

## **Swalwell 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, which 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 17<sup>th</sup> January 2011.

In September 2011, the Senior Officer of the Private Rented Sector Team discussed the introduction of Selective Licensing in the proposed Swalwell 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 500 questionnaires were delivered to households and local businesses in the proposed designation area and neighbouring properties, and a further 213 were sent to all known landlords and agents with an interest in properties in the Area. In total 96 responses were received, 43 from landlords or agents, 53 from local residents, including 14 from private tenants, 25 from owner occupiers, 5 from Gateshead Housing Company tenants and 8 from Housing Association tenants. This questionnaire was also made available on the Gateshead Council, website [www.gateshead.gov.uk](http://www.gateshead.gov.uk) and the GPLA website [www.renting-in-gateshead.co.uk](http://www.renting-in-gateshead.co.uk).

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 (58%) who completed the questionnaire agreed there was a need for landlord licensing in the area (66% of residents and 49% of landlords).

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 more detailed information.

Comments from landlords who agreed with the provision of licensing in this area (49% of landlord respondents) included:

- *“Hopefully this would encourage landlords to maintain properties to a good standard and rent properties out to decent people who will look after their homes.”*
- *“Would appear to benefit both parties and achieve the main aim of the scheme, Mainly increase stability through a reduction of turnover of tenants and landlords.”*
- *“So any poor landlords can be identified and dealt with for everyone's benefit. The whole area will be more attractive place to live.”*
- *“I have heard from my tenant that some of the landlords in the area are reluctant to do repairs or improve their property. This in turn creates a run-down or neglected environment where no-one wants to live.”*
- *“Better landlords and properties would ensure fair and reasonable rents and properties would be of higher quality.”*
- *“As a professional landlord I feel it important that certain standards are met with regards to renting out of properties.”*
- *“It will benefit both parties; the landlord hopefully will see a better quality tenant and the tenant will have greater reassurance both in quality of home and support given.”*

Comments from landlords who disagreed with the provision of licensing (40% of landlord respondents) included:

- *“Having let my property for 4 years my two consecutive tenants have been good and reliable. They have not reported any issues to me not have caused any to my knowledge.”*
- *“In the area where my property is let there are no anti social problems and the contract between us is well documented to protect both parties.”*
- *“If these are problem landlords they should be dealt with individually. Landlords who look after properties and tenants should not have additional charges to be licensed or good landlords will move out of the area.”*
- *“Having experienced licensing in other areas it has very little effect apart from driving private landlords away and unsettling tenants.”*
- *“Having to register as Accredited and seen the ridiculous detailed upgrades required it makes me think Licensing would be worse?”*
- *In Rosebud Close, generally tenants behave as though they were owners - not perfect but quite normal. This Scheme has good objectives but I doubt that they will make a noticeable change in practice.*
- *“It is going to cost us a lot of money, time and work. Council should be using existing powers to improve area.”*

Comments from residents who agreed with the provision of licensing (66% of resident respondents) included:

- *“There is hardly any investment in these old out of date properties by their owners, and any that are, only a few, if any, are brought up to today's modern day building codes/standard of sound proofing, fire curtaining, electrical and gas installation practice, so becoming fit for purpose. - modern day building industry standard dwellings. Thus many problems exist for the occupiers of said dwellings, who are then quick to get out, or they poorly endure the deficiencies because the rents are so cheap. The SLL scheme should partly help to address all of the many problems that exist.”*
- *“I believe there is a need for some kind of SLL. If this means it will control the aesthetic fabric of Swalwell. If this can eliminate the detrimental social issues too, then so much the better.”*
- *“So that landlords can become more effective and provide good services for their tenants.”*
- *“To stop un-regulated landlords who just put tenants in for the money.”*
- *“Area has gone downhill in past few years. Very annoying no money being spent in area when you see the improvements in other areas like Bensham.”*
- *“Because it will give a higher standard of landlords that is currently not in the private sector, tenants in the social/council landlord sector have far more rights and get far more from their landlords and the property. It will help make more secure and affordable tenancies.”*
- *“Because a lot of the properties look somewhat neglected.”*

6% of residents did not consider the implementation was necessary and a further 28% did not state a preference. Only a few specific comments were made and these included:

- *“This will cost the landlord and he will up my rent to cover it surely.”*
- *“Friendly neighbourhood.”*

When asked whether landlords anticipated any problems in meeting the requirements to provide basic information to comply with the scheme, 19% answered yes. Comments received from landlords included;

- *“Don't currently have any ' formal qualification' in relation to managing property.....Willing to participate in course if necessary”.*
- *“Inevitably the bureaucracy involved will be significant but I doubt that the benefits will be tangible.”*
- *“I would not welcome the prospect...I do not think it is fair to have to provide additional personal information and expense when there has never been any issues or complaints about me as a landlord.”*

Other general comments received from residents included:

- *“A landlord should have a full clean police/driving record as they are seen as reliable people in the community.”*

