

Central Consultation

Residents and stakeholders in the proposed SLL Area have been consulted over an extensive period. This engagement and research has been carried out primarily by the Council. Supporting evidence has been provided by Northumbria Police.

The consultations have taken various forms and are detailed below. These have been used to inform and develop local strategies as well as develop proposals for the implementation of Selective Licensing:

Specific Selective Licensing consultation

Since the implementation of the Housing Act 2004, the Council has actively promoted its intention to implement Selective Licensing in the Borough. In March 2011 the Council's Cabinet agreed in principle to the proposed implementation of further SLL Schemes in the Borough., subject to consultation. One of these schemes included the proposed Selective Licensing Area.

This followed extensive research to determine whether this would be the best course of action. Landlords were advised of the proposed Areas at the Gateshead Private Landlords Association Management Committee meeting at 17th January 2011.

In September 2011, the Senior Officer of the Private Rented Sector Team discussed the introduction of Selective Licensing in the Central Gateshead Area with the Management Committee of the GPLA. The Committee was advised that further consultation would be carried out and a questionnaire would be sent to all known owners later in the year. During that month, over 900 questionnaires were delivered to households and local businesses in the proposed designation area and neighbouring properties, and a further 366 were sent to all known landlords and agents with an interest in properties in the Area. In total 157 responses were received, 58 from landlords or agents, 99 from local residents, including 37 from private tenants, 49 from owner occupiers, 2 from Gateshead Housing Company tenants and 11 from Housing Association tenants. This questionnaire was also made available on the Gateshead Council, website www.gateshead.gov.uk and the GPLA website www.renting-in-gateshead.co.uk.

The majority of people (62%) who completed the questionnaire agreed there was a need for landlord licensing in the area (64% of residents and 60% of landlords). See key findings.

A letter has been sent to advise residents, landlords, agents and other stakeholders in the area of the key consultation findings, and where to access the more detailed information.

Comments from landlords who agreed with the provision of licensing in this area (60% of landlord respondents) included:

- *“Too many rundown properties and far too many problematic tenants in the area.”*
- *“As long as you support landlords living outside the area- difficult to attend training etc. The area should improve, which will lead to a better living experience for tenants, and good returns for landlords.”*
- *“I do think it would be beneficial for everybody.”*
- *“To ensure properties are maintained. Tenants are vetted and monitored. L/ls attend training and are responsive.”*
- *“To bring the properties up to standard and make the Bensham area a selective place to live.”*
- *“So any poor landlords can be identified and dealt with for everyone's benefit. The whole area will be more attractive place to live.”*

Comments from landlords who disagreed with the provision of licensing (20% of landlord respondents) included:

- *“This is just additional cost with no gain to the landlord .”*
- *“Not everyone sets out to be a "landlord" and many become "accidental landlords" through not being able to sell.”*
- *“I don't think it will have any effect on ASB in the area. Just another way of taking money of the landlords.”*
- *“I believe the area is generally in a good state and that both owner occupiers and landlords maintain their properties to a good standard. I have not experienced high turnover of tenants.”*

Comments from residents who agreed with the provision of licensing (64% of resident respondents) included:

- *If the properties were all properly maintained, these streets would be more attractive, and would attract better residents. The improvements to the exteriors made in the past 2 years have made a considerable difference.*
- *All landlords should be licensed no one should be exempt. This would ensure they accepted their responsibility to the tenants.*
- *Hopefully higher standard landlords will keep lower standard tenants away.*
- *Definitely and if they do not comply they must pay a hefty fine.*
- *I definitely agree with the licensing scheme great idea and long overdue*
- *Bring better standard to whole area, better clientele.*
- *To maintain property and properly vet tenants.*
- *Selective landlord licensing assures tenants of quality, standard housing condition.*
- *Worried about the standard of some of the properties. Poor properties do not attract good tenants*
- *I think this will cause landlords to take more care when moving tenants in and take more action when needed*
- *The appalling upkeep of most properties can we licence the tenants too?*

- *Private landlords allowed parts of Bensham to become rundown, the streets became slums*
- *Not all landlords are good landlords and its more expensive to private rent*

