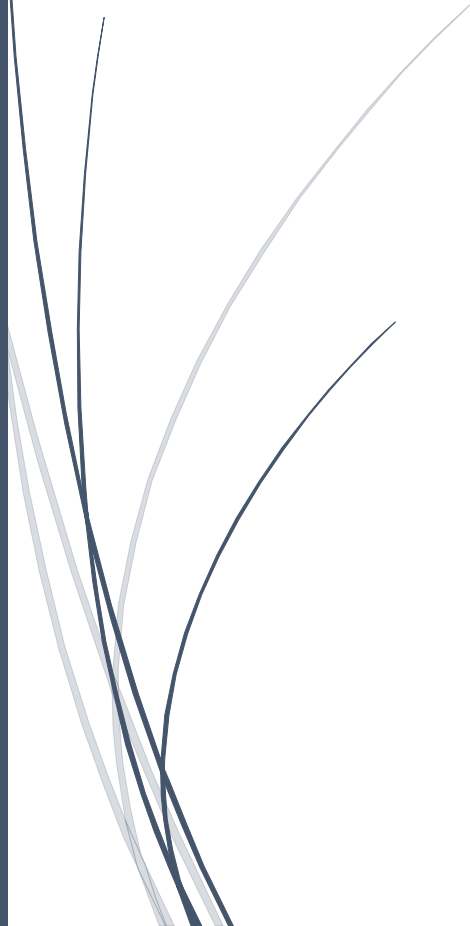


08/07/2024

# Delivering Better Standards for Private Renters

Gateshead Council  
Selective & Additional HMO Licensing  
Consultation Evidence Pack



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## 1. Glossary

| Term   | Meaning  |
|--|--|
| Private Rented Sector (PRS)                              | The portion of housing in the borough that is rented from private landlords.   |
| Privately rented   | Homes rented from a private landlord.  |
| Socially rented  | Homes rented from the council or a housing association.  |
| Selective licensing                                      | A discretionary licensing scheme which requires landlords to have a licence to legally let their property to a family or no more than two unrelated sharers.   |
| Additional Houses in Multiple Occupation (HMO) Licensing | A discretionary licensing scheme which requires landlords to have a licence to legally let eligible HMOs occupied by three or four unrelated persons living in two or more separate households sharing one or more basic amenity, that fall outside the scope of Mandatory HMO licensing |
| Mandatory Houses in Multiple Occupation (HMO) Licensing  | A national scheme which requires landlords to have a licence to legally let their property to five or more unrelated persons living in two or more separate households sharing one or more basic amenity   |
| Designation  | A geographical area chosen for licensing that meets relevant legal tests   |
| Housing Health and Safety Rating System (HHSRS)          | A government prescribed system that rates housing hazards based on their risk to occupiers' health, safety, and welfare.   |
| Category 1 hazard (Cat 1)                                | The most serious hazards under the HHSRS, which include immediate risk to a person's health, safety and welfare  |
| Category 2 hazard (Cat 2)                                | Less serious hazards under the HHSRS. Whilst considered less serious they can still be regarded as placing the occupiers' health, safety and welfare at risk.  |
| Statutory notice   | A legal document issued by the council that requires the recipient to complete specified actions within a specified timeframe.   |
| Antisocial behaviour (ASB)                               | Behaviour related to the occupiers of, and/or visitors to, a rented property that causes nuisance, annoyance and irritation to neighbours and the community. Most commonly noise, litter and waste   |

| Term                                      | Meaning   |
|---|---|
| Deprivation                               | Living on low income and not having the money to pay for some basic requirements.   |
| Indices of Multiple Deprivation           | A dataset produced by the government to give a relative value to how deprived an area is, compared to the rest of the country.  |
| Barriers to housing and services          | One of the government's measures of deprivation. It combines measures relating to housing affordability, overcrowding and homelessness.                                 |
| Minimum Energy Efficiency Standard (MEES) | Regulations that set a minimum energy efficiency standard (EPC rating of E) that applies to privately rented properties.  |
| Energy Performance Certificate (EPC)      | EPCs rate how energy efficient properties are using grades from A to G (with 'A' the most efficient grade).   |
| Accreditation                             | Schemes overseen by various organisations, including local authorities and landlord associations, to provide training and encourage good practice by private landlords. |

## 2. Executive summary

Gateshead Council is consulting on new licensing proposals for the private rented sector (PRS) in the borough. Property licensing is a way of ensuring safer and better standards in private rented properties.

A mixed housing offer is essential to a sustainable and successful housing market and to support economic growth in Gateshead. It is key to ensuring choice and affordability for as many people as possible. The council's objective is to help ensure that all housing sectors and tenures make a positive contribution to meeting the housing needs of the borough, creating mixed, thriving communities.

A good quality, well-managed, tenant-focused private rented sector increases choice and offers flexibility and ease of mobility for tenants. The council also recognises that poorly managed and maintained private rented properties are occupied by some of our most vulnerable residents. Currently, 17.2% of Gateshead's housing stock is in the PRS, and this is expected to rise in the future.

While the majority of properties in the PRS are well maintained and safe, there is a growing number of properties that are substandard and potentially dangerous. Even landlords with good intentions may not always be aware of the latest legal and safety requirements. These properties pose a risk to the health, safety, and wellbeing of tenants, cause issues with neighbours, and require numerous interventions from council teams that are already under pressure. It is crucial for the council to utilise all available tools to improve the situation for tenants renting properties in this sector. Licensing plays a key role in this effort.

Alongside its mandatory Houses in Multiple Occupation (HMO) licensing scheme, Gateshead Council has had a selective licensing scheme covering parts of the PRS since 2007. Most recently, in October 2018, Gateshead began implementing a small, street-based selective licensing scheme which applies to all privately rented properties, except HMOs. This scheme, phased-in over three years, operates in the Saltwell Ward. Phase 1 of the Saltwell scheme has now come to an end, and phases 2 and 3 will expire at the end of October 2024 and the end of April 2025 respectively.

In order to build on the success of current property licensing schemes, we are now proposing, subject to consultation, to introduce two new licensing schemes in Gateshead: a selective licensing scheme that would apply to 16 neighbourhoods, and an additional HMO licensing scheme that would apply to smaller HMOs within the same 16 neighbourhoods.

The selective scheme would be introduced in a phased approach. This phased approach to implementation will allow the council to scale up resources to administer and enforce a larger designation. The first phase (designation 1) would cover a total of eight neighbourhoods (8 designated LSOAs or Lower-layer Super Output Areas) and would allow the council to deal with the worst housing conditions as soon as possible, as well as significant levels of deprivation and ASB. As this covers less than 20% of the geographical area of Gateshead and less than 20% of its privately

rented housing, this can be approved by the council's cabinet. This designation could be implemented in April 2025.

The second phase (designation 2) would extend to a further 8 neighbourhoods (8 further designated LSOAs or Lower-layer Super Output Areas), also on the basis of poor housing conditions, deprivation and ASB. Due to its size in combination with designation 1, this designation would need confirmation by the Department of Levelling up Housing and Communities (DLUHC). If approved, designation 2 could be introduced by late 2025; however, this will be dependent upon DLUHC.

To ensure the protection of tenants living in smaller HMOs not covered by the national mandatory HMO Licensing scheme, Gateshead is also proposing to implement an additional HMO Licensing scheme. This would apply to all smaller HMOs that fall within the 16 neighbourhoods identified for selective licensing and would be implemented concurrently with phase 1 of the proposed selective licensing scheme.

Whether you are a private tenant, landlord, managing or letting agent, local resident or business, we want to hear your views on the council's proposals for private property licensing in Gateshead.

### 3. Introduction

This consultation document provides information about the scale of problems relating to poor housing conditions, deprivation and ASB in Gateshead's PRS and the evidence to support the council's proposals to introduce selective and additional licensing schemes. It also provides a detailed description of the proposed new licence conditions and proposed fees.

We want to know your views on our proposals before any final decision is made about PRS licensing in Gateshead. We are keen to hear from all those who are likely to be affected by the proposals, including local tenants, landlords, managing agents and members of the community who live, operate businesses or provide services in the proposed designated areas and/or the surrounding areas.

We encourage you to complete our online survey by visiting:

[www.gateshead.gov.uk/PRS](http://www.gateshead.gov.uk/PRS)

The consultation will run for 12 weeks from **8 July 2024 until 30 September 2024**.

We will also be holding a number of public forums during the consultation period. If you are interested in sharing your experiences and views, please email [PRS@gateshead.gov.uk](mailto:PRS@gateshead.gov.uk)

For further information about the proposed new licensing schemes, assistance with completing the questionnaire or to request a paper copy of the consultation please contact:

- **Email:** [PRS@gateshead.gov.uk](mailto:PRS@gateshead.gov.uk)
- **Telephone:** 0191 4333 365
- **Post:** Private Sector Housing Team, Gateshead Council, Civic Centre, Regent Street, Gateshead, NE8 1HH

Once the consultation has closed, the council will review the replies. A full consultation report, including the council's response to any alternatives suggested, will be published on the [property licensing pages](#) of the web site.

## 4. The private rented sector in Gateshead

In order to obtain a greater understanding of the PRS in Gateshead, Metastreet Ltd was commissioned to review the housing stock in the borough and investigate and provide accurate estimates of:

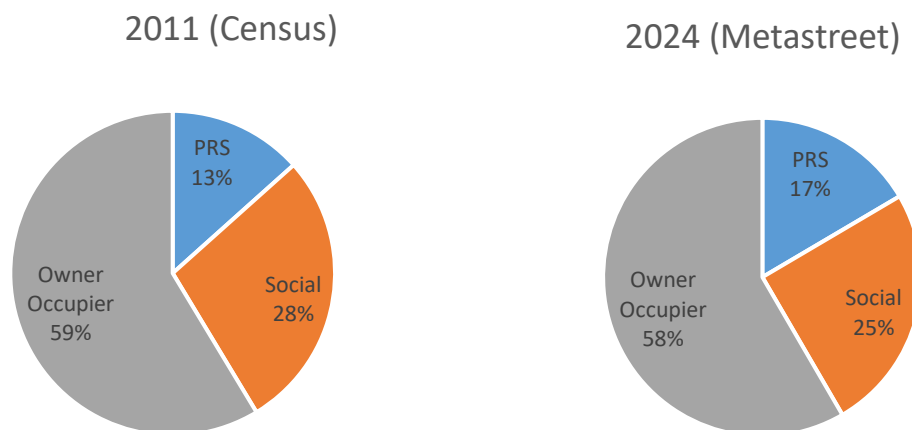
- Current levels of PRS properties and tenure change over time
- Levels of serious hazards that might amount to a Category 1 hazard (HHSRS)
- Other housing related stressors, including antisocial behaviour (ASB), service demand, population and deprivation linked to the PRS.

The full report is attached as **Appendix 1**; however, some key findings from the report are detailed below.

### *Housing tenure*

Consistent with the long term nationwide and regional trend, the PRS in Gateshead has grown steadily since 2011. Based on tenure modelling (2024) the PRS is calculated to be 17.2% compared to 13% in 2011. This represents a 32% increase over the last 13 years. There are a total of 91,050 residential dwellings in Gateshead, 15,694 of which are privately rented.<sup>1</sup>

### *Housing tenure in Gateshead 2011 & 2024*



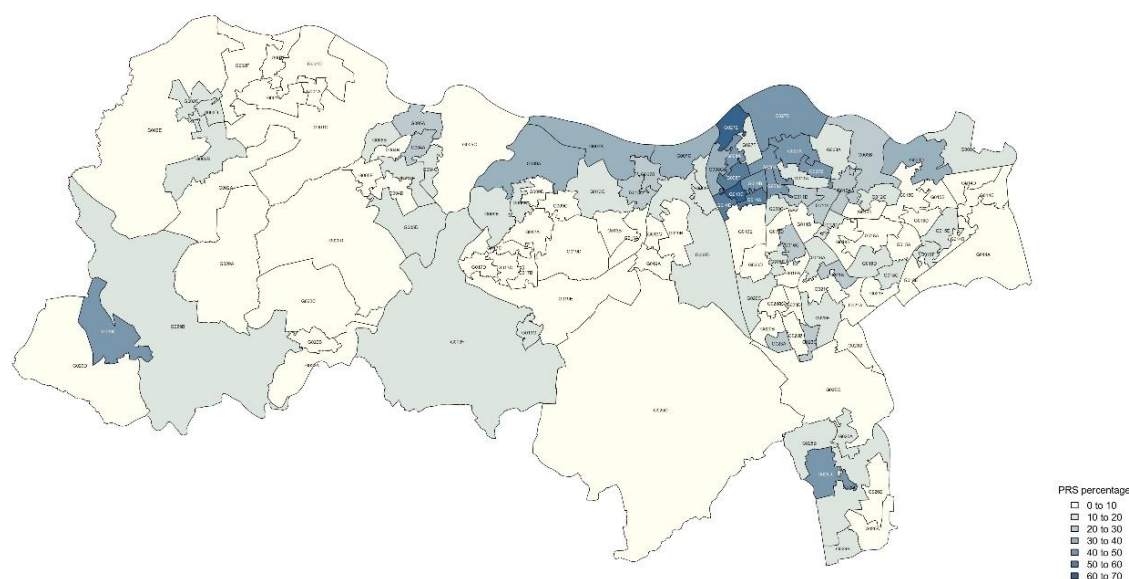
<sup>1</sup> Housing Stock and Stressors Report, Metastreet, 2024

## Number of dwellings by tenure 2011, 2021 & 2024 <sup>2</sup>

| Tenure         | 2011   | 2021   | 2024   |
|----------------|--------|--------|--------|
| PRS            | 11,935 | 14,706 | 15,694 |
| Social         | 24,941 | 22,334 | 22,718 |
| Owner Occupier | 52,278 | 51,959 | 52,638 |
| Totals         | 89,154 | 88,999 | 91,050 |

The PRS is spread across all 126 neighbourhoods or LSOAs (Lower-layer Super Output Areas) in Gateshead. The percentage of PRS properties in each LSOA ranges between 64.8% (Gateshead 010C) and 2.5% (Gateshead 017C). 33 out of 126 Gateshead LSOAs have an equal or higher percentage PRS than the national average in 2024 (19%)<sup>3</sup>.

## PRS properties as percentage of dwellings in Gateshead<sup>4</sup>

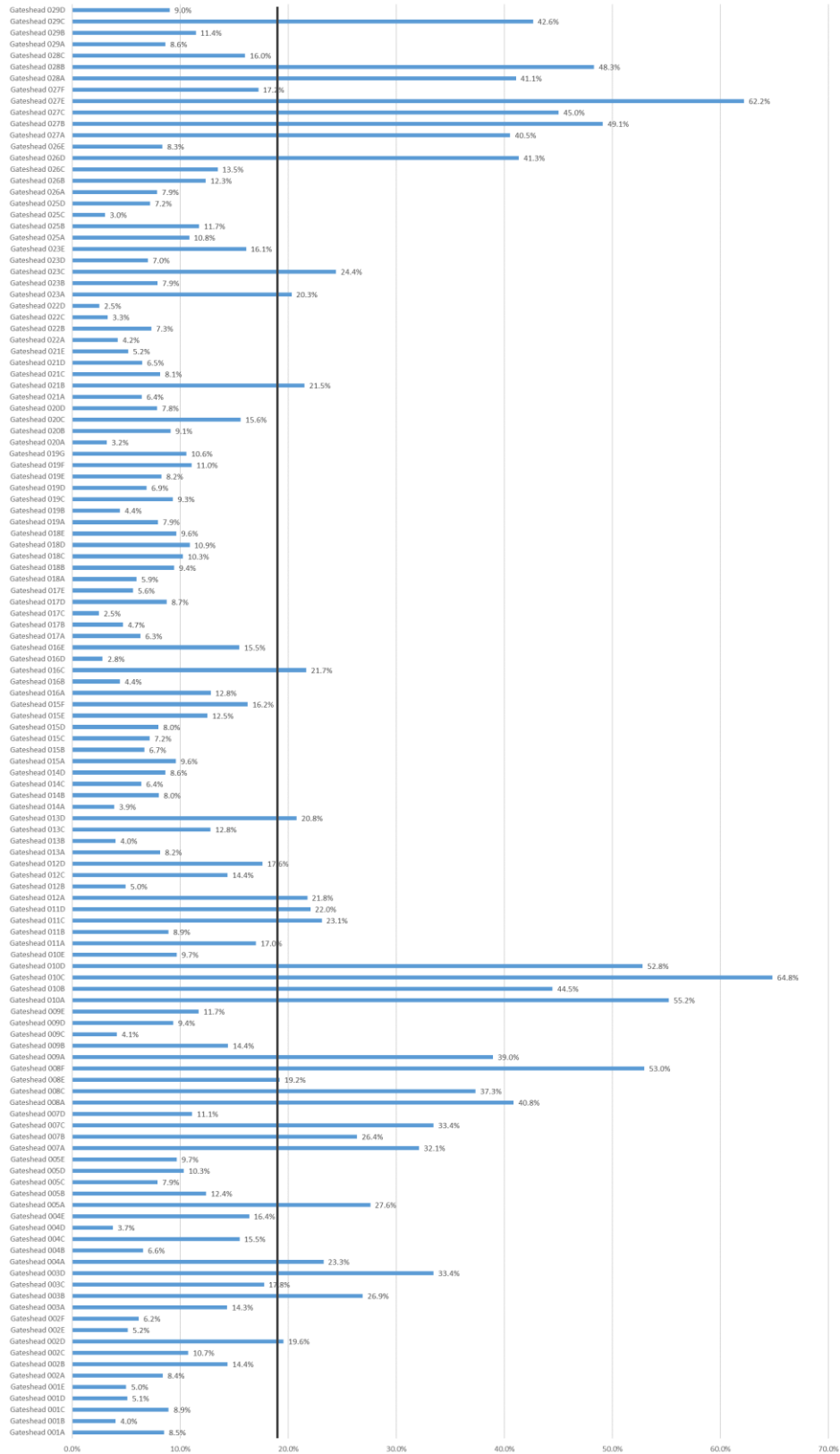


<sup>2</sup> ONS & Housing Stock and Stressors Report, Metastreet, 2024

<sup>3</sup> EHS Headline 2022-2024, <https://www.gov.uk/government/statistics/chapters-for-english-housing-survey-2022-to-2024-headline-report>

<sup>4</sup> Housing Stock and Stressors Report, Metastreet, 2024

**Percentage of PRS dwellings by each LSOA<sup>5</sup>. Vertical black line shows national average 2024 (19%)**



<sup>5</sup> Housing Stock and Stressors Report, Metastreet, 2024

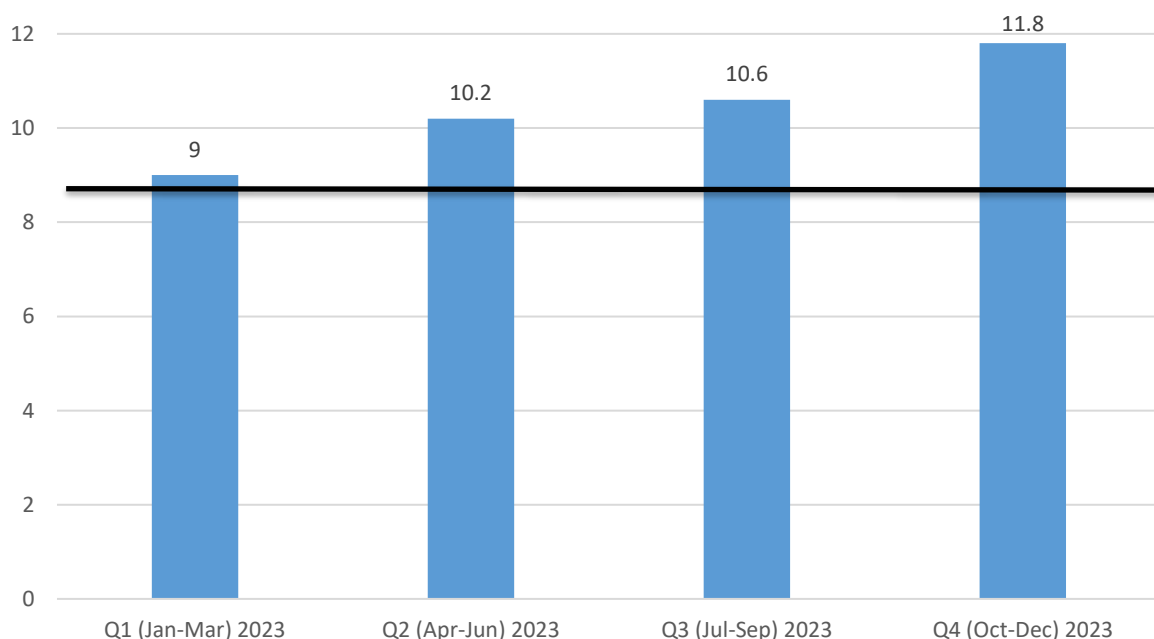
## Rent and affordability

Over the past two decades, a significant change in the PRS has been the increase in rental prices. This escalation has posed challenges for residents in securing affordable, good quality housing. Although Gateshead has below average rents (£575) compared with the national average (£825)<sup>6</sup>, other factors such as average income can significantly impact rent affordability. In addition, rents in the North East of England have seen an annual increase of 9.9% between January 2023 and January 2024, significantly higher than the UK average increase of 9% (excluding London), and the highest increase in the whole of England and Wales<sup>7</sup>.

