

# Public Document Pack



All Members of the Council

My Ref: LCS-DLDS-DS-C-022  
Your Ref:

Contact Rosalyn Patterson  
Tel: 0191 4332088

Date: Wednesday, 17  
January 2018

## NOTICE OF COUNCIL MEETING

You are summoned to attend a meeting of Gateshead Metropolitan Borough Council to be held in the Council Chamber - Civic Centre, at **2.30 pm** on **Thursday, 25 January 2018** to transact the following business:-

**1 To confirm the Minutes of the meeting held 23 November 2017** (Pages 5 - 14)

**2 Official Announcements**

*(announcements may be made by the Mayor, Leader of the Council or the Chief Executive)*

**3 Presentation by NewcastleGateshead Initiative**

**4 Petitions**

*(to receive petitions submitted under Council Procedure Rule 10)*

**5 Questions from Members of the Public**

*(to consider any questions submitted under Council Procedure Rule 7)*

## **RECOMMENDATIONS FROM CABINET**

- 6 Centrally Employed Teachers' Pay Policy 2017 (Pages 15 - 46)**
- 7 Brownfield Land Register and Permission in Principle (Pages 47 - 72)**
- 8 Early Help Strategy (Pages 73 - 94)**
- 9 Establishment of post: Director of Joint Commissioning, Performance and Quality (Care, Wellbeing & Learning) (Pages 95 - 102)**
- 10 Proposed Selective Licensing of Private Landlords within Areas of Central Gateshead (Pages 103 - 292)**
- 11 Charging and Financial Assessment for Adult Social Care and Support Services (Pages 293 - 334)**
- 12 Review of the Constitution (Pages 335 - 348)**
- 13 Housing Revenue Account and Housing Capital Programme (Pages 349 - 364)**
- 14 Capital Programme and Prudential Indicators 2017/18 – Third Quarter Review (Pages 365 - 382)**
- 15 Report from the Cabinet (Pages 383 - 388)**

## **MOTIONS AND QUESTIONS**

### **16 Notice of Motion**

*(to consider any notices of motion submitted in accordance with Council Procedure Rule 9.1)*

### **17 Questions**

*(to deal with any questions submitted in accordance with Council Procedure Rule 8.1)*

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**Sheena Ramsey**  
Chief Executive

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## GATESHEAD METROPOLITAN BOROUGH COUNCIL

### COUNCIL MEETING

Thursday, 23 November 2017

**PRESENT:** THE MAYOR COUNCILLOR P DILLON (CHAIR)

Councillors: J Green, A Thompson, J Adams, R Beadle, D Bradford, C Bradley, M Brain, L Caffrey, M Charlton, B Clelland, P Craig, S Craig, D Davidson, W Dick, S Dickie, K Dodds, C Donovan, A Douglas, D Duggan, John Eagle, K Ferdinand, M Foy, P Foy, M Gannon, A Geddes, B Goldsworthy, M Goldsworthy, J Graham, M Graham, T Graham, L Green, S Green, G Haley, M Hall, S Hawkins, M Henry, M Hood, L Kirton, J Lee, P Maughan, K McCartney, J McElroy, C McHatton, C McHugh, P McNally, M McNestry, P Mole, R Mullen, B Oliphant, M Ord, I Patterson, S Ronchetti, J Simpson, J Turnbull, J Wallace, N Weatherley, A Wheeler and K Wood

**APOLOGIES:** Councillors: H Haran, J Kielty, J McClurey, E McMaster, C Ord, C Davison and L Twist

**The Mechina School Choir gave a performance for Council members.**

### **MARTIN HARRISON, SERVICE DIRECTOR, LEGAL, DEMOCRATIC AND PROPERTY SERVICES**

The Mayor advised Council that this was Martin Harrison's last meeting before his retirement from the Council. The Mayor thanked Martin for his support and advice at Council meetings and other Council bodies and projects.

COUNCIL RESOLVED - That it place on record its' appreciation of Martin Harrison's excellent service and commitment to the work of the Council together with its best wishes for his future.

### **CL59 TO CONFIRM THE MINUTES OF THE MEETING HELD 21 SEPTEMBER 2017**

COUNCIL RESOLVED - That the minutes of the meeting held on 21 September 2017 be approved.

### **CL60 OFFICIAL ANNOUNCEMENTS**

#### **(A) The National Learning Disabilities and Autism Awards**

The Mayor announced that Julie Todd, an employment support worker within

GATES employment service, won the 'Support Worker of the Year' at the National Learning Disabilities and Autism Awards.,

In recognition of this achievement the Mayor presented Julie with the award.

**(B) The Annual Road Safety Support Award for Individual Excellence in Promotion of Road Safety 2017**

The Mayor announced that Road Safety Support, a not-for-profit company providing specialist services to safer roads partnerships, awarded Peter Slater, Data Analyst in Communities and Environment, with the award for Individual Excellence in Promotion of Road Safety 2017.

In recognition of this achievement the Mayor presented Peter with his award.

**(C) Northumbria Police Special Recognition Award**

The Mayor announced that Nicola Johnson, Safer Communities Co-Ordinator in Communities and Environment, received the Northumbria Police Special Recognition Award. The award was received for the work undertaken to deal with Youth Anti-Social Behaviour.

In recognition of this achievement the Mayor presented Nicola with the award.

**(D) North East Local Authority Challenge**

The Mayor announced that a team from the Council were the winners at the NEREO organised North East Local Authority Challenge. The challenge offered aspiring managers an opportunity to gain exposure to issues outside of their normal working life and gave a taste of what senior management life is like.

In recognition of this achievement the Mayor presented the team, made up of representation from across the Council, with the award.

**CL61 PRESENTATION BY DIRECTOR OF PUBLIC HEALTH**

Alice Wiseman, Director of Public Health, attended the meeting and presented her annual report, the focus of which is inequality and, in particular, how disadvantage can cluster and accumulate for a person across their life.

**CL62 PETITIONS**

There were no petitions submitted.

**CL63 QUESTIONS FROM MEMBERS OF THE PUBLIC**

Mr Mark Steele submitted the following question:

"Why did the executives of Gateshead council in their cabinet report of 16<sup>th</sup> of March

2010 state NIL to the following parts of their document presented to the cabinet and saddle the authority with future uninsurable liabilities from claims made against the authority from telecoms transmission illnesses?

- 13. Equality and Diversity Implications
- 15. Health Implications
- 17. Human Rights Implications

Small bodied animals, Women and Children suffer as yet to be recognised the greater impact from Microwave radiation exposure. No research is available that shows chronic exposure to microwave radiation is safe from the thousands of transmitters installed across the borough”.

Cllr J McElroy, Portfolio Holder for Environment and Transport, responded to the question.

Mr Mark Steele submitted a supplementary question:

“No environmental or health impact assessments or public consultation have been carried out in relation to the 31,859 experimental telecoms transceiver emitting microwave radiation 24 hours per day 7 days a week in contradiction of the Carbon Reduction Policy, positioned adjacent to people’s bedrooms and living spaces with some installations within the advised safe working distance to humans.

The executive officers currently have no research or advice appertaining to the chronic exposure to non-thermal microwave radiation or the potential biological damage caused by this experimental 5G 868-870 MHz microwave radiation frequency, a current carcinogen.

We have witnessed the near total collapse in small flying insects attracted to the lights then annihilated and very few small birds. As well as health complaints that include sore eyes, tinnitus, short term memory loss, anxiety, depression, insomnia, unexplained bleeding from the nasal passaged since the roll out.

On behalf of all those in the Borough who are suffering unexplained non-thermal induced detrimental health issues as a consequence, including; economic hardship especially on vulnerable groups to include electromagnetic sensitive persons, women, children, the unborn and disabled with metal implants that act as antenna increasing the hazard. We request a full environmental impact analysis and health review from ecologists, oncologists and biologists, expert scientists in their fields relying on the latest scientific data and published evidence to ascertain the effect on small flying insects, small birds and to confirm that this experimental 5G roll out is not the class 1A carcinogen as reported in recent, largest \$24 million USA NTP research study on non-ionizing radiation”.

Mr Steele was advised that a written reply to this supplementary question would be provided.

**CL64 PARENT GOVERNOR REPRESENTATIVES ON COUNCIL BODIES DEALING WITH EDUCATION**

Consideration was given to a report seeking approval to appoint a parent governor representative and a Church of England representative to the overview and scrutiny committee that considers education matters.

COUNCIL RESOLVED - That the appointment of the Parent Governor Representative and the Church of England Representative be approved.

**CL65 GATESHEAD LOCAL PLAN - CONSULTATION ON MAKING SPACES FOR GROWING PLACES (MSGP) (DEVELOPMENT MANAGEMENT POLICIES, ALLOCATIONS AND DESIGNATIONS)**

Consideration was given to a report seeking approval of the MSGP Draft Local Plan for consultation.

COUNCIL RESOLVED -

- (i) That the Strategic Director of Communities and Environment be given delegated powers, following consultation with the portfolio holders for Transport, Environment Housing and Economy, to make any changes or updates to the LDS and to the SCI, as and when required.
- (ii) That Schedule 5 of the Constitution 'Non-Executive Functions Delegated to Managers' be amended to include the above additional delegation.

**CL66 REVIEW OF SENIOR MANAGEMENT ARRANGEMENTS IN COMMUNITIES & ENVIRONMENT AND CORPORATE SERVICES & GOVERNANCE**

Consideration was given to a report seeking approval for the changes to service structures within the Communities and Environment and Corporate Services and Governance service groups.

COUNCIL RESOLVED - That the management structure changes be approved, with effect from:

- i. in the case of the Commissioning and Neighbourhoods Service, from 1 December 2017; and
- ii. in the case of the changes in Corporate Services and Governance, from 1 January 2018.

or such later date as agreed by the Chief Executive, following consultation with the Leader of the Council, and further representations from trade unions.

**CL67 CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2017/18 - SECOND QUARTER REVIEW**

Consideration was given to a report that informed of the latest position on the 2017/18 Capital Programme and Prudential Indicators at the end of the second quarter to 30 September 2017. The report also considered the impact of CIPFA's Prudential Code on the capital programme and the monitoring of performance against the Statutory Prudential Indicators.

- COUNCIL RESOLVED -
- i) That all variations to the 2017/18 Capital Programme, as detail in Appendix 2 of the report, be approved as the revised programme.
  - ii) That the financing of the revised programme be approved.
  - iii) That it be confirmed that the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2017/18 have been breached.

**CL68 LOCAL COUNCIL TAX SUPPORT SCHEME**

Consideration was given to a report recommending a Local Council Tax Support Scheme for the year 2018/19.

- COUNCIL RESOLVED -
- i) That the proposed scheme as set out in paragraphs 7 and 8 of the report be approved.
  - ii) That delegated powers be granted to the Strategic Director, Corporate Resources, to provide regulations to give effect to the scheme.

**CL69 ADDENDUM TO DISCRETIONARY RATE RELIEF POLICY**

Consideration was given to a report seeking approval of additions to the Council's

Discretionary Rate Relief Policy.

- COUNCIL RESOLVED -
- i) That the Council's Discretionary Rate Relief Policy be amended to reflect the additional proposed policies set out in paragraphs 7, 8 and 9 of the report, regarding the Local Business Rate Discount scheme, and paragraphs 18 and 19 of the report, for the Revaluation Business Rate Discount.
  - ii) That the Strategic Director, Corporate Resources, be authorised to manage this policy under the delegated authority to manage the Collection Fund in accordance with statutory requirements.

#### **CL70 REPORT FROM THE CABINET**

The Leader of the Council reported on a number of key issues currently affecting the Council.

COUNCIL RESOLVED - That the information be noted

#### **CL71 NOTICE OF MOTION - A1 IMPROVEMENTS**

Councillor J Wallace moved the following motion:

"This Council notes with disappointment the announcement by Highways England that work on upgrading the A1 between the Coalhouse roundabout and Birtley is to be delayed a year, with work scheduled to start in 2020 rather than 2019.

This Council believes that the improvements to this strategic road are vital to the economic prosperity of Gateshead and the surrounding area and a delay to implementation will be damaging to air quality.

This Council believes that a strong, representative devolution settlement, which includes Gateshead, would give our region a stronger voice to argue for greater infrastructure investment under a timetable that suits the local economy.

In the absence of such a beneficial settlement, this Council calls on Highways England to begin work on improving the A1 in 2019."

*The following amendment was submitted:*

3<sup>rd</sup> paragraph, 1<sup>st</sup> line, after "devolution settlement", delete "which includes Gateshead" and add the following

**with robust governance; a fair financial settlement; substantial powers and functions and which includes Gateshead, Newcastle, Sunderland, North Tyneside, South Tyneside, County Durham and Northumberland.**

The amendment was accepted by the mover of the original motion and therefore put as the substantive motion and duly carried.

COUNCIL RESOLVED -

This Council notes with disappointment the announcement by Highways England that work on upgrading the A1 between the Coalhouse roundabout and Birtley is to be delayed a year, with work scheduled to start in 2020 rather than 2019.

This Council believes that the improvements to this strategic road are vital to the economic prosperity of Gateshead and the surrounding area and a delay to implementation will be damaging to air quality.

This Council believes that a strong, representative devolution settlement, with robust governance; a fair financial settlement; substantial powers and functions and which includes Gateshead, Newcastle, Sunderland, North Tyneside, South Tyneside, County Durham and Northumberland, would give our region a stronger voice to argue for greater infrastructure investment under a timetable that suits the local economy.

In the absence of such a beneficial settlement, this Council calls on Highways England to begin work on improving the A1 in 2019.

## **CL72 NOTICE OF MOTION - UNIVERSAL CREDIT**

Councillor M Gannon moved the following motion:

“This council recognises that the full service roll out of Universal Credit across Gateshead, which will occur over the next 6 months, will cause real hardship to many of Gateshead’s citizens.

The council is particularly concerned that this hardship will be compounded by the fact that claimants will have to wait a minimum of 6 weeks for their claim to be decided.

It is unacceptable that the children or parents, whose claims may eventually be approved, will not qualify for free school meals during the assessment period.

The council is additionally concerned that the requirement for online application discriminates against those without access to a computer or who do not have adequate IT skills.

The council instructs the Chief Executive to work with schools, partners and the

community sector to explore every means possible to mitigate the inevitable hardship that UC will cause for Gateshead's residents.

Council further instructs the Chief Executive to write to all Gateshead school Headteachers and Governors outlining the anticipated impacts of Universal Credit upon homelessness and child poverty, and whilst recognising current financial constraints upon schools request their assistance in ensuring that no children go hungry.

Furthermore Gateshead Council calls on the Governments to either reduce the 6 week waiting period for assessing universal credit claims and to introduce appropriate mitigation to ensure that vulnerable children do not go without free school meals, or to halt the introduction of UC until these issues are addressed."

*The following amendment was submitted:*

- (i) Add (i) between 'that' and 'this' in line 1 of paragraph 2.
- (ii) Delete '.' at end of paragraph 2 after 'decided' and add ';(ii) that homelessness could increase as a result of rent no longer being paid directly to landlords.'
- (iii) Replace 'or' with 'of' in line 1 of paragraph 3.
- (iv) Add 'DWP' between 'schools' and 'partners' on line 1 of paragraph 5.
- (v) Replace 'Governments' with 'Government' in line 1 of paragraph 7.

The amendment was accepted by the mover of the original motion and therefore put as the substantive motion and duly carried.

COUNCIL RESOLVED -

This council recognises that the full service roll out of Universal Credit across Gateshead, which will occur over the next 6 months, will cause real hardship to many of Gateshead's citizens.

The council is particularly concerned that (i) this hardship will be compounded by the fact that claimants will have to wait a minimum of 6 weeks for their claim to be decided; (ii) that homelessness could increase as a result of rent no longer being paid directly to landlords.

It is unacceptable that the children of parents, whose claims may eventually be approved, will not qualify for free school meals during the assessment period.

The council is additionally concerned that the requirement for online application discriminates against those without access to a computer or who do not have adequate IT skills.

The council instructs the Chief Executive to work with schools, DWP, partners and the community sector to explore every means possible to mitigate the inevitable hardship that UC will cause for Gateshead's residents.



Council further instructs the Chief Executive to write to all Gateshead school Headteachers and Governors outlining the anticipated impacts of Universal Credit upon homelessness and child poverty, and whilst recognising current financial constraints upon schools request their assistance in ensuring that no children go hungry.

Furthermore Gateshead Council calls on the Government to either reduce the 6 week waiting period for assessing universal credit claims and to introduce appropriate mitigation to ensure that vulnerable children do not go without free school meals, or to halt the introduction of UC until these issues are addressed.

#### **CL73 QUESTIONS**

There were no questions submitted.

**Mayor.....**

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## COUNCIL MEETING

25 January 2018

### CENTRALLY EMPLOYED TEACHERS' PAY POLICY 2017

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**Sheena Ramsey, Chief Executive**

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#### **EXECUTIVE SUMMARY**

1. The purpose of this report is to seek approval of a centrally employed teachers' pay policy 2017.
2. The School Teachers' Pay and Conditions Document (STPCD) 2017 requires local authorities to produce a pay policy which determines teachers' pay. The policy must be available for all centrally employed teachers to access, and be applied when the Council makes teachers' pay determinations.
3. The uplift this year is 2% for the minimum and maximum of the main pay range and 1% to all other pay ranges and allowances. This is in line with other regional authorities, trade union recommendations and the consensus of opinions across Gateshead schools.
4. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

#### **RECOMMENDATION**

5. It is recommended that Council approves the draft policy, attached to this report.

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**TITLE OF REPORT:** Centrally Employed Teachers' Pay Policy 2017

**REPORT OF:** Mike Barker, Strategic Director, Corporate Services & Governance

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### **Purpose of the Report**

1. To agree a centrally employed teachers' pay policy 2017, for approval by the Council, as set out in Appendix 2 to this report.

### **Background**

2. The School Teachers' Pay and Conditions Document (STPCD) 2017 requires local authorities to produce a pay policy which determines teachers' pay and the date at which it will determine teachers' annual pay reviews, and establishes procedures for addressing teachers' grievances in relation to their pay.
3. Whilst there is no set format to which the policy statement must conform, the STCPD provides statutory guidance issued by the Secretary of State, to which authorities must have regard when preparing their policies.
4. The Pay Policy covers all elements of the STPCD set out under main headings that are intended to demonstrate the consistency in the Council's approach to pay across the teaching workforce and to highlight any differences. Those main headings are:
  - General principles regarding teachers' pay
  - Governance arrangements and development of pay and allowances ranges
  - Payment for additional duties
  - Process for appeals
5. The policy must be available for all centrally employed teachers to access, and be applied when the Council makes teachers' pay determinations.

### **Proposal**

6. The STPCD places a statutory duty on the Council to only uplift the minimum and maximum of the pay ranges and allowances applicable to centrally employed teachers. The uplift this year is 2% for the minimum and maximum of the main pay range and 1% to all other pay ranges and allowances.
7. The proposal for this year, as attached in appendix 2, is to apply a 2% uplift to all points within the main pay range and a 1% uplift to all points in the all other pay ranges and allowances.

8. This is in line with other regional authorities, trade union recommendations and the consensus of opinions across Gateshead schools.

### **Recommendation**

9. It is recommended that the attached draft policy is agreed by Cabinet and referred to the Council for approval.

For the following reason:

- To comply with the requirements of the STPCD
- To ensure centrally employed teachers receive a pay award in line with their colleagues in maintained schools.

### Policy Context

1. The annual publication of a pay policy statement for the year 2017/18 is a requirement of the STPCD.

### Background

2. The Council's approach to centrally employed teachers' pay has been determined by reference to the statutory legislation governing teachers' pay (STPCD). The pay policy incorporates the key requirements of this document and allows for a comparative pay award to be provided.

### Consultation

4. The Council's recognised teaching trade unions have been consulted and this policy is in line with their national recommendations.

### Alternative Options

5. The publication of a pay policy statement is a legal obligation under the statutory legislation governing teachers' pay.

### Implications of Recommended Option

6. **Resources:**

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the proposed pay award will be met within existing resources, as it has been planned into budgets for 2017/18.
- b) **Human Resources Implications** – The Council's centrally employed teachers' pay policy is designed to recruit, reward, motivate and retain as necessary employees with the skills and attributes required to deliver the Council's educational services. It is part of the Council's overall human resources policy framework, through which it aims to be an exemplary employer.
- c) **Property Implications** – there are no property implications arising from the recommendations within this report.

7. **Risk Management Implications** - The changes in the Council's centrally employed teachers' pay policy as recommended in the report are relatively minor and are not considered to introduce any new risk.
8. **Equality and Diversity Implications** – Fair pay and reward are fundamental to the Council's approach to employment. The Council's application of consistent pay principles throughout the organisational structure ensure that Equality and Diversity issues are properly taken into account.
9. **Crime and Disorder Implications** – There are no crime and disorder implications.

10. **Health Implications** - There are no health implications.
11. **Sustainability Implications** - There are no sustainability implications.
12. **Human Rights Implications** – There are no human rights implications.
13. **Area and Ward Implications** - There are no area and ward implications.



