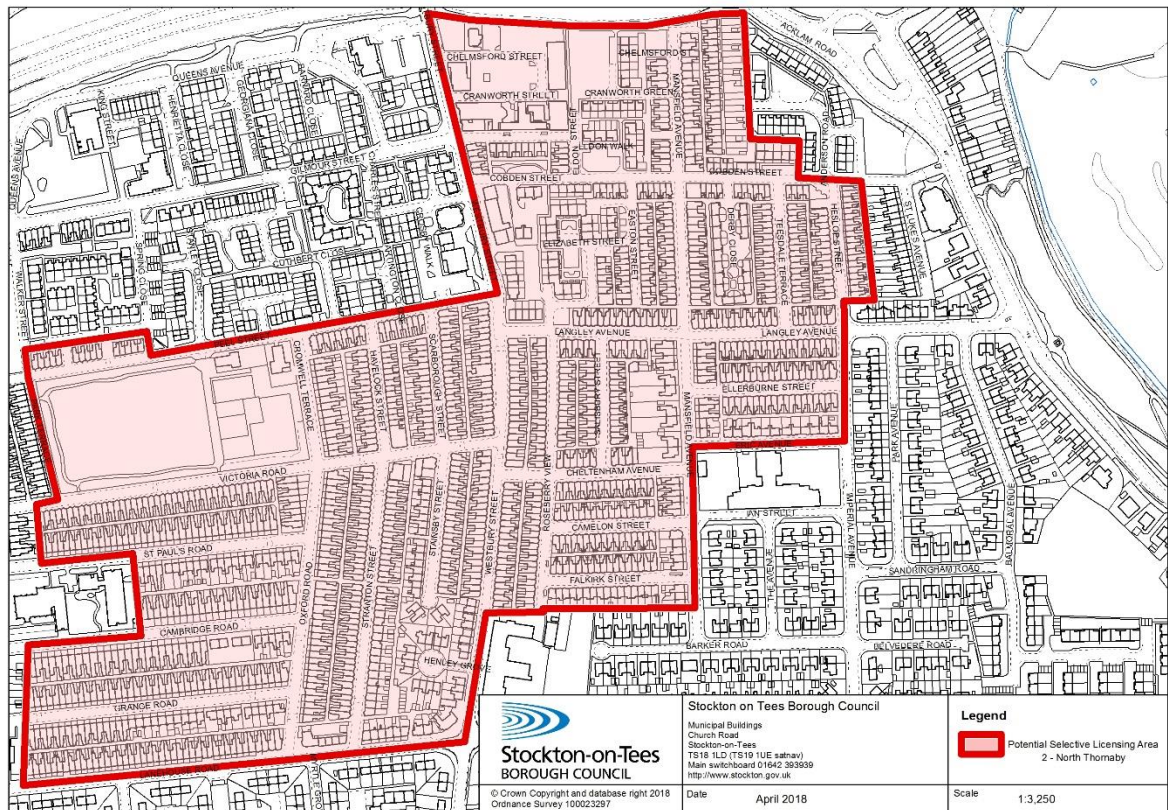
area which would be covered by the proposed Selective Licensing designation.



The proposed designation area in Central Stockton is an area covering 2,059 properties of which we believe 45% are private rented (which is well above the national and borough average).

- **Area 2: North Thornaby**

This is an area of older, predominantly terraced housing in the Victoria area of Thornaby, which forms part of the Mandale & Victoria ward. The map below details the area which would be covered by the proposed Selective Licensing designation



The proposed designation area in North Thornaby is an area covering 1,356 properties of which we believe 44% are private rented (which is well above the national and borough average).

### Selective Licensing Scheme Proposal and Consultation

15. To ensure compliance with the legislative requirements and having reviewed the level of documentation produced by other local authorities, a **Selective Licensing Scheme Proposal (with supporting Appendices)** has been produced. This documentation will be available to view on the Stockton Borough Council website.
16. At this stage the Selective Licensing proposal is only at a **formative stage** and the Council are required to undertake a formal consultation to ensure that the Council actively seeks the views of all who may be affected. It is proposed that the consultation period will run for a 10 week period (commencing the Monday following the distribution of all consultation material). Consultation will run between 30<sup>th</sup> July 2018 – to 4pm 8<sup>th</sup> October 2018. At the end of this consultation period a further report summarising the outcome/issues raised will be reported back to Cabinet. Having considered this information, Cabinet will then be asked to take a decision on whether to approve the implementation of the Selective Licensing scheme/designation.

