

CENTRAL GATESHEAD AND SWALWELL SELECTIVE LICENSING CONSULTATION

Gateshead Council is consulting with residents and landlords on proposals to introduce selective licensing of private landlords in areas of Central Gateshead and Swalwell.

This document provides more information about some of the issues that have been raised by residents and landlords during the consultation.

If you would like more information or want to discuss the selective licensing proposals in more detail, please contact:

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

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. 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 problem.

Gateshead Council considers the proposed selective licensing areas in Central Gateshead and Swalwell to suffer from low demand.

To make this decision, we have examined evidence related to all areas across Gateshead and found these two areas to demonstrate substantial evidence of low demand. The evidence we looked at included the following information:

Estimated number of private rented properties (source 1)	
Proposed Swalwell scheme area	45% (221 properties)
Proposed Central Gateshead scheme area	57% (481 properties)
Gateshead average	12% (7,500 properties)
Average property price (source 2)	
Swalwell West VI	£96,927
Kelvin Grove VI	£83,795
Gateshead average	£106,217
Turnover of properties (source 3)	
Swalwell West VI	23 rd highest turnover in Gateshead
Kelvin Grove VI	6 th highest turnover in Gateshead
Number of Land Registry transactions (source 2)	
Swalwell West VI	9 th highest turnover in Gateshead
Kelvin Grove VI	3 rd highest turnover in Gateshead
Empty properties	
Proposed Swalwell scheme area	7% (57% vacant more than 6 months)
Proposed Central Gateshead scheme area	7.5% (52% vacant more than 6 months)
Gateshead average	4.3% (60% vacant more than 6 months)
Youth anti-social behaviour	
Swalwell West VI	5 th highest level in Gateshead
Kelvin Grove VI	4 th highest level in Gateshead
All anti-social behaviour	
Swalwell West VI	5 th highest level in Gateshead
Kelvin Grove VI	2 nd highest level in Gateshead
Tenant vettings/references carried out in the last 3 years (as % of private rented properties in the area)	
Existing selective licensing areas	45%
Proposed selective licensing areas	17%
Properties meeting the council's accreditation standard	
Proposed Swalwell scheme area	6
Proposed Central Gateshead scheme area	148 (due to block improvement scheme carried out in the area)
Complaints received in the last 3 years	
Proposed Swalwell scheme area	<ul style="list-style-type: none"> • 54 housing disrepair and property complaints • 13 refuse complaints • 25 noise and anti-social behaviour complaints • 10 empty property complaints
Proposed Central Gateshead scheme area	<ul style="list-style-type: none"> • 141 housing disrepair and property complaints • 76 refuse complaints • 96 noise and anti-social behaviour complaints • 23 empty property complaints

Sources

1. Private Sector Housing/Council Tax data September 2011
2. Land Registry data
3. Council Tax data
4. Police data 2009

What are we doing to tackle problems already?

Gateshead Council provides the following services and activities to tackle problems in the private rented sector:

- A dedicated Private Sector Housing team that works with tenants and landlords to improve property conditions, mediate between tenants and landlords, vet potential tenants for landlords, and advertise vacant properties.
- A block improvement scheme to improve the visual appearance and conditions of properties in designated areas.
- A dedicated officer to deal with and bring empty properties back into use.
- Clearing properties in neighbouring areas.
- An Accreditation Scheme to improve private sector housing conditions.
- Working with Gateshead Private Landlords' Association and the Police to ensure a coordinated response to problems.

Why have those actions failed to remedy the problem so far?

Although these services have gone some way to start improving the private rented sector, problems still remain. This is due to many factors including:

- the current economic crisis particularly affecting low demand areas;
- current low property prices resulting in a greater number of private sector properties and a decrease in owner occupation;
- a lack of take up of discretionary Accreditation Scheme by landlords resulting in poor housing conditions;
- failure of landlords to vet/reference check tenants moving into the area;
- failure of tenants to act responsibly in private rented property; and
- failure of some landlords and tenants to work in partnership to resolve issues.

How will selective licensing make a difference?

Selective licensing can make a difference by helping to:

- tackle unprofessional landlords;
- encourage responsible tenants to stay in an area;
- support good landlords;
- make sure privately rented properties are well managed;
- increase demand for properties;
- reduce anti-social behaviour; and

- make the local area a more attractive place to live.

When would the schemes be introduced?

If the schemes are approved, they would be introduced in phases. The Central Gateshead scheme would start in spring 2012 and the Swalwell scheme in spring 2013.

What are the costs of the scheme?

Landlords operating in a selective licensing area will be charged a fee for a licence. This is likely to be £500-£600 per property/licence.