## Rented Property Possession Claim Rates

Gateshead has an above average rented property possession rate, with 11.1 claims per 10,000 households in 2023<sup>8</sup>. The average number of claims for authorities in England was 8.7 per 10,000.

**Number of possession claims issued by landlords per 10,000 households 2023 (MOJ 2024) Black line equals English authorities mean average 8.7 per 10,000 households (Q1-Q4 2023)<sup>9</sup>**



<sup>6</sup> ONS Private rental market summary statistics in England: April 2022 to March 2023 <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalmarketsummarystatisticsinengland/april2022tomarch2023>

<sup>7</sup> UK Rental Market Report March 2024 – Hometrack <https://www.hometrack.com/wp-content/uploads/2024/03/UK-rental-market-report-Q1-2024-Mar24-HT.pdf>

<sup>8</sup> MOJ Possession claims by local authority (2024) [https://lginform.local.gov.uk/reports/lgastandard?mod-metric=3498&mod-area=E06000031&mod-group=AllSingleTierAndCountyLainCountry\\_England&mod-type=namedComparisonGroup](https://lginform.local.gov.uk/reports/lgastandard?mod-metric=3498&mod-area=E06000031&mod-group=AllSingleTierAndCountyLainCountry_England&mod-type=namedComparisonGroup)

<sup>9</sup> Housing Stock and Stressors Report, Metastreet, 2024

## Deprivation

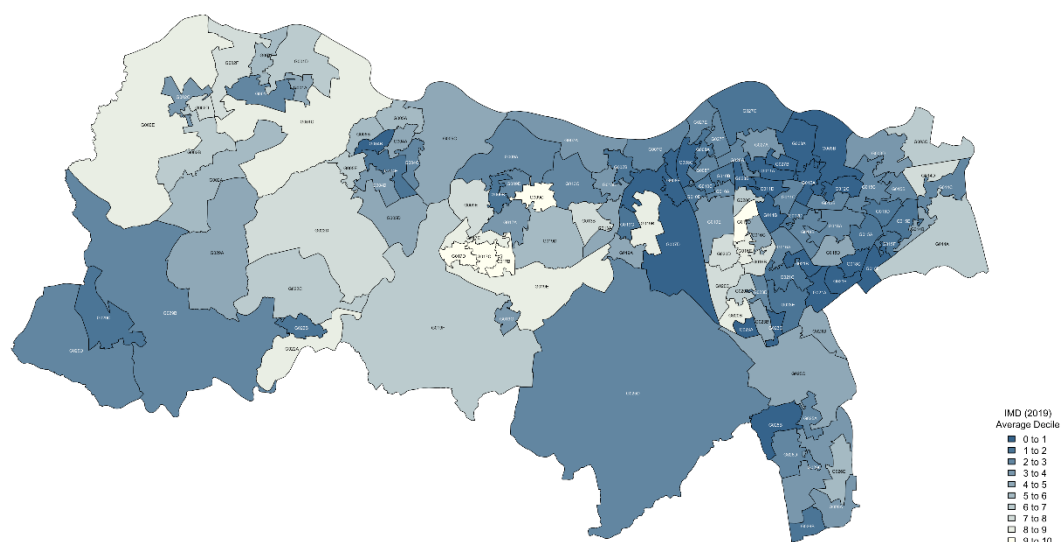
The Indices of Multiple Deprivation (IMD) is a measure of relative deprivation for small areas (Lower-layer Super Output Areas (LSOAs)), based on seven domains of deprivation:

- income
- employment,
- education
- health
- crime
- living environment
- barriers to housing and services.

Gateshead ranks as the 47<sup>th</sup> most deprived borough in England out of 317.<sup>10</sup>

Gateshead has a mixture of high and low deprivation areas with 76 out of 126 neighbourhoods or LSOAs having an aggregated IMD ranking below the national average (decile 5). 64 LSOAs (51%) fall into the 30% most deprived in the country, having an IMD decile of 3 or below.

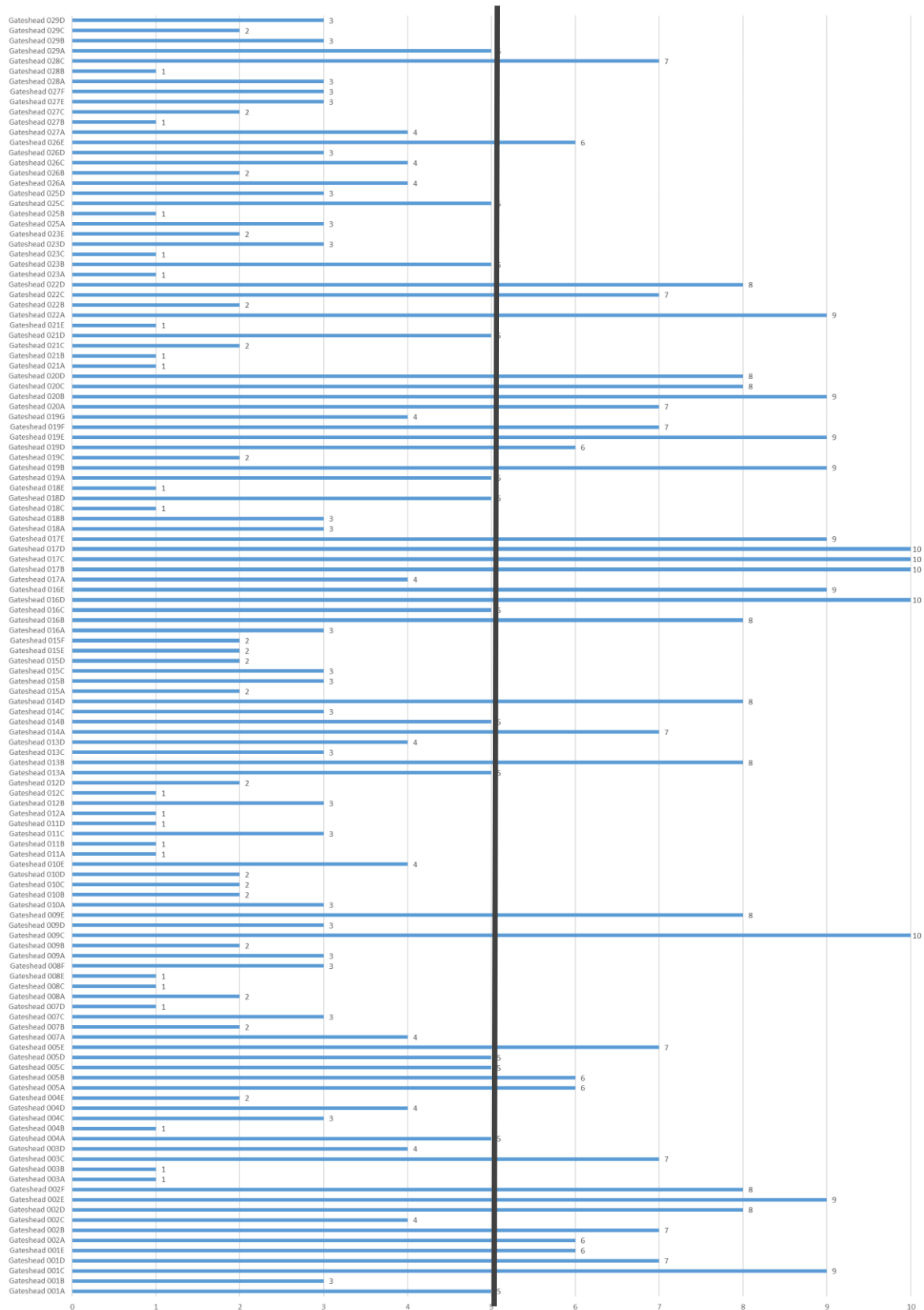
### ***Distribution of Average IMD (2019) decile by LSOA (Source: ONS 2019, Map by Metastreet)<sup>11</sup>***



<sup>10</sup> ONS 2019 <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>,

<sup>11</sup> Housing Stock and Stressors Report, Metastreet, 2024

**Average IMD (2019) decile by LSOA (Source: IMD 2019). Vertical black line shows the national average (decile 5)<sup>12</sup>**



<sup>12</sup> ONS 2019 <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>,

## Fuel Poverty

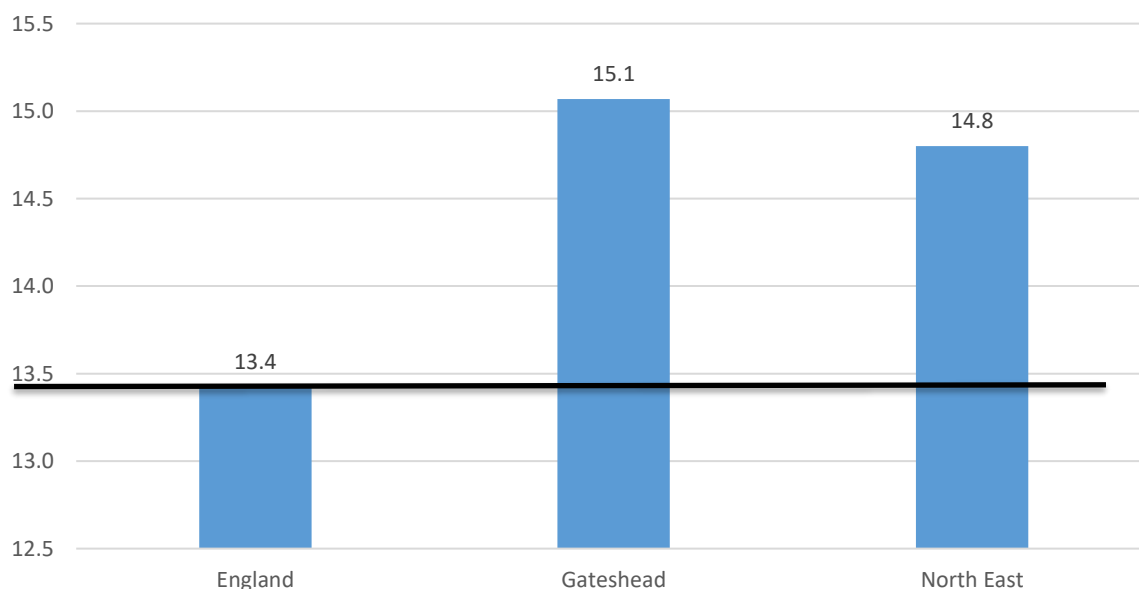
With the acute energy price increases during much of 2022-2023, the number of households in fuel poverty rose significantly. Whilst recent energy price caps have helped to mitigate the issue, many families are still feeling the effects. In general, fuel poverty relates to households that must spend a high proportion of their household income to keep their home at a reasonable temperature.

Fuel poverty is affected by three key factors:

- a household's income
- fuel costs
- energy consumption (which in turn is affected by the energy efficiency of the property).

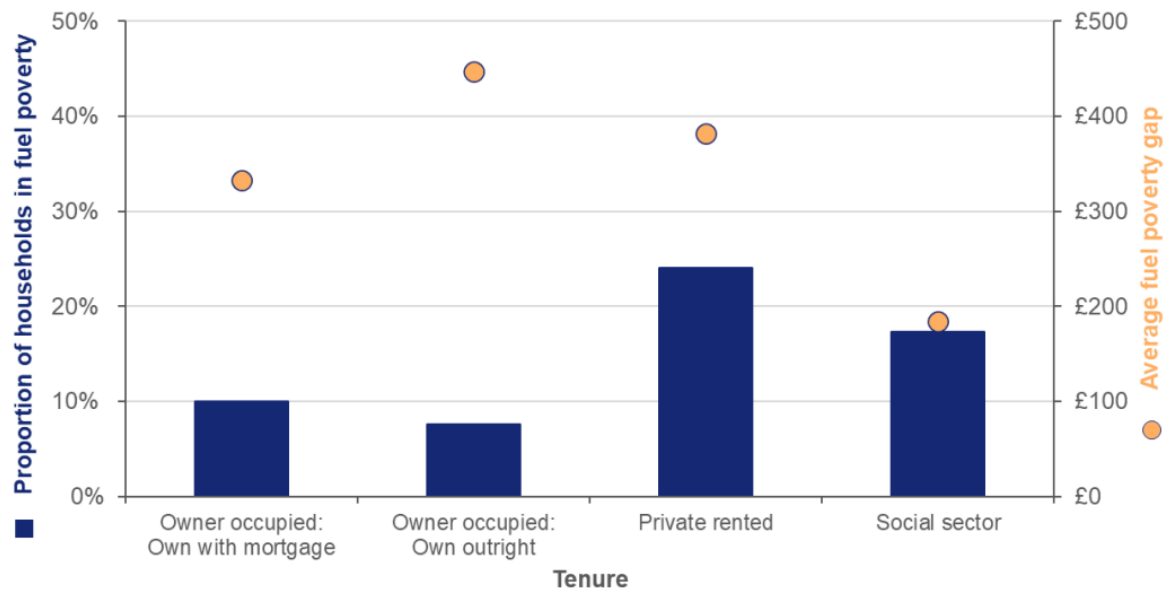
The fuel poverty score was produced by the Department for Business, Energy & Industrial Strategy using 2019 data and published in 2021. These figures are likely to have changed significantly since the publication of this data as a result of the 2022-2023 fuel price increases. Gateshead has a higher proportion of households in fuel poverty (15.1%) when compared to both northeast England (14.8%) and the national average (13.4%)<sup>13</sup>.

**Proportion of households in fuel poverty (%) (BEIS 2019). Horizontal black line shows England average (13.4%).**



<sup>13</sup> Department for Business, Energy & Industrial Strategy 2021 <https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2021>

In the private rented sector, although the share of band A-C EPC (Energy Performance Certificate)-rated homes has increased from 29.3% in 2017 to 44.8% in 2022, largely due to Private Rented Sector regulations (including licensing), the sector still has the highest fuel poverty rate based on the lower income households who live in this sector compared with the owner-occupied sector. Those living in the private rented sector are significantly more affected by fuel poverty than those living in in other tenures, with 24.1% of these households nationally being fuel poor.<sup>14</sup>



### ***Housing conditions***

The recent review of Gateshead’s housing stock has provided insights about the predicted presence and distribution of a range of housing factors in the borough<sup>15</sup>. The main finding was that poor housing conditions are likely to be widespread in the PRS. Under the Housing Health and Safety Rating System (HHSRS), category 1 hazards are the most serious housing hazards and may result in the immediate risk to a person’s health and safety. A significant category 2 hazard, although less serious or less urgent, can still be regarded as placing the occupiers’ health, safety and welfare at risk.

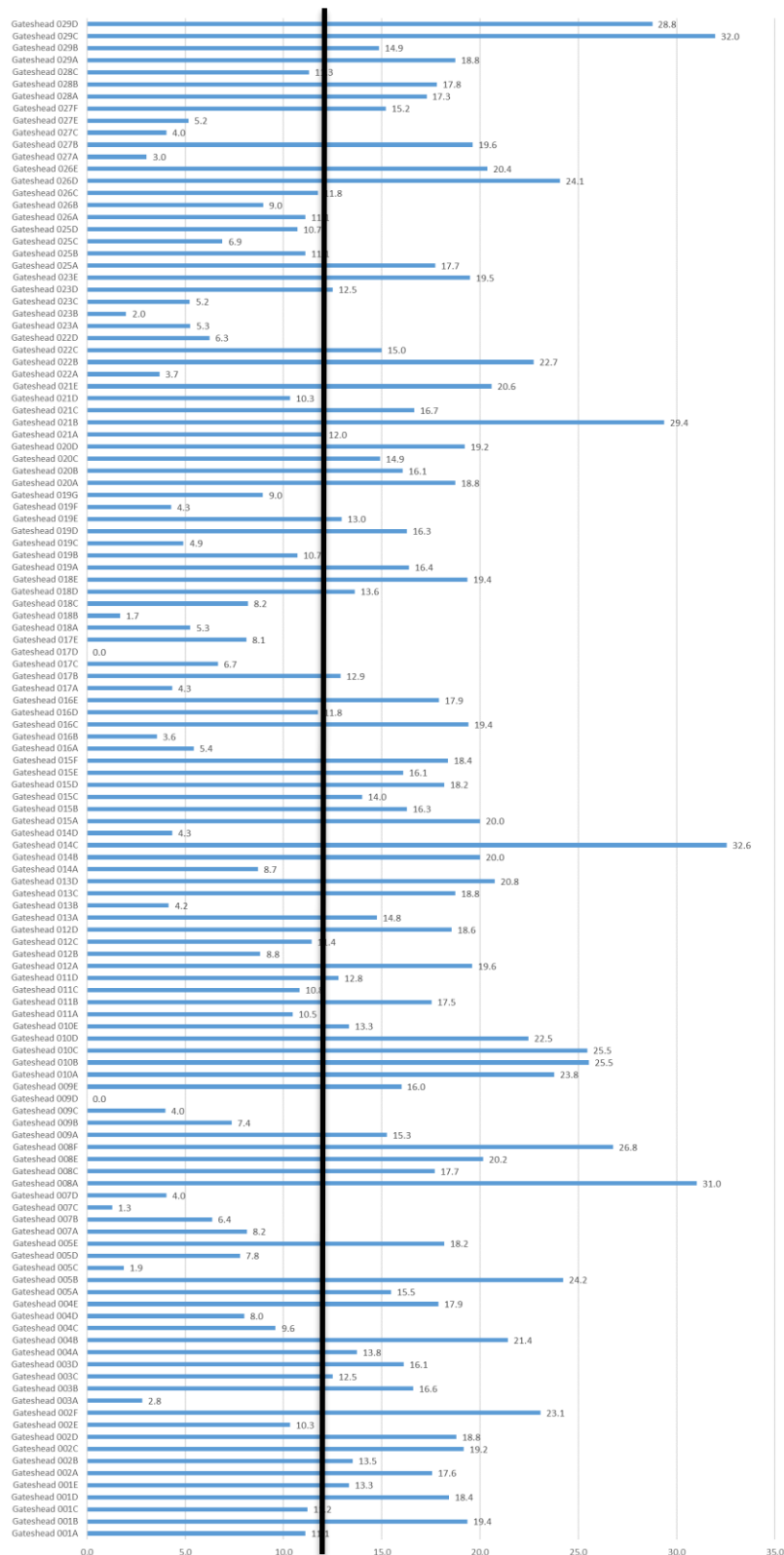
Our evidence shows that serious hazards in Gateshead’s PRS are likely to be distributed across the whole borough, with 2,436 private rented properties predicted to have at least one category 1 hazard, representing 16% of Gateshead’s PRS. 76 of 126 LSOAs have predicted rates of serious hazards at or above the national average (12%)<sup>16</sup>.

<sup>14</sup> Department for Energy Security & Net Zero [Annual Fuel Poverty Statistics LILEE Report 2023 \(2022 data\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/115542/annual-fuel-poverty-statistics-lilee-report-2023-2022-data.pdf) ([publishing.service.gov.uk](https://publishing.service.gov.uk))

<sup>15</sup> Housing Stock and Stressors Report, Metastreet, 2024

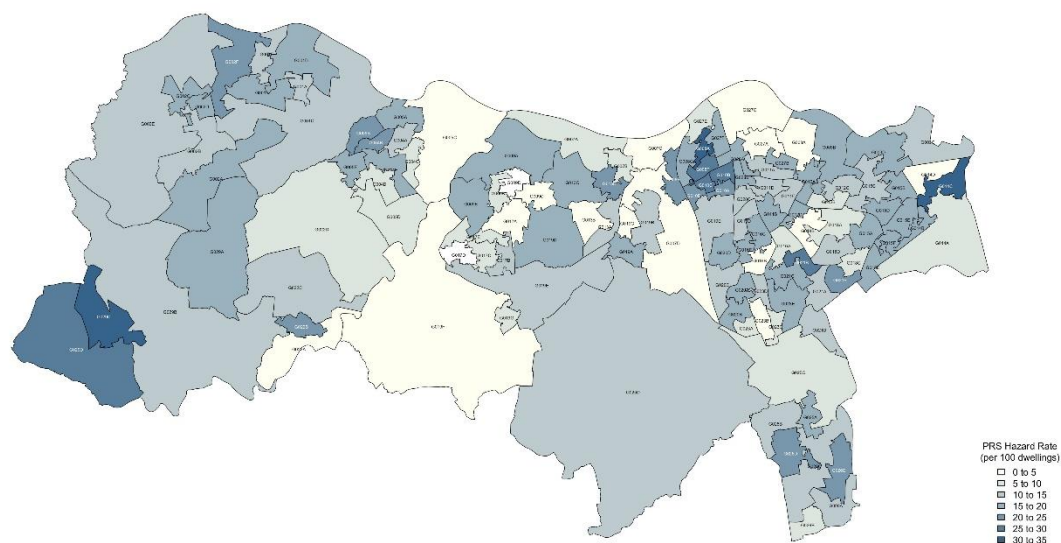
<sup>16</sup> English Housing Survey 2022 – 2023 [Chapter 4: Dwelling condition - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/115542/annual-fuel-poverty-statistics-lilee-report-2023-2022-data.pdf)

**Rates per 100 PRS properties of predicted Category 1 and/or high scoring Category 2 HHSRS hazards by LSOA<sup>17</sup>. Vertical black line shows national average for Category 1, 2022 (12 per 100)**



<sup>17</sup> Housing Stock and Stressors Report, Metastreet, 2024

## ***Distribution of PRS dwellings with predicted Category 1 and/or high scoring Category 2 hazards (HHSRS) per 100 properties<sup>18</sup>***



### ***Minimum Energy Efficiency Standard (MEES)***

An EPC rating is an assessment of a property's energy efficiency. It is primarily used by buyers or renters of residential properties to assess the energy costs associated with heating a house or flat. The rating is from A to G. A indicates a highly efficient property; G indicates low efficiency.