## **Centrally Employed Teachers' Pay Policy 2017**

## INDEX

### The Policy

- Aim
- Scope
- Responsibilities
- Annual Determination of Pay
- Records

### Teachers

- Leadership Pay Range
- Head Teacher Pay Range
- Head Teacher Temporary Payments
- Deputy/Assistant Head Teacher(s) Pay Range
- Leading Practitioners
- Leadership Group Progression
- Leadership Acting Allowances
- Unqualified Teachers
- Newly Qualified Teachers
- Qualified Teachers
- Main Pay Range
- Main Pay Range Progression
- Progression to the Upper Pay Range
- Upper Pay Range
- Progression within the Upper Pay Range
- Acting Allowances
- Supply Teachers
- Part Time Teachers Working Time Arrangements

### Teachers – Additional Payments

- Teaching and Learning Responsibility Payments
- Recruitment and Retention Payments
- Special Educational Needs Allowance
- Unqualified Teacher's Allowance
- Payment for Initial Teacher Training Activities
- Out of School Hours Learning Activity
- Payment for Continued Professional Development
- Additional Services to Other Schools

### Safeguarding - Teachers

### Appeals

- Reasons for Appeal
- Appeal Process

## **1. Aim**

- 1.1. Section 3 of the School Teachers' Pay and Conditions Document places a statutory duty on the Council to have a pay policy for teaching staff, including appeals against pay determinations.
- 1.2. This policy sets out the basis on which the Council will make pay determinations for all teachers centrally employed and the date on which the determinations will be made.
- 1.3. The Council seeks to ensure that all teachers are valued and receive proper recognition and remuneration for their work and their contribution to education across Gateshead.

## **2. Scope**

- 2.1. This policy applies to all teachers employed by the Council. However, it does not apply to teachers employed or appointed by the governing body to work in a maintained school as the responsibility for pay decisions lies with the governing body of the school.
- 2.2. This policy will:
  - maintain and improve the quality of education provided for pupils in Gateshead;
  - demonstrate to employees that the Council is acting in the best interests of education across Gateshead;
  - be implemented in a fair, consistent and responsible way;
  - be made available to all centrally employed teachers.

## **3. Responsibilities**

- 3.1. The Council will:
  - promote high standards of educational achievement across Gateshead;
  - delegate authority to the relevant service director to administer the pay policy on its behalf;
  - abide by all relevant legislation and, in particular, will not discriminate on grounds of race, colour, ethnic origin, religion, belief, gender, marital status, sexual orientation, disability or age with regard to all decisions on recruitment, remuneration and development;
  - seek to ensure that there is pay relativity between jobs within the Council recognising accountability and job weight and the need to recruit, retain and motivate employees;
  - seek to ensure that arrangements for linking appraisal to pay are applied consistently and objectively;

## The Pay Policy

- seek to ensure procedures for determining pay are consistent with the principles of public life - objectivity, openness and accountability;
- adhere to Council policies governing employment issues e.g. redundancy and retirement policies.

### 3.2. The relevant service director will:

- decide pay determinations for all teachers within their service;
- exercise its responsibilities within the constraints of the Council's budget;
- treat information about all teachers' earnings as confidential;
- review job profiles regularly and will reconsider the grade of any role should responsibility or accountability change;
- take account of the advice of the relevant service manager/head teacher and recommendations from appraisers when making pay determinations;
- seek advice and guidance from the school improvement partner when developing the head teacher's job profile, setting performance objectives and determining pay;
- consult with all teachers and their trade union representatives on changes to the service's staffing structure which has implications on pay;
- consult with teachers and their trade union representatives during each annual review of the pay policy.

### 3.3. The service manager/head teacher will:

- seek to ensure that job profiles are in place for all roles at the time of advertising;
- review all teachers' job profiles as part of the appraisal process and consult with teachers' and their trade union representatives on any changes to the responsibilities or accountabilities of their role;
- seek to ensure that effective appraisal arrangements are in place and that any appraisers have the knowledge and skills to apply procedures fairly and consistently;
- make recommendations to the relevant service director with regard to staffing matters including structures, grades, pay and discretionary payments.

### 3.4. The employee will:

- engage in consultation with the relevant service director and/or the service manager/head teacher in relation to staffing matters including structures, job profiles and grading;
- participate in arrangements made for their performance appraisal, in accordance with their conditions of employment.

#### **4. Annual Determination of Pay**

- 4.1. All teachers will have their performance appraised annually and an annual pay review will take place between 1st September and 31st October. Annual pay progression determinations will be back dated to 1st September.
- 4.2. Where appropriate, the relevant service director should take into account the relevant information from appraisal reports in making pay determination decisions.

#### **5. Records**

- 5.1. Pay information will be confidential to the employee concerned, the service manager/head teacher and the relevant service director.

The Council will follow the requirements of the current School Teachers' Pay and Conditions Document ("the Document") in implementing the pay policy for centrally employed teaching staff.

The discretions allowed by the Document will be applied according to identified service needs and based on clearly laid down criteria, subject to annual review.

### **1. Leadership Group**

#### Leadership Pay Ranges

- 1.1. The Council will determine those posts that have substantial strategic responsibilities for leadership of educational provision in Gateshead. These will comprise the leadership group and may include an executive head teacher, head teacher, deputy head teacher(s) and/or assistant head teacher(s).
- 1.2. The relevant service director will establish and approve the service's/educational provision's group size and appropriate pay ranges for members of their leadership group in accordance with the provisions of the Document.
- 1.3. The service's/educational provision's group size will be recalculated in accordance with the provisions of the Document whenever:
  - a new head teacher is to be appointed;
  - the existing head teacher becomes permanently responsible for more than one school; or
  - there is a significant change in pupil numbers as determined in the Department of Education's School Census.
- 1.4. The Council has agreed to implement the attached reference points for the leadership pay ranges as detailed in appendices 1 - 4.

#### Head Teacher's Pay Range

- 1.5. The Council has determined in accordance with the provisions of the Document that the group size for the Behaviour Support Service is group 2. The head teacher's pay range is currently set as L19 – L25 with performance related progression as per the reference points detailed in appendix 1.

#### Head Teacher's Pay Range Review

- 1.6. The head teacher's pay range will be reviewed and re-determined, if necessary, in accordance with the provisions of the Document whenever:
  - a new head teacher is to be appointed;
  - a new deputy or assistant head teacher is to be appointed;
  - an additional leadership role is established and appointed to;

- there is a significant change in the head teacher's or other members of the leadership group's responsibilities;
  - the existing head teacher becomes permanently responsible for more than one school; or
  - there is a significant change in pupil numbers as determined in the Department for Education's School Census.
- 1.7. The Council will then set an appropriate pay range taking into account all the permanent responsibilities of the head teacher, any challenges specific to the role of head teacher and all other relevant considerations.
- 1.8. A newly appointed head teacher will be appointed within the head teacher's pay range taking into consideration the extent to which they meet the requirements of the role ensuring there is appropriate scope within the range to allow for performance related progression.
- 1.9. The relevant service director may determine to exceed the maximum of the head teacher's pay range and/or the leadership pay range (group) where they determine circumstances specific to the role warrant a higher than normal payment. The salary and any additional payments will not exceed the maximum of the leadership pay range (group) by more than 25%.
- 1.10. The relevant service director will record the rationale for any pay determinations made in relation to the head teacher's pay range.

#### Head Teacher Temporary Payments

- 1.11. Temporary payments will not be awarded to the head teacher as an incentive for recruitment or retention. Recruitment and retention considerations will be taken into account when determining and appointing to the head teacher's pay range.
- 1.12. The relevant service director may determine a temporary payment to be made to the head teacher taking into account:
- any temporary responsibilities or duties that are in addition to their role; or
  - being appointed as a temporary head teacher of one or more additional educational provisions/schools (i.e. soft federation).
- 1.13. The relevant service director will only determine a payment for the above reasons if they have not already been accounted for when determining the head teacher's pay range.
- 1.14. If the relevant service director has exceeded the maximum of the head teacher's pay range and/or leadership pay range, this must be taken into account when calculating the temporary payment as the total will not exceed 25% of the head teacher's annual salary in any school year.

- 1.15. The relevant service director has the discretion, in wholly exceptional circumstances, to exceed the 25% limit. However, they will seek external independent advice before agreeing such temporary payment.

Assistant Head Teacher(s) Pay Range

- 1.16. The assistant head teacher's pay range within the Behaviour Support Service is currently set as L7 – L11 with performance related progression as per the reference points detailed in appendix 2.

Assistant Head Teacher's Pay Range Review

- 1.17. The assistant head teacher's pay range will be reviewed and re-determined, if necessary, in accordance with the provisions of the Document whenever:
- a new head teacher is to be appointed;
  - a new deputy or assistant head teacher is to be appointed;
  - an additional leadership role is established and appointed to;
  - there is a significant change in the head teacher's or other members of the leadership group's responsibilities;
  - the existing head teacher becomes permanently responsible for more than one school; or
  - there is a significant change in pupil numbers as determined in the Department for Education's School Census.
- 1.18. The relevant service director will establish appropriate pay differentials by identifying the salary of the highest paid classroom teacher (including taking account of the value of the maximum salary of the pay range, TLR and SEN allowances) to determine the minimum point for the deputy or assistant head teacher pay range.
- 1.19. The relevant service director will then set an appropriate pay range taking into account all the permanent responsibilities of each deputy and assistant head teacher role and all other relevant considerations.
- 1.20. The pay range for a deputy or assistant head teacher will only overlap the head teacher's pay range in exceptional circumstances. If the relevant service director determines an overlap, the maximum point of the deputy or assistant head teachers' pay ranges will not be above the maximum point of the head teacher's pay range.
- 1.21. The relevant service director may determine deputy and assistant head teachers' pay ranges which overlap.
- 1.22. Newly appointed deputy and assistant head teachers will be appointed within the pay range taking into consideration the extent to which they meet the requirements of the role ensuring there is appropriate scope within the range to allow for performance related progression. The relevant service director will formally record the rationale for this decision.



- 1.23. Recruitment and retention payments will not be awarded to deputy or assistant head teachers. Recruitment and retention considerations will be taken into account when determining and appointing to the deputy and assistant head teacher's pay ranges.

#### Leading Practitioners

- 1.24. The Council may employ teachers as leading practitioners if appropriate, and the relevant service director will determine an individual five point range within the leading practitioner pay range for each post established. The Council has determined the leading practitioner pay range as attached at appendix 4.
- 1.25. Leading practitioners are not entitled to receive TLR payments as all permanent responsibilities for teaching and learning should be taken into account when determining the individual pay range for the role.

#### Leadership Group/Leading Practitioners Pay Progression

- 1.26. The relevant service director must consider annually whether or not to increase the salary of all members of the leadership group and leading practitioners who have completed a year of employment since the previous pay determination.
- 1.27. The Council's Teacher Appraisal Policy ensures that a review against performance objectives is undertaken annually. The relevant service director will then consider recommendations made following the performance appraisal and will determine whether or not to award any progression with the maximum award of 2 points.

#### Leadership Acting Allowances

- 1.28. The relevant service director may award an acting allowance to members of the leadership group below head teacher who, for a minimum period of one month, carries out the duties of a more senior member of the leadership group.
- 1.29. Such an allowance would be assessed as though the member of the leadership group were being appointed to the substantive role. Payment will be made on the lowest point of the appropriate pay range. Payment may be backdated to the commencement of the duties.

## **2. Unqualified Teachers**

- 2.1. Unqualified teachers are those teachers who have yet to achieve Qualified Teacher Status (QTS) and will be paid on the unqualified teacher's pay range until QTS is granted. The Council has determined the unqualified teacher's pay range and this is attached at appendix 5.

- 2.2. The service manager/head teacher will determine where a newly appointed unqualified teacher will enter the range, having regard to any qualifications or experience they may have, which they consider to be of value and will base this decision on the following criteria:

- qualifications;
- added value to the service;
- level of training required to fulfil the needs of the post;
- current salary;
- level of experience.

- 2.3. Unqualified teachers are not entitled to hold TLR 1 or 2 posts on the Council's staffing structure or be awarded a TLR 3.

### **3. Newly Qualified Teachers**

- 3.1. Newly Qualified Teachers (NQTs) appointed to the Council will be placed on the minimum point of the main pay range. On completion of induction, NQTs have no automatic right to pay progression. The evidence from induction will inform decisions about pay progression as part of the annual determination of teachers' pay.

### **4. Qualified Teachers**

- 4.1. All qualified teachers, including FE Teachers with Qualified Teacher Learning and Skills (QTLS) status will be paid on the main pay range or upper pay range.

#### Main Pay Range

- 4.2. Qualified teachers will be paid on the main pay range. The Council have determined the main pay range and this is attached at appendix 5.
- 4.3. Newly appointed teachers to the Council will be placed on the minimum of the range. The service manager/head teacher may use their discretion to award further salary in appropriate circumstances having regard to any qualifications or experience they may have, which they consider to be of value and will base this decision on the following criteria:
- qualifications;
  - added value to the service/educational provision;
  - level of training required to fulfil the needs of the post;
  - current salary;
  - level of experience.
- 4.4. In exercising this discretion the service manager/head teacher will treat employees fairly and consistently, taking account of the requirements of equal

opportunities legislation and will record the reasons for their decision. Points on the main pay range, once awarded, will not be taken away whilst at the Council.

### Main Pay Range Progression

- 4.5. The Council's Teacher's Appraisal Policy ensures that a review against performance objectives and the Teachers' Standards (England) is undertaken annually with all main pay range teachers. The service manager/head teacher will report the conclusions of these performance appraisals with pay progression recommendations to the relevant service director.
- 4.6. The relevant service director will then determine whether or not to award any progression for all main pay range teachers who have completed a year of employment since the previous pay determination.
- 4.7. The Council has determined that main pay range teachers will progress through the pay range on the basis of 1 point per successful appraisal in accordance with the Council's Teachers Appraisal Policy.
- 4.8. The Council will not exercise its discretion to award additional points where the teacher's performance in the previous 12 months has been excellent having regard to all aspects of their professional duties.
- 4.9. The Council will not progress a main pay range teacher through the pay range when performance is determined as requiring a supportive action plan in accordance with the Council's Capability Policy and Procedure.

### Progression on to the Upper Pay Range

- 4.10. The service manager/head teacher will accept applications once a year from teachers at any point on the main pay range to be paid on the upper pay range and applications must be received by 31 October.
- 4.11. It is the responsibility of the teacher to notify the service manager/head teacher that they wish to apply for the upper pay range and must provide the following:
  - evidence that they are highly competent in all elements of the relevant standards;
  - evidence of their contribution and achievements to the service/educational provision.
- 4.12. The service manager/head teacher will assess any application for progression to the upper pay range received and will make a recommendation to the relevant service director based on being satisfied that:
  - the qualified teacher is highly competent in all elements of the Teachers' Standards (England);

## The Procedure

- the qualified teacher has made substantial and sustained achievements and contributions to the service/educational provision.

4.13. Across the Council, this means:

- “highly competent” - having excellent depth and breadth of knowledge, skill and understanding of the Teachers’ Standards (England)
- “substantial” - raising standards of teaching and learning whilst making a significant wider contribution to school improvement, which impacts on pupil progress and the effectiveness of staff and colleagues
- “sustained” - two consecutive successful appraisal reports and have made good progress towards performance objectives during this period.

4.14. The relevant service director will then determine by 30 November whether or not to progress main pay range teachers onto the upper pay range. Any decision made applies only to the teacher’s employment with the Council.

4.15. The Council has determined that all main pay range teachers successfully progressing to the upper pay range will be placed on the minimum point of the upper pay range.

4.16. Where main pay range teachers have been unsuccessful the service manager/head teacher will provide detailed feedback in writing by 31 December.

### Upper Pay Range

4.17. The upper pay range will have 3 points as determined by the Council. The upper pay range is attached at appendix 4.

### Progression within the Upper Pay Range

4.18. The relevant service director will determine annually whether or not to increase the salary of all upper pay range teachers who have completed a year of employment since the previous pay determination and will consider recommendations made by the service manager/ head teacher.

4.19. The relevant service director will award progression where there has been evidence of substantial and sustained high quality of performance taking into account:

- the achievement of, or good progress towards achieving, the performance criteria agreed in the appraisal plan;
- the sustained and significant contribution to the service;
- two consecutive successful performance appraisals.

4.20. The Council will not progress a teacher through the upper pay range when performance has been determined as requiring a supportive action plan in accordance with the Council’s Capability Policy and Procedure.

### Acting Allowances

- 4.21. The Council may award an acting allowance to a teacher who, for a minimum period of one month, carries out the duties of any member of the leadership group.
- 4.22. Such an allowance would be assessed as though the teacher had been appointed to the substantive post. Payment will be made on the lowest point of the appropriate pay range. Payment may be backdated to the commencement of the duties.

## **5. Supply Teachers**

- 5.1. The Council has determined that supply teachers will be placed on the minimum of the main pay range. The service manager/head teacher has discretion to award further salary in appropriate circumstances having regard to any qualifications or experience they may have, which they consider to be of value and will base this decision on the following criteria:
  - qualifications;
  - added value to the service;
  - current salary;
  - level of experience.
- 5.2. Teachers employed on a day-to-day or other short notice basis will be paid on a daily basis calculated on a full working year consisting of 195 days. Periods of employment for less than a day will be calculated pro rata to the number of hours that the teacher is employed during the course of the school's timetabled teaching week.

## **6. Part Time Teachers Working Time Arrangements**

- 6.1. Part time teachers will be paid on a pro rata basis as a proportion of the time a full time teacher works, based on the School Timetabled Teaching Week (STTW).
- 6.2. The STTW refers to the session hours that are timetabled for teaching, including PPA time and other non-contact time but excluding break times, registration and assemblies.
- 6.3. The STTW of a full time teacher is to be used as the figure for calculating the percentage for a part time teacher. The STTW will be reviewed and revised whenever the session times or the timetabled teaching week is amended.

## **7. Teachers - Additional Payments**

### Teaching and Learning Responsibility payments (TLR)

- 7.1. The Council will include teaching and learning responsibility posts on the service's structure for clearly defined and permanent additional responsibilities to ensure the continuous delivery of high quality teaching and learning. All responsibilities will be reviewed and evaluated regularly and job profiles will make clear the responsibilities for which a TLR is awarded.
- 7.2. TLR 1 and 2 posts will be established on a permanent basis and subject to review at the same time as the staffing structure is reviewed. The Council will not establish a post which carries both TLR 1 and 2 responsibilities. However, on review it may be that the TLR payments are amended to reflect any permanent changes in responsibilities.
- 7.3. The Council has set the TLR Level 1 annual payments as:
- |        |        |         |         |
|--------|--------|---------|---------|
| £7,699 | £9,474 | £11,252 | £13,027 |
|--------|--------|---------|---------|
- 7.4. The Council has set the TLR Level 2 annual payments as:
- |        |        |        |
|--------|--------|--------|
| £2,667 | £4,591 | £6,515 |
|--------|--------|--------|
- 7.5. Where TLR 1 and 2s are awarded to part-time teachers they will be paid pro rata at the same proportion as the teacher's part-time contract.
- 7.6. A teacher may hold a TLR 1 or 2 on a temporary basis where they are acting up in the absence of a permanent post holder. The details of this acting up arrangement will be confirmed in writing and in these circumstances there will be no entitlement to safeguarding when the arrangement ceases.
- 7.7. The service manager/head teacher will attach a TLR 3 to any teacher's post for a fixed term period for a defined service improvement project or a one-off externally driven responsibility.
- 7.8. The service manager/head teacher will determine the amount paid for a TLR 3 taking into account the nature and responsibility of the work involved. The service manager/head teacher will also establish the length of time required for completion at the outset. Payment for a TLR 3 will be made on a monthly basis for the duration of the fixed term period. On completion of the TLR 3 a teacher will not be entitled to safeguarding.
- 7.9. The Council has set the TLR Level 3 payments as:
- |      |        |        |
|------|--------|--------|
| £529 | £1,579 | £2,630 |
|------|--------|--------|
- 7.10. The Council will ensure that a written notification will be given at the time of appointment into a TLR 1 or 2 post or at the attachment of a TLR 3.

### Recruitment and Retention Payments

- 7.11. Where the relevant service director has awarded a recruitment or retention incentive to the deputy or assistant head teachers under a previous Document, they may continue to make that payment, at its existing value, until such time as the deputy or assistant head teacher's pay range is re-determined under the Document.
- 7.12. The relevant service director has the discretion to make recruitment and retention payments to leading practitioners and teachers.
- 7.13. Payments for recruitment will only be made when all attempts to recruit a suitably qualified teacher have failed.
- 7.14. Payments for retention will only be made in the following circumstances:
- to retain a specialist skill, knowledge, experience that no other employee has and is required by the service/educational provision for its improvement plan;
  - specialist knowledge which cannot be quickly passed on to a colleague; or
  - where there will be a difficulty to recruit someone with that skill, knowledge or experience.
- 7.15. The Council has determined that the payments for recruitment and retention will be £2,667 per annum.
- 7.16. The relevant service director will determine the period over which recruitment and retention payments are to be made and will specify the expected duration at the commencement of the payment. Any such payments will be regularly reviewed and will be withdrawn at the end of the specified duration unless there are exceptional circumstances to justify an extension.
- 7.17. The Council will ensure that a written notification will be given at the time of the payment being determined.