- *"If landlords don't look after the property externally or ask residents to, Council Officers should be able to warn and then fine both landlords or residents, as gardens and littering can be a serious issue in my street."*
- *In relation to whether the area suffers from low demand one respondent commented there was "High turnover - low house prices."*
- *In relation to private rented properties in the street one resident commented that "Rosebud Close was lovely." However "there has been a massive decline in the condition of the street". This has been due to anti social behaviour. "At present I feel there is nowhere to turn for help, the police have very little powers in this type of situation. Property prices are decreasing and I feel trapped with a home I used to love and now no one will want to buy."*
- *"I am very pleased that Gateshead Council are acting upon what is a very real problem in this area... I hope that this proposal for selective licensing of landlords does happen that it will give a direction and solution for homeowners that have problem tenants amongst them."*
- *"To get streets back to the way they were to make landlords responsible for their tenants."*
- *"The properties around this area are disgusting, we face flats that need rebuilding.... People have quilt covers up as curtains, rubbish in back yards and in back lanes, paint all over. If we came to sell our property people would be put off with the state of the flats. Landlords should visit properties every month."*
- *"I haven't been affected but the houses in my street are constantly being up for let, people move in and out so quick."*
- *"A lot of anti-social behaviour coming from Ridley Gardens, music 12-6 am, drunk children/teenagers, too many children who play out late and disturb younger children. Fights on the weekend and people in general being noisy."*
- *"Complaints against landlords and their licence should be reported."*
- *"We have lived here a long time and feel we know most people, however, recently we have been becoming less happy."*

A range of general comments were received from landlords in relation to the introduction of the scheme and the area concerned.

- *"I take my responsibilities as a private landlord seriously and endeavour to keep myself updated on current legislation and good practise through landlord websites and help pages. As such I feel being asked to attend mandatory 'training sessions' as unnecessary. I also question the need for licensing in Swalwell..... Although there is a slightly higher average of empty properties in Swalwell, long term vacancies are below average to Gateshead as a whole. Average property price surely needs to be looked at on a like-for-like basis. The predominance of 2 bed flats in Swalwell will predetermine a lower than average 'property price' when compared to areas that have a greater distribution of family sized properties. I carry out my own vetting procedures and have had no problem tenants."*
- *"I think licensing is a good idea and hopefully will encourage landlords to maintain their properties to higher standards. As long as the cost of a*

*license is not too high as this could have an opposite effect. The landlords may leave properties or up for sale for long periods which would give the area a run-down look."*

- *"No major issues other than the overall appearance of area, lots of littering, unkempt properties and gardens. Generally looks run down."*
- *"We are landlords in the area, we also have chosen to live in. We rent out property to a standard we would want to live in ourselves. We have never had any issues renting out the property and do not have a high turnover of tenants."*
- *In relation to charging a Licence fee one landlord commented; "Landlords who are members of the Landlords Association or who join should be free. Discount for properties accredited - FREE. Discount of membership of relevant Landlord Association - FREE."*
- *"The fee should match membership of the Landlords Association so this is a supportive process rather than landlords feeling as if they are being discriminated against for holding property in Gateshead."*
- *Licensing could result in good landlords moving out of licensed areas due to added bureaucracy and expense. Bad landlords are likely not to register, my concern would be how would you identify which properties were privately owned and which rented? ...To get landlords on board and not to feel alienated there should balance of carrots and sticks. Charging good landlords an additional cost makes them unlikely to invest in that particular area. This feels very discriminating against landlords like myself who maintain property and vet tenants and who already are members of the landlords association. The wording of this questionnaire doesn't give the opportunity for consultation as the questions are leading rather than open."*
- *"I believe selective licensing is a tool which is a long term fix. Whilst the fees are unwelcome these areas are problem areas and selective licensing brings powers which must be used. Enforcement must be seen to work for both for tenants and landlords. Selective licensing must be used with condition and not as other councils are using SL as a fix all. Gateshead are taking the correct approach in only applying this to problem areas."*
- *"Selective licensing is a political tool used to attack private landlords. Private landlords providing a vital service to there tenants. If tenants didn't want to live in a particular property or area they would move, this is a restriction of trade."*
- *I would respectfully ask you to re-examine the selected area to be licensed. Rosebud Close, Clavering Court was completed 2004-2005. All the properties here are new build. Owners and landlords maintain their properties to a high standard. I should be grateful if you would consider excluding Rosebud Close from the unnecessary expense of the licensing. However, I do recognise the benefits of licensing properties where there have been problems."*
- *"A fee needs to be as low as possible to encourage a positive attitude towards the scheme!"*
- *"The training part may be hard to do due to working shift pattern with a full time job."*

- *“Values of sales on flats have fallen by a significant margin.”*
- *“Probably in some cases, but I am surprised to see the new estate included (Rosebud Close). I am aware that there has been problems in the neighbouring terraced streets for many years.”*
- *“Swalwell was a decent area 10 years ago, however irresponsible landlords have changed the area. Its now run-down, with bad tenants”.*
- *“It is absolutely necessary to be stringent with checks and enforcing the licence rules. Swalwell is deteriorating due to poor landlords and poor tenants allowed to get away with bad behaviour again and again.”*
- *“We have bought the property as a long term investment. Although I have only lived there on two occasions for very short periods I have found the area to be a reasonable place to live.”*

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 concerns** raised above which 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.

### **The inclusion of newer properties is not necessary**

Rosebud Close and Crowley Villas are two recent developments within the proposed Area. Although it is recognised that the accommodation will be up to a modern day standard, nevertheless, a high proportion of these new properties are privately rented. Licensing is not only concerned with the condition of the properties but also the management of the tenancies by both the landlords and tenants concerned. Some privately rented properties within Rosebud Close have been linked with recent incidents of noise and anti social behaviour. Both areas are considered to be integral to the proposed SLL Area, both in terms of geographical position and predominance of private rented properties within them.

### **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**

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 for members 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.**

**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.**