Under the current Minimum Energy Efficiency Standard (MEES), properties must have an Energy Performance Certificate (EPC) rating of E and above before they can be let out. Currently in Gateshead, 2.1% of the PRS have an F and G rating, which means approximately 329 PRS properties are likely to fail the MEES statutory requirement.

The statistical evidence shows that there is a continuous relationship between indoor temperature and vulnerability to cold-related deaths<sup>19</sup>. The colder the dwelling, the greater the risk. The percentage rise in deaths in winter is greater in dwellings with low energy efficiency ratings. Children in cold homes are twice as likely to suffer from a variety of respiratory problems<sup>20</sup>. Therefore, the F and G properties present a serious risk to the occupants' health, particularly if over the age of 65.

There is also a gradient of risk with the age of the property, the risk being greatest in dwellings built before 1850, and lowest in the more energy efficient dwellings built after 1980<sup>21</sup>. Gateshead has a high proportion of residential properties built pre-

<sup>18</sup> Housing Stock and Stressors Report, Metastreet, 2024

<sup>19</sup> Housing Health and Rating System, Operation Guidance, 2006

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/15810/142631.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/15810/142631.pdf)

<sup>20</sup> Health Equity in England: The Marmot Review 10 Years On, 2020

<https://www.health.org.uk/publications/reports/the-marmot-review-10-years-on>

<sup>21</sup> Housing Health and Rating System, Operation Guidance, 2006

1900. Areas with a majority of older properties tend to have more hazards such as excess cold, fire & electrical issues, and damp and mould.

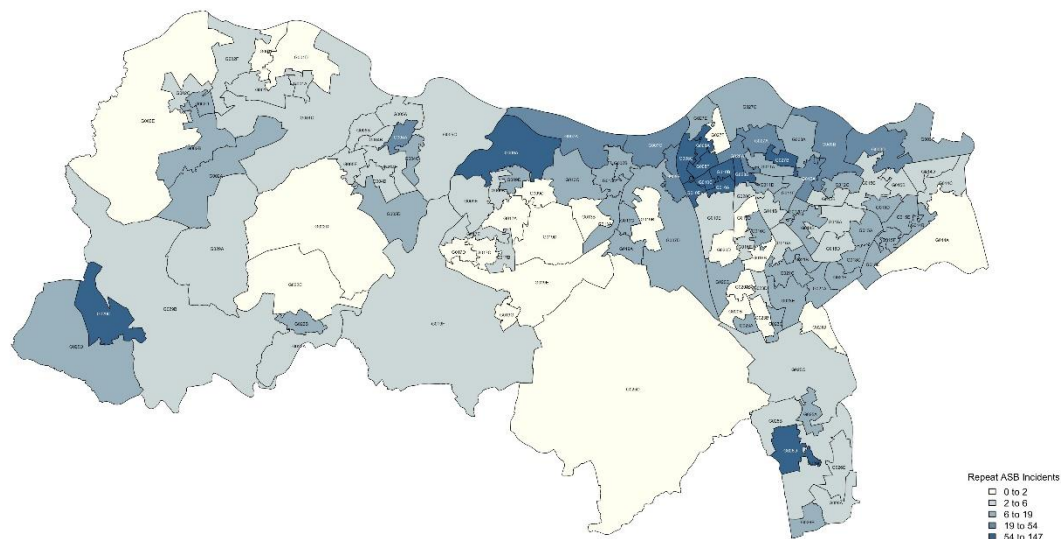
### **Antisocial Behaviour**

There is a significant level of ASB linked to private rented properties across neighbourhoods in Gateshead. ASB in Gateshead is made up of a wide spectrum of types, including waste & fly tipping & Noise (27%), disputes (11%), shouting & swearing (10%), barking dogs (8%), odour & smoke (4%), drugs & alcohol, harassment, other ASB (3%), overgrown gardens & dog fouling (2%)<sup>22</sup>.

The council has recorded a total of 5,282 incidents related to anti-social behaviour (ASB) and nuisance linked to 3,205 PRS properties over the past five years. Gateshead 010A (265) and Gateshead 010C (261) have the highest levels of PRS ASB incidents.

There are also numerous PRS properties in many LSOAs that have had two or more ASB incidents, showing that some landlords are failing to take the appropriate action to deal with ASB in their properties when it first occurs. Gateshead 010C (62) and Gateshead 029C (58) have the highest levels of PRS ASB incidents. The rate of overall, persistent ASB (two or more ASB incidents) within the PRS in Gateshead is 7%. 50 of Gateshead's 126 LSOAs meet or exceed this average.

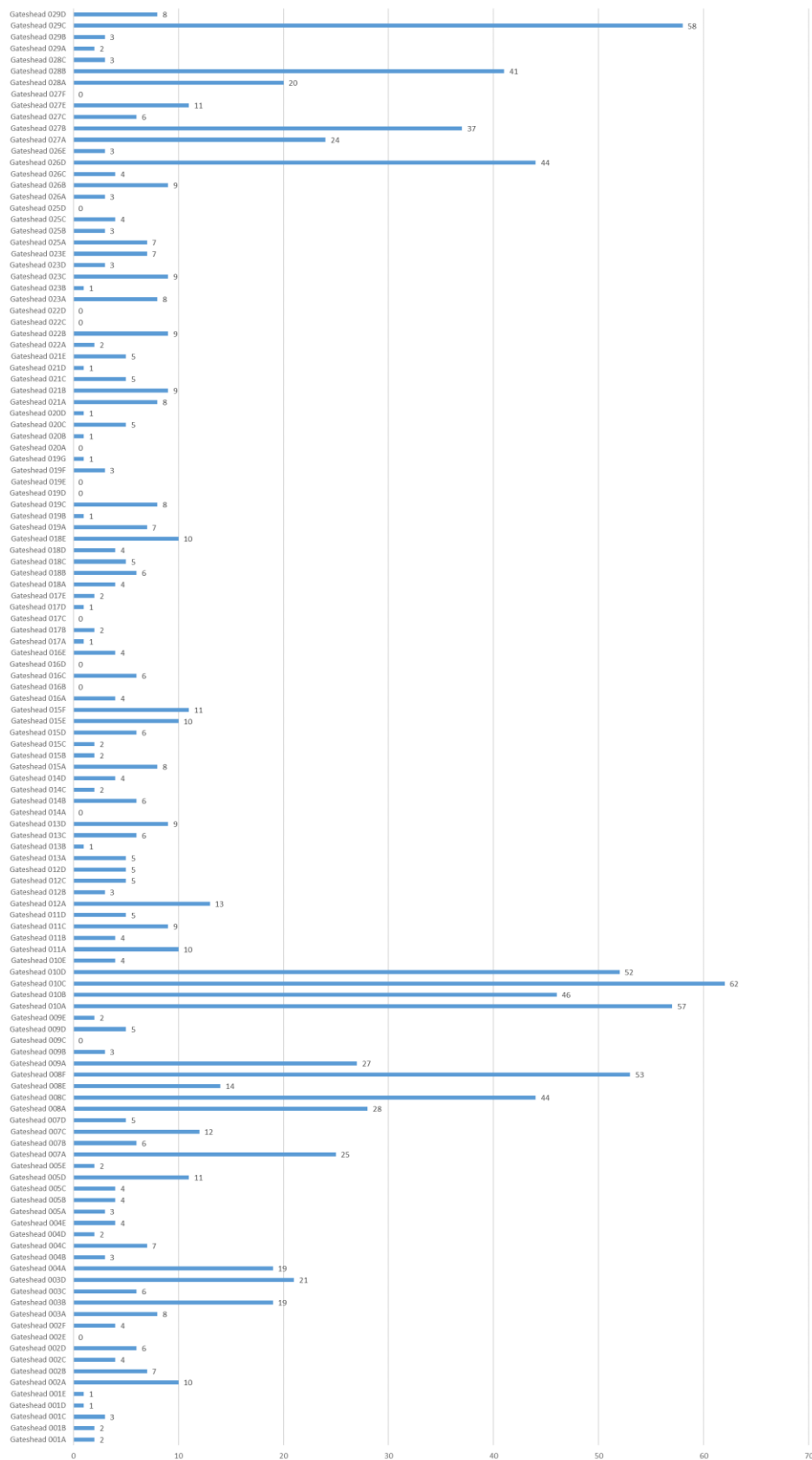
### **Distribution of ASB repeat incidents (2 or more) linked to PRS properties<sup>23</sup>**



<sup>22</sup> Housing Stock and Stressors Report, Metastreet, 2024

<sup>23</sup> Housing Stock and Stressors Report, Metastreet, 2024

## ASB repeat incidents (2 or more) linked to PRS properties<sup>24</sup>



<sup>24</sup> Housing Stock and Stressors Report, Metastreet, 2024

## **5. Property licensing schemes**

### **5.1 What is property licensing?**

Where the relevant legal test is met, property licensing allows the council to regulate private rented properties in their area by issuing a licence to the person responsible for the property, usually the landlord. The aim of such schemes is to improve the private rented market by ensuring that the licence holder is a 'fit and proper' person to hold the licence and that the property is of a decent standard for a landlord to rent out.

Licences come with conditions that relate to the use and management of the property. Some of these conditions are mandated by Government, however the council has scope to add its own conditions that are tailored to dealing with specific problems in the designation relating to the private rented sector.

The Housing Act 2004 sets out three types of property licensing schemes and prescribes how the council can implement them.

### **5.2 Mandatory HMO Licensing**

The Housing Act 2004 introduced mandatory licensing for certain privately rented houses in multiple occupation (HMOs). These are generally larger HMO properties occupied by five or more persons living in two or more households, and where those persons share facilities, such as kitchens/bathrooms/WCs. Mandatory HMO licensing does not apply to converted buildings. All local authorities in England must operate a mandatory HMO licensing scheme.

For the purpose of this consultation, mandatory HMO licensing is not being considered.

### **5.3 Additional HMO Licensing (discretionary)**

The Housing Act 2004 allows local authorities to designate areas as being subject to an additional licensing scheme, in relation to some or all of the houses in multiple occupation (HMO) in that area, which are not already subject to mandatory HMO licensing, for a period of up to five years. These are generally smaller HMO properties occupied by three or four persons, living in two or more households, and where those persons share facilities, such as kitchens/bathrooms/WCs.

Additional licensing can also include properties converted into flats known as section 257 HMOs. These are buildings which have been converted into and consist entirely of self-contained flats where less than two thirds of the flats are owner-occupied, and the conversion into flats did not comply with the appropriate building regulations.

A proposed additional HMO licensing scheme forms the basis of part of this consultation and the council welcomes feedback regarding the proposals.

## 5.4 Selective Licensing (discretionary)

A selective licensing scheme for all other privately rented properties and not just HMOs can be implemented in selected or 'designated' areas for a period of up to five years. A selective licensing designation can only be made if the designated area has a high proportion of property in the private rented sector and is experiencing one or more of the following criteria: low housing demand, a significant and persistent problem caused by anti-social behaviour, high levels of crime, poor housing conditions, high levels of migration and deprivation.

A proposed selective licensing scheme forms the basis of part of this consultation and the council welcomes feedback regarding the proposals.

## 5.5 What are the benefits of property licensing schemes?

Selective and Additional HMO licensing schemes offers benefits to landlords, tenants, the wider community and the council. These include the following:

### ***Benefits to Tenants***

- Through conditions that accompany any granted licence, Licence Holders are required to proactively manage and maintain their rented homes to a decent standard.
- Licensing improves the standard of private rented properties. This makes properties safer for tenants who occupy them.
- Licensing allows a local authority to adopt a much more proactive approach to tackling poor housing conditions and raising standards in private rented housing.
- Licensing encourages good practices – if a landlord is not able to demonstrate that they comply with fire, gas and electrical safety conditions, a licence will not be granted, and the landlord will be provided with the relevant compliance information.
- Many people who are vulnerable, disabled and living on low incomes rely on private renting. Licensing helps the council to protect as many tenants living in private renting as possible.
- Through increased communication about licensing, tenants not only become more aware of their rights and responsibilities, but also gain an improved understanding and greater access to council services that can support them.

### ***Benefits to Landlords***

- Licensing encourages landlords to proactively manage their properties and to take reasonable action to address problems.
- The council will work with landlords to help support them and build their professionalism.
- Licensing enables the council to create a 'level playing field' for responsible landlords by taking a much more robust approach to the minority of 'rogue' landlords who fail to invest in their properties.
- Providing transparent and consistent regulation within the PRS market.

### ***Benefits to the Community***

- Poorly managed privately rented properties have a negative impact on many neighbourhoods. Licensing will increase the number of landlords managing their properties effectively, including the enforcement of tenancy conditions to combat neighbourhood nuisance caused by their tenants or people visiting their properties.
- Reducing antisocial behaviour will make areas safer, more desirable and healthier places to live.
- Poor waste management and fly tipping has been cited as a major issue in many wards. All property licences contain a condition that the holder must provide adequately sized bins and sufficient recycling containers for the occupiers.
- When an HMO is overcrowded, this is often linked to an increase in noise complaints. Through licensing the council is able to limit the number of occupants in a property, reducing overcrowding and the likelihood of noise nuisance.
- Licensing increases the council's ability to uncover empty properties and encourage their use back into the housing market.

### ***Benefits to the Council***

- Licensing enables the council to target support and information for both tenants and landlords more effectively.
- Licensing provides opportunity for easier engagement with landlords, managing agents, lettings agents, and others involved in the sector.
- Licensing creates improved data, enabling an intelligence led approach to enforcement.
- Licensing increases the council's ability to uncover previously unknown HMOs, some of which will fall under mandatory licensing.

## 6. Property licensing schemes in Gateshead

In addition to the national mandatory HMO licensing scheme, since 2007, Gateshead has had several small-scale selective licensing schemes to ensure safety standards for tenants living in all private rented properties, not just HMOs.

Since 1 April 2018, over 1300 licences have been granted.

| Licence type | Applications received | Licences granted |
|--------------|-----------------------|------------------|
| Mandatory    | 117                   | 113              |
| Selective    | 1445                  | 1246             |
| <b>TOTAL</b> | <b>1562</b>           | <b>1359</b>      |

### *Improvements in poor property conditions*

Through the licensing schemes, the council has been able to improve basic standards, often in the most dangerous housing at the bottom end of the housing market, where some of the most vulnerable people in society live. All licences have conditions attached which must be complied with, allowing the council to regulate the PRS, improve housing conditions, and foster better management standards.

Every property within each of the current and recently expired selective licensing designations has been inspected. Since April 2018, there have been 6028 compliance inspections carried out by the licensing team. During these visits, in addition to checking that housing conditions meet the minimum legal standard, yards and gardens are also inspected for any accumulations of waste, and the tenant/landlord requested to undertake any necessary action to remove or dispose of these legally.

Where properties were found to be in need of improvements, the council has supported landlords by providing a detailed schedule of works required including a reasonable timeframe for completion. Where landlords have failed to complete the works within the specified timeframe the council has used its legal powers and served improvement notices in accordance with the Housing Act 2004. To ensure that all identified issues have been addressed and that the properties continue to meet standards, re-inspections have been conducted.

Additionally, through licensing we have been able to impose a level of 'self-regulation' in the PRS, as landlords will not be granted a licence unless they are able to demonstrate at the time of application that they are a 'fit and proper' person to be the licence holder and also that the property complies with fire, gas and electrical safety conditions.

Licensing requires landlords to proactively manage their properties and take reasonable action to rectify any identified problems to ensure compliance with licence conditions.

Since April 2018, Gateshead's Private Sector Housing team has issued more than 50 statutory Housing Act notices. This has resulted in much needed improvements, and in raising the standards of poor housing conditions across the borough for the benefit of many tenants.

### ***Regulation and Enforcement***

Gateshead Council uses a range of interventions to improve standards in the PRS, including regulation and enforcement. This includes using the Housing Act 2004 and other environmental health and public protection legislation to serve statutory notices, enforce civil penalties and, in the most serious cases, to take prosecution action. Interventions can be a result of a complaint being made by a tenant about their accommodation or as a result of a proactive inspection by the council.

The table below provides a summary of the interventions used by the council since the beginning of April 2018.

|  | <b>Mandatory HMO<br/>licensing</b> | <b>Selective<br/>licensing</b> |
|--|------------------------------------|--------------------------------|
| Licence Compliance Inspections                       | 88                                 | 6028                           |
| Housing Act Statutory Notices served                 | 28                                 | 56                             |
| Other Environmental and Public Health Notices served | 4                                  | 51                             |
| Warning letters                                      | 8                                  | 3490                           |
| Civil Penalties (Intentions)                         | 17                                 | 104                            |
| Civil Penalties (Final)                              | 9                                  | 84                             |
| Prosecutions (complete)                              | 0                                  | 3                              |
| Prosecutions (in progress)                           | 0                                  | 1                              |

According to a recent NRLA (National Residential Landlords Association) report on Local Authority enforcement, Gateshead was ranked 4<sup>th</sup> among all LAs nationally between 2021 and 2023 who performed the most inspections of PRS properties, having performed over 2700 inspections in those two years<sup>25</sup>.

Since the beginning of April 2018, Gateshead's Private Sector Housing team has issued more than 130 statutory notices against HMOs and other PRS properties encompassing the full range of Housing and Environmental Health legislation<sup>26</sup>.

Another of the options open to local authorities in combatting potentially hazardous property conditions and poor management is the issuing of civil penalties. The aim of the civil penalty regime is to improve property conditions and disrupt the business model of the small criminal element in the private rented sector, without unduly affecting the vast majority of law-abiding responsible landlords<sup>27</sup>. Since April 2018, Gateshead Council has issued 93 Civil Penalties. This commitment to regulation and enforcement has resulted in much needed improvements, and in raising the standards of poor quality and often unsafe accommodation in the PRS across the borough for the benefit of many tenants.

### ***Partnership/Joint Working***

Gateshead Council continues to work collaboratively with external organisations, including the Police, Local Environmental Services, Fire Authority, Citizens' Advice Bureau, Gateshead Recovery Partnership and Two-way Tenancy, to create a safer and better community for its residents.

Northumbria Police work in partnership and co-locate with the licensing team for the purpose of responding to and reducing ASB in the licensing area. The team carry out joint visits to address ASB and criminality within the area. In addition to this, the Selective Licensing Team has worked in partnership with Local Environmental Services to address waste issues and poor waste management practices in the licensing areas.

The team has worked in partnership with the Fire Authority to carry out fire safety checks at properties of concern (increased fire risk) and provide advice and additional smoke detectors.

The team refer individuals to CAB (Citizens' Advice Bureau) for various reasons including the following: benefit appeals, debt issues, crisis support, employee and employer rights, discrimination, relationship issues, consumer rights and support for people with dementia. They also make referrals for tenants to the Gateshead Recovery Partnership for drug and alcohol support.

By working with Two-way Tenancy, the licensing team have been able to arrange tenancy support for tenants in the private rented sector to enable them to have a better understanding of their rights and responsibilities and avoid evictions.

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<sup>25</sup> [The Enforcement Lottery: Local authority enforcement 2021-2023 | NRLA](#)

<sup>26</sup> Gateshead Council data

<sup>27</sup> Gov.uk [Civil penalties under the Housing and Planning Act 2016 \(publishing.service.gov.uk\)](#)

## ***Reduction in Antisocial Behaviour***

Poorly managed privately rented properties have a negative impact on many neighbourhoods. In particular, high levels of noise complaints and accumulations of rubbish can be linked to the failure of private landlords to manage their properties and tenancies effectively.

Poor waste management and fly tipping, has been cited a major ASB issue in some neighbourhoods. Property licences contain a condition that the licence holder must provide adequately sized bins and sufficient recycling containers for the occupiers. They must also display a notice for the occupiers of the property indicating the day of the week rubbish and recycling is collected. Through partnership working and sharing of intelligence, we continue to educate both landlords and tenants on their responsibilities in terms of waste disposal.

The licensing team has also worked very closely with the Environmental Enforcement Team who are responsible for investigating waste complaints by sharing information and intelligence on particular waste problems and issues. There are regular communications between the two teams and this has developed a working group with the goal to improve waste issues in the licence area.

The licensing team will take appropriate action against landlords if they are found to be repeatedly failing to comply with the licence conditions in relation to waste and against tenants if they are failing to undertake their tenant responsibilities. Legal notices are and have been served on residents failing to fulfil their responsibilities (over 50 Public Health Notices have been served since April 2018).

During tenant meetings, officers have discussed different types of antisocial behaviour and the effects these can have on neighbouring properties. For example, noise is a common cause of complaint in some properties due to poor insulation between upper and lower flats. The licensing team have taken the tenant meetings as an opportunity to discuss noise transfer and set realistic boundaries. The team has worked hard to raise awareness amongst tenants about how to complain and to whom.