### Special Educational Needs (SEN) Allowance

- 7.18. The Council will award an SEN allowance of not less than £2,106 and not more than £4,158 per annum to a teacher.
- 7.19. In normal circumstances, the allowance for SEN will be awarded at the minimum value. For a particular shortage of skills, the service manager/head teacher will use their discretion to determine a higher value taking into account:
- whether any mandatory qualifications (visually, hearing impaired or autism qualification) are required for the post;
  - the qualifications or expertise of the teacher relevant to the post;
  - the relative demands of the post.

7.20. The service manager/head teacher will award a SEN Allowance to a classroom teacher who is:

- teaching pupils in one or more designated special classes or units in the service/educational provision (£2,106);
- in any SEN post that requires a mandatory SEN qualification (not the National Award for Special Educational Needs Co – ordination which should be included in a TLR payment) (£3,092).

7.21. The SEN Allowance will have 2 spot values as determined by the Council and shown above.

#### Unqualified Teacher's Allowance

7.22. The Council has determined an additional allowance of not more than £2,667 per annum will be paid to an unqualified teacher where the service manager/head teacher considers the teacher has:

- taken on a sustained additional responsibility which is focused on teaching and learning and requires the teacher to exercise their professional skills and judgement; or
- qualifications or experience which brings added value.

#### Payment for Initial Teacher Training (ITT) Activities

7.23. The Council may make an additional payment to teachers, including members of the leadership group (excluding the head teacher and any leading practitioner), for activities related to the provision of ITT.

7.24. ITT activities might include supervising and observing teaching practice, giving feedback to students on their performance and acting as professional mentors, running seminars or tutorials on aspects of the course and formally assessing students' competence.

7.25. Leading practitioners are not eligible for this additional payment as it is a requirement of their role in school and therefore should be taken into consideration when determining their pay range. Payment would not be appropriate to assist in the mentoring and training of newly appointed employees.

7.26. Responsibilities for ITT activities may be included in a TLR role. However, this would not result in the payment as detailed below.

7.27. Payment for activities related to the provision of ITT as part of the ordinary conduct of the school will be determined by the service manager/head teacher taking into account the level of funding available to the Council by virtue of its partnership with a higher education institution. Such payments will be made at the daily rate of 1/195 or at a percentage of the daily rate.



Out of School Hours Learning Activity  
(i.e. booster classes, homework clubs, summer schools, etc.)

- 7.28. The Council will pay teachers, excluding the head teacher, who participate in out-of-school hours learning activities provided:
- the teacher has been asked by the service manager/head teacher to participate in such activity and has agreed to do so;
  - the teacher has made a substantial and, where appropriate, regular commitment to such activity;
  - such activity has taken place outside the 1265 directed hours of working.
- 7.29. The basis on which this payment is made by the Council to the teacher will be reviewed on a regular basis. Payment will be based at a pro rata rate of 1/1265 hours.

Payment for Continuing Professional Development

- 7.30. The Council has the discretion to award to teachers, excluding the head teacher, an additional payment for undertaking voluntary continuing professional development at weekends or in school holidays where:
- the teacher has been asked by service manager/head teacher to participate in such activity and has agreed to do so;
  - the teacher has made a substantial and, where appropriate, regular commitment to such activity;
  - such activity has taken place outside the 1265 directed hours of working.
- 7.31. The basis on which such payment is made by the Council to the teacher will be reviewed on a regular basis. Payment will be based at a daily rate of 1/195 or at a percentage of the daily rate.

**8. Safeguarding - Teachers**

- 8.1. The Council will apply the safeguarding principles to all teachers in accordance with the Document.

**9. Appeals**

- 9.1. All teachers employed in the Council may appeal against a pay determination or any other decision that affects their pay. All teachers should understand that any decision made under the appeals process is final and there is no further right of appeal or recourse under the Council's grievance policy and procedure.

### Reasons for Appeal

- 9.2. All pay determinations for teachers will be based upon the Document. Decisions on pay determination and the basis on which the decision has been made will always be confirmed in writing. Appeals against the decision of the relevant service director will normally fall within, but are not limited to, the following areas:
- incorrectly applying the Document;
  - incorrectly applying the Council's Centrally Employed Teachers' Pay Policy;
  - failure to have regard for statutory guidance;
  - failure to take proper account of relevant evidence;
  - potentially biased;
  - taking account of irrelevant or inappropriate evidence; or
  - potentially discriminating against the employee.

### Appeals Process

- 9.3. If a teacher is not satisfied with the written pay determination they must:
- set out in writing their grounds for appeal;
  - address their written appeal to the relevant strategic director;
  - submit their written appeal within 10 working days of receipt of their written pay determination.
- 9.4. The relevant strategic director will convene a meeting to hear the appeal within 20 working days of receipt of the written appeal and the teacher will be notified in writing of the date of the meeting and be notified of their right to be represented by their trade union representative or work colleague.
- 9.5. The teacher will offer an alternative date within 5 working days of the original date if they or their chosen trade union representative or work colleague has a justifiable reason to not be available for the original date.
- 9.6. Any relevant written documentation that will be referred to, including the written appeal letter, will be circulated to all parties at least 5 working days before the meeting.
- 9.7. At the meeting, the relevant strategic director will hear representations from the relevant service director and the teacher concerned. All parties will be given the opportunity to ask questions of each other and to summarise their representations. The relevant strategic director will then adjourn and review the original pay determination based on the evidence provided and the criteria set in the Council's pay policy. The relevant strategic director will either dismiss the appeal or refer the teacher's pay determination back to the relevant service director for redetermination.

## The Procedure

- 9.8. The relevant strategic director's decision will be confirmed in writing to the teacher within 5 working days of the appeal meeting.

# Appendix 1

## Leadership Pay Range – Head Teachers

### **Group 1**

L6	44,544
L7	45,743
L8	46,799
L9	47,967
L10	49,199
L11	50,476
L12	51,639
L13	52,930
L14	54,250
L15	55,600
L16	57,077
L17	58,389
L18a	59,264

### **Group 2**

L8	46,799
L9	47,967
L10	49,199
L11	50,476
L12	51,639
L13	52,930
L14	54,250
L15	55,600
L16	57,077
L17	58,389
L18	59,857
L19	61,341
L20	62,863
L21a	63,779

### **Group 3**

L11	50,476
L12	51,639
L13	52,930
L14	54,250
L15	55,600
L16	57,077
L17	58,389
L18	59,857
L19	61,341
L20	62,863
L21	64,417
L22	66,017
L23	67,652
L24a	68,643

# Appendix 1

## Group 4

L14	54,250
L15	55,600
L16	57,077
L17	58,389
L18	59,857
L19	61,341
L20	62,863
L21	64,417
L22	66,017
L23	67,652
L24	69,330
L25	71,053
L26	72,810
L27a	73,876

## Group 5

L18	59,857
L19	61,341
L20	62,863
L21	64,417
L22	66,017
L23	67,652
L24	69,330
L25	71,053
L26	72,810
L27	74,615
L28	76,466
L29	78,359
L30	80,310
L31a	81,478

## Group 6

L21	64,417
L22	66,017
L23	67,652
L24	69,330
L25	71,053
L26	72,810
L27	74,615
L28	76,466
L29	78,359
L30	80,310
L31	82,293
L32	84,339
L33	86,435
L34	88,571
L35a	89,874

# Appendix 1

## Group 7

L24	69,330
L25	71,053
L26	72,810
L27	74,615
L28	76,466
L29	78,359
L30	80,310
L31	82,293
L32	84,339
L33	86,435
L34	88,571
L35	90,773
L36	93,020
L37	95,333
L38	97,692
L39a	99,081

## Group 8

L28	76,466
L29	78,359
L30	80,310
L31	82,293
L32	84,339
L33	86,435
L34	88,571
L35	90,773
L36	93,020
L37	95,333
L38	97,692
L39	100,072
L40	102,570
L41	105,132
L42	107,766
L43	109,366

## Appendix 2

### Leadership Pay Range – Deputy/Assistant Head Teachers

D1	39,374
D2	40,360
D3	41,368
D4	42,398
D5	43,454
D6	44,544
D7	45,743
D8	46,799
D9	47,967
D10	49,199
D11	50,476
D12	51,639
D13	52,930
D14	54,250
D15	55,600
D16	57,077
D17	58,389
D18	59,857
D19	61,341
D20	62,863
D21	64,417
D22	66,017
D23	67,652
D24	69,330
D25	71,053
D26	72,810
D27	74,615
D28	76,466
D29	78,359
D30	80,310
D31	82,293
D32	84,339
D33	86,435
D34	88,571
D35	90,773
D36	93,020
D37	95,333
D38	97,692
D39	100,072
D40	102,570
D41	105,132
D42	107,766
D43	109,366

## Appendix 3

### Leadership Pay Range - Leading Practitioners

P1	39,374
P2	40,360
P3	41,368
P4	42,398
P5	43,454
P6	44,544
P7	45,743
P8	46,799
P9	47,967
P10	49,199
P11	50,476
P12	51,639
P13	52,930
P14	54,250
P15	55,600
P16	57,077
P17	58,389
P18	59,857



## Appendix 4

### Unqualified Pay Range

1	16,626
2	18,560
3	20,492
4	22,426
5	24,361
6	26,295

### Main Pay Range

M1	22,917
M2	24,728
M3	26,716
M4	28,772
M5	31,039
M6	33,824

### Upper Pay Range

U1	35,927
U2	37,258
U3	38,633

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## COUNCIL MEETING

25 January 2018

### BROWNFIELD LAND REGISTER AND PERMISSION IN PRINCIPLE

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**Sheena Ramsey, Chief Executive**

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#### EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval for changes to the Council's constitution to enable the Council, in its capacity as Local Planning Authority, to discharge new statutory duties to create, maintain and publish a register of Brownfield Land and the adoption of a decision making framework for allocation of sites to Part of that register thereby granting Permission in Principle for residential development of those sites.
2. It is proposed to publish a Part 1 Brownfield Land Register by 31 December 2017, to meet the government's timescales, to be reviewed at least once per year under existing delegated powers.
3. It is proposed that responsibility for inclusion of sites on Part 2 of the register and for deciding applications for Technical Details Consent should lie with the Planning and Development Committee and should be further delegated to the Service Director, Development, Transport and Public Protection, subject to the same limits and triggers for referral to Planning and Development Committee as exist in relation to planning applications. It is also further proposed that Spatial Planning and Environment and Housing Growth would be responsible for initially proposing which sites should be included under Part 2 of the Register, the final decision of which would be made by the Service Director, Development, Transport and Public Protection under delegated authority or by the Planning and Development Committee. The scheme of delegation in the Council's constitution would need to be amended to allow this.
4. It is further proposed that Technical Details Consent applications be considered in the same way as planning applications, the application would either be determined under delegated powers or by the Planning and Development Committee in accordance with the Council's scheme of delegation as proposed to be amended.
5. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

#### RECOMMENDATION

6. It is recommended that Council approves the proposed amendments to the scheme of delegation in the Council's constitution, set out in Appendix 3 of the attached report.

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**TITLE OF REPORT: Brownfield Land Register and Permission in Principle**

**REPORT OF:**        **Mike Barker, Strategic Director, Corporate Services and Governance**  
                             **Paul Dowling, Strategic Director, Communities and Environment**

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**Purpose of the report**

1. This report seeks approval for changes to the Council's constitution to enable the Council, in its capacity as Local Planning Authority, to discharge new statutory duties to create, maintain and publish a register of Brownfield Land, and the adoption of a decision making framework for allocation of sites to Part 2 of that register thereby granting Permission in Principle (PIP) for residential development of those sites.

**Background**

2. The Town and Country Planning (Brownfield Land Register) Regulations 2017 (the Regulations) came into force on 16<sup>th</sup> April 2017, initiating the requirement for councils to create and publish Brownfield Land Registers. All Local Planning Authorities (LPAs) must publish a Brownfield Land Register by 31<sup>st</sup> December 2017. A Brownfield Land Register must be made up of two parts – Part 1 and Part 2.

Brownfield Land Register Part 1

3. Part 1 of a Brownfield Land Register is a list of sites that an LPA considers to be appropriate for residential or residential-led development. Sites must be included if they meet the definition of Brownfield Land as set out in the glossary to the National Planning Policy Framework (NPPF) and meet certain criteria stated in the Regulations.

Brownfield Land Register Part 2 and Permission in Principle

4. Pursuant to the Town and Country Planning (Permission in Principle) Order 2017 sites allocated to Part 2 of the register are automatically granted permission in principle for residential or residential-led development. Sites allocated to Part 2 of the register will therefore have an implementable planning permission subject only to the requirement that a Technical Details Consent (TDC) dealing with issues such as design, layout and parking must be obtained from the LPA.

## Technical Details Consent

5. Once a site has a PIP, the developer or landowner has 5 years (or alternative period as agreed with the LPA) to seek TDC, the granting of which will mean that the site has an implementable planning permission. The LPA is under no obligation to approve TDC; however it cannot re-consider the *principle* of development on the site or the number of dwellings that the site can accommodate. A TDC application can only be submitted as a single application and not broken up into parts.

## **Proposals**

### Brownfield Land Register Part 1

6. To meet the government's timescales it is proposed to publish a Part 1 Brownfield Land Register by 31 December 2017.
7. An extract of the proposed Part 1 Brownfield Land Register is attached at Appendix 2.
8. Part 1 of the Register would be reviewed at least once per year and it is proposed that each review be under existing delegated powers given that the process is a legal requirement and that there is a duty to include sites on Part 1 of the register provided they meet the relevant criteria in the Regulations.

### Brownfield Land Register Part 2 and Permission in Principle

9. The Regulations mean it is necessary for the Council to adopt a legal framework for deciding:
  - i. whether a site should be included on Part 2 of the register and thereby granted PIP; and
  - ii. whether a developer or landowner should, on application, be granted TDC.
10. It is proposed that responsibility for inclusion of sites on Part 2 of the register and for deciding applications for TDC should lie with the Planning and Development Committee and should be further delegated to the Service Director, Development, Transport and Public Protection, subject to the same limits and triggers for referral to Planning and Development Committee as exist in relation to planning applications.
11. It is further proposed that Spatial Planning and Environment and Housing Growth (SPE&HG), in consultation with other sections of the Council, would be responsible for initially proposing which sites should be included under Part 2 of the Register. In doing this, the order of priority would be:
  - i. Council-owned sites which are earmarked for in-house development.
  - ii. Council-owned sites.
  - iii. Other sites.

12. SPE&HG would prepare a Development Framework for each site proposed to be on Part 2 of the Register to help to establish any constraints on the site and ultimately establish if the site is suitable for housing and the amount of housing that could be accommodated.
13. Consultation on the framework would then take place with internal consultees and Ward Members with any comments taken into consideration, and if necessary the framework amended or abandoned.
14. The framework would then be submitted to Development Management for independent assessment. As part of this process, external consultation would take place and site notices would be displayed along with the other consultation and procedural measures set out in the Regulations.
15. Consideration would then be given to any representations received and a decision (or where relevant recommendation) would be made whether to enter the site onto Part 2 of the Register (and therefore grant PIP), amend the framework and then enter onto Part 2 or not to proceed with the site's entry onto Part 2 of the Register.
16. The decision whether a site is entered into Part 2 of the register would be made either by the Service Director, Development, Transport and Public Protection under delegated authority or by the Planning and Development Committee, consistent with the Council's scheme of delegation for planning applications. The scheme of delegation in the Council's constitution would need to be amended to allow this (Appendix 3).

#### Technical Details Consent

17. It is further proposed that applications be made to the Development Management section and be considered in the same way as planning applications, albeit that the principle of development and amount of housing would not be relevant considerations and the timescales for determination would differ. The application would either be determined under delegated powers or by the Planning and Development Committee in accordance with the Council's scheme of delegation as proposed to be amended (Appendix 3).

#### **Recommendations**

18. It is recommended that Cabinet:
  - (i) notes the intended publication of Part 1 of the Brownfield Land Register in December 2017 and that it will be annually updated under existing delegated powers;
  - (ii) approves the decision making framework for Part 2 of the Brownfield Land Register and TDC; and

- (iii) recommends Council to approve the proposed amendments to the scheme of delegation in the Council's constitution (set out in full in Appendix 3)

For the following reasons:

- (i) To ensure that the regulatory requirements regarding the Brownfield Land Register and PIP are met.
- (ii) To ensure that the Council has a proper constitutional as well as statutory basis for decisions in respect of PIPs and TDCs.
- (iii) To ensure that the correct balance is struck between timely decision making and appropriate consultation, publicity, oversight and scrutiny.
- (iv) To assist in the delivery of additional housing in the Borough.
- (v) To encourage the use of brownfield land for housing or housing-led development.
- (vi) To assist in the use of appropriate Council-owned land for housing or housing-led development.
- (vii) To assist in-house delivery of new housing.

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**CONTACT:** Brendan McNeany extension: 2610



### Policy Context

1. The proposals will align with Vision 2030, in particular through City of Gateshead, Creative Gateshead and Sustainable Gateshead, by helping to increase the delivery of new housing in the Borough and increasing the redevelopment of brownfield land.
2. The proposals will also align with the Council Plan in terms of encouraging new housing and economic development in the Borough and by providing environmental benefits with the redevelopment of brownfield land.
3. The proposals are in accordance with the Town and Country Planning (Brownfield Land) Regulations 2017, the Town and Country Planning (Permission in Principle) Order 2017 and guidance on the implementation of these regulations contained in the Government's Planning Practice Guidance.

### Background

4. The Council (along with a number of other local authorities) took part in a Government pilot scheme in 2016 to produce a Part 1 Brownfield Land Register. The pilot register incorporated 57 sites, a high proportion of which were Council owned. The pilot register has been published on the Council's website at:  
<http://www.gateshead.gov.uk/Building%20and%20Development/PlanningpolicyandLDF/LocalPlan/Pilot-Brownfield-Register-July-2016.aspx>

### Part 1 of the Brownfield Land Register

5. Sites must be included if they meet the definition of Brownfield Land as set out in the glossary to the National Planning Policy Framework (NPPF) and meet certain criteria set out in the Regulations as follows:
  - 0.25 hectares or larger, or capable of supporting at least 5 dwellings (although the LPA may also choose to include sites smaller than 0.25 hectare).
  - "Suitable" – i.e. allocated in a development plan document (e.g. a local plan), benefitting from planning permission, or the LPA considers it suitable for residential development having considered any adverse impact on the natural environment, the local built environment (including heritage assets), local amenity and any "relevant" representations (i.e. from third parties);
  - "Achievable" – i.e. based on publically available information and any relevant representations, the LPA's opinion that the site will come forward within 15 years; and

- “Available” – either the owner(s) of the site, or the developer in control of the land have expressed an intention to develop (or sell in the case of the owner) the site within 21 days before the entry date on the register, or the LPA considers that there are no ownership or other legal matters that might prevent residential development (again, based on publically available information and any relevant representations).
6. Responsibility for Part 1 of the register falls within existing delegations in the Council’s constitution to the Planning and Development Committee, further delegated to the Service Director, Development, Transport and Public Protection pursuant to Part 3, Schedules 1 and 2 of the constitution regarding the delegation of non-executive functions.
  7. It should be noted that the Brownfield Land Register is different to the Strategic Housing Land Availability Assessment (SHLAA) and the Local Plan (which will comprise the Core Strategy and Urban Core Plan and the Making Spaces for Growing Places document). The SHLAA outlines actual and potential housing sites to form the Council’s housing land supply. Brownfield sites within the SHLAA have been identified to be included in the Brownfield Land Register. The Core Strategy and Urban Core Plan (CSUCP) includes large strategic housing allocations – some brownfield and others greenfield and Making Spaces for Growing Places (MSGP) will allocate further housing sites. A site can still be included in the Brownfield Land Register even if it is allocated in the Local Plan.