14% of residents did not consider the implementation was necessary and a further 19% did not state a preference. A further comment made by one of these residents included:

- *It is not something I feel I can comment on as I am happy with my current situation.*

When asked whether landlords anticipated any problems in meeting the requirements to provide basic information to comply with the scheme, only 14% answered yes. Comments received from landlords included;

- *“Please try not to include in the process provision of other new, expensive certification requirements on landlords.”*
- *“Whole heartedly support a scheme as long as it is not another stealth tax or another way of targeting decent landlords. Perhaps the “known” rogue landlords should be targeted individually?”*
- *“The ongoing training requirement has proved difficult, in relation to my property. With work, family and landlord commitments, it is not always easy to find relevant, convenient training. I think a commitment to high standards, good inter-personal skills and honesty are the best qualifications.”*
- *No anticipated problems. “As long as it doesn't demand too much time as someone like myself might decide to sell, rather than rent if it came bureaucratic.”*

Other general comments received from residents included:

- *This is an initiative long overdue, I sincerely hope it makes some improvement to the quality of life of tenants who want peace and quiet.*
- *As I have lived in the area for a considerable time I have seen many changes, I am looking forward to all the proposed work to enhance the area being completed. I couldn't imagine living anywhere else to be honest.*
- *If you cannot maintain minimum standards they should not be landlords and pass the reins onto someone who can maintain the property.*
- *A bad landlord is bad for the general area, usually attracts bad tenants.*
- *The area is central to so many things but on the down side there is still a problem with anti social behaviour both from youngsters and one or two neighbours who make life difficult.*
- *They are paid to provide a service therefore they owe a duty of care to ensure their properties are in good repair.*
- *All landlords throughout the UK need to be licensed.*
- *There needs to be some way for owner occupiers to make their voices heard when they are having problems with landlords/tenants*

- *This has been traditionally a good and decent area. However poor landlords and unruly tenants have brought the area down. This needs to be addressed and reversed to bring Bensham back to be a good and decent and safe area.*
- *This area has suffered greatly due to some landlords just trying to make money and not caring about who they are housing. This needs to stop if this area is to improve.*

A range of general comments were received from landlords in relation to fees and whether discounts should be offered.

- *"I think that renting out a property in this area is difficult enough and charging a landlord/owner even more is terrible. I find it hard enough to cover the cost of my mortgage/other costs relating to my flat to start with without having to pay out to the Council as well. I think this would make the housing situation worse as more people would stop renting them out and put them on the market for sale."*
- *"If the area is licensed it would be nice to see action against some of the landlords."*
- *"You should minimise the cost, and I think to put fines and fees on tenant who doesn't pay on time, cause problems etc. don't agree with making life hard for landlords."*
- *"Rents are falling, landlords costs are rising."*

A number of residents and landlords raised further specific issues and have been contacted individually in relation to their specific concerns. However there are a number of key issues which have been raised and they include:

Selective Licensing is not an effective tool

Evidence from the existing schemes has demonstrated the success of Selective Licensing. As a tool it focuses resources to achieve significant outcomes to improve neighbourhoods and individuals properties and their management. The regulation enables a Local Authority to be proportionate and targeted in its intervention in the areas most in need.

There is no evidence that selective licensing has discouraged good landlords from operating within the area. A number of landlords have seen selective licensing areas as preferred and safe locations to invest, recognising the additional investment that is being made and support being provided in the relevant area.

Selective Licensing is not necessary

The analysis of key housing market indicators shows that the area suffers from low housing demand. There is evidence of anti social behaviour which is considered to contribute towards low demand.

Cost to landlord

Whilst it is recognised that selective licensing does impose additional costs on landlords, this has to be balanced against the potential positive effects that licensing can have on housing marketing sustainability.

Fees have been determined in line with the basic costs that the Authority is likely to incur, in relation to the development, implementation and delivery of the proposed scheme.

Fees received are solely used to finance the implementation and management of the scheme. The Government's intention was that licensing should be self-financing. It is proposed that the fee structure for the new scheme should both incentivise good practice, including property Accreditation and Landlord Association membership, and penalises incomplete applications.