We have seen, through licensing, a notable increase in landlords managing their properties more effectively, in order to ensure they do not breach licence conditions. This includes the enforcement of tenancy rules to prevent ASB by tenants or their visitors.

## **Case study: Enforcement tasking day uncovers vulnerable tenant living in unlicensed flat in a state of severe disrepair**

### Background

As part of the Selective Landlord Licensing enforcement strategy, tasking days are often undertaken to discover unlicensed private rented properties. During a tasking day, an unlicensed property was identified in the selective licensing designated area. The property was tenanted by a vulnerable adult, suffering from mental health issues and learning difficulties. The tenant reported numerous defects in the property, including a missing living room light fitting that often left him in darkness. Despite numerous complaints to the agent, the tenant received no response.

### Hazards Identified.

On inspection the property was found to have several Category 1 and Category 2 hazards including severe Damp and Mould throughout the property. Electrical hazards were also found which included overloaded sockets due to an inadequate number of electrical outlets in the kitchen, living room and bedrooms.

### Council Action

The Council served a Housing Act 2004 Improvement notice on the owners of the property. This required specified remedial works to be carried out to address the poor condition of the property. Further action could only be taken against the landlord if they failed to undertake works specified in the notice.

At the same time a licence application was pursued from the agent and owners, who were found culpable of operating without a licence. Interviews under caution led to financial penalties for both parties.

**The proposed selective licensing scheme would continue to ensure that action is taken against those landlords who choose to neglect their tenants and properties by bringing this type of property within licensing controls (in the designated area).**



### ***Supporting private rented sector tenants & tackling low housing demand***

Low housing demand in more urban environments is associated with poverty and unemployment and brings a host of other issues into affected areas. These include falling school roles, loss of confidence in neighbourhoods, antisocial behaviour and crime. A resulting fall in property values and an increase in empty and derelict homes further exacerbates problems. Low housing demand was identified as one of the criteria for current and previous selective licensing schemes in Gateshead, with corresponding objectives set.

The licensing team has carried out a series of interventions to tackle low housing demand in the recently expired and current licensing schemes, including monthly meetings and street surveys. All of the work carried out by the team has been aimed at improving the area so that tenants want to remain in their rented properties. The team have worked hard to tackle the issues that blight the areas subject to licensing. Historically, these areas have suffered with properties being in low demand, whilst having a high turnover as tenants tended not to want to remain in the area for long.

In promoting tenants' rights and responsibilities, tenants' awareness of the minimum standards to be expected in rented accommodation has dramatically increased. Tenants have been encouraged to report landlords who do not comply with licensing conditions.

### ***Working with and supporting good landlords and agents***

We recognise that the majority of landlords in the borough are both responsible and cooperative. Therefore, the licensing team has always sought to take a more educational approach, seeking to work with landlords through in-person or virtual landlord forums, and bring about compliance through informal means. Prior to a licence being granted, we meet with landlords to discuss the licence conditions. This also provides an opportunity to discuss effective property management in more detail and provide further advice and support if required to ensure future compliance.

We have particularly encouraged landlords to become accredited to increase their professionalism in managing their properties. Through accreditation, landlords can achieve a level of knowledge and competence before letting a home, which is key to raising standards in the PRS. In current schemes, accredited landlords have been eligible for a substantial discount, with additional discounts available for accredited status maintained for the duration of the licence term. Detailed guidance for landlords on their legal obligations and responsibilities has been produced and made available online.

It is clear from running these schemes that licensing allows the council to work proactively with landlords and tenants. Licensing provides clear conditions for landlords to comply with, promotes an improvement in property conditions and enables ASB to be minimalised through better, more effective management. Whilst the current property licensing schemes have enabled the council to begin to make some progress in raising standards in the PRS, there is still much more to do.

## Case Study: Supporting tenants and improving poor property conditions through selective licensing

### Background

During a routine licence compliance inspection, an officer from the Selective Landlord Licensing Team (SLL) found a family living in substandard conditions in a property they had occupied for over two years. The property's layout and ongoing repair issues, coupled with a rodent infestation caused by external drainage problems and waste accumulation, rendered it unsuitable for the family's complex medical needs. These conditions had a daily physical and mental toll on the family. The family reported barriers to accessing suitable long term accommodation.



### Council Action

The licence holder was served with an improvement notice, requiring remedial works to the property to remediate hazards. A further notice was also served requiring pest control treatment.

The council officer supported the tenant to lawfully remove the waste that had accumulated both inside and outside the property and arranged for an additional refuse bin for the family, who were entitled to two due to their medical needs. This action helped the family to manage their waste more effectively moving forwards.



### Outcome

The licence holder complied with all notices which led to significant improvements in the property, bringing it up to the required standard.

Ongoing support was provided to the family through the SLL team working with other Council services to find suitable long-term housing. This was a long and complex process, however ultimately proved successful. The family are now settled in a new home with a garden that meets their family needs.

**Selective licensing enables the council to offer greater protection to tenants We will continue to support tenants and collaborate with partners to help tenants to find long term sustainable housing solutions within the private rented sector**

## 7. Proposals for a selective licensing scheme

The PRS in Gateshead is affected by various housing issues. Some neighbourhoods have poor housing conditions, ASB and high levels of deprivation, which is worsened by other issues such as poverty, crime, the highest rate of landlord possession claims in the North East<sup>28</sup>, fuel poverty and homelessness.

The council has been truly selective in proposing the areas for this licensing scheme. Thorough evidence gathering and research has been carefully carried out to ensure that the most severe problems in each neighbourhood can be dealt with. All properties in the designated areas that are rented to a single household (e.g., a family) or two unrelated sharers (e.g., two friends living together) will need to have a licence to be legally let.

We are therefore proposing, subject to consultation to introduce a selective licensing scheme that will come into force in two phases, with each phase running for five years.

The first proposed phase (designation 1) covers a total of eight neighbourhoods. Subject to consideration of the responses in the consultation process, the council is keen to seek to address the serious problems of poor property conditions, deprivation and ASB in eight neighbourhoods or LSOAs (Lower-layer Super Output Areas) situated within Central Gateshead, Birtley, Chopwell and High Fell as soon as is reasonably practicable. These eight neighbourhoods are experiencing the highest levels of poor property conditions in the borough and are also suffering from the effects of deprivation and persistent ASB. The size of this designation, which affects less than 20% of the geographical area of Gateshead and less than 20% of its privately rented housing, means it can be agreed locally by the council's cabinet and could be implemented in early 2025.

The second phase (designation 2) covers a further eight neighbourhoods or LSOAs situated within Central Gateshead, Felling and Swalwell. The size of this second designation would bring the total size of the schemes to 34% of the total PRS in Gateshead, which means that if agreed by Gateshead Council, this designation would need confirmation by the Department of Levelling up Housing and Communities (DLUHC). If approved, designation 2 could be introduced in late 2025.

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<sup>28</sup> [Number of landlord possession claims per 10,000 households in Gateshead | LG Inform \(local.gov.uk\)](#)

### ***Neighbourhoods included in selective licensing scheme***

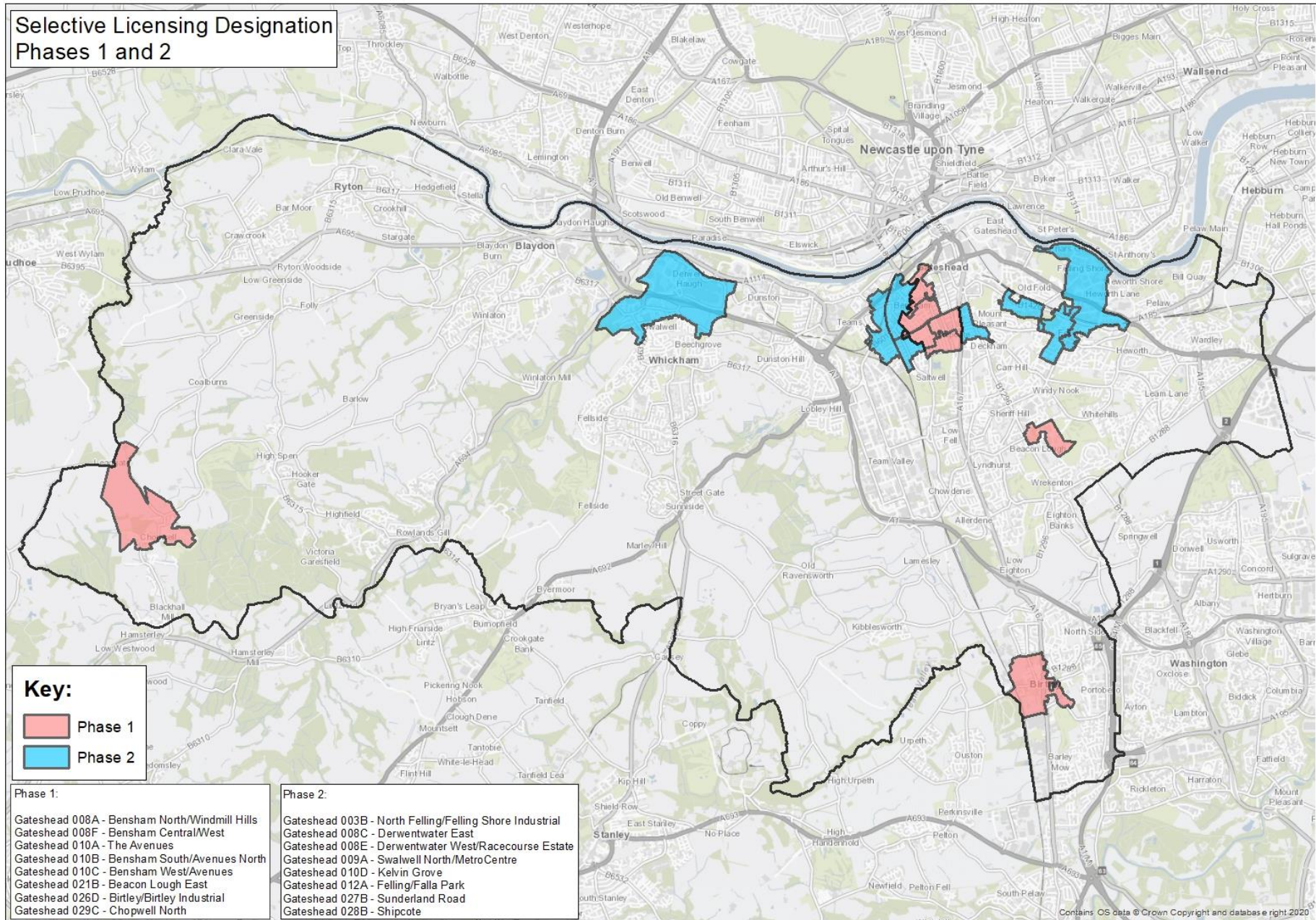
| <b>Designation</b>   | <b>LSOA</b>  | <b>Neighbourhood</b>   |
|--|--|--|
| <b>Phase 1 (designation 1):</b><br>Central Gateshead<br>Birtley<br>Chopwell<br>High Fell | Gateshead 008A<br>Gateshead 008F<br>Gateshead 010A<br>Gateshead 010B<br>Gateshead 010C<br>Gateshead 021B<br>Gateshead 026D<br>Gateshead 029C | Bensham North/Windmill Hills<br>Bensham Central & West<br>The Avenues<br>Bensham South/Avenues North<br>Bensham West/Avenues<br>Beacon Lough East<br>Birtley/Birtley Industrial<br>Chopwell North      |
| <b>Phase 2 (designation 2):</b><br>Central Gateshead<br>Felling<br>Swalwell              | Gateshead 003B<br>Gateshead 008C<br>Gateshead 008E<br>Gateshead 009A<br>Gateshead 010D<br>Gateshead 012A<br>Gateshead 027B<br>Gateshead 028B | North Felling/Felling Shore Industrial<br>Derwentwater East<br>Derwentwater West/Racecourse Estate<br>Swalwell North/Metro Centre<br>Kelvin Grove<br>Felling Falla Park<br>Sunderland Road<br>Shipcote |

### ***Selective licensing designation Criteria***

| <b>Designation</b> | <b>Designation Criteria</b>                  |
|--------------------|--|
| 1                  | Poor housing conditions, Deprivation and ASB |
| 2                  |  |

All the designations are subject to change as a result of this consultation, and the council welcomes input into the scheme.

**Map of the proposed selective licence scheme designations**



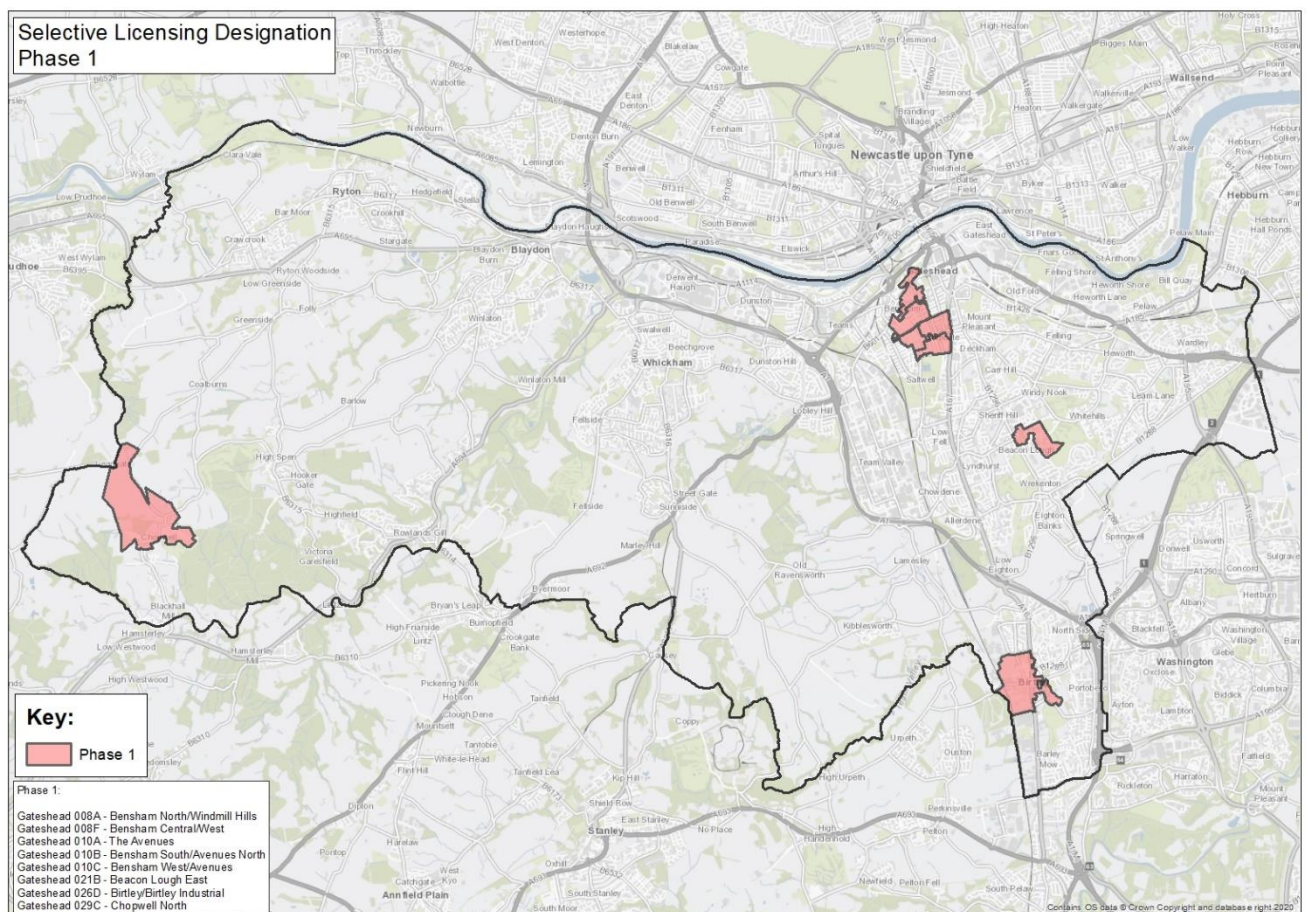
## 7.1 Phase 1: Designation 1 - poor housing conditions, deprivation and ASB

### Which neighbourhoods are included in this designation?

The following eight LSOAs (Lower-layer Super Output Areas) or neighbourhoods are included in this designation:

|  |  |   |
|--|--|---|
| <b>Phase 1 (designation 1):</b><br>Central Gateshead<br>Birtley<br>Chopwell<br>High Fell | Gateshead 008A<br>Gateshead 008F<br>Gateshead 010A<br>Gateshead 010B<br>Gateshead 010C<br>Gateshead 021B<br>Gateshead 026D<br>Gateshead 029C | Bensham North/Windmill Hills<br>Bensham Central & West<br>The Avenues<br>Bensham South/Avenues North<br>Bensham West/Avenues<br>Beacon Lough East<br>Birtley/Birtley Industrial<br>Chopwell North |
|--|--|---|

These neighbourhoods have a high proportion of properties in the PRS (above the national average of rented properties) which are rented out as assured tenancies or licences.

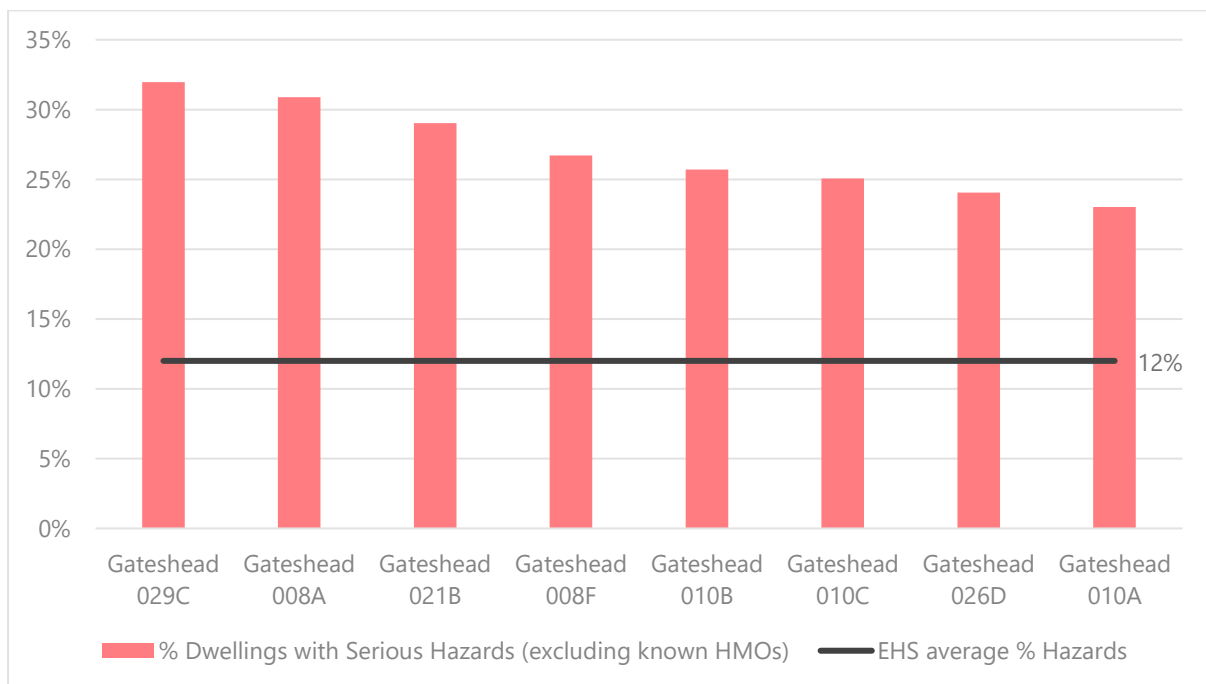


### **What is the evidence of poor housing conditions in this area?**

Our evidence shows that the eight neighbourhoods in designation 1 have the highest percentage of PRS properties (excluding known HMOs) in the borough with predicted serious hazards: Gateshead 008A - 31%, Gateshead 008F - 27%, Gateshead 010A - 23%, Gateshead 010B - 26%, Gateshead 010C - 25%, Gateshead 021B - 29%, Gateshead 026D - 24%, Gateshead 029C - 32%. The proportion of PRS properties in each LSOA with predicted serious hazards is also double or almost double the national average for PRS of 12%.

Overall, in these eight neighbourhoods, there are 792 properties (excluding known HMOs) in the PRS that are predicted to have serious hazards. Fire, electrical and gas hazards, excessive cold, damp and mould are all considered serious hazards. A significant number of these properties would need to be inspected to accurately identify and assess the presence of category 1 or 2 hazards and ensure tenant safety.