## Part 2 of the Register and Permission in Principle

8. Once a site is entered into Part 2 of the Brownfield Land Register it is automatically granted PIP.
9. A PIP can include conversions of buildings and changes of use but must be for housing-led development – i.e. where the residential use makes up the majority of floorspace. Appropriate non-residential uses may include, for example, a small proportion of retail, office space or community uses. Non-residential development should be compatible with the proposed residential development.
10. Before entering a site into Part 2, the LPA must:
  - Display a site notice for at least 21 days.
  - Display specified information on their website – namely:
    - A statement that if the site is entered in Part 2 it will be granted PIP;
    - The LPA’s own reference for the land;
    - The name and address of the land;
    - A plan which identifies the land;
    - The area of the land in hectares;
    - The planning status of the land;

- Where the planning status of the land is permissioned, the date that permission was granted and the type of permission (i.e. full or outline permission);
  - The minimum and maximum net number of dwellings, given as a range, which in the LPA's opinion, the land is capable of supporting;
  - Where the development includes non-housing development, the scale of any such development and the use to which it is to be put;
  - Information required under Regulation 26 of the Planning (Hazardous Substances) Regulations 2015 (planning approvals for projects related to hazardous substances) if relevant;
  - The date by which any representations about the proposed entry of the land in Part 2 must be made, which must be at least 14 days from the date the information is published on the website;
  - Where and when the relevant information may be inspected; and
  - How representations may be made.
- Take into account any representations received.
  - Undertake specific notification/consultation requirements for sites within 10 metres of railway land, or where the LPA considers that residential development would constitute development that requires consultation with other parties.
  - Serve notice on a neighbourhood forum or a parish council, where they have previously requested to be notified.
11. It will be for LPAs to decide if they take further steps to inform communities and other interested parties beyond the statutory requirements
12. If development on a site would constitute Environmental Impact Assessment (EIA) development it cannot be included in Part 2 of the register. Development that would be prohibited under habitats protection legislation and development that would consist of the winning and working of minerals also cannot be included on Part 2.
13. It should be noted that PIP does not consider the details of a particular scheme and simply establishes the principle of residential-led development on a site and the number of dwellings that that site can accommodate. However, once PIP is granted these issues cannot be re-considered at TDC stage. No planning conditions can be attached to a PIP.
14. Whilst there has been legislation made for PIP through the Brownfield Land Register, from government consultation it is expected that there will be forthcoming legislation to make PIP available for housing-led development through the allocation of a site in a Development Plan and the ability to apply directly to the LPA for a PIP for small sites (that is sites of 9 dwellings or fewer). If these methods are brought forward there will still need to be a subsequent TDC application.

## Technical Details Consent

15. The timescales for an LPA to determine a TDC application are 5 weeks for minor development and 10 weeks for major development.
16. Planning conditions and obligations can be attached to a TDC and there is a right of appeal if a TDC application is refused. If the development is chargeable development within the Community Infrastructure Levy charging schedule in Gateshead it is at TDC where this charge would be levied.

## Implications for a Brownfield Land Register and PIP in Gateshead

17. One of the purposes of Brownfield Land Registers is to make information about previously-developed land that is suitable for housing-led development more accessible and given that the register needs to be published on the Council's website it is considered that this purpose will be achieved. It is also clear that the PIP deriving from Brownfield Land Registers provides a further tool for delivering housing growth.
18. In terms of small and medium-sized builders (SMEs), it is clear that the proposed measures will have the potential to increase the delivery of housing by these groups and thus diversify the housing market as the amount of housing delivered by SMEs has dramatically declined over the past 30 years. Some of the reasons for this have been cited as the increasing costs of the planning process, reluctance of banks to authorise borrowing and the greater resources of the volume housebuilders.
19. PIPs would reduce uncertainties and risk for SMEs as a site would automatically benefit from a PIP without having to submit an upfront application. This would mean that SMEs would have a better chance of borrowing money given the greater certainty that a site can be developed for housing and would reduce the upfront costs. The benefit to the Borough would be that there was greater diversity in housing being delivered and an increase in previously-developed land being used.
20. Other sites that are likely to benefit most from PIPs are those that are Council-owned and earmarked for in-house development. This is because drawing up a PIP can benefit from working across different areas in the Council such as Planning, Housing Growth, Council Housing, Design and Technical Services and Property Services. Prior to preparing the PIP there is also a high level of certainty that the site is available and deliverable.
21. It is acknowledged that the requirement to produce a Brownfield Land Register and keep it updated, along with PIPs will put greater demands on Council resources. In particular, a lot of upfront work will now fall on the Council to determine whether sites are suitable for housing and the number of dwellings that can be accommodated. The assessment of how many dwellings can be accommodated will need to be realistic otherwise developers will be inclined to use the traditional planning application route which will defeat the object of a Brownfield Land Register and PIPs.

22. PIPs will not replace the traditional planning application route and are intended to provide an alternative means of obtaining planning permission for housing development.

## **Consultation**

23. The following have been consulted in producing this report.

- Cabinet Members for Environment and Transport Portfolio.
- Members of the Planning and Development Committee

## **Alternative options**

24. Whilst it is mandatory for LPAs to produce Part 1 of the Brownfield Land Register and to update it at least every year, consideration was given to not entering any sites onto Part 2 of the register and therefore not granting PIP for any sites. However, this would mean that an opportunity would be lost to help deliver additional housing on brownfield land, including in-house development on Council-owned sites and increasing opportunities for SME developers.

## **Implications of recommended options**

### **25. Resources**

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the cost of implementing the above can be met from existing resources. The provision of the additional information will support the delivery of housing within the borough helping to provide additional revenue to the Council in future years in the form of Council Tax receipts and greater certainty around capital receipts.
- b) **Human Resources Implications** - As above, the production and subsequent reviews of Part 1 of the register as well as the background work in support of Part 2 of the register and the granting of PIP and the consideration of TDC applications will require additional officer time. An additional post (1 FTE) was established in 2016 in preparation for the introduction of the new statutory duties.
- c) **Property Implications** – Whilst there are no direct property implications for the Council arising from this report, if any Council land is included on the Brown Field Land Register and be the subject of a PIP this will have an impact on the marketing and disposal of the site. Any implications will be highlighted in any future disposal report for any Council land included in the Register.

**26. Risk Management Implications** – There are no risk management implications arising from this report.

**27. Equality and Diversity Implications** – There are no equality and diversity implications arising from this report.

**28. Crime and Disorder Implications** – There are no crime and disorder implications arising from this report.

**29. Health Implications** – There are no health implications arising from this report.

**30. Sustainability Implications** - It is considered that the proposals will have positive sustainability implications by helping to deliver increase housing in the Borough and increase the redevelopment of brownfield land.

**31. Area and Ward Implications** – There are no area and ward implications arising from this report.

**32. Background information** – The Town and Country Planning (Permission in Principle) Order 2017, the Town and Country Planning (Brownfield Land Register) Regulations 2017 and guidance on the implementation of these regulations contained in the Government's Planning Practice Guidance.

## **APPENDIX 2**

**Extract of proposed Part 1 of the Brownfield Land Register (SEE SEPARATE DOCUMENT AT END OF THIS REPORT)**

## **APPENDIX 3**

### **Changes to the scheme of delegation**

#### **SCHEDULE 1 – NON-EXECUTIVE FUNCTIONS – DELEGATION TO COUNCIL BODIES**

##### **1. Planning and Development Committee**

Except when a matter is delegated to the Head of Development and Public Protection, the Planning and Development Committee has delegated power:

- (i) to exercise the powers and duties of the Council as local planning authority under the following legislation (or any statutory modification or re-enactment) and any statutory instruments made under the legislation:
  - a. Part III and Part XV Town and Country Planning Act 1990 – control over development;
  - b. Part VII Town and Country Planning Act 1990 – enforcement;
  - c. Part VIII Town and Country Planning Act 1990 – trees, land adversity affecting amenity and the control of advertisements;
  - d. Part XIII Town and Country Planning Act 1990 – Crown Land;
  - e. Planning (Listed Building and Conservation Areas) Act 1990;
  - f. The Town and Country Planning (Assessment of Environmental Effects) Regulations 1998
- (ii) to exercise the powers and duties of the Council under the Planning (Hazardous Substances) Act 1990
- (iii) to exercise the powers and duties of the Council as Local Planning Authority under the Hedgerows Regulations 1997;
- (iv) to respond to waste management licence consultations from the Environment Agency
- (v) to respond to consultations from other local planning authorities and from Government departments and agencies relating to development control matters
- (vi) to determine the conditions to which old mining permissions, relevant planning permissions relating to dormant sites or active Phase I or II sites, or mineral permissions relating to mining sites are to be subject;



- (vii) to exercise the powers of the Council to make limestone pavement orders under the Wildlife and Countryside Act 1981;
- (viii) to exercise the powers of the Council:
  - a. to register common land or town or village greens, except where the power is exercisable solely for the purpose of giving effect to an exchange of lands under the Acquisition of Land Act 1981 or an order under the Inclosure Act 1845;
  - b. to register variation of rights of common.
- (ix) To exercise the powers of the Council under the Town and Country Planning (Brownfield Land Register) Regulations 2017 to prepare and maintain a register of previously developed land; and
- (x) To exercise the powers of the Council under the Housing and Planning Act 2016 and the Town and Country Planning (Permission in Principle) Order 2017 to allocate land to Part 2 of the Council's register of previously developed land.

[...]

## **PART 1 – DELEGATIONS TO INDIVIDUAL MANAGERS**

### **1. Strategic Director, Communities and Environment**

- (1) To exercise the powers of the Council in accordance with the Smoke and Carbon Monoxide Alarm (England) Regulations 2015 and to authorise officers under his control to exercise such powers under Parts 4-6 of those Regulations.

#### Service Director, Development, Public Protection and Transport Strategy

- (1) Save in respect of matters otherwise reserved to the Council's Licensing and Regulatory Committees, to exercise the powers and duties of the Council for the application of legislation including the appointment and authorisation of appropriate officers, to authorise, sign and serve all notices and deal with all applications, variations, licences, consents, revocations and suspensions, and take all necessary enforcement action including to issue simple cautions, on behalf of the Council in respect of its responsibilities for matters of:
  - a) public health and environmental protection
  - b) noise pollution, air pollution and integrated pollution control and air quality management
  - c) housing and building security
  - d) fire safety

- e) trading standards and consumer protection (including the appointment and termination of the Chief, and Deputy Chief, Inspector of weights and measures)
  - f) food safety and hygiene
  - g) licensing under the Licensing Act and Gambling Act
  - h) sex establishment, street trading and private hire/hackney carriage licensing
  - i) building regulations
  - j) animal health and animal licensing
  - k) pest control under the Prevention of Damage by the Pest Act 1949
  - l) health and safety, control of acupuncture, tattooing, semi-permanent skin colouring, cosmetic piecing and electrolysis
  - m) highways licensing and enforcement
  - n) climate change
- (2) Under the Licensing Act 2003 and Gambling Act 2005 and as delegated by the Licensing and Regulatory Committees:
- a) to determine any application or similar matter, where there are no relevant objections or representation;
  - b) to determine whether a complaint is irrelevant, frivolous or vexatious;
  - c) to make representations for a review of a premises licence.
- (3) To authorise persons to accompany inspectors and to include exercise of powers under the Health and Safety at Work Act 1974 or Environmental Act 1995.
- (4) To carry out provisions of Part 1 and Schedules 1 and 2 of the Health Act 2006 and all delegated legislation made under these parts of the Act.
- (5) To authorise transfers of enforcement responsibility between the Health and Safety Executive and the Council under the Health and Safety (Enforcing Authority) Regulations 1998.
- (6) On the recommendation of the Proper Officer, to appoint Deputy Proper officers in relation to medical services provided by the Council.
- (7) To determine applications, notifications, consultation, enforcement and all other matters within the terms of reference of the Planning and Development Committee subject to the exceptions specified below:
- a) Applications (other than those for the discharge of conditions, extensions of time, section 73 applications, applications relating to block improvements of housing market renewal schemes or replacement of new industrial development (use class B1, B2 or B8)) in the Team Valley for major development as defined as:
    - Residential development of 10 or more dwellings, or where the number is not specified, the site is more than 0.5 hectares;

- Other development where the floor space is 1000 square meters or more or the site is one hectare or more;
- Where a major development is subject to a change of use, it will be classed as a major development and not a change of use.

The Service Director, Development and Public Protection may refuse an application for major development where it is clearly contrary to a relevant Council planning policy.

- b) Mineral applications
- c) Applications which are a departure from the Development Plan as defined by the Town and Country Planning (Development Procedure) (England) Order 2015 if the Council was minded to grant permission for them.
- d) Applications which are subject to an objection from a statutory consultee (as defined in the Town and Country Planning (Development Management Procedure) (England) Order 2015 which has not been resolved by negotiation or the imposition of conditions.
- e) Applications (other than those for PS2 reporting defined minor and other development or the discharge of conditions) submitted by or on behalf of the Council for its own development which are the subject of an objection which has not been resolved by negotiation or the imposition of conditions.
- f) Applications submitted by or on behalf of a Gateshead Councillor or their spouse or partner.
- g) Applications submitted by or on behalf of:
  - The Chief Executive or any Strategic Director or the Service Director, Development and Public Protection
  - Any member of staff of the Development Management Team
  - Any member of staff directly involved in the processing or determination of any planning application
- h) Applications where five or more relevant and material planning objections have been lodged in writing, or a member of the Council, Member of Parliament for the Borough, Member of the European Parliament for the Borough or a parish council within the Borough has objected to it or asked that it be determined by the Planning and Development Committee.
- i) Applications where speaking rights have been requested and where there are five or more relevant and material objections have been lodged in writing in accordance with the scheme for speaking at Planning and Development Committee.

- j) Decisions in respect of the allocation of land to Part 2 of the Council's register of previously developed land kept pursuant to the Town and Country Planning (Brownfield Land Register) Regulations 2017 where the allocation would give rise to permission in principle:
- for residential development of 10 or more dwellings, or where the number is not specified, the site is more than 0.5 hectares;
  - for other development where the floor space is 1000 square meters or more or the site is one hectare or more;
  - which would be a departure from the Development Plan as defined by the Town and Country Planning (Development Procedure) (England) Order 2015;
  - which would be contrary to an objection from a statutory consultee (as defined in the Town and Country Planning (Brownfield Land Register) Regulations 2017 which has not been resolved by negotiation or the imposition of conditions;
  - in respect of land owned by
    - a Gateshead Councillor or their spouse or partner;
    - The Chief Executive or any Strategic Director or the Service Director, Development, Public Protection and Transport Strategy;
    - Any member of staff of the Development Management Team or the Spatial Planning and Environment Team; or
    - Any member of staff directly involved in the processing or determination of the allocation
  - where five or more relevant and material planning objections have been lodged in writing, or a member of the Council, Member of Parliament for the Borough, Member of the European Parliament for the Borough or a parish council within the Borough has objected to it or asked that allocation be determined by the Planning and Development Committee.
- k) Applications which the Service Director, Development and Public Protection considers should be determined by Planning and Development Committee having regard to approved guidance on this matter.
- (8) Subject to the agreement of the Strategic Director, Corporate Services and Governance to agree to the Council entering into a planning obligation under section 106 of the Town and Country Planning Act 1990.
- (9) To determine whether planning applications should be subject to an environmental assessment (screening opinion) and the data which should be contained in environmental assessments (scoping report).
- (10) To respond to consultations from neighbouring planning authorities on applications.

- (11) To determine applications for certificate of lawfulness applications in all cases whether or not objections are received due to the nature of these applications being dealt with on 'balance of probability' for existing uses or by fact for proposed lawful uses.
- (12) With regard to the Planning (Hazardous Substances) Act 1990 to:
- a) Grant but not refuse hazardous substances consent
  - b) Vary or remove conditions imposed upon a hazardous substance or deemed consent  
or
  - c) Authorise the continuation of hazardous substances consent where there has been a change in the control of the land to which the consent related, provided that in the case of any application:
    - 1. no more than three relevant and material planning objections have been lodged in writing against it, and
    - 2. no member of the Council, Member of Parliament for the Borough, Member of the European Parliament for the Borough or a town or parish council within the Borough has objected to it or asked that it is determined by the Planning and Development Committee.
- (13) To determine applications for prior approval in relation to permitted development proposals in accordance with the Town and Country Planning (Development Management Procedure) (England) Order 2015 and any subsequent amendments to it.
- (14) To decline to determine repetitive applications for planning permission under the Town and Country Planning Act 1990 (as amended by the Planning and Compensation Act 1991) and for advertisement consent under the Town and Country (Control of Advertisements) (England) Regulations 2007.
- (15) Following consultation with the Strategic Director, Corporate Services and Governance, to determine whether to take enforcement action under the provisions of the Town and Country Planning Act 1990 and the Planning (Listed Buildings and Conservation Areas) Act 1990, including proceedings in the courts, in cases where retrospective applications for planning permission, conservation area consent or listed building consent have been refused by the Planning and Development Committee.
- (16) To issue simple cautions to persons guilty of criminal offences involving breaches of planning control.
- (17) To administer and determine complaints about high hedges under the Anti-Social Behaviour Act 2003.

- (18) To authorise in writing persons not directly employed by the Council but who are, by agreement, carrying out work in connection with any other delegated function or power to exercise any necessary power or entry, inspection or enforcement under relevant legislation. Similarly to authorise employees of other services in the Council, but this power shall only be exercised with the agreement of the employee's manager or the Strategic Director for that service.
- (19) To exercise the power of the Council under section 61 of the Local Government (Miscellaneous Provisions) Act 1976 to suspend or revoke the licence(s) of Hackney Carriage and Private Hire Vehicle drivers with immediate effect where, following consultation with the Chair and/or Vice Chair of the Regulatory Committee, doing so appears to be in the interests of public safety.
- (20) To approve the issuing of Hackney Carriage and Private Hire Vehicle licences where the vehicle exceeds the Council's upper age policy and:
- (i) the vehicle does not exceed the Council's upper age policy by more than 12 months;
  - (ii) where the vehicle is in "exceptional condition" (as determined by the Council's approved testing procedure);
  - (iii) the vehicle meets all of the Council's standard conditions; and
  - (iv) upon the condition that the vehicle be tested three times during the twelve month licence period (pro rata) at the licensee's expense.
- (21) To transfer Hackney Carriage and Private Hire Vehicle licenses where the application meets the Council's standard conditions approved by the Council from time to time.
- (22) To grant and renew licences for Hackney Carriages and Private Hire Vehicles where the application meets the Council's standard conditions save for condition 23 and/or 25 (Hackney Carriages) or 21 (v) (w) and/or 23 (Private Hire Vehicles) but has been inspected by officers from Communities and Environment pursuant to s.50 Local Government (Miscellaneous Provisions) Act 1976, and has been deemed to be safe for use as a Hackney Carriage/Private Hire Vehicle as applicable.
- (23) Save in respect of a matter otherwise reserved to the Council's Planning and Development Committee to authorise, sign and serve notices and take all necessary enforcement action under section 215 and to obtain information under section 330 of the Town and Country Planning Act 1990.
- (24) Save in respect of matters otherwise reserved to the Council's Licensing and Regulatory Committees, to investigate complaints, authorise, sign and serve notices and take all enforcement action relating to statutory nuisance.
- (25) To exercise powers to license the use of land as a caravan site and the use of moveable dwellings and camping sites.

- (26) To obtain particulars of persons interested in land under section 16 of the Local Government (Miscellaneous Provisions) Act 1976.
- (27) To authorise the submission of applications, including proposed conditions, on behalf of the Council to the Secretary of State under s.247 of the Town and Country Planning Act 1990.
- (28) To consider applications received and make orders under s.257 of the Town and Country Planning Act 1990, except where the Service Director for Transport Strategy considers such an application should be determined by the Rights of Way Committee.
- (29) To authorise the making of orders under s.3 of the Cycle Tracks Act 1984, except where the Service Director for Transport Strategy considers such an application should be determined by the Rights of Way Committee.
- (30) To authorise the serving of notices under section 220 of the Highways Act 1980.