The Council has made a commitment to Selective Licensing and recognises that it would be inappropriate to set fees that are disproportionate or prohibitive. Consideration has also been given to the fees charged in the existing Selective Licensing Schemes within the Borough.

Due to the success of the incorporation of discounts, these have again been included within the proposed Scheme. These will be offered to landlords who have demonstrated their commitment to the private rented sector, by either becoming members of the GPLA or a nationally recognised landlord association/scheme, as well as to those landlords who have brought their properties up to the Gateshead Accreditation Standard.

With regard to the requirement of landlords to provide relevant certification; The requirements of the licensing scheme ensures that the property continues to meet the minimum housing standards. This helps to ensure that the properties concerned are safe for occupation by tenants.

Training requirement

In response to this, training in particular is facilitated by the Team and the GPLA. Meetings held by the GPLA are considered as relevant training, as often speakers attending offer advice and guidance on current legislation and relevant issues; such meetings are free to attend. Where specialist speakers are employed, the GPLA often meet this cost and charge a nominal amount. A minimum of six training courses are held each year covering a wide range of topics (often at the request of landlords) and these are well attended. Feedback from training is generally very positive and it is clear that it helps landlords understand their legal obligations.

The feedback from the consultation has been considered in relation to the proposed scheme and it demonstrates the case for the introduction of Selective Licensing in the proposed area.

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The consultations have taken various forms and are detailed below. These have been used to inform and develop local strategies as well as develop proposals for the implementation of Selective Licensing:

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In addition to the questionnaire, a number of consultation events have been held in locations across Gateshead. Residents, Landlords and other Stakeholders were invited to these events. Information was available in relation to the proposed schemes, in particular; why it is considered the area suffers from low demand how it would tackle problems and potential benefits and Officers were available to answer specific queries, stakeholders may have.

The majority of people (62%) who completed the questionnaire agreed there was a need for landlord licensing in the area (64% of residents and 60% of landlords).

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Comments from landlords who agreed with the provision of licensing in this area (60% of landlord respondents) included:

- *“Too many rundown properties and far too many problematic tenants in the area.”*
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Comments from landlords who disagreed with the provision of licensing (31% of landlord respondents) included:

- *“This is just additional cost with no gain to the landlord .”*
- *“Not everyone sets out to be a "landlord" and many become "accidental landlords" through not being able to sell.”*
- *“I don't think it will have any effect on ASB in the area. Just another way of taking money of the landlords.”*
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Selective Licensing is not necessary

The analysis of key housing market indicators shows that the area suffers from low housing demand. There is evidence of anti social behaviour which is considered to contribute towards low demand. The evidence has also been compared with Borough wide data and demonstrates that numbers of complaints received, turnover, property prices and other key indicators of low

demand, show the proposed Licensing Area to be worse than the Borough average.

The Council should use existing powers to tackle the problems

Whilst the Council continues to tackle the problems associated with low demand with the existing powers available:

- Seeking improved property management, through relationships with landlords and tenants in the area including as necessary formal enforcement activity.
- Seeking improved property conditions, through voluntary property accreditation and inspections.
- Seeking to reduce empty properties, through work activity in the Selective Licensing areas to bring properties back into use.

There is evidence that this is not enough to bring sustained housing market improvements. Selective Licensing of Landlords can have a positive impact on an area. It enables more focussed activity and directs more resources to areas of need. It enforces collaboration and partnership working, and reduces the need for formal intervention, and leads to a reduction in problems. In a small number of cases, formal action has been taken against landlords who have not complied with the schemes. Although the Council is able to take over the management of properties in extreme situations, this has not been necessary to date, but is not discounted as a tool to use in the future.

Cost to landlord

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The feedback from the consultation has been considered in relation to the proposed scheme and it demonstrates the case for the introduction of Selective Licensing in the proposed area.

It is considered that the area proposed is experiencing low housing demand and that by making a designation, when combined with other measures taken by the Council, or by the Council in conjunction with others, will contribute to an improvement in the social and economic conditions in the area.