### **Percentage of PRS properties with Serious Hazards predicted (designation 1)**



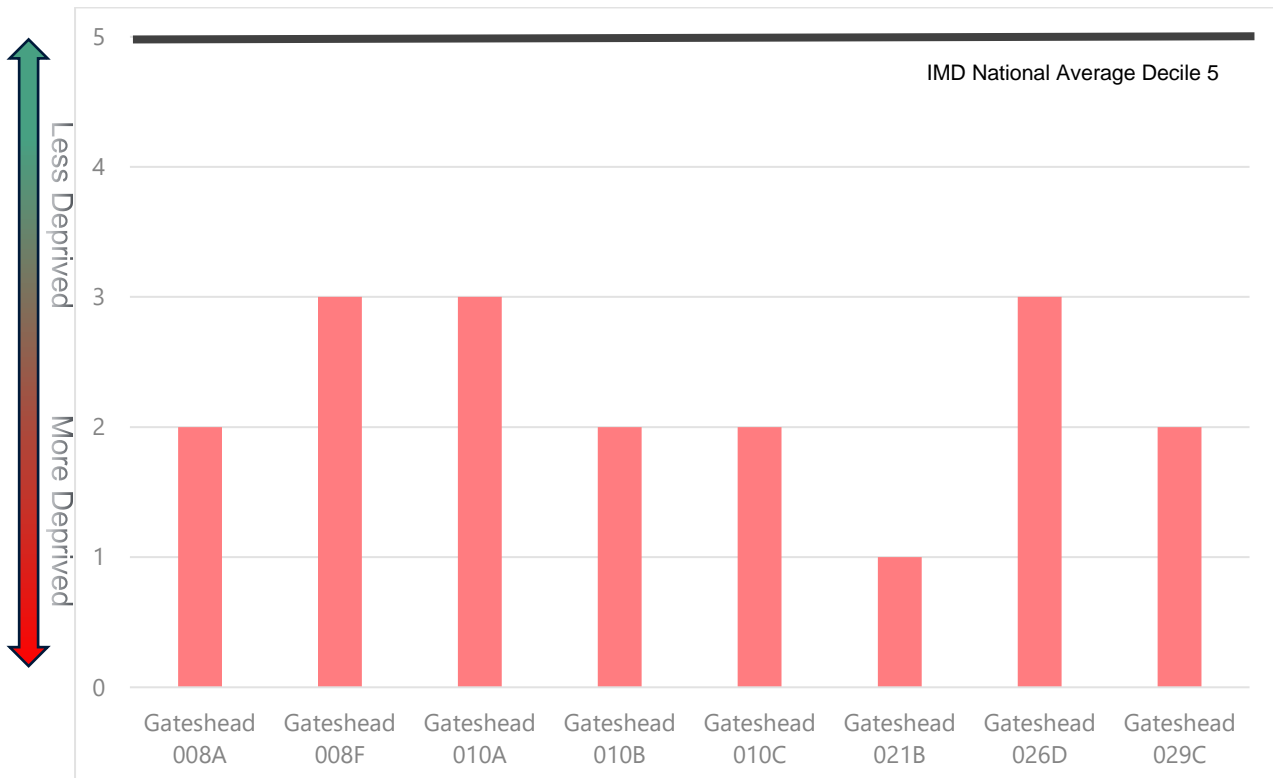
Complaints made by PRS tenants to the council about poor property conditions, ASB and inadequate property management are a direct indicator of the poor quality within the PRS. Gateshead received 2521 complaints from tenants in these eight LSOAs over the last five years. The properties in these wards have required a significant number of council interventions, including serving 342 housing, environmental health and public protection statutory notices, and also 104 Fixed Penalty Notices, representing a drain on council resources.

### What is the evidence of deprivation in this area?

Our evidence shows that the eight neighbourhoods in designation 1 suffer from significant deprivation. The government uses a range of measures to produce Indices of Multiple Deprivation (IMD). These allow areas to be ranked nationally between 1 as the most deprived and 10 as the least deprived. The national average is 5. These eight LSOAs have an IMD decile of 3 or below and fall into the 30% most deprived in the country.

The council knows that poor property conditions (as outlined above) make deprivation worse. People living in deprived areas have fewer choices about where they can live and often have no choice but to live in overcrowded, poorly maintained accommodation with outdated or inadequate facilities, which exacerbates the effects of poverty.

### LSOA IMD Decile (designation 1)<sup>29</sup>



<sup>29</sup> [English indices of deprivation 2019 - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

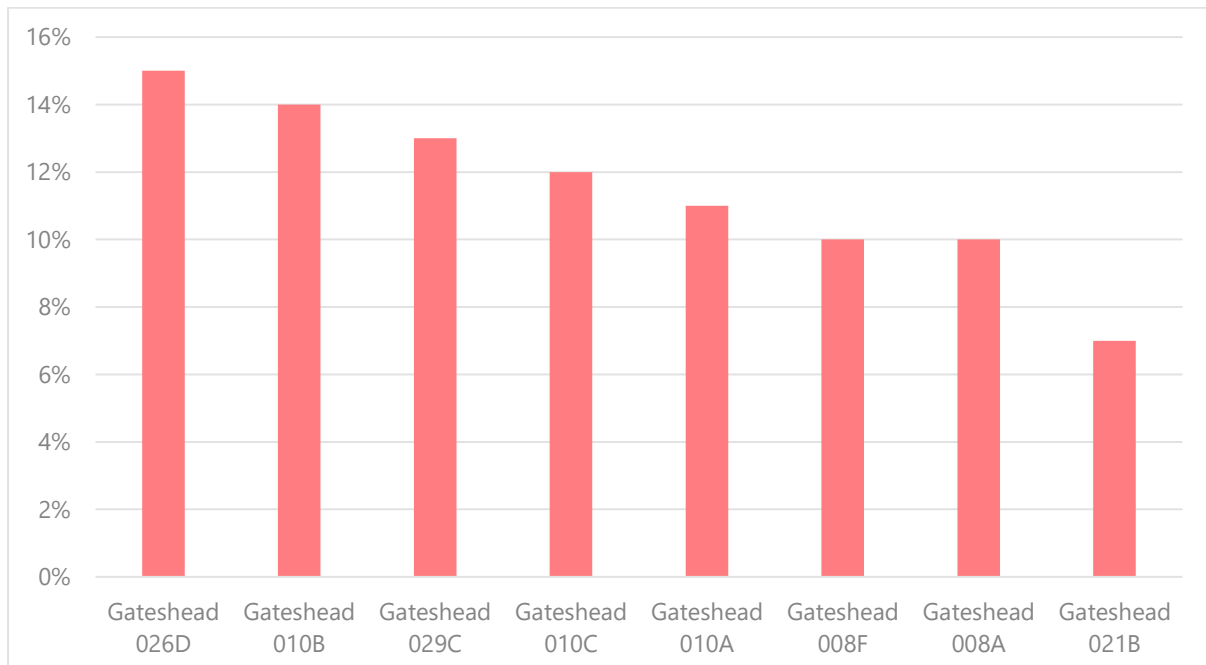
**What is the evidence of ASB in this area?**

In deciding whether an area suffers from anti-social behaviour, it is recommended that the council consider whether private sector landlords in the designated area are effectively managing their properties or not. This would aid in combatting incidences of anti-social behaviour caused by their tenants or people visiting their properties. In particular, the council should consider whether the area suffers from anti-social behaviour as a result of this failure or because that failure significantly contributes to this problem.

The PRS properties within the eight neighbourhoods in designation 1 all suffer from repeat incidences of ASB at a rate that is equal to or above the Gateshead rate for the PRS of 7%: Gateshead 008A - 10%, Gateshead 008F - 10%, Gateshead 010A - 11%, Gateshead 010B - 14%, Gateshead 010C - 12%, Gateshead 021B - 7%, Gateshead 026D - 15%, Gateshead 029C - 13%.

In these eight neighbourhoods alone, there were over 1500 complaints of ASB connected with the PRS over a five-year period. Follow-up investigations identified that the majority of these were around waste, fly-tipping and noise, and disputes. Overall, there are 351 PRS properties (excluding known HMOs) that have suffered from repeat ASB over the past five years within designation 1, showing that some landlords are failing to take the appropriate action to deal with ASB in their properties when it first occurs.

**Percentage of PRS properties with repeat ASB incidents (excluding known HMOs) (Designation 1)**



### Data Summary for Designation 1

| LSOA  | %PRS       | % Serious Hazards (excluding known HMOs) | IMD Decile | % Repeat ASB (excluding known HMOs) |
|---|------------|--|------------|-------------------------------------|
| <b>Gateshead 008A</b><br>Bensham North/Windmill Hills | 40.8%      | 31%                                      | 2          | 10%                                 |
| <b>Gateshead 008F</b><br>Bensham Central & West       | 53.0%      | 27%                                      | 3          | 10%                                 |
| <b>Gateshead 010A</b><br>The Avenues                  | 55.2%      | 23%                                      | 3          | 11%                                 |
| <b>Gateshead 010B</b><br>Bensham South/Avenues North  | 44.5%      | 26%                                      | 2          | 14%                                 |
| <b>Gateshead 010C</b><br>Bensham West/Avenues         | 64.8%      | 25%                                      | 2          | 12%                                 |
| <b>Gateshead 021B</b><br>Beacon Lough East            | 21.5%      | 29%                                      | 1          | 7%                                  |
| <b>Gateshead 026D</b><br>Birtley/Birtley Industrial   | 41.3%      | 24%                                      | 3          | 15%                                 |
| <b>Gateshead 029C</b><br>Chopwell North               | 42.6%      | 32%                                      | 2          | 13%                                 |
| <b>National Average England</b>                       | <b>19%</b> | <b>12%</b>                               | <b>5</b>   | <b>N/A</b>                          |

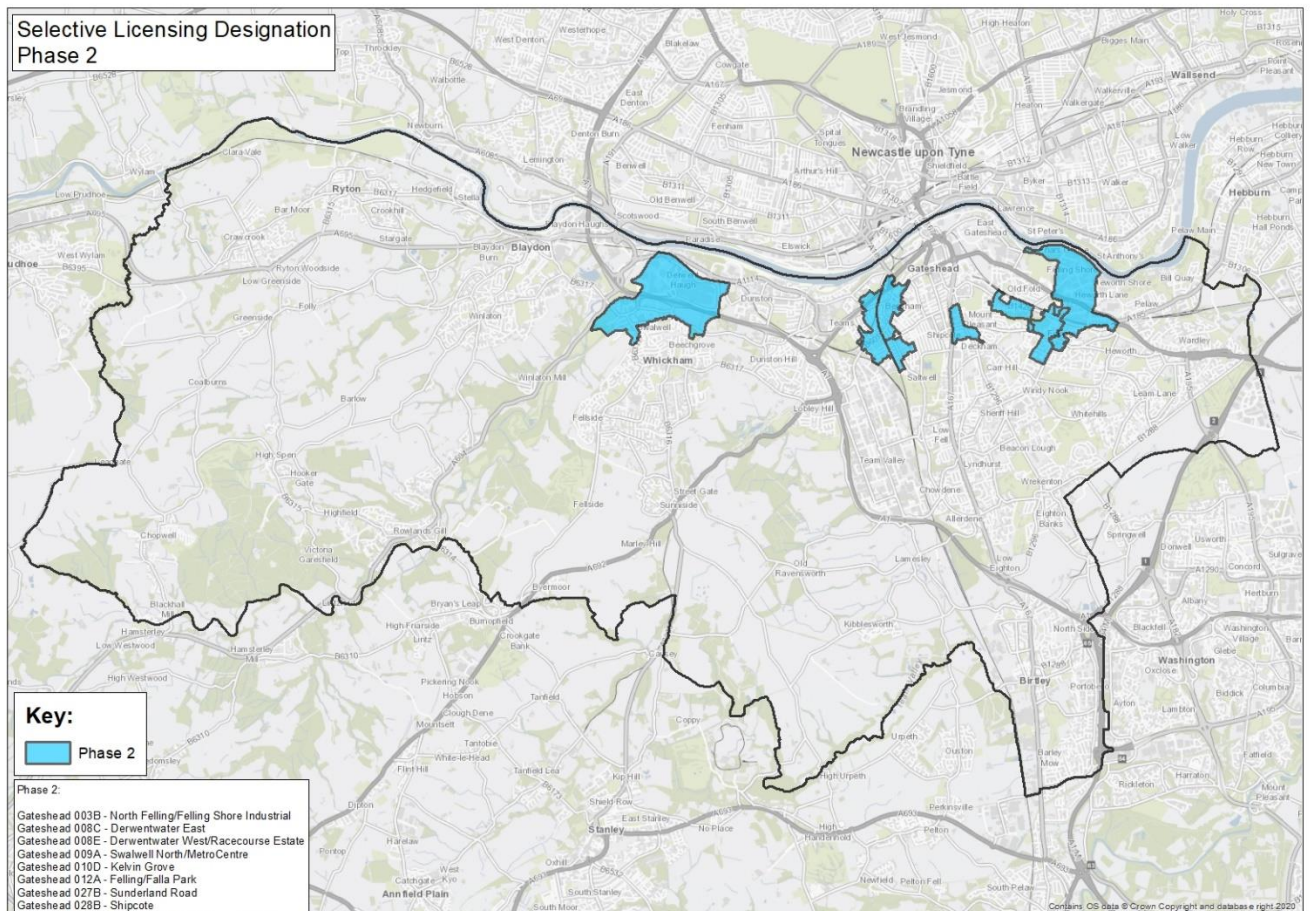
## 7.2 Phase 2 - Designation 2: poor housing conditions, deprivation and ASB

### Which neighbourhoods are included in this designation?

The following eight LSOAs (Lower-layer Super Output Areas) or neighbourhoods are included in this designation:

|   |                       |  |
|---|-----------------------|--|
| <b>Phase 2 (designation 2):</b><br>Central Gateshead<br>Felling<br>Swalwell | <b>Gateshead 003B</b> | North Felling/Felling Shore Industrial |
|   | <b>Gateshead 008C</b> | Derwentwater East                      |
|   | <b>Gateshead 008E</b> | Derwentwater West/Racecourse Estate    |
|   | <b>Gateshead 009A</b> | Swalwell North/Metro Centre            |
|   | <b>Gateshead 010D</b> | Kelvin Grove                           |
|   | <b>Gateshead 012A</b> | Felling Falla Park                     |
|   | <b>Gateshead 027B</b> | Sunderland Road                        |
|   | <b>Gateshead 028B</b> | Shipcote                               |

These neighbourhoods have a high proportion of properties in the PRS (above the national average of rented properties) which are rented out as assured tenancies or licences.

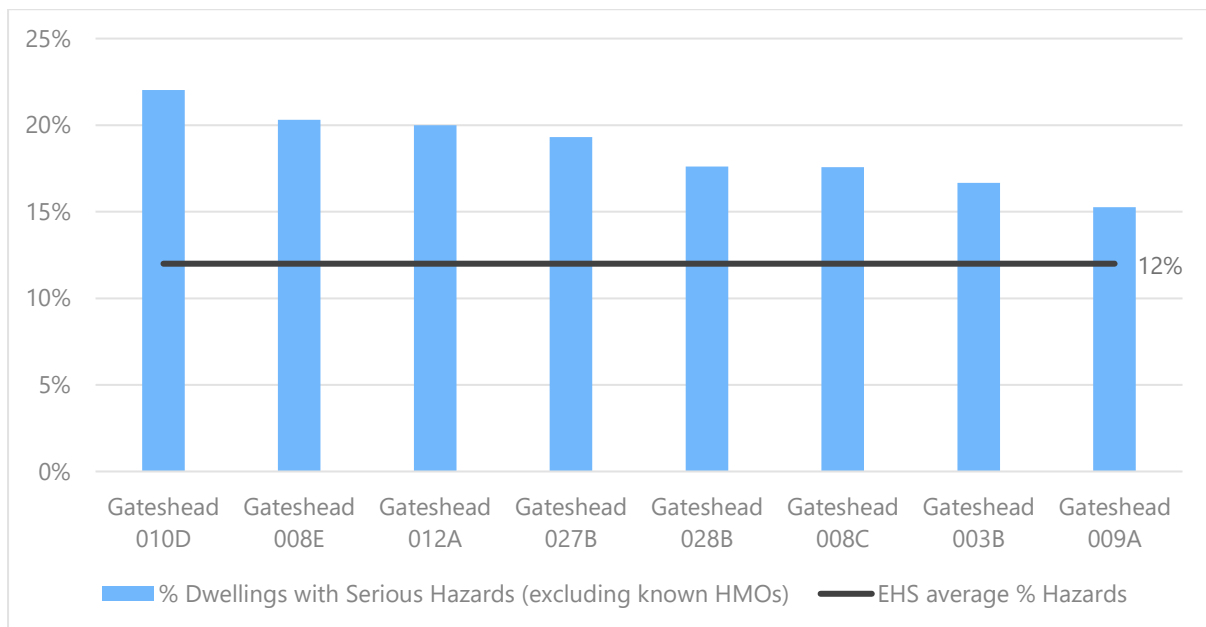


### ***What is the evidence of poor housing conditions in this area?***

Our evidence shows that the eight neighbourhoods in designation 2 have a high percentage of PRS properties (excluding known HMOs) in the borough with predicted serious hazards: Gateshead 003B – 17%, Gateshead 008C – 18%, Gateshead 008E – 20%, Gateshead 009A – 15%, Gateshead 010D – 22%, Gateshead 012A – 20%, Gateshead 027B – 19%, Gateshead 028B – 18%.

Overall, in these eight neighbourhoods, there are 435 properties (excluding known HMOs) in the PRS that are predicted to have serious hazards. Fire, electrical and gas hazards, excessive cold, damp and mould are all considered serious hazards. A significant number of these properties would need to be inspected to accurately identify and assess the presence of category 1 or 2 hazards.

### ***Percentage of PRS properties with Serious Hazards predicted (designation 2)***



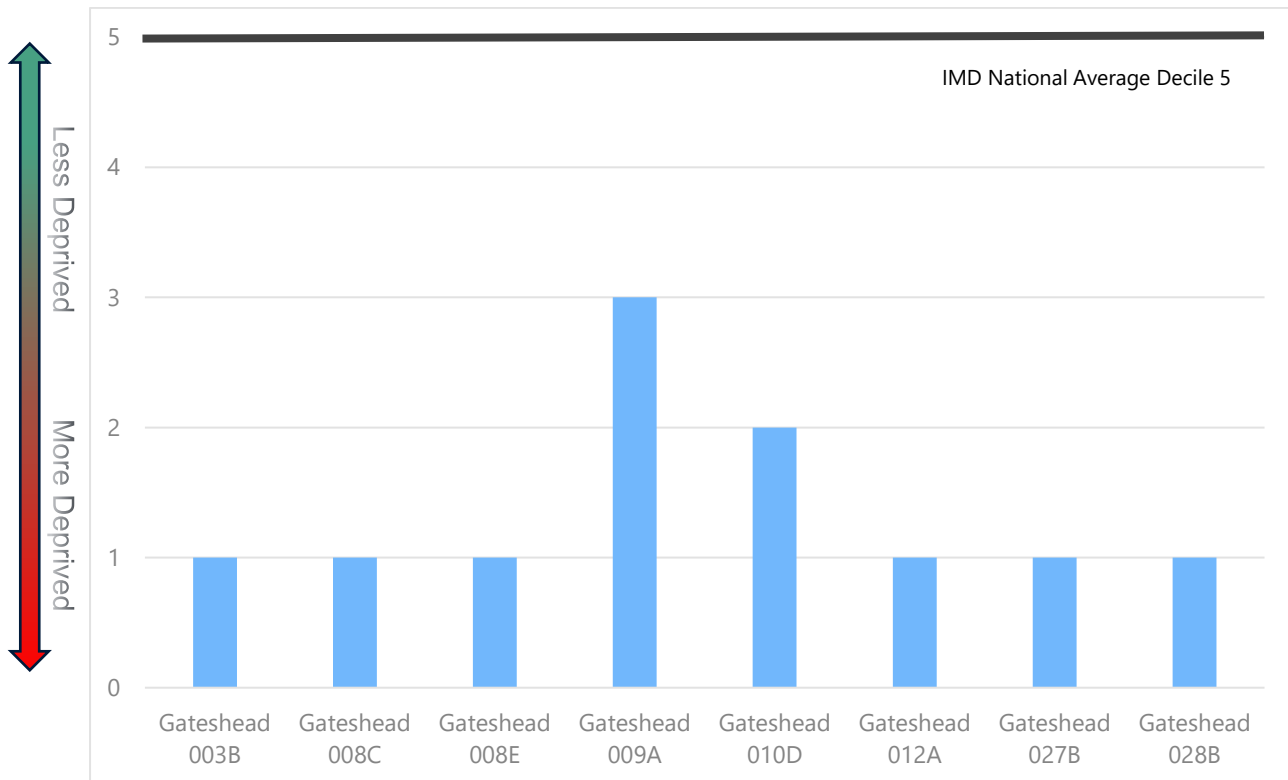
Complaints made by PRS tenants to the council about poor property conditions, ASB and inadequate property management are a direct indicator of the poor quality within the PRS. Gateshead received 1793 complaints from tenants in these eight LSOAs over the last five years. The properties in these wards have required a significant number of council interventions, including serving 225 housing, environmental health and public protection statutory notices, and also 22 Fixed Penalty Notices, representing a drain on council resources.

### ***What is the evidence of deprivation in this area?***

The government uses a range of measures to produce Indices of Multiple Deprivation (IMD). These allow areas to be ranked nationally between 1 as the most deprived and 10 as the least deprived. The national average is 5. These eight LSOAs have an IMD decile of 3 or below and fall into the 30% most deprived in the country. However, six of the eight have the lowest decile of 1 and therefore fall into the 10% most deprived neighbourhoods in the country.