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SiteNameAddress	NetDwellingsRangeFrom	NetDwellingsRangeTo
"Site of The Vigo public house, Hartside, Birtley"	4	11
"BAE Systems, Mitchell St, Birtley"	222	367
"Bleach Green, Elm Rd, Blaydon"	97	202
"Blaydon Bank / Litchfield Lane, Winlaton"	6	7
"Ramsay Street, Winlaton"	8	10
"MetroGreen - Derwent West Bank, Derwenthaugh Rd, Blaydonl"	173	200
"Shibdon House, Shibdon Rd, Blaydon"	6	7
"Boulevard SW, St Bede's Dr, Gateshead"	54	61
"Pipewellgate, Gateshead"	112	275
"Hudson St car park, Gateshead"	78	165
"Freight Depot, St James Rd, Gateshead"	300	330
"Gateshead Green, High St, Gateshead"	52	57
"Tennyson and Newbolt Towers, Shelley Dr, Gateshead"	45	50
"Windmill Hills School, Bensham Road, Gateshead"	25	55
"Old Town Hall area, West St, Gateshead"	91	100
"High Street area (NW), Gateshead"	20	22
"Jackson Street, Gateshead"	38	23
"New Chandless, Lindisfarne Dr, Gateshead"	257	283
"Heaton Paper Co, Eldon St, Gateshead"	16	20
"Go-Ahead depot, Sunderland Rd, Gateshead"	28	31
"Tynegate blocks, Sunderland Rd, Gateshead"	245	283
"Askew Road (east), Gateshead"	118	162
"Hillgate - Gateshead Quays Key Site (part of), Gateshead"	89	98
"The Point, Fletcher Rd, Gateshead"	47	52
"Site of Northwood APH, Sunderland Rd, Gateshead"	10	11
"Ochre Yards, High Level Rd, Gateshead"	107	118
"Gateshead Quays Key Site (part of), Oakwellgate, Gateshead"	120	132
"Hawks Mill, Hawks Rd, Gateshead"	40	169
"Hopper St, Gateshead"	10	90
"Highfield Primary School, Highfield Rd, Rowlands Gill"	44	32
"Rowlands Gill Infants' School, Sherburn Grn, Rowlands Gill"	13	25
"Former Victoria Institute, Highfield Rd, Rowlands Gill"	4	7
"Site of Children's Home, Malton Grn, Harlow Green, Gateshead"	13	14
"Sealburns Farm, Lead Rd, Greenside"	8	12
"E of Elgin Centre, Elgin Rd, Deckham, Gateshead"	30	62
"33-37 Deckham Tce, Deckham, Gateshead"	6	7
"Swanway, Carr Hill, Gateshead"	4	13
"NE of Elgin Centre, Elgin Rd, Deckham, Gateshead"	20	30
"Site of Deckham Hotel, Old Durham Rd, Gateshead"	4	7
"Dixon Street, Bensham, Gateshead"	56	117
"Clasper Village, Tyne Rd E, Redheugh, Gateshead"	136	199
"Foresters Arms, Askew Rd W, Teams, Gateshead"	2	10
"Meadow Lane garages, Meadow Lane, Dunston, Gateshead"	2	11
"Play area, Wolseley Close, Teams, Gateshead"	18	45
"Ravensworth Rd, Dunston, Gateshead"	45	50
"MetroGreen - Dunston W, St Omers Rd, Dunston, Gateshead"	396	528
"MetroGreen - Dunston SW, Wellington Rd, Dunston, Gateshead"	215	266
"MetroGreen - South, Cross Lane, Dunston, Gateshead"	384	318
"MetroGreen - Riverside West Central, Mandela Way, Dunston, Gateshead"	157	417
"MetroGreen - Riverside East Central, Handy Drive, Dunston, Gateshead"	58	121
"MetroGreen - East, Handy Drive, Dunston, Gateshead"	113	152
"MetroGreen - Riverside South West, Riverside Way, Dunston, Gateshead"	64	151
"Central Nursery, Whickham Highway, Dunston Hill, Gateshead"	154	245
"Dunston Hill School, Ellison Rd, Dunston Hill, Gateshead"	14	20
"Chase Park depot, Chase Park, Whickham"	5	6
Washingwell Cottage, Whickham Highway, Whickham"	4	5
"Part of Dunston Hill Hosp, Whickham Highway, Whickham"	38	42
"Brandling Village, Carlisle St, Felling"	170	264
"Rear of Pensher St East, Old Fold, Gateshead"	16	24
"Acacia Rd, Old Fold, Gateshead"	52	57
"Former Salvation Army premises, Smithburn Rd, Felling"	6	7
"Felling Park Depot, Felling Park, Felling"	5	13
"The Hall, Sunderland Rd, Felling"	16	18
"Whitley Court, Wrekenton, Gateshead"	21	33
"Beacon Lough East, Gateshead"	83	191
"Ravenswood care home site, Church Rd, High Fell, Gateshead"	8	12
"Lyndhurst Centre, Beacon Lough Road, Beacon Lough, Gateshead"	24	40
"Wrekenton Multi-Purpose Centre, High St, Wrekenton, Gateshead"	20	50

"Aycliffe Avenue shops etc, Springwell Estate, Gateshead"	3	6
"Elisabethville, Birtley"	57	120
"Kibblesworth East Farm, Kibblesworth"	7	8
"Seaham Gdns, Wrekenton, Gateshead"	3	6
"High Eighton Farm, Waverley Rd, Harlow Green, Gateshead"	7	12
"Askew Road (West), Gateshead"	52	90
"Belle Vue Motors, Eastern Ave, Low Fell, Gateshead"	9	13
"Eslington Villa, Station Rd, Low Fell, Gateshead"	8	11
"Gateshead Outdoor Activity Centre, Mulberry Park, Low Fell, Gateshead"	8	13
"Queen's Head, Sheriff's Highway, Sheriff Hill, Gateshead"	5	7
"Jordan Engineering, Shields Rd, Pelaw"	16	40
"Wynn Gdns garages, Pelaw"	3	8
"Jolly Fellows, Elvaston Rd, Ryton"	7	8
"The White House, Stella Rd, Stella"	9	10
"East Grange, Barmoor Lane, Ryton"	6	17
"Old Co-op, Hexham Old Rd. Crookhill, Ryton"	3	9
"Ryton Park Hotel, Holburn Lane, Ryton"	4	7
"Kelvin Grove, Bensham, Gateshead"	52	57
"Springs Health Club, Joicey Rd, Low Fell, Gateshead"	14	24
"Hyde Park, Bensham, Gateshead"	40	44
"Clavering Rd, Swalwell"	8	9
"Brewery Bank, Swalwell"	9	10
"Whickham Front St Sch old buildings, School St, Whickham"	6	18
"Whickham Front St Sch new bldgs, School St, Whickham"	8	21
"Derwentside Nursing Home, Swalwell"	22	24
"MetroGreen - Derwent East Bank, Long Rigg, Swalwell"	144	217
"Kipling Avenue garages, Whickham"	6	14
"Crowley Rd / Richmond Ave, Swalwell"	9	10
"Bar 3T, Swalwell"	6	7
Sunniside NE	43	53
Sunniside SE	81	99
"Former Marley Hill School, Marley Hill, Sunniside"	22	24
"Garages, Gladeley Way, Sunniside"	3	6
"The Grange, Marley Hill, Sunniside"	3	3
"Winlaton Care Village, Garesfield Lane, Winlaton"	33	36
"57-59 Front St, Winlaton"	6	7
"Former Hookergate School, High Spen"	46	69
"Barlow Rd, Barlow"	4	9
"Hallgarth, Garth Farm Rd, Winlaton"	27	30
"Winlaton Social Club, Cromwell Place, Winlaton"	15	17







**COUNCIL MEETING**

**25 January 2018**

**EARLY HELP STRATEGY**

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**Sheena Ramsey, Chief Executive**

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## **EXECUTIVE SUMMARY**

1. The purpose of this report is to seek approval of the Early Help Strategy, which aims to reduce the need for specialist intervention by developing early interventions, delivered in a timely way.
2. Partners and stakeholders have been consulted on the draft Early Help Strategy.
3. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

## **RECOMMENDATION**

5. It is recommended that Council approves the Early Help Strategy.

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**TITLE OF REPORT:** Early Help Strategy

**REPORT OF:** Caroline O'Neill, Strategic Director, Care Wellbeing and Learning

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### **Purpose of the Report**

1. To provide Cabinet with the final version of the Early Help Strategy and to seek Council approval of the Strategy.

### **Background**

2. The Early Help Strategy will bring together many strands of work to create a vision for the future where families are resilient and supported within their local community. This will reduce the need for specialist intervention by developing flexible evidence based early interventions which are delivered in a timely way.

### **Proposal**

3. The Council has consulted with partners and stakeholders on the draft Early Help Strategy and have made changes in response to feedback received. No further changes are proposed to the Strategy.

### **Recommendations**

4. Cabinet is asked to recommend the Council to approve the Early Help Strategy

For the following reason:

The Early Help Strategy provides leaders and practitioners working with children, young people and families with information and guidance that will enable them to understand the current context and role of the Early Help Service.

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**CONTACT:** Val Hall                      extension: 2782

### Policy Context

1. The Early Help Strategy is designed to develop a safe, sustainable partnership approach to providing early intervention and prevention services. The Strategy builds on the good work already being delivered as part of the overarching framework to deliver a coherent and consistent early help offer in which everyone understands the pathways available and their role in delivering services.
2. The Early Help Strategy has been developed within the context of national and local policy. Over the last five years reviews and research have demonstrated the economic and social value of prevention and early intervention programmes and ways of working. Both 'Working Together to Safeguard children 2013' and Professor Eileen Munro's report on the future of safeguarding (2011) pick up these themes and promote the importance of Early Help within the wider safeguarding context.
3. The strategy reflects the current Council Plan and the desired outcomes of the Council's emerging strategic approach "Making Gateshead a Place Where Everyone Thrives".

### Background

4. Nationally there is increasing evidence that supporting children and families at the earliest opportunity has significant impact in improving life chances and increasing outcomes into adulthood.
5. Gateshead's Early Help Strategy is a key opportunity to refocus the vision of delivering the right response by the right service at the right time.
6. We need to ensure the needs of vulnerable children, young people and families are identified at the earliest opportunity and that the needs are appropriately assessed and met by working effectively together.
7. Early Help Services should be shaped by the views and experiences of the children, young people and families building resilience and increasing their capacity to manage challenging circumstances before issues escalate and poor outcomes ensue.
8. An early help approach offers families more than a single solution to address emerging issues.
9. Early interventions focus on reducing the risk and promoting a strength based model in the child, young person and family taking full account of their cultural context.

### Consultation

10. The Strategy has been in consultation between September 2016 and November 2017. Partners, stakeholders and service users have been consulted during this period.



11. The Cabinet Members for Children and Young People have been consulted.

### **Alternative Options**

12. Cabinet could decide not to approve the Strategy however; this would have significant implications for the development of the Early Help Service and could lead to additional costs being incurred should more expensive interventions be required for families.

### **Implications of Recommended Option**

#### **13. Resources:**

- a) **Financial Implications** – The Strategic Director, Corporate Resources has confirmed there are no financial implications identified as a result of this report.
- b) **Human Resources Implications** – Continual support and development will be provided to staff to ensure they are confident and capable in their abilities to respond to the new way of working.
- c) **Property Implications** - None

#### **14. Risk Management Implication - None**

15. **Equality and Diversity Implications** - This strategy has been developed to ensure that the early help and intervention offer makes a significant contribution to all children, young people and families, irrespective of their protected characteristics.

#### **16. Crime and Disorder Implications – None**

#### **17. Health Implications - None**

#### **18. Sustainability Implications - None**

#### **19. Human Rights Implications - None**

#### **20. Area and Ward Implications - None**

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# **Gateshead's Early Help Strategy**

## **Introduction**

*Early help and intervention is a force for transforming the lives of children, families and communities, particularly the most disadvantaged. Its importance today in terms of policy and practice owes as much to its economic sense, as well as the social and personal benefits that it can generate.*

The aspiration and vision articulated in the plan is that:

*'All children and young people are empowered and supported to develop to their full potential and have the life skills and opportunities to play an active part in society' CYPP 2014-17.'*

The aim of this strategy is to empower families, professionals from all sectors and local communities to work collaboratively in order to make Gateshead the best place in which to live and develop.

## **Policy Context**

Over the last five years successive reviews have demonstrated the economic and social value of prevention and early intervention programmes and ways of working. There are a number of key documents that provide a compelling argument for the benefit of, and need for early help for children, young people and their families.

Research shows that *'early intervention as a policy issue reflects the widespread recognition that it is better to identify problems early and intervene effectively to prevent their escalation, rather than to respond only when the difficulty has become so acute as to demand action'* - "Grasping the nettle".

We recognise that from conception to the age of two years the effects of disadvantage are magnified. We know that this is a period of significant brain development and that neglect in these early years is likely to lead to a substantial and detrimental impact on a child's development. Equally we know that the other significant period of brain development is during the teenage years as young people approach puberty. This is a time when young people often want to take more risks and it is important that early help services are in place for young people identified as vulnerable. We therefore want to ensure, through our collective approaches outlined in this strategy, that these children will be prioritised with the ambition for all children to get the best start in life.

Both 'Working Together to Safeguard Children 2013' and Professor Eileen Munro's report on the future of safeguarding, 'Munro Review of Child Protection: Final Report' (2011) pick up these themes and promote the importance of early help within the wider safeguarding context.

*'Providing early help is more effective in promoting the welfare of children than reacting later. Early help means providing support as soon as a problem emerges, at any point in a child's life, from the foundation years through to the teenage years.'* (Working Together to Safeguard Children 2013).

*‘From a child or young person’s point of view, the earlier help is received the better. Research on children’s development emphasises the importance of the early years on their long-term outcomes so preventative services to help parents are a key strategy. Early help, however, is needed not just in the early years but throughout childhood as problems develop’. (Munro Review of Child Protection: Final Report 2011).*

The vision of Gateshead’s Early Help Strategy is to secure a boroughwide approach within which all partners work together collectively to ensure families get the right help at the right time from the right people, thus enabling children young people and their families to achieve success.

Gateshead’s Corporate Plan includes a commitment from the Council to providing all children with the **best start in life**. Giving every child the best start in life is crucial to reducing inequalities across the life course. Effective preventative and early intervention services are essential in supporting vulnerable children and young people to reach their potential.

## **Drivers for Change**

The arguments for early help are numerous:

- Research has shown us the damage that can be done to children and young people’s development when subjected to neglect such damage is difficult to reverse and so clearly better prevented
- It is cost effective where early help prevents serious problems developing and incurring significant resource from statutory partners. Communities and professionals working together in a more integrated way at an earlier stage helping families to find solutions are likely to change the pattern of demand for more specialist services.

There has been significant changes to the way in which services in Gateshead are configured and delivered. It is recognised that all partners continue to face reductions in budgets and therefore have to re-evaluate how they provide services to meet their priorities in the future.

We know that in Gateshead we have high numbers of children and young people who require protection through child protection planning or by becoming accommodated. Through this strategy we aim to reach those children earlier and provide support which prevents the need for statutory involvement.

We need to provide clarity about our role, how we will work with our partners and how to access support. We will, through this strategy, aim to develop a joined up approach that reaches across the continuum of services from universal to complex support which will enable us to achieve better outcomes.

We know that the issues that affect parents have a significant impact on the children in their care. We will therefore continue to embed our approach of working with families rather than individuals by addressing issues that affect the family unit. Enabling vulnerable parents to develop their parenting skills will be a key element of

support within Early Help. Additionally parents experiencing difficulties in relation to their own emotional and mental health needs, domestic abuse and/or alcohol and substance misuse will require appropriate access to support as soon as issues are identified to prevent further deterioration and minimise the impact on children and young people.

## **Principles of Early Help**

The proposed service model will embed and embody the Council's commitment and shared understanding of the principles of early intervention and prevention, based on a partnership approach. This includes:

- A shared understanding of early intervention and prevention and the outcomes being sought
- Identifying need and providing support at the earliest opportunity to prevent needs escalating
- An approach rooted in communities identifying and targeting services at those most in need and offering accessible support to prevent escalation of need
- Local and community-based support which is accessible and enables the development of formal and informal support networks for parents and helps professionals work together
- Evidence-based programmes and practice - central to an effective support offer alongside a willingness to be innovative and flexible in exploring ways of addressing the needs of an area or target group
- Focusing on increasing resilience to enable children young people and their families to develop the capacity and skills to resist adversity, cope with uncertainty and recover successfully from trauma and to develop personal and social skills and focus on changing behaviour.
- Providing holistic support to address multiple and complex needs and barriers in a co-ordinated way to address family and environmental factors as well as individual needs
- Establishing safe and secure information sharing across partners as appropriate.
- A seamless interface built on empowering community provision to recognise and respond to the needs of families if an intervention is not having the desired effect and therefore, specialist services are needed
- Underpinned by a solution focussed approach as enablers of change rather than always being the provider.

## **Strategic Objectives**

- To provide a comprehensive early help offer which is understood, developed and embedded across all agencies and communities.
- To deliver early help services as a shared organisational responsibility. To do this we will build on the holistic family support model of early help using the Common Assessment Framework (CAF) and Team Around the Family (TAF) approach.
- To provide an Early Help offer that has a tailored approach to children, young people and their families working into locality models which takes into account the communities and context in which families live.
- To reduce the pressure on high level or specialist services by ensuring the needs of children young people and parents/carers do not escalate.

- To ensure safe, appropriate and proportionate information sharing protocols are in place because we know that 'early sharing of information is the key to providing effective early help where there are emerging problems' (Working Together 2013).

The key outcomes are to:

- Improve the health and well-being of children and reduce inequalities in outcomes as part of an integrated approach to supporting children and families which has a strong focus on prevention and early identification of needs
- Identify and support those who need additional support and targeted interventions with robust links to adult services where appropriate, for example, parents who need support with their emotional or mental health and well-being.
- Parents/carers are supported to understand the range, availability and value of both statutory and voluntary services for children and families, and are empowered to make appropriate choices to access services which meet their needs, without creating service dependency.

### **The Gateshead Model**

Fundamental to the model's success is a proactive approach to working across the Council and with communities so that it can provide timely access to a range of interventions from a seamless continuum of services designed around the child, young person and family.

The delivery model will:

- Bring together a range of services which support children and families - a broader range of provision and community activity, including health, emotional wellbeing, behaviour support, family support, advice and support around debt, worklessness and poverty.
- Use CAF and TAF approaches to wrap support around families to meet the multiplicity of their needs.
- Ensure that practitioners identify and intervene with causes rather than with presenting symptoms.
- Harnesses the social capital of communities and use an asset based approach to developing solutions.

In order to achieve this and deliver a seamless service we will operate through one front door. The model provides a single system of access through a 'front door' that will provide a managed and researched triage response which may lead to provision of information, signposting and where appropriate detailed background checks in order to determine the appropriate pathway.

The vision for Gateshead's Early Help Strategy is to secure a co-ordinated approach with all key partner agencies to collectively maximise their resources to enable children, young people and their families become more empowered and resilient.

It will provide a framework to support partners to reshape their existing services to ensure that we work in a more integrated way by working better together to secure better outcomes for children and families through a continuum of early help support.

This is outlined as:

**Universal activities/groups (open to all families).** These services may be provided by:

- Voluntary community groups and other Council services where Early Help staff or officers from other Council Service areas will be available to offer support to leaders and ensure that families attending are aware of other support that is available to them if needed.
- Community businesses or services that have undergone a selection process to deliver in Children's Centres will receive a contract ensuring information can be safely shared and evidence of outcomes collated. These services will be regularly quality checked by Early Help staff or officers in other Council Service areas e.g. Commissioning, Neighbourhood, Volunteering and Communities. These services/activities may charge parents a nominal fee.

**Universal/Targeted activities/groups.** These group activities will be developed collaboratively with partners and actively promoted to families who may benefit from them. These services may be provided by:

- Reserved/dedicated places at Early Help facilitated universal activities where additionality is provided by an Early Help Worker or other appropriate officer or partner who will monitor attendance and report on the impact for the family. (Open to those who have been signposted by other professionals or have been identified as requiring additional support).

### **Targeted/Specialist:**

Family Support offered on an individual basis to families usually in the family's home, following the CAF process. This will include work with families who are described as being "low level CIN" and families who have benefitted from social care intervention sufficiently to be 'stepped down' to early help on their journey back to being supported through universal services.

### **Early Help Service**

This model needs to be innovative, flexible and able to respond to the needs of the relevant area(s) driven by local priorities, as identified through the analysis of demographic and other relevant data and local knowledge

- JSNA
- Early years profile
- CAF/TAF analysis of local need
- Levels of need - Health Visitor tier led responses

The delivery model will build upon the FamiliesGateshead initiative to develop a wider child and family focus providing a 0-19 (25 for those who have special educational needs and disabilities) holistic approach to service delivery for children, young people and their families.

The Early Help Service will create a clear early help offer, delivered with partner agencies that provides support as soon as a problem emerges at any point. It will ensure:

- Children grow up in a good family environment.
- Anyone can understand what Gateshead's early help offer is and their role within it.
- We can show the difference that early help makes.
- We set out clear expectations for adults to deliver their parenting responsibilities.

We will have a phased approach to implementation and would seek to integrate into one Early Help Service the following disciplines:-

- Children's Centre staff
- Family Intervention Team
- Young Offenders Team including prevention
- Connexions staff
- Youth Service
- Positive Pathways Team
- Play Service
- Commissioned family support services including counselling/relationship support
- Disabled Children's Team

This will provide a well-co-ordinated, pro-active and multi-skilled service, which is modelled on getting things right the first time, reducing and managing demand and preventing escalation to more specialist and statutory services.

The team will provide proportionate support to the delivery of universal services that are working with children, young people and families whose needs are below the level of targeted/specialist services and can be managed in the community. Additional support and advice can be provided where necessary.

Improved use of data, intelligence and information will encourage and provide universal/targeted group provision that is linked to the needs of communities. These services will be proactively targeted at those most in need of support and ensure wide coverage across the specified area.

The Early Help Service will continue to deliver practical and therapeutic interventions that support families in long term change. The intensity of such interventions will be dependent on assessed need. There will be a clear menu of effective, evidence based interventions and practice which are creative, flexible and available to any tier. They will be based on individual needs to enable the creation of personalised support packages which will ensure positive outcomes are achieved.

Our approach will be predicated on identifying and working with families on root causes to ensure change is embedded and provides long term solutions.