## Delivering a Selective Licensing scheme

17. Below details how the Council proposes to implement a Selective Licensing Scheme. In summary:

- A dedicated Selective Licensing Team will be established to deliver all aspects of the scheme and ensure a local presence and key contact points for residents and landlords.
- To be effective and give confidence to residents, local businesses and landlords operating in the area all private rented properties will be inspected during the licence period, this will include a programme of routine and where required targeted inspections.
- Licences will contain a set of conditions which, place additional responsibilities on to landlords and to give the Council additional powers. Licences typically include both mandatory conditions and discretionary conditions (aimed at ensuring properties are safe, meet basic standards and that they are managed in a satisfactory way).
- Landlords will be provided with additional support and advice services, including tenant reference/vetting.
- The Council also recognises that a tenant's/occupiers behaviour is equally as important as a landlords. The dedicated Selective Licensing Team will provide an increased local presence within the designated areas, which will allow Selective Licensing Officers the opportunity to get to know/build up relationships with the aim of increased information sharing and the identification of any issues/concerns. The property inspection visit will also provide an opportunity to discuss tenant responsibilities as detailed in their tenancy agreement and licence conditions (i.e. expected behaviour, reporting of repairs, refuse storage and disposal etc.) as well as offering any general and specific support required to ensure the tenant can successfully sustain their tenancy.
- The dedicated Selective Licensing Team, directly supported by wider council colleagues will enable the Council to provide a period of 'intensive care' for the proposed designated areas.

18. As we propose to take a proactive approach to Selective Licensing, based upon the experience of other Authorities it is anticipated that this will result in an increase in the level of housing condition activity and ASB enforcement activity within the designated areas. In addition, enforcement action will also be needed if a landlord fails to licence their property or fails to comply with the licence conditions. Where enforcement action is needed then this shall be taken forward by the Council's Private Sector Housing and/or Community Services Teams.

## Licence Fees

19. An exercise has been undertaken to identify the costs of running the scheme. This is based on the number of licences that are expected to be issued and the level of resources required to deliver the scheme. To inform this process meetings have taken place with colleagues across the North East where local authorities operate existing Selective Licensing schemes. This has been important in terms of understanding how robust schemes are operating (including staffing requirements). The Council is not permitted, nor will it seek to make a financial profit from licensing.

20. Costs are broken down to include an Application fee (charged at the time of the licence being applied for) plus an Annual fee. It is proposed that the Council operate this second fee model (as detailed below):

21. As the Council is seeking to work in partnership with landlords who can demonstrate they are 'good' landlords, it is proposed that a discount (per property) will be given to landlords who are members of the Council's voluntary Landlord Accreditation Scheme or those who are members of a national landlords' association.
22. **The final fee and the level of the proposed discount will be finalised following the consultation process.**
23. To deliver a robust scheme the Council will need to deliver a range of enforcement activities (in both a timely and effective manner), it is therefore intended to add additional capacity to our Private Sector Housing and Civic Enforcement Teams to ensure they are able to effectively support and work collaboratively with the Selective Licensing Team.

### **Selective Licensing Monitoring and Evaluation**

24. To inform the proposed Selective Licensing designation, detailed discussions have been held with other local authorities who have advocated the benefits of their schemes and the positive impact that this additional 'tool' can have. In Stockton we aim to deliver a scheme which will work in partnership with those private landlords who want to work with us, will be robust and will have a positive impact on reducing low housing demand by raising standards within the private rented sector, enabling the Central Stockton and North Thornaby areas to become strong, healthy and vibrant neighbourhoods. It is also considered that the designation will over the 5-year period assist in the reducing of crime and anti-social behaviour in these areas. Should the Selective Licensing scheme proceed a robust performance monitoring mechanism will be adopted to monitor the impact of the scheme against the Council's stated objectives.