The council knows that poor property conditions (as outlined above) make deprivation worse. People living in deprived areas have fewer choices about where they can live and often have no choice but to live in overcrowded, poorly maintained accommodation with outdated or inadequate facilities, which exacerbates the effects of poverty.

### ***LSOA IMD Decile (designation 2)<sup>30</sup>***



<sup>30</sup> [English indices of deprivation 2019 - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

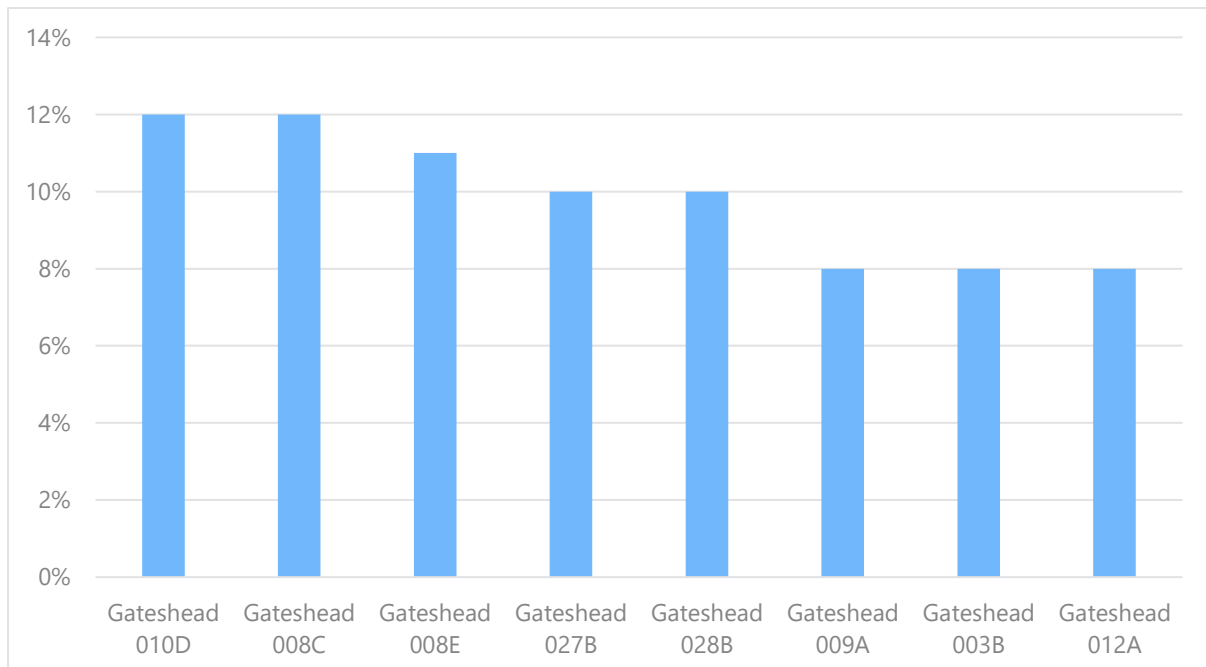
### **What is the evidence of ASB in this area?**

In deciding whether an area suffers from anti-social behaviour, it is recommended that the council consider whether private sector landlords in the designated area are not effectively managing their properties so as to combat incidences of anti-social behaviour caused by their tenants or people visiting their properties. In particular, the council should consider whether the area suffers from anti-social behaviour as a result of this failure or because that failure significantly contributes to this problem.

The PRS properties within the eight neighbourhoods in designation 2 all suffer from repeat incidences of ASB at a rate that is equal to or above the Gateshead average for the PRS of 7%: Gateshead 003B - 8%, Gateshead 008C - 12%, Gateshead 008E - 11%, Gateshead 009A - 8%, Gateshead 010D - 12%, Gateshead 012A - 8%, Gateshead 027B - 10%, Gateshead 028B - 10%.

In these eight neighbourhoods alone, there were over 1000 complaints of ASB connected with the PRS over a five-year period. Follow-up investigations identified that the majority of these were around waste, fly-tipping and noise, and disputes. Overall, there are 239 PRS properties (excluding known HMOs) that have suffered from repeat ASB over the past five years within designation 2, showing that some landlords are failing to take the appropriate action to deal with ASB in their properties when it first occurs.

### **Percentage of PRS properties with repeat ASB incidents (excluding known HMOs) (Designation 2)**



## Data Summary for Designation 2

| LSOA  | % PRS | % Serious Hazards (excluding known HMOs) | IMD Decile | % Repeat ASB (excluding known HMOs) |
|---|-------|--|------------|-------------------------------------|
| <b>Gateshead 003B</b><br>North Felling/Felling Shore Industrial | 26.9% | 17%                                      | 1          | 8%                                  |
| <b>Gateshead 008C</b><br>Derwentwater East                      | 37.3% | 18%                                      | 1          | 12%                                 |
| <b>Gateshead 008E</b><br>Derwentwater West/Racecourse Estate    | 19.2% | 20%                                      | 1          | 11%                                 |
| <b>Gateshead 009A</b><br>Swalwell North/Metro Centre            | 39.0% | 15%                                      | 3          | 8%                                  |
| <b>Gateshead 010D</b><br>Kelvin Grove                           | 52.8% | 22%                                      | 2          | 12%                                 |
| <b>Gateshead 012A</b><br>Felling Falla Park                     | 21.8% | 20%                                      | 1          | 8%                                  |
| <b>Gateshead 027B</b><br>Sunderland Road                        | 49.1% | 19%                                      | 1          | 10%                                 |
| <b>Gateshead 028B</b><br>Shipcote                               | 48.3% | 18%                                      | 1          | 10%                                 |
| <b>National Average England</b>                                 | 19%   | 12%                                      | 5          | N/A                                 |

## 7.3 Other factors impacting poor housing conditions and deprivation

### Overcrowding

According to the 2021 census, the proportion of privately rented households that are overcrowded in Gateshead is 3%.

Overcrowding exacerbates hazards such as damp and mould due to the increased laundry and cooking activities required to cater to more people in a confined space. Insulation and ventilation can't generally cope with the extra demand. The Housing Health and Safety Rating System states that 'crowded conditions can result in a moisture burden above that which the dwelling is designed to safely deal with, and this can be a cause of condensation and high humidities, giving rise to associated health risk'<sup>31</sup>.

Evidence indicates that poor housing and overcrowding negatively affect physical and mental health and can also have a major impact on educational achievement<sup>32</sup>. For example, children's education may be affected by overcrowding directly, through a lack of space for homework, as well as indirectly because of school absences caused by illness.

### Poverty

With growing pressure on household finances because of increasing energy costs, and wider concerns about the cost of living, there are concerns that households are choosing between "heating or eating" over the winter months. In 2022, the media reported widely on poor conditions caused by damp and mould in social and private rented housing. This was preceded by reporting on the case of two-year old Awaab Ishak who died in 2020 due to prolonged exposure to mould in his home<sup>33</sup>.

The North East has the second highest rates of child poverty in the UK, with 35% of children there living in poverty (compared to the UK average of 29.2%, and the average for England of 30.8%). In fact, one in three children who live in Gateshead experience child poverty after housing costs. The North East also has the highest percentage of minority ethnic families living in poverty, with 64% of children in minority ethnic families there experiencing poverty, compared with 33% of those in white families.<sup>34</sup>

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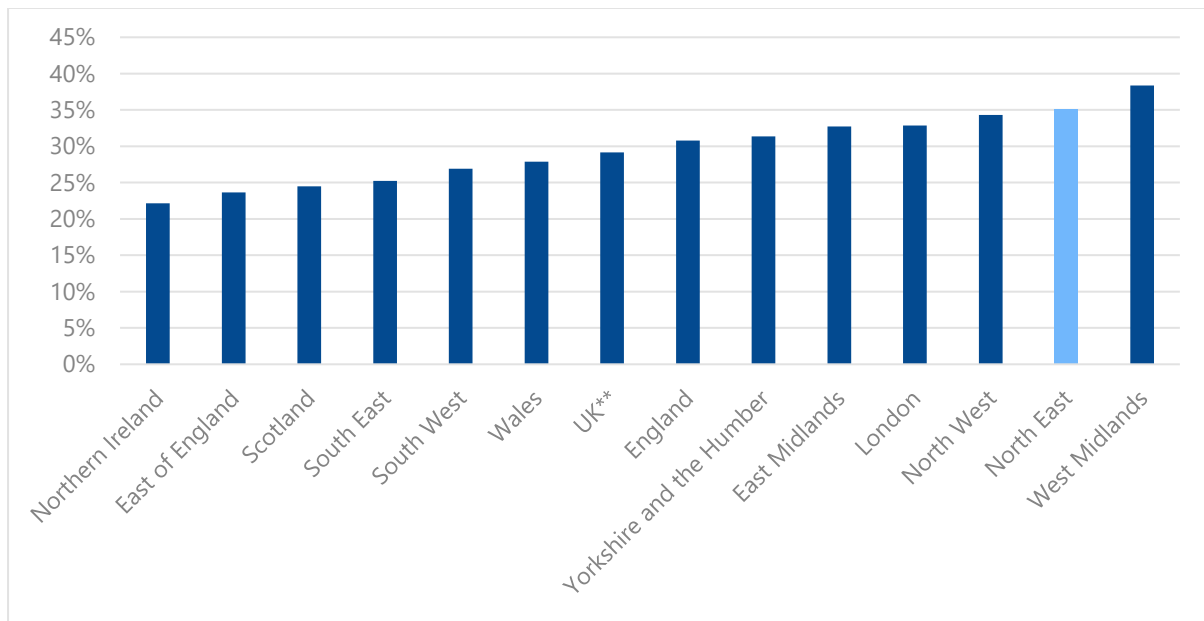
<sup>31</sup> [Housing Health and Safety Rating System \(HHSRS\)](#)

<sup>32</sup> [The impact of bad housing on children's lives](#)

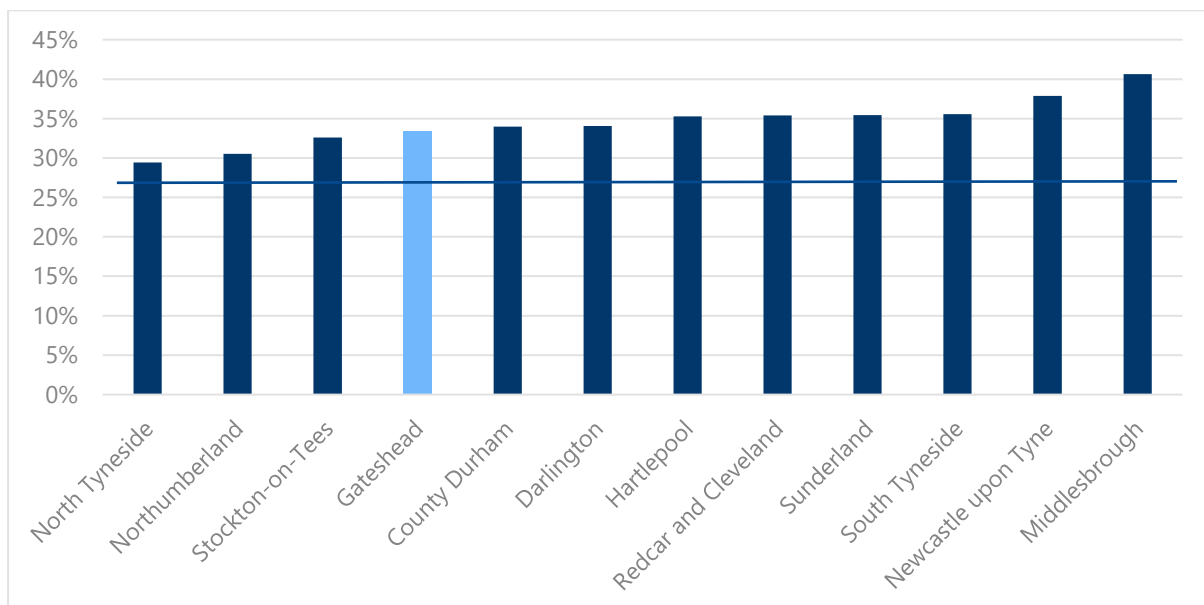
<sup>33</sup> [House of Commons Research Briefing: Health inequalities: Cold or damp homes, February 2023](#)

<sup>34</sup> [Child Poverty Statistics - End Child Poverty](#)

### Percentage of children in poverty in the UK, AHC 2021/22<sup>35</sup>



### Percentage of children in poverty in the North East of England, AHC 2021/22<sup>36</sup> (blue line shows UK average of 29%)



As the cost-of-living crisis continues, it is likely that many households with children will be unable to afford to put the heating on, making homes more susceptible to damp, mould and cold. Children aged 14 years or under are at the greatest risk of ill health caused by damp and mould in their homes<sup>37</sup>.

<sup>35</sup> [Child Poverty Statistics - End Child Poverty](#)

<sup>36</sup> [Child Poverty Statistics - End Child Poverty](#)

<sup>37</sup> [Housing Health and Safety Rating System \(HHSRS\)](#)

#### **7.4 How will selective licensing deal with poor housing conditions, deprivation and ASB in the designated areas?**

##### **Poor Housing Conditions**

A high proportion, 42%, of housing in the proposed designations is let in the private rented sector, normally under an assured tenancy. The council commissioned Metastreet Ltd to conduct a review of the housing stock in Gateshead, which has determined that a significant number of the PRS properties in the proposed designations should be inspected to determine whether any hazards exist. The council intends to inspect in order to do so, and it considers that the proposed designations, if approved, would contribute to improving the housing conditions in the area.

The phased nature of the scheme will allow the council to deal with some of the worst property conditions in the borough first, whilst providing time to upscale and tackle further issues once the scheme is underway.

The new selective licensing designations would be supported by licence conditions relating to the standard and management of rented properties in the area. Higher risk properties will be prioritised for inspection by officers to check for hazards and compliance with licence conditions. The council would take the full range of necessary enforcement actions, including the additional regulatory controls afforded by property licensing, to improve poor property conditions.

Property licensing forms an integral part of the council's current housing strategy. The council has also considered how the designation of new property licensing schemes would form part of a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour. Further details are set out on pages 63 to 65 of this document.

The council has also considered possible alternatives to licensing scheme designations, which are set out on pages 58 and 59 of this document.

Information and support on the professional management of properties will be available to landlords through the council's website and landlord forums (in person and online). The licence conditions relating to the management of the properties will help ensure that properties are properly managed to prevent further deterioration.

The council will work with landlords to address poor property conditions and help them to comply with the licence conditions in these neighbourhoods.

The council will also continue to work with external partners such as the Fire Brigade and Police as well as additional council departments, to identify properties that need improvement. In addition, licensing has facilitated better and more effective working with internal stakeholders too, such as planning enforcement, Trading Standards, Empty Properties Team, Council Tax and others.

Landlords who fail to license their properties could also face a criminal conviction upon prosecution and an unlimited fine or a civil penalty of up to £30,000.

### **Deprivation**

The 16 LSOAs or neighbourhoods within the proposed selective licensing designation all suffer from high levels of deprivation, considerably above the national average. According to the English indices of deprivation 2019<sup>38</sup>, all 16 fall into the 30% most deprived areas of the country, with 7 falling into the 10% most deprived areas. All these neighbourhoods also have a high proportion of privately rented housing (greater than the national average of 19%<sup>39</sup>), occupied either under assured tenancies or licences.

The council's Corporate Plan aims to address inequality in Gateshead, 'putting people and families at the heart of everything we do'. One of the ways in which the council will help achieve this aim is in tackling fuel poverty. An overarching aim of its linked Housing Strategy is improved energy efficiency of the housing stock, to help reduce fuel poverty and help meet climate change obligations and targets. Licensing is key to this process, both as part of gathering data on the fuel-efficiency of properties in the PRS and in identifying landlords. The use of targeted landlord forums and newsletters will help with engagement and education about how to ensure homes in the most deprived areas of Gateshead meet the MEES (Minimum Energy Efficiency Standards), and that families in Gateshead are not having to choose between heating and eating.

Overcrowding is another element that makes deprivation worse. Selective licensing not only helps us to identify properties at risk of becoming overcrowded, but it provides a legal framework to prevent homes becoming HMOs, where the property would not be suitable for occupation by multiple households. The licence conditions clearly state that only one household or two people in two households can occupy a selectively licensed home. Where we find properties are overcrowded, we expect the landlord to take action to correct the situation, or a formal referral will be made to the council's housing solutions service.

Often in deprived areas, tenancy deposits are either not taken at all, or are taken but not put into a government approved tenancy deposit scheme. By having a licence condition that reiterates the legislative requirement, the council can easily request details of the scheme used (or not) which encourages compliance with the law. Issues with tenancy deposits can cause problems at the end of a tenancy, with unscrupulous landlords withholding deposits, causing further financial difficulty for tenants at the lower end of the economic scale. Tenants facing these issues are referred to Trading Standards and Tenancy Relations for support, and landlords are encouraged to increase their professionalism in managing this process as part of their training.

The proposed licence conditions outlined in **Appendix 2** will be used specifically to improve factors that make deprivation worse, ensure compliance with property standards and prevent a further deterioration in private rented properties in the area.

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<sup>38</sup> [English indices of deprivation 2019 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019)

<sup>39</sup> [English Housing Survey 2022 to 2023: headline report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-headline-report)

## ASB

The neighbourhoods that are proposed for selective licensing are experiencing a significant and persistent problem caused by ASB. Repeated reports of ASB suggests that some PRS landlords letting premises in the area are failing to adopt a proactive approach to tenancy management to effectively address the ASB, notwithstanding the imposition of licence conditions where a property is already licensed. The council believes that making the proposed designations would lead to a reduction in the problem. A selective licensing scheme in these neighbourhoods would give the council greater information and powers to deal with the properties that cause such a problem for neighbours and the community.

Selective licensing in the two proposed designations would allow the council to work proactively with the landlords and owners of the properties to prevent ASB and, where necessary, deal with ASB in their properties. This will be done through a combined effort as a council working in partnership with other agencies and internal departments.

Through the granting of licences under the selective licensing scheme, standard licence conditions will be imposed that require licence holders to meet obligations relating to the letting and effective proactive management of their rented homes. These conditions include several requirements relating to the prevention of ASB and the early resolution of any ASB that might arise, including:

- Taking all reasonable and practicable steps to prevent or reduce antisocial behaviour by persons occupying or visiting the house.
- Making clear to the tenant with verbal and written warnings as appropriate that further instances of anti-social behaviour will not be tolerated.
- Working in partnership with the Authority and Police where appropriate to prevent or reduce antisocial behaviour. This includes all persons occupying or visiting the house and where necessary follow guidance provided by the Authority or Police.
- Requiring licence holders to ensure that tenants are aware of, and comply with, the relevant rules relating to waste disposal and recycling and providing tenants with adequate facilities for the disposal of refuse and recycling.
- Carrying out inspections of the rented property at least every 6 months.

A failure to comply with a licence condition without reasonable excuse is a criminal offence. Under the existing licensing schemes, 97 licence-holders have received a total of 310 breaches for non-compliance with discretionary licence conditions, and enforcement teams have taken appropriate action to bring about compliance. This enforcement of licensing requirements has yielded positive results, with the majority of cases being resolved quickly through prompt and effective action taken by the council and landlords.

Guidance and advice will be provided to landlords on managing tenants who are involved in ASB, particularly where there is evidenced serious ASB which necessitates formal action in the courts.

## **Case Study: Using licensing to inform landlords of new legal requirements, to ensure electrical safety in private rented properties**

### **Background**

In response to new legislation introduced by the Government regarding electrical safety in private rented properties, the Selective Landlord Licensing Team initiated changes to the licence conditions for existing licence holders. The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 mandated landlords to ensure the safety of all electrical installations in their properties. This could be verified by providing an Electrical Installation Condition Report (EICR) from a competent electrician who had inspected the installation and carried out any necessary repairs or improvements.



Following a proactive campaign to inform all landlords of the new legal requirements and the deadline to submit an EICR, one Licence Holder, who had previously breached licence conditions, failed to return the required EICR for four properties within the stipulated timeframe.

### **Council Action**

Officers arranged for the properties to be inspected by a qualified electrician. On inspection all four properties were found to have C2 hazards, classified as 'potentially dangerous requiring urgent remedial action'. Three of the four properties had five or more C2 hazards. In accordance with the licence conditions, the licence holder was required to provide to the council a 'satisfactory' EICRs for each property, demonstrating that the hazards had been rectified. However, the licence holder failed to arrange for the necessary works or provide the reports within a reasonable timeframe. The licence holder subsequently received four financial penalties for breaching the licence conditions.

### **Outcome**

The landlord arranged for the necessary works and obtained 'Satisfactory' EICRs, ensuring the electrical installations in the properties were safe for the tenants. The Licence Holder appealed the penalties, but the Tribunal upheld the penalties at an Appeal Hearing, finding that there had indeed been a breach of conditions. The Licence Holder was ultimately issued with a final overall penalty of £11,000.

**We will use licensing to inform and educate landlords about their legal responsibilities. In our commitment to safeguarding the safety and wellbeing of tenants, we will continue to utilise all enforcement tools, including the imposition of financial penalties when necessary.**

## 8. Proposals for an additional HMO licensing scheme

The evidence base demonstrates that the criteria for an additional licensing scheme is met in that a significant proportion of Gateshead's HMOs are being poorly managed and are giving rise, or are likely to give rise, to problems affecting their occupiers or members of the public.