The offer will be accessible to services/teams delivering across the continuum of need. This will ensure that where additional support is necessary to prevent further escalation, which would also include children and families who are being supported through social care.



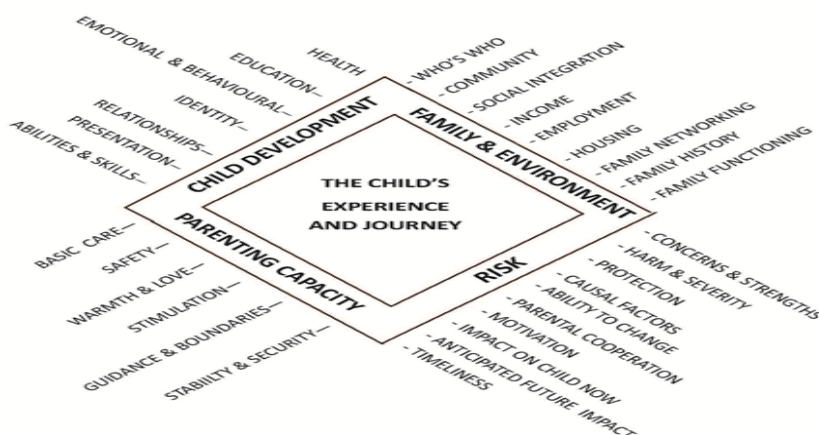
Services will be available flexibly at times that most suit the needs of families and partners within communities including both outreach and centre-based services.

The team will work closely with other Council services, schools, GP practices and other partners to support them in their identification of children where there are concerns, providing advice and guidance on CAF/TAF and ensuring schools and GPs are supported to be fully engaged in the process.

We will measure our success against the Early Help Outcomes Framework and through performance management, quality assurance and audits.

### The Gateshead Tool Box

The single assessment framework ensures that the interplay between early assessment and statutory assessment is viewed as a continuum. In Gateshead the CAF and the Child in Need Assessment (CIN) informed by the regional assessment framework are based upon the same principles. The four domains illustrated below provide a consistent approach across early help and specialist social care.



### Parenting Offer:

We will invest in parenting programmes that have a clear evidence base for success. We know that parenting programmes in isolation are rarely effective and so will aim to deliver these alongside family support that supports parents to embed their learning in family life. Programme delivery will be co-ordinated centrally to ensure those who are assessed as requiring this form of support are prioritised. We will work in conjunction with partners, particularly the Voluntary Community Sector, in order to deliver a varied and accessible programme that meets assessed need.

### **Neglect Guidance and Toolkit:**

We have high levels of children subject to child protection plans in order to support their safety and wellbeing, and a high proportion of these are under the category of neglect. As a result the LSCB led an inquiry into the reasons for this and current practice for supporting families where neglect was a feature. The resulting multi-agency guidance and subsequent toolkit is currently being rolled out on a multi-agency basis. We will use these resources to underpin our approaches to working with families where neglect is identified as an issue.

### **Planning Framework:**

We will develop a consistent outcome focused planning framework based on the information below (outcomes framework appendix 1) and aligned to the planning framework used in Children's Social Care. Where appropriate we will also use outcomes stars with families to support them in managing their progress. The outcomes framework takes account of the expanded Troubled Families criteria which is already embedded in much of our early intervention work.

### **Family Group Conferencing:**

We will build on the success of our family group conferencing service to broaden its availability to families to support conflict resolution and empower families to reach their own solutions.

### **Personalisation:**

We will continue to deliver a personalised offer for families whose assessed needs require additional bespoke options to promote positive outcomes.

As a Lead Practitioner or Social Worker providing support to families, personalised funding may be available to provide small scale flexible support to promote positive outcomes, ensure safeguarding and prevent further family breakdown. Personalised funding provides an opportunity to be creative and to identify support that will really make a difference in the way tailored services can be provided to respond to the identified needs of a family. We will continue to work with providers particularly where their services support the Local Authority in preventing escalation of need to specialist social care and support children from becoming looked after.

### **Workforce Development:**

Workforce development is essential to the success of the proposed model. To enable early help to become everybody's business practitioners must feel confident and capable in their abilities to respond to presenting issues. We will support the multi-agency children's workforce to recognise and identify early signs and symptoms and understand the help and support available to children, young people and their families. Awareness raising of early help will be a key factor in the success of our approach. Evaluating knowledge and input of partners will be a qualitative measure of effectiveness. It is crucial that we have a consistent Gateshead approach that is evidence led. To that end practitioners will have training and access to the Gateshead toolkit.

We will develop clear and consistent job descriptions for Early Help Workers as a key tool in achieving a well-defined offer and core skills required for delivery including ability to engage effectively with both children and adults.

Early help with appropriate social work input will provide a basis for practical family support linked to core social work principles. We will ensure that there is appropriate access to social work advice/management and co-ordinated management oversight of CAF/TAF. This will support how we measure impact, particularly where cases need to be escalated to social care despite previous interventions.

We will develop a clear information sharing agreement and protocol so that all agencies are clear of their duties in terms of seeking consent and sharing information appropriately.

### **Governance Arrangements:**

The Children's Trust Board will be the responsible partnership board for the oversight and development of our Early Help model. The Children's Trust Board will report into the Health and Wellbeing Board as the statutory board responsible for identifying local needs and producing the Joint Strategic Needs Assessment which informs the development of the Early Help offer.

The LSCB will provide additional scrutiny of the effectiveness of early help and its impact on the safety and wellbeing of all children in Gateshead.

# Early Help Outcomes Framework

Child's Developmental Needs		
Description	Indicator of Need / Risk Factor	Intended Outcome
Health	child with physical health problems	Physical health problems resolved or effectively managed through appropriate care package and Child enabled to access age appropriate education and activities
	child with mental health problems (including self-harm)	Mental health problems resolved or effectively managed through appropriate care package and Child enabled to access age appropriate education and activities
	child with a drug or alcohol problem	Substance misuse problems resolved or effectively managed through appropriate care package and Child enabled to access age appropriate education and activities
Education and Training – Participation and Aspirations Age 88	Child Persistently absent from school	At least 90% attendance for all school age children
	Child receiving fixed term exclusions	Reduction in fixed term exclusions
	Child permanently excluded from school	No permanent exclusions
	Child attending alternative education provision for behavioural problems	Attendance of at least 90% of alternative provision and/or reintegration into mainstream provision where appropriate
	Child who is not registered with a school, nor educated otherwise	Child registered with school or appropriate alternative arrangement with attendance of at least 90%
	Child identified in the School Census as having social, emotional and/or mental health needs	Appropriate Special Educational Needs Support Plans for Education Health Care Plans
	Child about to leave school with few or no qualifications and no planned education, training or employment	Child leaves school and enters and maintains further education, training or employment
	Child/Young person who is not in education, training or employment	Child/Young person enters and maintains further education, training or employment
	Child who has failed to take up or disengaged from the free early learning entitlement	Appropriate take up of early education entitlement for eligible 2 year olds and all 3 & 4 year olds (this is not a statutory requirement)

Emotional and Behavioural Development	Child at risk of involvement in criminal or anti-social behaviour	No further incidences of criminal or anti-social behaviour
	Child who has committed a proven offence	No further offences
	Child displaying anti-social behaviour	No further anti-social behaviour
	Child who is a perpetrator of violence and/or abuse towards others (including parents and other family members)	No further incidences of violence or abuse
	Child persistently missing from home	No further missing episodes
	Child at risk of Child Sexual Exploitation	Child demonstrates appropriate peer relationships, resilience and is aware of risk and acts accordingly
	Child struggling with age appropriate social and emotional competencies such as interacting with others and control over own emotions	Child achieves all age appropriate social and emotional milestones
Identity	Child displays signs of low self-esteem	Child demonstrates a positive sense of self image and feels valued
	Child experiencing bullying or discrimination due to ethnicity, sexual orientation, religion or gender	Child demonstrates feelings of belonging and acceptance within family, peer group and wider community
Family and Social Relationships	Child has difficulty establishing and maintaining age appropriate friendships	Causes of difficulties are addressed and child able to form age appropriate friendships
Social Presentation	Child displays challenging behaviour at home and/or in public	Child demonstrates appropriate responses in feelings and actions and manages appropriately
Self-Care Abilities and Skills	Child struggles with age appropriate practical skills such as dressing and feeding	Child is achieving all age appropriate self-care milestones
	Young person is unable to demonstrate age appropriate independence: unkempt appearance, lack of personal hygiene, lack of budgeting skills, lack of personal healthcare	Young person is capable of self-management and has developed skills for independence

## Parenting Capacity

Description	Indicator of Need / Risk Factor	Intended Outcome
Ability to Provide Basic Care	Parent/Carer prioritises their own needs over that of the child	Parent/Carer has capacity to recognise the needs of the child and prioritise those needs
	Child displays indicators of neglect: Child presents as hungry, child is not provided with an adequate lunch or dinner money, child presents as unkempt and/or child misses medical and dental appointments	Child is appropriately fed and provided with a nutritionally adequate diet, is clean and appropriately dressed, their health and social care needs are met
	Parent/Carer with physical health problems	Physical health problems resolved or effectively managed through appropriate care package and parent/carers enabled to parent effectively
	Parent/Carer with mental health problems	Mental health problems resolved or effectively managed through appropriate care package and parent/carers enabled to parent effectively
	Parent/Carer with a drug or alcohol problem	Substance misuse problems resolved or effectively managed through appropriate care package and parent/carers enabled to parent effectively
	Child is a young carer (helps look after someone in their family who is ill, disabled or misuses drugs or alcohol)	Child is enabled to fully participate in age appropriate education and activities and is provided with opportunities to take a break from their caring responsibilities
Ability to Ensure Child Safety	Parent/Carer experiencing or at risk of experiencing domestic abuse (controlling, coercive, threatening behaviour, violence or abuse within current or previous intimate relationships)	Parent/Carer no longer experiencing or at risk of domestic violence or abuse
	Parent/Carer who is a perpetrator of domestic abuse (controlling, coercive, threatening behaviour, violence or abuse within current or previous intimate relationships)	No further incidences of violence or abuse
	Family experiencing poor relationship quality	Family enabled to reduce conflict and arguments and present a more stable parenting stance
	Lack of child safety equipment in the home (fire guards, safety gates, window locks etc.) and child demonstrates a lack of risk awareness eg. road safety	Home is safe with all appropriate safety equipment installed and age appropriate risk mitigation is in place

Ability to Give and Demonstrate Emotional Warmth	Child demonstrates anxious attachments	Child presents as secure and parents/carers show warmth, praise and encouragement
Ability to Provide Appropriate Stimulation	Child does not have access to age appropriate toys and books	Child has access to appropriate toys and books
	Parent/Carer demonstrates little or no interaction	Parent/Carer is able to meet the developmental needs of the child acting on professional advice when necessary (GP, health visitor, school etc)
Ability to Provide Appropriate Guidance and Boundaries	Young person at risk of Child Sexual Exploitation: lack of parental oversight and knowledge of child's whereabouts	Parent/Carer demonstrates ability to discuss the impact of risk taking behaviours, build resilience and puts in place appropriate safeguards
	Child demonstrates poor behaviour	Parent/Carer demonstrates appropriate behaviour management strategies
Ability to Provide Stability and Security	Family experiencing a life changing event such as pregnancy, childbirth, bereavement, health diagnosis, new partner, divorce etc.)	All family members are equipped to build resilience, communicate and resolve differences to enable them to adapt to change
	Parent/Carer who has committed a proven offence	No further offences
	Parent/Carer displaying anti-social behaviour	No further anti-social behaviour
	Parent/Carer prisoner who is due for release	Successful reintegration into family home and community upon release and no further offences
	Parent/Carer on a community order or suspended sentence	Successful completion of order and no further offences

## Family and Environmental Factors

Description	Indicator of Need / Risk Factor	Intended Outcome
The Community and Community Resources	Family are socially isolated	Family are enabled to access community resources
	Poor or non-existent local community resources	Family are integrated in their neighbourhood, have developed positive relationships and are able to maximise local amenities and access wider resources
	Family experiencing neighbourhood disputes or conflict	Family able to resolve disputes effectively
The Family's Social Integration in the Community	Family not registered with primary healthcare providers	Family members registered with GP and dentist
The Family's Income, Employment and Housing	Family has a household income significantly below the national average	Improved household income
	Family experiencing financial exclusion or at risk of financial exclusion	Decreased risk of financial exclusion or improved financial circumstances
	Family experiencing worklessness	Parent/carer/other significant adults into continuous employment
	Family's accommodation does not have basic amenities	Family enabled to improve accommodation or moved to more appropriate home
	Family's accommodation is not accessible to disabled family members	Accommodation is made accessible or family moved to more appropriate home
	Family's accommodation has poor levels of hygiene and cleanliness	Appropriate levels of hygiene and cleanliness are achieved and maintained
	Family's accommodation is in a state of disrepair	Accommodation made safe and to an acceptable standard or family moved to more appropriate home
The Extended Family Network	Family have little or no support from extended family	Family are enabled to build local relationships and friendships
The Family's History and how they Function as a Family	Parent/carer has been in care themselves and/or experienced poor or dysfunctional relationships with their own parents	Parent/Carer able to reflect on their own parenting and learn new skills & strategies as appropriate
	Individual linked to the family who may pose an additional risk	Parent/Carer demonstrates awareness of risk and act/supervise accordingly





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## COUNCIL MEETING

25 January 2018

### ESTABLISHMENT OF POST: DIRECTOR OF JOINT COMMISSIONING, PERFORMANCE AND QUALITY (CARE, WELLBEING AND LEARNING)

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**Sheena Ramsey, Chief Executive**

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#### EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval of the establishment of the post of Director of Joint Commissioning.
2. The post has the strategic capacity to jointly commission (with Newcastle Gateshead CCG) Children's, Adults' and Public Health services. Work has been ongoing with the Newcastle Gateshead CCG to identify opportunities for integrating services with the aim of improving the health and wellbeing outcomes for the population in Gateshead. Part of the ongoing discussions has been the proposal to establish a post of Director of Joint Commissioning.
3. It is therefore proposed to delete the current post of Service Director – Health and Social Care Commission and Quality Assurance and create a post of Director of Joint Commissioning, Performance and Quality. This post will have a broader remit and a particular focus on the integration agenda.
4. The joint working arrangements will be subject to a 12 month review to ensure the anticipated benefits for the Council have materialised.
5. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

#### RECOMMENDATION

6. It is recommended that Council;
  - (i) approve the deletion of the current post of Service Director and the creation of the post of Director of Joint Commissioning, Performance and Quality – Service Director Band 3.
  - (ii) approve that the joint working arrangements be subject to a 12 month review following implementation.

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**TITLE OF REPORT:**            **Establishment of post: Director of Joint Commissioning, Performance and Quality (Care, Wellbeing & Learning)**

**REPORT OF:**                **Sheena Ramsey – Chief Executive**

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### **Purpose of the Report**

1. To seek Cabinet approval to recommend to Council to establish this post to ensure the Care, Wellbeing & Learning Group has the strategic capacity to jointly commission (with Newcastle Gateshead CCG) Children's, Adults' and Public Health services.

### **Background**

2. The Care, Wellbeing and Learning Group establishment includes a post of Service Director – Health and Social Care Commissioning & Quality Assurance. This post was created in 2015 during a Group re-structure and replaced two previous Service Director posts (one which focussed on Children's commissioning with the other focussing on the commissioning of Adults' services). The grade of the current Service Director post is Service Director Band 2 (£63,929 to £78,134).
3. The current Service Director post has never been filled permanently and has been occupied by two interim appointees. The current interim Service Director has agreed an extension to his contract until 31 March 2018 or until the recruitment of the permanent director post is completed.
4. The Strategic Director, Care, Wellbeing & Learning and other senior colleagues in the Group have been working with the Newcastle Gateshead CCG to identify opportunities for integrating services with the explicit aim of improving the health and wellbeing outcomes for the population in Gateshead.
5. The discussions between health and care senior leaders in Gateshead have resulted in three evolving pieces of work over the last year:
  - (i) The operation of the Gateshead Care Partnership since October 2016, as the interagency provider vehicle which oversees the implementation of the recently secured community health services contract for the borough.
  - (ii) The informal health and wellbeing board pre meeting of senior officers from the statutory bodies represented at the board, since April 2017.
  - (iii) The Accountable Officer Partnership across Newcastle and Gateshead (comprising the six accountable officers, their most senior directors and the two directors of public health) published a 'statement of intent' in January 2017 describing its ambition to bring together health and care services.

6. A report was presented at the Care, Health & Wellbeing Overview & Scrutiny Committee on 31 October which updated the Committee on integration opportunities and described a shared vision and areas for early integration identified by health and social care partners.
7. Part of the ongoing discussions between the Council and Newcastle Gateshead CCG has been the proposal to establish a post of Director of Joint Commissioning. The creation of a joint director post will assist both organisations to review and where possible align their strategic and operational commissioning arrangements. This will have a significant impact on the aim, as described above, of improving the health and wellbeing outcomes for the population in Gateshead. In addition both organisations have identified significant cost savings over the next two financial years associated with the commissioning of health and social care services. This is coupled with a number of current budget proposals within the Council the objective of which is to 'manage demand' in the Children's and Adults' services.
8. Outline discussions have been held on the governance arrangements connected with the joint working arrangements and the establishment of the proposed joint post. These initial discussions will need to be extended to cover key issues such as: shared vision/objectives, contracting arrangements, the scope of services to be covered and, as appropriate, the pooling of resources.

## **Proposal**

9. It is proposed to delete the current post of Service Director – Health and Social Care Commission & Quality Assurance.
10. It is further proposed to create a post of Director of Joint Commissioning, Performance and Quality. This new post will have a broader remit and will have a particular focus on the integration agenda. This will involve leading and participating in the development and implementation of joint commissioning arrangements as appropriate between Gateshead Council, the NHS and other key partners. The new post will also lead the further development of strategic commissioning aimed at delivering improved outcomes and value for money. The social care market in the borough has shown signs of instability in recent years. Therefore, this new post will oversee the development of a sustainable market for health and social care within Gateshead.
11. Due to the expansion of this role and its impact on the delivery of efficiency savings and the plans to manage demand, it is therefore proposed that the post be established at Service Director Band 3 (£77,767 to £95,044).
12. The joint working arrangements, including the governance and associated management arrangements will be subject to a 12 month review to ensure the anticipated benefits for the Council have materialised.

## **Recommendations**

13. It is recommended that Cabinet agrees and recommends to Council the deletion of the current post of Service Director and the creation of the post of Director of Joint Commissioning, Performance and Quality - Service Director Band 3.

14. Furthermore, that the joint working arrangements be subject to a 12 month review following implementation.

For the following reasons:

- i. To enable the Care, Wellbeing and Learning Group, in partnership with the Newcastle Gateshead CCG, to identify and deliver opportunities for integrating services with the explicit aim of improving the health and wellbeing outcomes of Gateshead's population.
- ii. To enable continued improvement in the strategic management of commissioned services and to enable the delivery of all social care and public health services in a more efficient and effective way.

## APPENDIX 1

### Policy Context

1. The Council is operating in a challenging national policy context which has been compounded by government funding reductions and announcements that indicate further significant reductions in resources available for local government.
2. The reorganisation of the strategic management of commissioned services and integration will assist in the delivery of Vision 2030 and in the implementation of the Council's Corporate Priorities as set out in the Council Plan 2015-2020 and its policy framework, in particular: the implementation of efficiency savings and strategies for managing demand in the Children's, Adults' and Public Health services.

### Consultation

3. Extensive consultation has taken place with relevant directors at the Newcastle Gateshead Clinical Commissioning Group regarding the establishment of this post and future operating arrangements. The Leader and relevant Portfolio holders have been consulted on the proposals set out in this report and are supportive of the recommendations, subject to the joint working arrangements being reviewed 12 months following implementation. The Council's recognised trade unions have also been consulted on the proposal and have not raised any objections.

### Alternative Options

4. The proposals put forward are the optimum response to the demands placed on the Council, as set out in this report. While one alternative option would be to make no change to the current post, this would not make the positive contribution toward achieving the aims set out within this report or meet requirements to integrate.

### Implications of Recommended Option

#### 5. Resources:

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that there is an increased cost of £24,230 (including Employer's on-costs) arising from the change in the establishment bringing the total cost of the post to £135,070 (including Employer's on-costs) at the top of the grade. However, as this is a joint health and social care commissioning director post this will be off-set by a contribution by Newcastle Gateshead CCG which will initially cover 30% of the cost of this post. Further discussions will be held with the CCG on whether their contribution to the cost of the post should rise to 50%.
- b) **Human Resources Implications** – there no direct Human Resource implications arising from this report as the current interim postholder has confirmed his intention to end his interim arrangement on 31 March 2018 or until the recruitment of the permanent director post is completed. To ensure



the widest field of suitable candidates are attracted this new post will be advertised externally.

c) **Property Implications** – there are no property implications arising directly from the proposals in this report.