The following discounts will apply:

- £150 if the property meets the council's Accreditation Standard
- £75 if the licence holder is a member of the Gateshead Private Landlords' Association
- £40 for each subsequent application

Other charges that will apply include:

- £25 for incomplete application submissions
- £50 for second stage notification of breach of licence conditions

What conditions are applicable to a licence?

The following conditions must be met to obtain a licence:

- The licence holder must provide a valid gas safety certificate (if gas is supplied to the property), on an annual basis. A copy must be submitted to the council on request and to the tenant within 14 days of issue.
- The licence holder must provide a satisfactory periodic inspection report on the electrical installation at the property for the duration of the licence period. This must have been carried out by a 'competent person' who is a member of one of the government approved schemes i.e. NICEIC, NAPIT, ELECSA or BRE.
- The licence holder must ensure that all portable electrical appliances supplied by the landlord are in a safe condition, and provide to the Council a PAT testing certificate on an annual basis to verify this. This should be submitted to the council on request.
- The licence holder must ensure that all furniture supplied by the landlord complies with the Furniture and Furnishings (Fire) (Safety) Regulations 1988, and that there are arrangements for the routine inspection of all items provided by the landlord to ensure they are maintained in a satisfactory and safe condition.
- The licence holder must ensure that either hard wired or ten-year battery operated smoke alarms are installed in the house in suitable locations and kept in proper working order at all times.

- The licence holder must supply to the occupiers of the house a written, signed statement of the terms in which they occupy it i.e. a tenancy agreement. Information provided to the tenant must include the following:
 - a. The name and address of licence holder or managing agent,
 - b. A contact address and daytime telephone number,
 - c. An emergency telephone number,
 - d. A copy of the landlord licence including the conditions,
 - e. Where a bond has been taken and details of where the bond is being held.
- The licence holder must obtain valid references in relation to a potential tenants, in order to make an informed decision regarding their occupancy of the property. References should include details of previous housing history. Evidence of these references and checks must be made available to the council upon request.
- The licence holder must take reasonable and practicable steps following advice or recommendations from the council to prevent or reduce anti-social behaviour by persons occupying or visiting the house.
- The licence holder must take reasonable and practical steps following advice and recommendations from the council, should it be found that the property is being used for illegal or immoral use.
- The licence holder must ensure the property is adequately managed and as such have satisfactory maintenance arrangements, as well as property and tenancy management procedures.
- The council must be informed within 14 days of the commencement of a new tenancy and upon request, information regarding tenants, including full name and date of birth.
- The licence holder must abide by the conditions and responsibilities contained within the tenancy agreement and carry out all landlord functions as laid down in the agreement.
- On commencement of a new tenancy, a licence holder must compile a detailed inventory of all items, included within the tenancy and provide a copy to the tenant.
- The licence holder must inform the council of any change in circumstances which may affect the suitability to remain as licensee, including any change in ownership. This must be done within five working days of the changes taking place.
- The licence holder must inform the council within five working days if there is a change in managing agent, to allow the council to carry out fit and proper person checks accordingly. A signed copy of the management agent contract must be submitted within 14 days of the instruction of a new agent.
- The licence holder must ensure that within 28 working days of the property becoming vacant the Council Licensing Officer is notified. He/she must ensure that all reasonable measures are taken to ensure that the property is made secure from unauthorised entry during periods when the property is unoccupied.
- The licence holder must reside in the UK.

- The licence holder must keep up to date with current housing issues and regulation by regularly attending appropriate training courses to enable the effective management of the property and tenant.

What does 'fit and proper person' mean?

Landlords who apply for licences must prove they are a 'fit and proper person'.

This will involve consideration of whether the applicant has:

- Committed any offence involving fraud or other dishonesty, violence or drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003.
- Practiced any unlawful discrimination on the grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with, the carrying on of any business.
- Contravened any provision of the law relating to housing, public health, environmental health, or of landlord and tenant law.
- Been refused a licence or had a licence revoked for any property in relation to HMO, additional or selective licensing under the Housing Act 2004.
- Been, or is, the owner or manager of a property which has had complaints from tenants or other sources regarding serious or repeated breaches of the conditions of a licence; in relation to HMO, additional or selective licensing under the Housing Act 2004.
- Been, or is, the owner or manager of any property which has been the subject of an interim or final management order or a special interim management order under the Housing Act 2004.
- Demonstrated any conduct or business practices which are considered by Gateshead Council to indicate unsuitability to be a licence holder or manager of a licensed property.

What does an application include?

To apply for a licence, an applicant must provide:

- A fully completed application form;
- A copy of a valid tenancy agreement (where tenanted);
- A satisfactory gas safety certificate (where gas provided to the dwelling);
- A satisfactory electrical safety certificate;
- Satisfactory portable Electrical Appliance Testing certificate (if applicable);
- Copy of the management contract (if a managing agent is in place);
- The relevant fee; and
- Two passport-sized photographs.