Whilst we have made good progress in identifying and improving mandatory HMOs, there is more to be done as our evidence shows that a significant proportion of HMOs in the proposed selective licensing designations are being managed ineffectively, proven by the cumulative presence of serious housing hazards and/or significant and persistent ASB.

We are therefore proposing to introduce an additional HMO licensing scheme that will apply only to the LSOAs or neighbourhoods that are being proposed for selective licensing. Subject to consultation and approval, the scheme will come into force in spring 2025 and last for five years.

An additional HMO licence will be required for properties that fall within the proposed selective licensing designations and are:

- HMOs rented to three or more occupiers in two or more households that share (or lack) toilet, washing and cooking facilities.
- This excludes HMOs that require a mandatory HMO licence.
- This includes multiple-occupied flats in purpose-built blocks (with over two flats) where more than three people live in the flat.

There are some types of buildings which are exempt from HMO licensing by law. These include buildings controlled by public sector bodies (for example, housing associations), some buildings occupied by students, and some owner-occupied buildings. A full list of exemptions can be found at [Housing Act 2004 \(legislation.gov.uk\)](https://legislation.gov.uk)

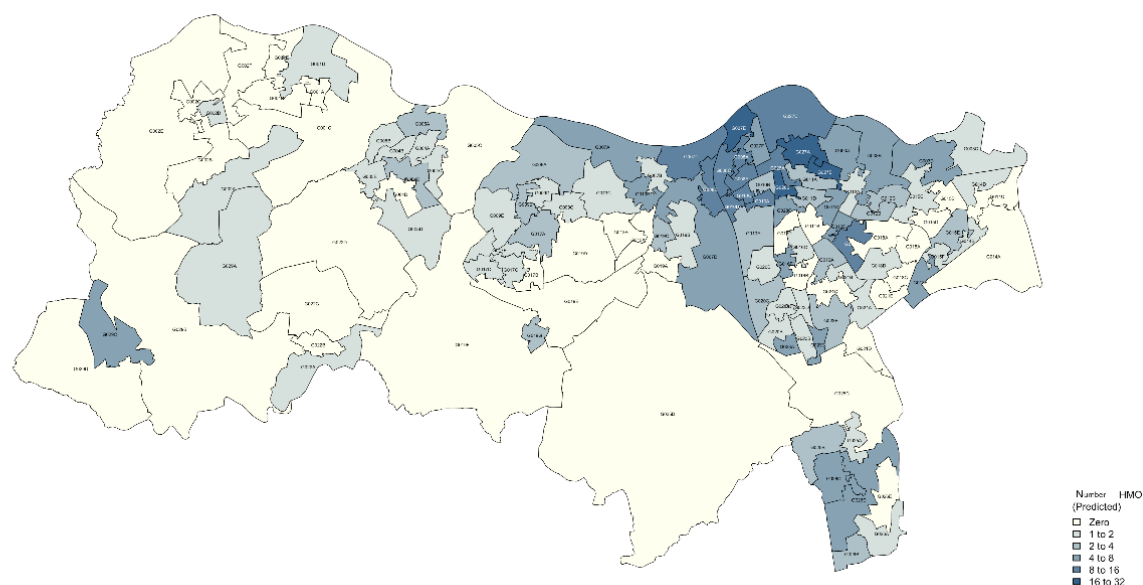
The proposed additional scheme will not apply to certain converted flats or blocks (known as Section 257 HMOs), although individual privately rented flats within these conversions will, unless otherwise exempt, require the relevant individual property licence.

The Housing Stock Condition and Stressors report shows that Gateshead has 476 HMOs distributed across 88 of its 126 LSOAs<sup>40</sup>. This number comprises the 105 HMOs already licensed under the national mandatory HMO scheme, and 371 predicted HMOs which could be subject to additional HMO licensing providing they meet the relevant criteria. There are higher concentrations of predicted HMOs across much of the proposed Selective licensing designations.

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<sup>40</sup> Housing Stock and Stressors Report, Metastreet, 2024

## ***Distribution of predicted HMOs by LSOA<sup>41</sup>***



There is evidence of poor housing conditions in Gateshead's HMO tenure, with 21% of all HMOs predicted to have serious hazards<sup>42</sup>. Poor standards are compounded by other factors such as ASB, deprivation and fuel poverty. Common issues to be found in HMOs include lack of adequate fire and electrical safety provisions, inadequate amenities and heating provision, and overcrowding.

Antisocial behaviour linked to HMOs in the PRS usually occurs where management of property is poor. Across the HMO tenure in Gateshead, the rate of repeat ASB is higher than that of Gateshead's PRS as a whole at 10% (Gateshead PRS repeat ASB rate is 7%). Issues can include noise, verbal abuse, harassment, intimidation, nuisance animals, nuisance vehicles, drugs and substance misuse, domestic violence, rubbish and fly tipping.

Gateshead's existing boroughwide mandatory HMO licensing scheme has ensured good progress in identifying and licensing 105 larger HMOs. The evidence, however, demonstrates that there is more work to do. The council considers that a significant proportion of smaller HMOs are also being managed ineffectively. Many are experiencing serious housing hazards and significant ASB. It is vital that all HMOs are of an adequate standard and offer a safe home for their (often vulnerable and low income) occupiers.

In order to effectively improve the management of smaller HMOs not captured by the national Mandatory HMO licensing scheme, the council is therefore also consulting on an additional HMO licensing scheme that would apply in the 16 LSOAs or neighbourhoods where a selective licensing designation is also proposed. It is predicted that 143 additional HMOs will fall within this proposed designation.

<sup>41</sup> Housing Stock and Stressors Report, Metastreet, 2024

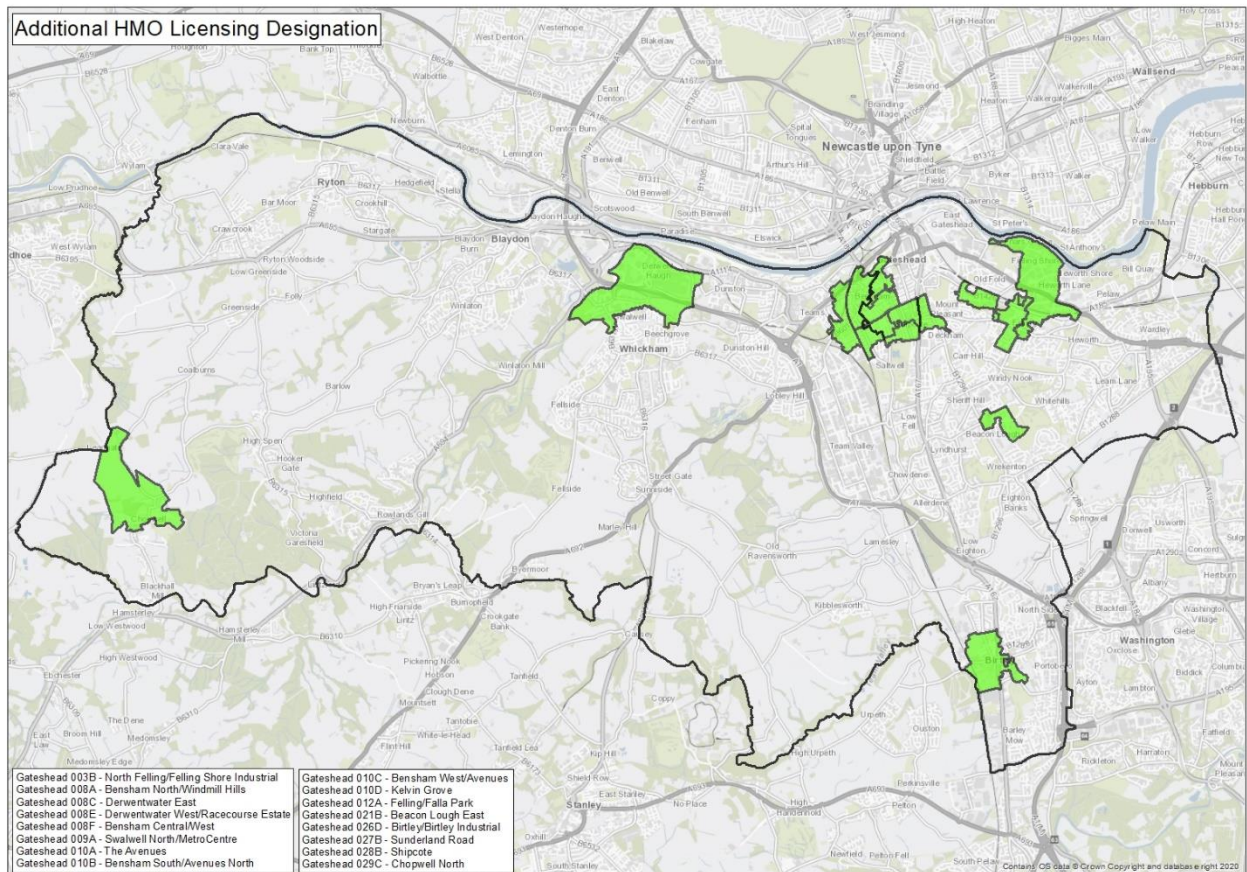
<sup>42</sup> Housing Stock and Stressors Report, Metastreet, 2024

## 8.1 Which neighbourhoods are included in this designation?

The following sixteen LSOAs (Lower-layer Super Output Areas) or neighbourhoods are included in this designation:

|  |   |  |
|--|---|--|
| <p><b>Additional Licensing Designation:</b><br/>         Central Gateshead<br/>         Birtley<br/>         Chopwell<br/>         Felling<br/>         High Fell &amp; Swalwell</p> | <p>Gateshead 003B<br/>         Gateshead 008A<br/>         Gateshead 008C<br/>         Gateshead 008E<br/>         Gateshead 008F<br/>         Gateshead 009A<br/>         Gateshead 010A<br/>         Gateshead 010B<br/>         Gateshead 010C<br/>         Gateshead 010D<br/>         Gateshead 012A<br/>         Gateshead 021B<br/>         Gateshead 026D<br/>         Gateshead 027B<br/>         Gateshead 028B<br/>         Gateshead 029C</p> | <p>North Felling/Felling Shore Industrial<br/>         Bensham North/Windmill Hills<br/>         Derwentwater East<br/>         Derwentwater West/Racecourse Estate<br/>         Bensham Central &amp; West<br/>         Swalwell North/Metro Centre<br/>         The Avenues<br/>         Bensham South/Avenues North<br/>         Bensham West/Avenues<br/>         Kelvin Grove<br/>         Felling Falla Park<br/>         Beacon Lough East<br/>         Birtley/Birtley Industrial<br/>         Sunderland Road<br/>         Shipcote<br/>         Chopwell North</p> |
|--|---|--|

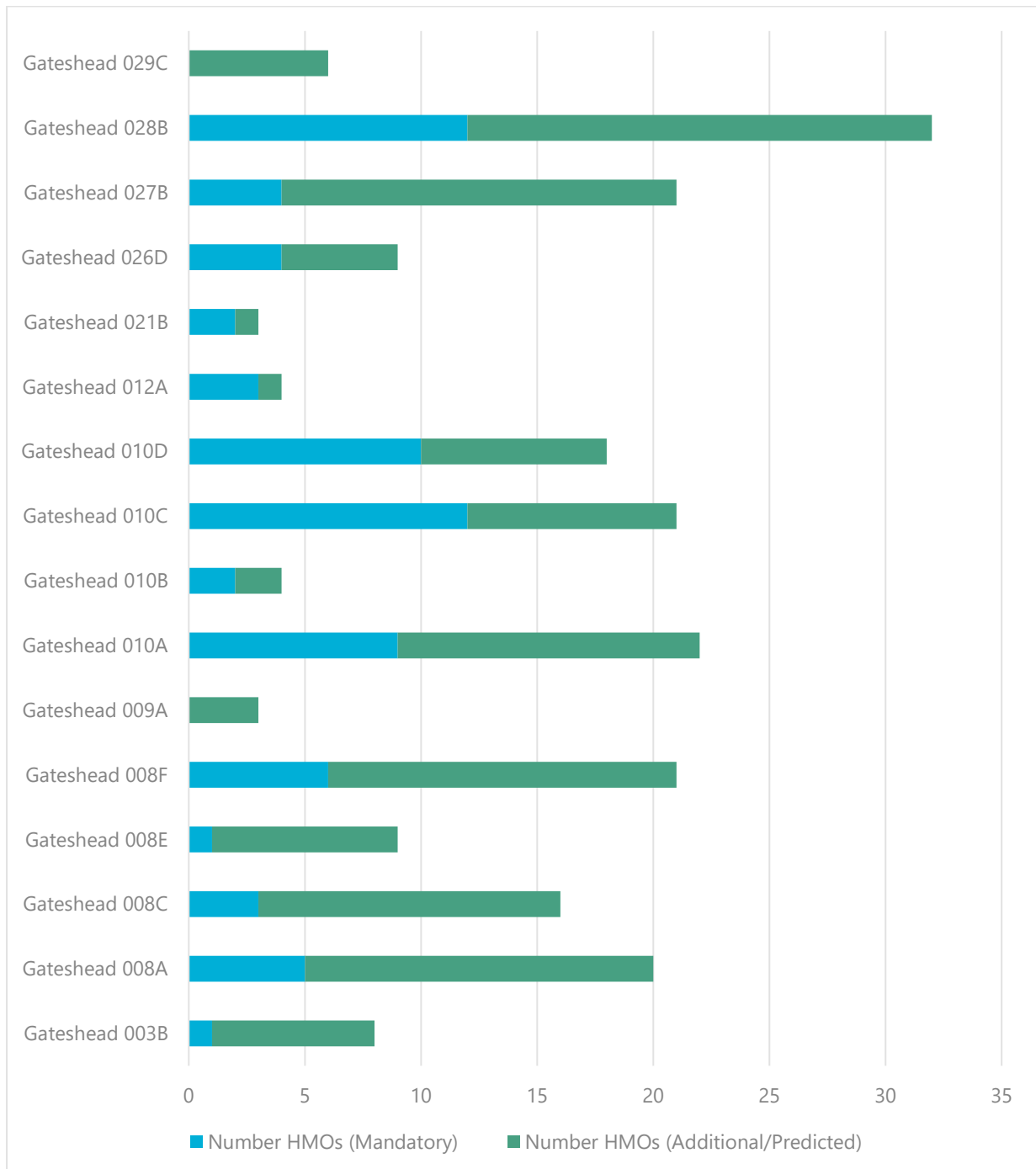
### Map of proposed additional HMO licensing designation



## 8.2 What is the evidence of poor property management in HMOs in this area?

Licensed Mandatory and/or predicted HMOs are distributed across the whole of the proposed designation.

### **Number of HMOs in LSOAs within proposed designation, split by Mandatory and Predicted<sup>43</sup>**

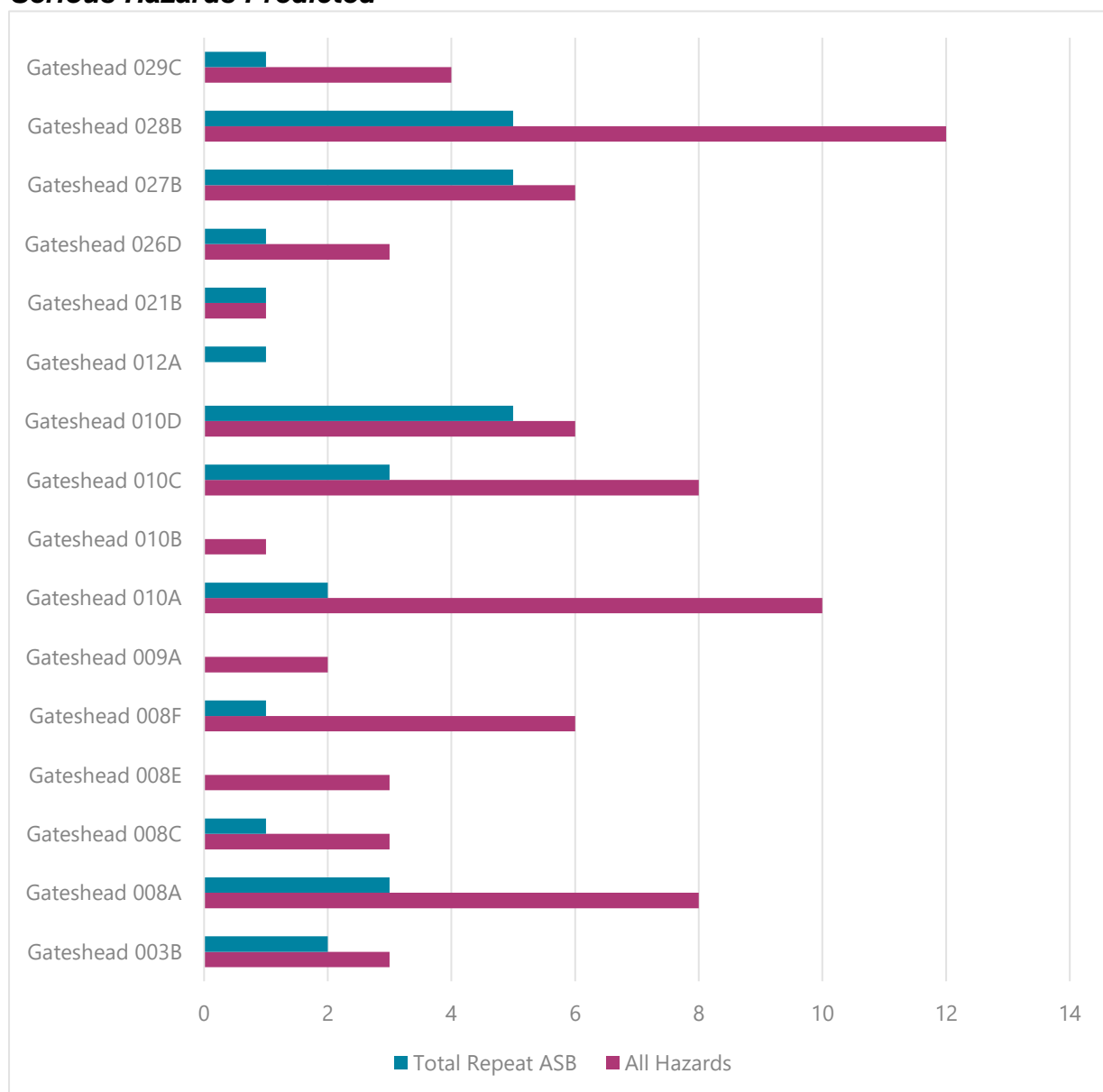


<sup>43</sup> Housing Stock and Stressors Report, Metastreet, 2024

Our evidence shows that a high number and proportion of all HMOs within the sixteen neighbourhoods in the proposed additional licensing designation have serious hazards predicted and/or suffer with repeat incidences of ASB. Repeat incidences of ASB (two or more ASB investigations linked to one dwelling) in HMOs indicate that some landlords are failing to take appropriate action to address issues of ASB when it first occurs and is a direct indicator of poor management.

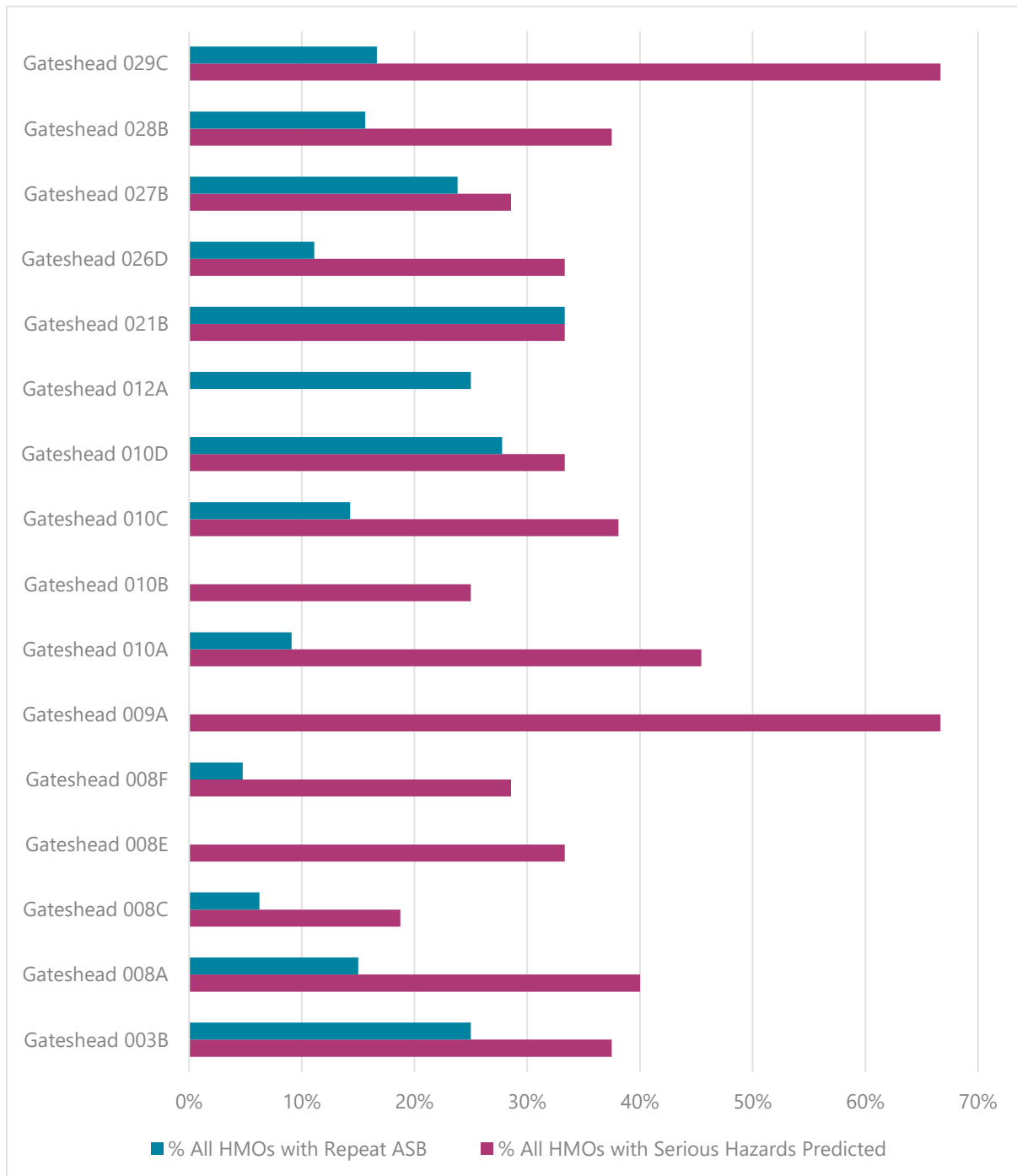
Overall, the rate of predicted hazards in HMOs within the proposed designation is 35% (national average in the PRS is 12%), and the rate of repeat ASB is 14% (borough average in the PRS is 7%, and in the borough’s HMO tenure is 10%).