6. **Risk Management Implication** - There are no specific risk management implications arising from this report.
7. **Equality and Diversity Implications** - There are no specific equality and diversity implications arising from this report.
8. **Crime and Disorder Implications** – There are no specific crime and disorder implications arising from this report.
9. **Health Implications** - There are no specific health implications arising from this report.
10. **Sustainability Implications** - There are no specific sustainability implications arising from this report.
11. **Human Rights Implications** - There are no specific human rights implications arising from this report.
12. **Area and Ward Implications** - There are no specific ward implications arising from this report.

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## COUNCIL MEETING

25 January 2018

### PROPOSED SELECTIVE LICENSING OF PRIVATE LANDLORDS WITHIN AREAS OF CENTRAL GATESHEAD

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**Sheena Ramsey, Chief Executive**

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#### EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval to the designation of two Selective Licensing areas of private rented accommodation within the Central Area of Gateshead.
2. In October 2016 Cabinet agreed to a phased approach, subject to formal designations and consultation, this is the final proposal for landlord licensing in respect of the two areas identified following consultation.
3. Selective Licensing Areas can be designated for two principle reasons, either an area is, or is likely to become, an area of low housing demand, and/or the area is experiencing significant and persistent problems caused by anti-social behaviour. The areas are required to have high concentrations of private rented homes and one or more of the following; high levels of crime, high levels of deprivation, high levels of migration and poor property conditions.
4. It is proposed that the approved designation would come into effect no earlier than three months from the date of approval by Full Council and the proposed duration of each Scheme would be five years.
5. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

#### RECOMMENDATION

6. It is recommended that Council:
  - (i) Agrees to the designation of two areas of Gateshead, as identified in Appendix 1 of the attached report, for selective licensing, and that official notifications are published in accordance with Government guidance and legislation.
  - (ii) Agrees the proposed schemes detail, implementation programme, and proposed Enforcement Policy, as set out in Appendix 2 of the attached report.
  - (iii) Delegates authority to the Service Director, Development, Transport

and Public Protection, to take enforcement action in relation to Part 3 (Selective Licensing) of the Housing Act 2004, throughout the duration of the Schemes as appropriate.

- (iv) Agrees the proposed application fees and charges.

**TITLE OF REPORT:**           **Proposed Selective Licensing of Private Landlords within Areas of Central Gateshead**

**REPORT OF:**               **Paul Dowling, Strategic Director, Communities & Environment**

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### **Purpose of the Report**

1. This report seeks Cabinet approval to the designation of two Selective Licensing areas of private rented accommodation within the Central Area of Gateshead, under Section 80 of the Housing Act 2004.
2. Following approval by Cabinet, the proposals seeking to designate the two areas require approval from Council.

### **Background**

3. In October 2016, Cabinet considered evidence to support the introduction of further Selective Licensing in specific areas within Gateshead, and agreed in principle to a proposed phased approach, subject to formal designations and following necessary consultation. This report details the final proposal for landlord licensing in respect of the two areas identified following consultation.
4. The second Appendix to this report provides detailed evidence in support of two new Selective Licensing Area designations, and includes feedback from consultation that has been carried out. The same Appendix also provides detailed information on the strategic fit of licensing with Council objectives, alternative ways of working in future schemes, how the Council will work in partnership with other stakeholders and what options other than licensing have been considered. A copy of Appendix 2 can be viewed on-line within the Agenda folder for this meeting.
5. Selective Licensing Areas can be designated for two principle reasons. Either an area is, or is likely to become, an area of low housing demand, and/or the area is experiencing significant and persistent problems caused by anti-social behaviour (ASB). In addition, new criteria introduced in 2015 require proposed areas to contain high concentrations of private rented homes, as well as one or more of the following; high levels of crime, high levels of deprivation, high levels of migration and poor property conditions.
6. Based upon experience gained from former landlord licensing designations, and on analysis of relevant data, the proposed new designations are made in response to problems associated with low housing demand. Both areas are also exhibiting disproportionately high levels of ASB which has been shown to be linked with private rented homes.
7. No referral or authorisation by Central Government will be necessary prior to Scheme implementation, as a new general consent regime for discretionary

licensing was introduced in April 2010. This enables authorities to introduce schemes without seeking prior consent from Central Government.

8. Prior to making any designation based upon low housing demand, a Local Authority must:
  - a. be satisfied that the area is, or is likely to become, an area of low housing demand, and that the designation, together with other measures, will contribute to improved social or economic conditions in that area; and
  - b. be satisfied that the additional criteria in relation to high levels of private rented homes and either high levels of crime, migration, deprivation and poor property conditions have been met (Pages 17-37 of main report)
  - c. take reasonable steps to consult those likely to be affected by the designation, and take into account representations made. (Pages 70-78 of main report)
  - d. Ensure that any exercise of the power is consistent with the authority's overall housing strategy (Pages 13-17 of main report)
  - e. Seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour (Pages 65-69)
  - f. Consider any other courses of action available to them that might provide an effective method of achieving the objectives that the designation would intend to achieve (Pages 79 of main report ) and Appendix N.
9. The existing Selective Licensing Scheme in Swalwell is operating effectively and the expired schemes in Central Gateshead Phase 1, Chopwell and Sunderland Road resulted in improved management and property standards, and contributed towards the reduction in low housing demand in the areas. The Swalwell Scheme will expire in April 2018. The improvements achieved in these areas gives confidence that the schemes now proposed will have a similar positive impact.
10. The introduction of further Selective Licensing will also demonstrate the Council's ongoing commitment towards making Gateshead a place where residents thrive by improving local neighbourhoods and communities.

## **Proposal**

11. Based upon evidence and data analysis, it is proposed to designate the following areas as Selective Licensing Areas:
  - a. Central Area (Phase 2) – The Redesignated Area
  - b. The Avenues (Phases 1,2 and 3).
12. Appendix 2 to this report identifies the Areas, provides evidence of low demand, sets out details of the proposed schemes, and describes the requisite consultation carried out.
13. Once a designation is made, it will be necessary to publish prescribed Notices, in local papers, on the Council website, and make relevant information available to the public.
14. The designation would come into effect no earlier than three months from the date of approval by Full Council, and the proposed duration of each Scheme would be five years, which is the maximum period allowed.

15. In line with the resources available, and recognising that the existing scheme expires mid-April 2018, it is proposed to phase the timing that the schemes come into effect, with Central Area (Phase 2) programmed to come into effect at the end of April 2018, and the Avenues phases as follows, Area 1- October 2018, Area 2, - October 2019 and Area 3 - April 2020. The introduction of Area 3 will be subject to ongoing consultation. If the introduction of Areas 1 and 2 result in noticeable reductions in low housing demand to the wider area in advance of April 2020, Phase 3 may no longer be required. Ongoing monitoring of the relevant indicators of low demand will be undertaken periodically in relation to this and also to determine if other areas within Gateshead would benefit from landlord licensing.
16. The Housing Act 2004 allows a fee to be applied to licence applications. The fee can be set at a level which takes into account the cost of delivering the schemes. The Government's intention was that licensing should be self-financing, with a fee structure which is fair and transparent. Local authorities have the discretion to offer discounts on licences, for example to landlords who are accredited under a local authority scheme. The fee structure for the schemes now proposed is set out on pages 49-52 of the main report in Appendix 2 and also within Appendix F of that report.

## **Recommendations**

17. Cabinet is asked to recommend the Council to;
- i. Agree to the designation of two areas of Gateshead (as identified in Appendix 1) for selective licensing, and that official notifications are published in accordance with Government guidance and legislation.
  - ii. Agree the proposed schemes detail, implementation programme, and proposed Enforcement Policy, as set out in Appendix 2.
  - iii. Delegated authority is given to the Service Director, Development, Transport and Public Protection to take enforcement action in relation to Part 3 (Selective Licensing) of the Housing Act 2004, throughout the duration of the Schemes as appropriate.
  - iv. Agree the proposed application fees and charges

For the following reasons:

- i. It is considered that the Areas proposed are experiencing low housing demand and the Council is satisfied that by making a designation, when combined with other measures taken by the Council, or by the Council in conjunction with others, it will contribute to an improvement in the social and economic conditions in the area. The Schemes will complement other initiatives and interventions in place to tackle low demand within the proposed Areas, and support the delivery of the aims and objectives of existing Council strategic objectives and the Bensham and Saltwell Neighbourhood Action Plan.
- ii. To ensure the Schemes can be delivered in a timely way, within resources available

- iii. To ensure the Schemes are effective, delivered fairly, and underpin the Council's drive towards improving conditions in the private rented sector.
- iv. To ensure the licence fee structure is transparent, and enables recovery of a proportion of the costs of implementing the proposed Licensing Schemes.

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**CONTACT:** Rachel Crosby ext 2793



## Policy Context

1. The proposal referred to in this report supports Gateshead's long-term Sustainable Community Strategy: **Vision 2030**, and the Council Plan. The proposal also aligns with a key priority within The Core Strategy and Urban Core Plan for Gateshead (2010-30) in ensuring that existing communities will be sustainable places of quality and choice.
2. The proposal also aligns with three objectives of The Housing Strategy 2013-18 in relation to *Support* – helping residents access and sustain a home which promotes their wellbeing, *Standards*–to improve quality, condition and management of housing in the private rented sector so residents will benefit from safe, healthy and well managed homes, and finally *Supply* – to ensure use of existing stock to best meet current and future needs and aspirations.
3. The introduction of landlord licensing also complements the objectives of the Bensham and Saltwell Neighbourhood Action Plan; and complements the Council's wider regeneration and economic development objectives.
4. By ensuring that Selective Licensing is implemented alongside other initiatives, it is envisaged that this will significantly assist in tackling the Council's key priorities.

## Background

5. The Housing Act 2004 gives the power to Local Housing Authorities to designate areas for selective licensing in respect of privately rented accommodation, provided:
  - The area is experiencing low housing demand and, when combined with other measures, would contribute to an improvement in the social or economic conditions in the area, and/or,
  - The area is experiencing a significant and persistent problem caused by anti-social behaviour and that some or all of the landlords in the area are not taking appropriate action to combat the problem, and when combined with other measures will lead to a reduction in the problem.
6. New criteria introduced in 2015 also require there to be high levels of privately rented homes in proposed areas, and the existence of one or more of the following: high levels of deprivation, high levels of crime, high levels of migration and poor property conditions.
7. These powers can be used if a designation would be consistent with the Authorities overall housing strategy, and subject to required consultation.
8. One existing Selective Licensing Schemes is in operation within Gateshead. There have been three former licensing schemes that have received approval and implemented in the Borough since 2007, the Sunderland Road Area from 2007-2012, Chopwell River Streets 2010-2015 and Central Bensham Phase 1 2012-2017. The existing scheme running in parts of Swalwell will expire mid-April 2018.
9. The expired schemes operated effectively, and delivered significant improvements in housing market conditions and neighbourhood sustainability, through improvement to properties, management practices, and reductions in anti-social

behaviour. The success of the existing Schemes demonstrates that Licensing can be an effective approach to providing support to an area suffering from low housing demand.

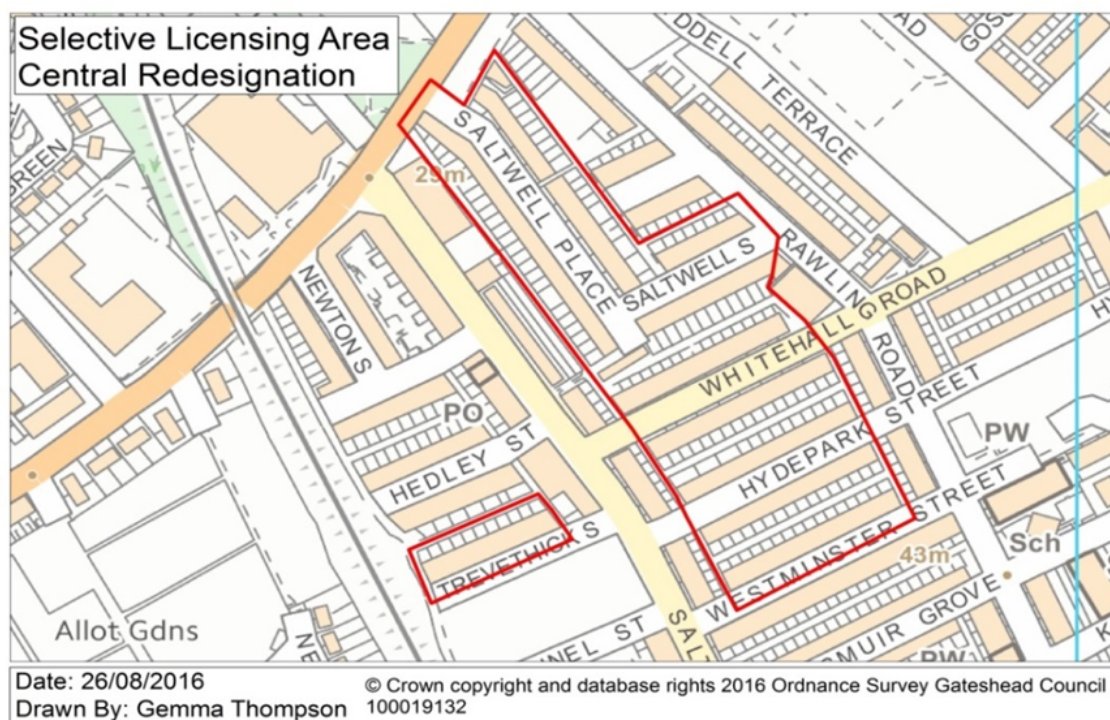
10. In October 2016, Cabinet considered research that identified areas containing concentrations of private rented sector properties within the Bensham and Saltwell Neighbourhood Action Plan Area, as exhibiting indicators of low housing demand, and issued of deprivation and crime. It was agreed in principle that these areas would benefit from Selective Licensing, and that work towards designations should be progressed. The evidence now provided within this report supports a formal designation of two specific areas.
11. Evidenced indicators of low housing demand are being exhibited within both the areas proposed for Licensing, including problems with deprivation and crime in both, and property conditions in the Avenues, There is a correlation between housing conditions, tenure mix, dwelling type and age, and social and economic circumstances. Where these factors are unbalanced, and the housing offered is not meeting local needs, low demand and market vulnerability can arise. Selective Licensing can contribute to improving social and economic conditions that will in turn improve housing market conditions. There have been significant improvements in the former wider Central Bensham licensing area since its introduction in 2012. Evidence and data gathered have confirmed that a smaller and redefined area would benefit from the ongoing intervention of landlord licensing to sustain and increase improvements to date.
12. Appendix 2 to this report sets out the evidence of low housing demand in detail across both proposed areas. Issues include poor management of tenancies and properties; concerns regarding anti-social behavior; and the presence of criminal activity; and the fear of crime. These issues combine to result in:
  - lower than expected property values;
  - low levels of owner occupation;
  - high incidence of empty properties; and
  - high turnover of residents and ownership
13. Appendix 2 also sets out the evidence to confirm that the additional criteria in relation to concentrations of privately rented homes and problems with deprivation, crime and for the Avenues, poor property conditions are met.
14. Although the Areas do suffer from some level of anti-social behaviour, it is felt that this is a symptom of low housing demand. It is considered that the designation of Selective Licensing on the basis of low housing demand is most appropriate, however, it is considered that the designation will also help reduce anti-social behaviour in the Areas.
15. It is recognised that Selective Licensing is most effective when implemented in conjunction with other physical, economic and social interventions. The proposed schemes will complement and strengthen existing interventions, and will help deliver the objectives of approved regeneration plans including, The Bensham and Saltwell Neighbourhood Action Plan. Licensing would also be implemented alongside the recently approved on street Environmental Enforcement service in order to make a positive impact on the environment by providing a physical

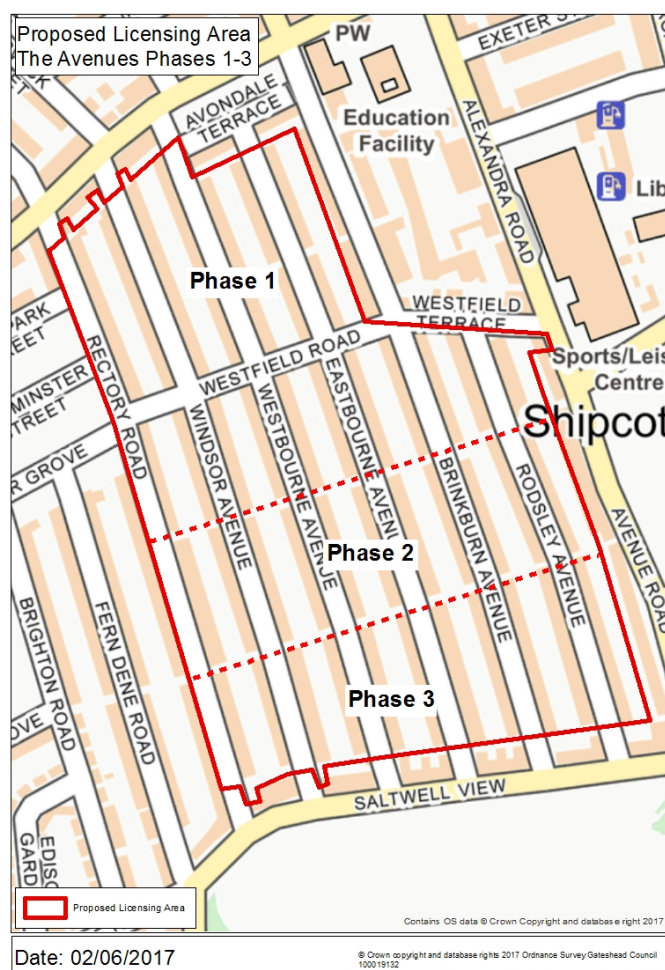
presence of officers on the streets to tackle perpetrators in relation to littering and dog fouling and to change behaviours.

16. Both areas proposed for designation have been the subject of recent and historical interventions aimed at improving housing market confidence and tackling problem empty properties. The introduction and continuation of Selective Licensing is considered necessary to ensure improvement continues and becomes self-sustaining. Interventions in the Central Area have included residential Block Improvement Schemes; targeted enforcement activity; engagement with property owners and residents; and promotion of the Council's property Accreditation Scheme.

### The Schemes detail

17. The designations will apply to all privately rented residential properties subject to specific exclusions, in the areas outlined on the plans below. The designations will require that all private landlords and agents who rent properties in the areas must obtain a licence to operate.





18. The designations are proposed to come into effect at the end of April 2018 for the Central Bensham Phase 2 (The Redesignated Area) and for the Avenues as follows – Phase 1 (October 2018), Phase 2 (October 2019) and Phase 3 (April 2020-subject to ongoing consultation). This phased approach reflects current service delivery capacity, the expiry date of the Swalwell scheme and the amount of resource required at the differing stages of each scheme following introduction.
19. The Housing Act 2004 allows Local Authorities to apply a fee to licence applications. The proposed fee structure for the new Schemes is detailed in the report in Appendix 2. The proposed fees can be set at a level which takes into account the Local Authorities costs of developing and running a scheme, without being too much a financial burden on landlords. The Government's intention was that Licensing should be self-financing, with a fair and transparent fee structure that reflects the actual costs of Licensing. Local Authorities do have the discretion to offer discounts on licenses.
20. It is proposed that the fee structure for the new schemes should both incentivise good practice, including property accreditation and nationally recognised Landlord Association membership, and penalise deficient applications. Discounts show additional support for private landlords who have demonstrated their commitment to good standards of property and tenancy management, by either becoming members of a nationally recognised Landlords' Association, and/or ensuring their properties attain Gateshead's Accreditation Standard. A discount is also offered

where multiple licence applications are required reflecting the reduction in resources required.

21. The inclusion of discounted rates will limit the total fee income, to a level below the current running costs. There is an important synergy however, between the availability of incentives to landlords, and buy-in-to, and commitment to Selective Licensing from Landlords. The removal of fee discounts could shift the balance, with Landlords resisting the added regulation and so reducing the extent of voluntary improvement that goes beyond the mandatory requirement.
22. There are criteria against which all licence applications will be assessed, the most critical is that a landlord or manager of a property is a “fit and proper” person to be the licence holder. The assessment of “fit and proper” will be in line with criteria used for HMO licensing, and former/existing Licensing Schemes. These are detailed in the Appendix 2 report.
23. Conditions attached to Licences are also detailed in Appendix 2. Mandatory conditions to be included are set by Central Government and a Local Authority is able to set additional conditions. Conditions have been developed to respond to local issues and problems within the proposed areas. The conditions provide a framework for a landlord to follow to ensure effective management of the tenancy and property. A licence can be revoked where breaches of the licence conditions have occurred, and/or it is considered that the Licence holder is no longer capable of managing the property effectively, and/or where they are no longer considered to meet the “fit and proper” criteria.
24. A person commits an offence if they have control of, or manage, a property which is required to be licensed, but it is not so licensed. The penalty for this offence is an unlimited fine (previously £20,000 but recently made unlimited by Central Government in an attempt to encourage good practice within the private rented sector). In addition, where a licence holder fails to comply with any condition of the licence, they are deemed to have committed an offence, and liable to a fine not exceeding level 5 on the standard scale (currently £5,000).
25. Enforcement of the Licensing Schemes will be carried out in accordance with the Council’s overarching Enforcement Policy, meaning that it will be transparent, proportionate, and outcome focused. A specific Landlord Licensing Enforcement Policy has also been developed, details of which can be found in Appendix 2.
26. It is proposed that the Selective Licensing Area designations would apply for the maximum time period of five years. The Schemes, however, will be regularly reviewed, and if it is deemed that the designations have been successful, and the problems associated with low demand have been resolved sooner than expected, the designations may be revised or revoked.