**Number of all HMOs within proposed designation with Repeat ASB and Serious Hazards Predicted<sup>44</sup>**



<sup>44</sup> Housing Stock and Stressors Report, Metastreet, 2024

**Percentage of all HMOs within proposed designation with Repeat ASB and Serious Hazards Predicted<sup>45</sup>**



<sup>45</sup>Housing Stock and Stressors Report, Metastreet, 2024

### ***8.3 How will additional HMO licensing deal with issues of poor property management in HMOs in the designated areas?***

The designation of these sixteen neighbourhoods (LSOAs) will allow the council to bring about an improvement to HMO property management standards in the area during the life of the schemes, thereby reducing incidences of serious housing hazards and ASB within HMOs in the borough.

Our evidence shows that a high proportion of HMOs in the proposed designated area are being managed ineffectively, proven by the cumulative presence of serious housing hazards and significant, repeat ASB.

Through these licensing regimes and the granting of licences, standard licence conditions would be imposed that require licence holders to manage their properties proactively and to take reasonable action to address any identified problems. We will ensure that properties identified as 'high risk' are prioritised for inspection by officers to check for hazards and compliance with the licence conditions. This will allow the council to take enforcement action (under Part 1 of the Housing Act), where necessary, to improve management standards.

Licensing also gives the council further powers to reduce ASB in HMOs. Without licensing the council are only able to take action against tenants for ASB, as opposed to licensing, which places a duty on landlords to manage ASB in their properties as well. Landlords will receive guidance and advice on managing tenants involved in ASB, particularly in cases of serious ASB requiring formal court action.

The council will expect property management issues identified during an inspection to be resolved within a reasonable period, depending on the severity of the issue. improvement notices, overcrowding notices and prohibition orders are formal notices that may be issued to bring about improvements in the management of properties. Landlords who fail to license their properties could also receive a civil penalty or may be prosecuted.

Landlords will be able to access information on the council's web site and through forums (either in person or online) to help them improve their property management skills.

We will also continue to work with the local Police, the Fire Brigade, UK Border Agency and other council departments to identify properties that need improvement. The council will work with landlords to address poor property conditions and ASB and help them to comply with the licence conditions in these neighbourhoods.

### **Case Study: Partnership working with the Police to improve property conditions and reduce ASB**

The implementation of a selective licensing scheme in an area, complemented by regular inspections by officers, has proven to have a number of benefits. Routine monitoring of properties and proactive campaigns to uncover unlicensed properties not only ensures property standards are improved but also aids in identifying and addressing other potential issues in the designated area.

During a proactive campaign to improve awareness around the correct disposal of waste from private rented properties, officers detected a strong smell of cannabis emanating from a specific block of properties. Despite initial difficulties in locating the source, persistent efforts led to the identification of a property receiving an unusual number of visitors. The tenant, known for drug-related crimes, was reported to the police.



Discreet interactions with neighbouring properties confirmed the daily presence of the cannabis smell and expressed intimidation. Consequently, a warrant was executed, leading to the seizure of a substantial amount of cannabis from the property and the arrest of the tenant.

This incident highlights the additional benefits of a selective licensing scheme and demonstrates its effectiveness in not just improving standards but also in contributing significantly to community safety and crime and ASB reduction.

**We shall continue to work collaboratively with multidisciplinary teams alongside internal and external stakeholders including the Police to identify properties of concern in all licensing designated areas in order to improve property conditions and reduce ASB.**

## 9. Licence conditions, fees, discounts and exemptions

### 9.1 Proposed selective and additional HMO licensing scheme conditions

The conditions that the Council proposes to include in licences granted under the selective and additional HMO licensing schemes can be seen in **Appendix 2** and **Appendix 3**.

Each set of proposed licence conditions includes, for ease of reference, both mandatory conditions that the Council is obliged to include by law, and discretionary conditions that we propose to include in licences granted in Gateshead.

The mandatory licence conditions do not form part of this consultation process. Respondents are however welcome to give us their views about the proposed discretionary conditions for the selective and additional licensing schemes.

*Please note, the proposed licence conditions for both schemes represent the conditions that the Council would normally impose in respect of a licence granted on application for a selective or additional licence. However, the Council may impose alternative (bespoke) conditions, where necessary and appropriate, on an individual case basis.*

### 9.2 Proposed selective and additional licensing fees and discounts

Licence applicants will be required to pay a fee for each property that needs a licence. The proposed selective licence fee is £850 per property, and the proposed additional HMO licence fee is £976.30 per property (in line with the current mandatory HMO licence fee).

By law, the fee must be levied in two parts. Part A will be payable on submission of the application and will cover the cost of processing and the administration in determining the eligibility of the application. Should the application be refused or rejected by the council or withdrawn by the applicant this first Part A payment will not be refunded.

Part B will be payable once the application has been assessed and the decision is made to grant the licence. This will cover the administration, management, and enforcement of the licensing functions for the scheme.

In the event that we decide to refuse a licence application, only the Part A fee will be payable.

Licence fees cannot be used elsewhere in the council or used to generate a profit.

| Type of Licence | Part A fee | Part B fee | Total fee payable [on successful application] |
|-----------------|------------|------------|---|
| Selective       | £510       | £340       | £850  |
| Additional HMO  | £585.80    | £390.50    | £976.30                                       |

We are also proposing to offer a £75 discount to applicants who are members of a Landlords Accreditation Scheme (additional HMO and selective schemes), a £75 Early Bird discount (selective scheme only), and a £10 discount for each subsequent application in a multi-property application (selective scheme only).

The proposed schedule of fees, charges and discounts is attached as **Appendix 4**. These fees form part of the consultation, and the council welcomes any views on them.

### **9.3 *Selective and additional licensing exemptions***

Selective licensing applies to all privately rented properties unless they are licensable HMOs or exempt by law. Such exemptions include tenancies granted by public bodies (for example housing associations), holiday homes and some business tenancies. A full list of exemptions for Selective Licensing can be found at [The Selective Licensing of Houses \(Specified Exemptions\) \(England\) Order 2006 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

Schedule 14 of the Housing Act provides an exemption from HMO licensing law for some types of buildings. These include buildings controlled by public sector bodies (for example, housing associations), some buildings occupied by students, and some owner-occupied buildings. A full list of exemptions can be found at [Housing Act 2004 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

## 10. Alternatives to licensing that have been considered

It is our belief that introducing property licensing schemes is the most effective means of tackling poor housing conditions, deprivation and ASB. The licensing schemes will enhance the council's ability to use its existing powers and enable it to target action towards the most problematic housing in the borough.

We have considered other courses of action, or alternatives, to the selective and additional licensing proposals, but we do not believe that they provide as effective means of tackling poor housing conditions, deprivation and ASB in the borough. The following alternative options have been considered:

| Alternative measure   | Strengths  | Weaknesses  |
|---|--|---|
| <b>Use of Part 1 Housing Act 2004 enforcement powers [HHSRS] and Public Health powers</b> | <p>Following an investigation, formal statutory notices can be served that require improvements to be carried out to a property.</p> <p>Councils can carry out work in default if a notice is not complied with.</p> <p>Landlords risk being prosecuted if they do not comply with the notice or the council can impose a civil penalty on the person responsible.</p> | <p>The powers do not place any obligation on landlords to be proactive in improving conditions. Formal action is generally slow, with appeal provisions against most types of notices served, which can significantly delay the time period for compliance.</p> <p>Work in default can be effective but it is expensive and time consuming to the council, with the risk that not all costs are recovered.</p> <p>Successful prosecutions and civil penalties do not in themselves secure improvements in property conditions and the council's costs in pursuing legal action are often not met in full.</p> |
| <b>Rely on prosecutions and civil penalties for housing offences</b>                      | <p>Provides a disincentive to keep properties in poor conditions.</p>  | <p>These powers do not place any obligation on landlords to be proactive in improving conditions. Successful prosecutions, or the imposition of civil penalties, do not in themselves secure improvements in property conditions. The absence of licensing significantly reduces the scope of the council to impose civil penalties in respect of identified housing breaches.</p>  |

| Alternative measure   | Strengths  | Weaknesses  |
|---|--|---|
| <b>Wider promotion of voluntary accreditation schemes to facilitate improvement in management practices and standards</b> | For those landlords who take part, accreditation can increase their knowledge and competence and their ability to effectively manage a property. | This requires voluntary landlord engagement and rogue operators are unlikely to attend/engage in such schemes.  |
| <b>Improvement grants to improve substandard properties</b>   | Grants subsidise improvement works, improving standards and giving benefits for landlords and tenants.   | <p>Generally, there are few grants available, and the council has very limited scope to offer grants through successful external funding bids. In the most part, grant awards would fund improvements that the landlord should be carrying out to meet their legal obligations.</p> <p>Any grant scheme would be discretionary and would rely on voluntary landlord engagement.</p> |
| <b>ASB powers</b>   | <p>Formal notices can be served at addresses identified as having ASB issues.</p> <p>This can resolve ASB at the particular address.</p>         | Action would generally be taken against the tenant in occupation. The powers do not place any obligations on landlords to be proactive in managing their properties to prevent or reduce the likelihood of ASB occurring.   |

## 11. Proposed scheme objectives

Licensing is a crucial part of the council’s comprehensive strategy to improve the PRS and deliver better standards for private renters. The council has implemented a range of initiatives and methods to achieve this goal, and licensing is one of them. Licensing places the responsibility on landlords to inform the council that their property is licensable and to ensure that they meet the required standards with the council's support. The council can then prioritise its resources effectively to deal with the properties of most concern and target enforcement actions to those landlords who fail to license their properties and/or breach licence conditions.

The selective and additional HMO licensing schemes will be assessed against the following scheme objectives:

|    | Objective   | Outcome   |
|----|---|---|
| 1. | <b>Improve housing conditions</b> in the PRS by eliminating poor property standards | <p>Licensed properties are monitored, and licence conditions robustly enforced and complied with.</p> <p>Poor Housing Conditions are improved with category 1 &amp; 2 hazards resolved (including issues such as damp and mould)</p> <p>PRS properties meet a minimum E EPC rating (unless an exemption applies)</p> <p>Improved health, safety and welfare of tenants in the PRS</p> <p>The Council will gain increased knowledge of the private rented sector in the borough. This will enable targeted enforcement and support for landlords</p> |
| 2. | <b>Improve management standards</b> in PRS properties                               | <p>Landlords actively manage their properties or be enforced against</p> <p>Absentee or unfit landlords employ an agent to actively manage their properties to ensure compliance</p> <p>Prevention of overcrowding through better management of property occupancy</p> <p>Greater number of landlords become accredited improving the professionalism of landlords in the PRS</p> <p>Engagement with landlords improved</p>   |

| Objective | Outcome   |
|-----------|---|
|           | <p>Landlords are kept informed of latest legislation and good practice</p> <p>Responsible landlords will become more involved in Council licensing schemes and receive information and support</p> <p>Irresponsible landlords will be forced to improve their properties or be enforced against.</p>  |
| 3.        | <p><b>Reduction of ASB and repeat ASB incidents</b> in single family dwellings and smaller HMOs</p> <p>Reduction of ASB through better management of properties</p> <p>Reduction in fly tipping and other forms of environmental nuisance</p> <p>Reduction of ASB will improve problem areas, making these areas safer and more desirable places to live in.</p>  |
| 4.        | <p>Address poor housing conditions and other issues that exacerbate <b>deprivation</b>, including overcrowding and fuel poverty</p> <p>Reduced symptoms of deprivation in the most deprived areas in borough.</p> <p>Improvements in the health, safety and welfare of tenants</p> <p>Greater protection of vulnerable groups who are often occupiers of poorly-managed and maintained privately rented accommodation</p> <p>Improved engagement of tenants and landlords in the PRS</p> <p>Tenants will see economic benefits such as reduced heating costs, bringing them out of fuel poverty</p> <p>Increased number of improvement notices for license applications from homes with F or G EPC ratings, or reasons for not applying them</p> <p>Increased number of deposits in tenancy deposit schemes</p> |

| Objective | Outcome   |
|-----------|---|
| 5.        | <p data-bbox="288 277 762 490">Increased awareness for tenants of the minimum standards to be expected in rented accommodation and what their other rights are when renting in the PRS</p> <p data-bbox="815 277 1458 383">Information for tenants on the local licensing scheme advertised and third-party support for tenants made available</p> <p data-bbox="815 423 1458 490">Dedicated tenants' advice section created on web site.</p> <p data-bbox="815 530 1458 636">Officers to provide tenants with information and sign posting to support their housing and wider needs.</p> <p data-bbox="815 676 1458 743">Improved tenants' support through work with third parties.</p> <p data-bbox="815 784 1458 889">Renters know their rights and responsibilities and have greater awareness of and access to council services that can support them.</p> <p data-bbox="815 929 1458 1034">Tenants will see economic benefits such as reduced heating costs, bringing them out of fuel poverty.</p> |

## 12. Licensing and wider council strategies

The licensing proposals are set in the context of the council's wider programmes to tackle housing need, increase sustainability, improve property standards and reduce ASB.

### 12.1 Council Borough Plan

Gateshead Council's corporate plan, [Making Gateshead Thrive](#), sets out the direction of travel for the council over five years and aims to '*to address inequality, whilst championing fairness and social justice in Gateshead*'.

It identifies five overarching priorities for the future of Gateshead:

1. Putting people and families at the heart of everything we do
2. Tackling inequalities, so people have a fair chance
3. Supporting communities to support themselves and each other
4. Investing in our economy to provide sustainable opportunities for employment, innovation and growth
5. Working together and fighting for a better future for Gateshead

Selective and Additional HMO licensing schemes will contribute to the council's vision and assist in achieving its key ambitions and deliver better standards for private renters. Licensing schemes promote healthier, safer neighbourhoods, sustainability through energy efficiency standards, and equality by ensuring safe, healthy living conditions for all residents regardless of tenure.

### 12.2 Housing Strategy

The Council's [Housing Strategy](#) is structured around three strategic themes that are integrally linked and require integrated and collaborative working:

- I. Housing Supply - Delivering the homes we need.
- II. Housing Standards - Ensuring our homes sustain health and wellbeing.
- III. Housing Support - Supporting our residents to thrive.

The strategy clearly identifies how selective licensing will be used in the future to help achieve overarching objectives, e.g. *No one living in accommodation that does not provide a safe and healthy environment*

- Ensuring that landlords with properties in Selective Licensing Areas who have shown they are unwilling or unable to reach required standards are unable to secure a licence to let or manage those properties.
- Continue to monitor the success of existing Selective Landlord Licensing Schemes and keep under review indicators that evidence the need for further selective licensing schemes.

The Housing Strategy demonstrates that licensing forms an integral part of the council's overarching approach to the PRS. The work of the Private Sector Housing Team will support the delivery of several broader council ambitions such as:

- Improved energy efficiency of the housing stock, to help reduce fuel poverty and help meet climate change obligations and targets
- Ensuring anti-social behaviour, including unscrupulous behaviour of rogue landlords or agents, is dealt with robustly and proportionately.

Eliminating poor performing private sector landlords throughout the borough remains a priority, and the council will seek to implement new licensing measures to drive improvements into this crucial part of the borough's housing offer.

### **12.3 Homelessness Strategy**

Like many areas, Gateshead has a growing homelessness challenge and is under increasing pressure to find suitable temporary accommodation for families. The [Homelessness and Rough Sleeping Strategy](#) comprehensively sets out Gateshead's approach. It begins from the council's belief that '*everyone should have a safe place to call home*'. The council recognises that '*In Gateshead the most prevalent causes of homelessness are domestic abuse and **the ending of private sector tenancies**, so these will be areas of significant focus in the work ahead...*' The strategy sets out 4 aims:

1. *Make homelessness a rare occurrence*
2. *Where homelessness occurs, there will be positive outcomes for people*
3. *No-one sleeping rough or in unsuitable accommodation*
4. *Homelessness is a one-off occurrence*

Through the implementation of Selective and Additional HMO licensing schemes, the council will be able to enhance its work with landlords, improving their professionalism and understanding of legal obligations. This, along with tenant education on rights and responsibilities, will support tenancy sustainment in the PRS and help in reducing homelessness in the borough.

### **12.4 Gateshead Climate Action Plan**

Gateshead's [Climate Change Strategy](#) sets out a vision for the whole of Gateshead to be carbon neutral by 2030, citing the current and future impact of climate change on the borough in particular as a major catalyst for action (its geographical position leaving it vulnerable to flooding). The strategy also notes that a responsible attitude towards our climate will have a positive impact on the current cost-of-living crisis and infers that 'making our homes draft-free' will be part of that. The strategy details several success criteria within its vision for 2030, including the community benefiting from 'warmer homes with lower energy bills'.

The strategy refers to 'fuel poverty' and its impact on inequality within the England and ends with 7 pledges. A number of the pledges include: 'Embedding climate change into other plans and strategies' within their delivery mechanisms.

The Climate Change Strategy recognises the link between fuel poverty and energy-consumption and emissions, and that better insulating homes and making them more energy efficient are key actions in combatting both. Licensing will contribute to achieving Gateshead's climate change vision by enforcing energy efficient standards in the PRS, helping to reduce the overall energy consumption and carbon emissions of the borough.

### **12.5 Empty Properties**

The council recognises that empty properties are a wasted resource for both the community and the owner and can cause a variety of issues such as reducing the supply of housing and attracting ASB. Bringing empty properties back into use is a priority for the council, and clamping down on those landlords that keep homes empty for years on end is a key step to increasing the supply and availability of affordable homes in the borough.

Details on how the council deals with Empty Properties and the support they provide landlords and owners is available online. There are also a series of booklets explaining the council's approach to various empty property related issues:

- [Empty Properties in Gateshead – an overview](#)
- [Bring Your Empty Property Back into Use](#)
- [Letting your Empty Property](#)
- [Empty Property and Enforcement](#)
- [Is an Empty Property causing you problems?](#)

Bringing empty properties up to standard and back into use as decent liveable homes is complementary to the objectives of the proposed Selective and Additional HMO licensing schemes.

### **12.6 ASB**

The Community Safety Team multi-agency Antisocial Behaviour Strategy outlines the approach that we take to tackle anti-social behaviour in Gateshead and how we work with our partner agencies to ensure that the measures are fair and effective and provide the most appropriate form of support to victims.

To tackle ASB problems, we have made it conditional on all private landlords who hold property licences to prevent and combat ASB associated with properties they manage. Selective and Additional HMO licensing will enable the Council to encourage landlords to work with their tenants to reduce ASB. Information and support will be available both online and through forums.

### 13. Further information

The Public Sector Equality Duty (PSED), section 149 of the Equality Act 2010 requires the council to have “due regard” to its equality aims when exercising its public functions. Gateshead believes that an Equality Analysis (EA) is the best method to demonstrate compliance with the PSED. An equality analysis was carried out as part of these proposals. The results of the EA are attached as **Appendix 7**.

### 14. Appendices

|            |  |
|------------|--|
| Appendix 1 | Housing Stock and Stressors Report, Metastreet, 2024             |
| Appendix 2 | Proposed Selective Licence Conditions                            |
| Appendix 3 | Proposed Additional HMO Licence Conditions                       |
| Appendix 4 | Schedule of Proposed Fees, Charges and Discounts                 |
| Appendix 5 | List of included post codes                                      |
| Appendix 6 | Maps of proposed selective and additional licensing designations |
| Appendix 7 | Equalities Analysis  |