## **Consultation**

27. In preparing this report the Cabinet Members for Economy and Housing and the appropriate Ward Councillors have been consulted.
28. Specific consultation in relation to the proposed Selective Licensing areas has taken place, and this involved:

- sending a questionnaire to all stakeholders (including all residents, landlords and property agents) in and around the proposed areas, inviting responses on the proposed Selective Licensing Scheme. Over 317 completed questionnaires were received.
- Consultation promotion on social media, online webpages and Council publications.
- Drop-in events held within the proposed areas and at the Civic Centre
- Individual consultation with stakeholders who had specific comments and concerns.

29. Whilst the results of the consultation showed overwhelming support for the introduction of Selective Licensing by residents and some landlords, a number of concerns about the introduction of Licensing have also been raised. The feedback is considered in the Appendix 2 report.

30. A late submission from the Gateshead Private Landlords Association was sent to members on 14<sup>th</sup> January 2018. Whilst this is eight months after the completion of the statutory consultation period, Officers and members have considered the information provided in the short timescale available.

### **Alternative Options**

31. Cabinet may choose not to support this initiative however, the proposal has been informed by extensive analysis and consultation, and the approach proposed is considered appropriate, and in alignment with the Council's wider strategic objectives and the wider regeneration policy context.

### **Implications of Recommended Option**

#### **32. Resources**

- (a) **Financial Implications** - The Strategic Director, Corporate Resources confirms that resources within the Development & Public Protection budget, in addition to income from licence fees, are available to deliver the proposed Selective Licensing Schemes (based upon anticipated licence fee income).
- (b) **Human Resources Implications** – Staffing resources are available within the Development and Public Protection Service to deliver the schemes in the phased approach proposed.
- (c) **Property Implications** – None anticipated

33. **Risk Management Implication** – The Sunderland Road, Chopwell and Central Bensham Phase 1 Licensing Schemes delivered noticeable improvements and the existing Swalwell scheme is operating successfully, and potential risks have not arisen or affected the deliverability of the scheme. Factors that could affect the deliverability of the new schemes include; funding, stakeholder support, and human resources.

There is no evidence in relation to the three former and one existing scheme that selective licensing has led to significant displacement of “problem” landlords or tenants to nearby areas.

34. **Equality and Diversity Implications** – The schemes aims to have a positive impact upon those in most need within the designation areas. Public consultation has been carried out in such a way as to attempt to reach all stakeholder groups. A Equalities Impact Assessment has been undertaken.
35. **Crime and Disorder Implications** - Selective Licensing aims to reduce levels of anti-social behaviour thereby benefiting the whole community.
36. **Health Implications** – Selective Licensing actively promotes the Accreditation of privately rented properties. For properties to become accredited they must achieve the decent homes standard and thereby provide a safe and healthy environment for the occupants
37. **Sustainability Implications** - Securing the long-term sustainability of the proposed designation areas is an underlying objective.
38. **Human Rights Implications** – Where the Council's undertakes enforcement activity there are human rights implications, under Article 8 Right to respect for private and family life (Everyone has the right to respect for his private and family life, his home and his correspondence. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others) The interference is reasonable in order to achieve adequate standards of repair and comfort to the occupiers.
39. **Area and Ward Implications** – The proposals affect the Saltwell and Lobley Hill and Bensham Wards. The scheme will benefit residents of the all the areas.
40. **Background Information** -
- The Core Strategy and Urban Core Plan for Gateshead (2010-2030)
  - The Housing Strategy 2013-2018
  - Cabinet report – October 2016 - Future Programme for the Selective Licensing of Private Landlords
  - Housing Portfolio Briefing November 2017 – Summary of the Landlord Licensing Consultation Responses
  - Cabinet Report August 2017– Review of Selective Licensing of Private Landlords within Central Gateshead-Phase 1
  - Cabinet Report November 2014– Review of Selective Licensing of Private Landlords within The Chopwell River Streets

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## **APPENDIX 2**

### **SELECTIVE LICENSING WITHIN GATESHEAD**

#### **CENTRAL BENSAM – PHASE 2** Redesignation

#### **THE AVENUES** Phase 1, 2 and 3

<b>CONTENTS</b>	<b>PAGE</b>
<b>INTRODUCTION</b>	3
Why is further Landlord Licensing Being Considered?	3
The Council's Ambition	5
<b>THE PRIVATE RENTED SECTOR IN GATESHEAD</b>	6
<b>THE PROPOSAL</b>	8
Area 1 – The Redesignated Area (Phase 2)	10
Area 2 – The Avenues	11
Summary of Legal Tests & Criteria	12
<b>STRATEGIC CONTEXT</b>	13
The Strategic Case for Landlord Licensing	13
<b>LEGAL TESTS &amp; STATUTORY GROUNDS</b>	17
Gateshead Evidence Base	18
<b>EVIDENCE TO SUPPORT A DESIGNATION</b>	19
Summary of Research	19
Summary of Evidence – The Avenues	21
High Concentrations of Private Rented Homes	21
Empty Properties	21
Sales Values	22
Resident Turnover	23
Crime and ASB Levels	24
Additional Conditions	26
High Levels of Deprivation	26
Socio Economic Status	28
Poor Housing Conditions	28
Summary of Evidence – Phase 2 (Redesignation)	29
High Concentrations of Private Rented Homes	29
Empty Properties	29
Sales Values	31
Rental Values	32
Resident Turnover	32
Housing Complaints	33
Additional Conditions	35
High Levels of Crime	35
High Levels of Deprivation	36
Socio Economic Status	37
<b>ACTIONS &amp; INTERVENTIONS IN PLACE &amp; UNDERTAKEN</b>	38
Why Consider Selective Licensing?	44
<b>LEARNING FROM EXISTING &amp; EXPIRED LICENSING SCHEMES</b>	45

Impact of Landlord Licensing Since 2007	45
Evidence of Success in Expired Schemes	46
Scheme Improvements & Developments	46
<b>SCHEME DETAIL &amp; IMPLEMENTATION PROGRAMME</b>	48
Implementation & Scheme Requirements	48
Proposed Licence Fees	49
Staffing & Required Resources	52
<b>ALTERNATIVE WAYS OF WORKING IN FUTURE SCHEMES</b>	54
<b>SCHEME AIMS &amp; OBJECTIVES</b>	59
<b>SCHEME RISKS</b>	62
Risk Management Analysis	62
<b>ADOPTING A CO-ORDINATED APPROACH – PARTNERSHIP WORKING</b>	65
<b>CONSULTATION</b>	70
Responses Summary	71
Post Consultation Communications	77
<b>ALTERNATIVE OPTIONS CONSIDERED</b>	79
<b>DESIGNATION REVIEW</b>	79
<b>SUMMARY &amp; CONCLUSION</b>	81
 <b>APPENDICES</b>	
A – Detailed evidence to support the Redesignated Area (Phase 2)	
B – List of Streets	
C - Detailed evidence to support The Avenues	
D - Bensham and Saltwell Neighbourhood Action Plan Map	
E – Suggestions from Consultation	
F – Proposed Fees and Charges	
G – Model Standards - ASB/Repairs	
H – Proposed SLL Enforcement Policy	
I – Proposed Licence Conditions	
J - Equalities Impact Assessment	
K - Fit and Proper Person Criteria	
L - Breakdown of licence costing	
M - Executive Summary of Consultation	
N – Other Options Appraisal	
O – Frequently Asked Questions & Answers	
P – GPLA submission	

The Private Rented Sector (PRS) in Gateshead plays an important role in the provision of housing within the borough and has grown significantly over the last decade. In 2004 the PRS made up approximately 4% of housing stock in Gateshead. The sector then grew by 70% between 2001 and 2011 (much higher than the growth of the national average ) from 7.6% to 13.4%. Between 2011 and 2017 the private rented sector has continued to increase to almost 16%, but at a slower rate to over 14,500 households, owned by an estimated 5500 landlords. This upward trend is expected to continue. Growth of the sector has been largely through the activities of 'buy to let' investors, and landlords have replaced owner occupiers in many streets and neighbourhoods.

Gateshead has for many years been at the forefront of tackling poor standards in the private rented sector. In September 2007 the Council introduced one of the first Selective Landlord Licensing Schemes (SLL) in the country. This followed extensive campaigning from Council members to introduce landlord licensing as a tool to tackle problems associated with the private rented sector. A further three schemes were introduced in January 2010 (Chopwell River Streets), May 2012 (Central Bensham Phase 1) and April 2013 (Swalwell).

### **Why is further Selective Landlord Licensing being considered?**

Many landlords in Gateshead operate within the law and offer a significant amount of high quality accommodation, managed effectively at an affordable price. Within the Borough there are concentrations of private rented accommodation (up to 70% in some areas), traditionally in areas of deprivation, where the private rented sector is commonly below standard in terms of property condition and tenancy management, and the Council continue to deal with complaints and demand concerning landlords and properties. In these concentrated areas house and rental prices are lower than average and when properties do come up for sale they may be bought up by landlords because of the low price and lack of demand from owner occupiers. These properties tend to house vulnerable tenants and low income families, are statistically more likely to be in fuel poverty, and are subject to the effects of crime and antisocial behaviour.

Problems such as fly tipping and refuse, excessive noise and antisocial behaviour (ASB), poor property conditions and overcrowding are disproportionally linked to private rented accommodation. A wide proportion of tenants are in receipt of housing benefit and their financial circumstances mean they have a limited choice over the quality of accommodation they can access. For many tenants, there is the perception that there is little control over living conditions and they subsequently are less likely to complain to their landlord or Local Authority.

While many landlords take their responsibility seriously and provide much needed housing within the borough, there are also negligent or criminal landlords who exploit vulnerable tenants by letting out cramped, unsuitable and in some cases dangerous properties, and fail to manage these tenancies and properties effectively. With this and the growth of the sector in mind, there is a need to ensure effective management of these properties in concentrated areas to prevent rogue landlord activity, maintain good standards and ensure a thriving sector and well managed stock for future years to come.

Some UK Local Authorities have chosen to licence all landlords within their area. To date Gateshead Council have not adopted this approach and have targeted resources where there is most need by choosing to licence landlords in neighbourhoods with high proportions of private rented properties which demonstrate indicators of low housing demand (low rental/property prices/high number of empty properties, high turnover of occupiers) and where there are also problems of antisocial behaviour.

The Council has both a strategic role and statutory responsibilities to tackle poor housing and ASB and thousands of complaints are received each year from residents requesting help. Areas of housing where complaint levels are high tend also to have the lowest property values, highest turnover of occupiers, concentrations of poorly managed rented homes and increasing numbers of problematic empty properties. This negatively affects neighbourhood confidence and can compromise the success of other public sector or private regeneration investment.

Selective Landlord Licensing (SLL) includes the provision of intensive support and education to landlords, tenants and residents in affected neighbourhoods. SLL results in improvements to property standards, management practices and reductions in ASB, demonstrating that Licensing can be an effective approach to providing support to an area suffering from low demand. **See Learning From Existing Schemes pg. 45.**

Evaluation reports confirming the performance and outcomes of former and expired schemes have been provided to Cabinet previously.

Gateshead Council's Private Sector Housing Team (PSHT) continues to deal with poor standards of management and rented homes that are in a poor condition. In line with available resources the team is becoming increasingly focused on tackling those landlords whose poor practices result in the most numerous complaints and impact sometimes on the most vulnerable residents. Alongside the advice and guidance that is provided to tenants and landlords, enforcement activity is being targeted in an effort to change the behaviour of those who repeatedly fail in their responsibility to provide safe and well managed housing. Particular neighbourhoods can become vulnerable to investment from unscrupulous landlords as a result of lower than average property value, and concentrations of poorly managed homes become evident. These in turn cause an increase in the number of properties left empty, prevalence of anti-social behaviour and crime, and a high turnover of tenants, sometimes referred to as low demand. .

In 2015 Gateshead as an area, was ranked as the 73<sup>rd</sup> most deprived out of 326 other Authorities in England. Gateshead is divided into 26 Lower Super Output Areas (LSOA's) and 15 of these 126 LSOA's are among the 10% most deprived in the country, with 33 falling in the 20% most deprived. Nearly 25% of Gateshead residents live in the 20% most deprived areas in England. One of the LSOA's in the top 10% most deprived areas in England is situated within one of the proposed landlord licensing areas, with many of the surrounding areas in the 20% most deprived category.

Within the Borough, one in five children live in poverty, over 10,000 people struggle to heat their homes, life expectancy is less than the English average and earnings are well below the national average. It has long been recognised that housing is a key determinant of health and that the availability of affordable quality homes in pleasant, safe and sustainable communities is key to tackling these issues and encouraging people to stay in the area.

It is considered that the introduction of landlord licensing and the continuation of a redefined area previously subject to landlord licensing is necessary to continue the work to reduce the likelihood of and existing low housing demand in areas still showing signs of the problems associated with housing market weakness.

### **The Councils Ambition**

The Council has recently revisited its core purpose and has pledged to focus on 'Making Gateshead A Place with People Thrive'. Tackling inequalities is key to this pledge. It is no coincidence that one of the key problems that licensing will aim to tackle is deprivation. Licensing will contribute to the range of objectives which the Council and its partners are seeking to deliver in order to achieve a more inclusive and prosperous borough with higher levels of employment, greater educational attainment and a healthier and happier population. **See Strategic Context – Page 13**

The reduction of crime and ASB remains a key priority area for the statutory Community Safety Partnership within Gateshead. This is articulated in both Vision 2030 and the latest Community Safety Partnership Plan. A licensing scheme can make a significant contribution to this objective by addressing problems being encountered with and around private sector homes, **see Alternative Ways of Working In Future Schemes page 54.**

## THE PRIVATE RENTED SECTOR IN GATESHEAD

### Gateshead Context

Gateshead Council has been at the forefront of tackling poor standards in the private rented sector for many years, using Selective Landlord Licensing (SLL) Schemes to proactively address problems within the sector since 2007. In September 2007 the Council introduced one of the first SLL schemes in the country in the Sunderland Road area. This followed extensive campaigning from staff and members to introduce schemes as a tool to tackle problems associated with the private rented sector. A further three schemes have been introduced since then (in January 2010 Chopwell 'River Streets', in May 2012 Central Bensham Phase 1 and in April 2013 in Swalwell). Schemes last for a five year period.

The private rented sector in Gateshead plays an important role in the provision of housing within the borough and has grown significantly over the last decade. In 2004 the private rented sector made up approximately 4% of housing stock in Gateshead. The sector then grew by 70% between 2001 and 2011 (much higher than the national average) from 7.6% to 13.4%. Between 2011 and 2017 the private rented sector has continued to increase to almost 16%, but at a slower rate to over 14,500 households, owned by an estimated 5500 landlords. This upward trend is expected to continue. Growth of the sector has been largely through the activities of 'buy to let' investors, and landlords have replaced owner occupiers in many streets and neighbourhoods.

**The Gateshead Borough average for private rented properties indicates that a Borough wide licensing scheme is not a priority at this time, however there are concentrations of private rented properties of up to 70% in some areas.**

The tenure split for housing within Gateshead (April 17) can be seen below.

**Table 1 – Borough of Gateshead Tenure Split (April 2017)**

	Number	% of stock
All dwelling stock	93,292	100%
Owner Occupied	53,898	57.8%
Social Registered	5,221	5.6%
Private Rented	14,617	15.7%
Council owned stock	19,556	20.9%

The almost 16% borough average of private rented homes is currently less than the national average of 19/20%. Owner occupation remains the most significant tenure within the Borough.

The location of private rented stock is predominantly within Central Gateshead (up to 70% in some locations) due to the nature and type of housing construction and the services and amenities available locally, including links to Newcastle City Centre.

Housing is a basic human need and good quality homes are essential to ensure that residents have the best physical and mental health possible. A warm, dry home, that is safe, and has sufficient space, is a positive contributor to health and wellbeing.

The relationship between poor housing and ill health is very clear. Evidence suggests that living in poor housing can lead to an increased risk of cardiovascular and respiratory disease, including death, as well as mental health problems such as anxiety and depression. Problems such as damp, excess cold, disrepair and structural defects, can present serious hazards to health.

Factors influencing the ability of individuals and households to access and sustain a good quality home, suitable to their needs include: affordability, choice and security of tenure.

Factors that impact on the quality and suitability of homes include: good property maintenance and management; energy efficiency of properties (linked also to fuel poverty); a positive relationship with landlords and neighbours; design and space standards that helps meet the requirements of those with specialist needs; and the location and infrastructure of the neighbourhood. The Building Research Establishment has calculated that overall, poor housing costs the NHS at least £600 million per year.



With the sector continuing to grow it is increasingly important that Gateshead Council continues to champion a well-managed private rented sector, provides support to those affected by the impact of private rented accommodation, and targets vital resources towards those areas in most need of support.

Monitoring and analysis of certain indicators are key to this. Low demand (high number of empty properties, low rental/sales values, high occupant turnover, higher levels of ASB, crime and housing complaints) have been analysed across Gateshead to understand the areas that are most affected. Further in depth data gathering and analysis of key data in the resulting proposed areas has then been undertaken to ensure the legal criteria for landlord licensing has been met – **See Summary of Area Evidence Base & Rationale Pages 19-36.**

**It is proposed to designate the following two locations for landlord licensing for a maximum of five years:**

- **Central Bensham Phase 2 (Redesignated Area) (From April 2018)** a smaller redefined area of a previous landlord licensing scheme (page 10)
- **The Avenues (From October 2018)** (see pg. 11)

### **General Approval (by Cabinet/Council)**

Applicable legislation requires Local Authorities to obtain confirmation from the Secretary of State for a selective licensing scheme which would cover more than 20% of their geographical area or would affect more than 20% of privately rented houses in the local authority area. If this is not the case then schemes can be agreed locally by Cabinet and full Council – known as General Approval. The legal tests however must still be met (**page 17**)

**Table 2 – Proposed Areas – Area (m<sup>2</sup>) and Private Rented Stock (%).**

	The Avenues	Central Bensham Phase 2	Gateshead Borough
Number of homes	1300	317	93,292
Number of private rented	901	229	14,617
Area (m <sup>2</sup> )	136,080	33,518	144,079,858
<b>Total of borough PRS</b>	<b>6.27%</b>	<b>1.56%</b>	
<b>Area</b>	<b>0.094%</b>	<b>0.0015%</b>	

The proposed areas combined account for 7.83% of Gateshead's private rented stock. The areas combined account for less than 1% of the area of Gateshead – 0.0955%.

**Consent from the Secretary of State is therefore not required for this proposal.**

## **Area Background**

In 2004, Government funding was approved for the Bridging Newcastle Gateshead (BNG) Housing Market Renewal Pathfinder. Both proposed areas fall within the identified BNG Pathfinder area, and within the Bensham and Saltwell Neighbourhood Action Plan (NAP) Area. The aim of the BNG Pathfinder and the NAPs was to bring about the sustainable renewal of areas that were suffering from problems associated with weak housing markets and low housing demand.

The Bensham and Saltwell NAP has benefited from substantial investment since Pathfinder status was awarded, and the implementation of a licensing scheme will complement the work already carried out, so helping to deliver the long term renewal objectives. **See Strategic Context, pg. 13 and Actions Already Undertaken pg. 38.**

The designation of the former landlord licensing scheme operating in Central Gateshead, in addition to those schemes in Chopwell and Sunderland Road area have resulted in significant improvements to Gateshead particularly in relation to the private rented sector. **See Impact of Previous SLL in Gateshead pg. 45..**

## **Phased Introduction of Schemes**

It is proposed that in line with the expiry dates of an existing licensing scheme, a further and phased licensing programme be introduced, based on the continuation of current revenue resources. The schemes will generate a fee income stream which will be fully dedicated to supporting the cost of delivery. **Fees and Costs, Pages 49.**

## **AREA 1**

### **Redesignation of parts of Central Bensham Phase 1 Licensing Scheme**

Designation of a smaller redefined area within an expired licensing scheme in Central Gateshead (Map 1) will allow continued close working with landlords, residents and tenants where there is a potential likelihood that without the ongoing regulation of licensing, standards are likely to return to pre-licensing practices. It is proposed that that this scheme would commence in Spring 2018. Detailed evidence to support this proposal, referred to as 'the redesignated area' can be found on pages 29 and Appendix A.

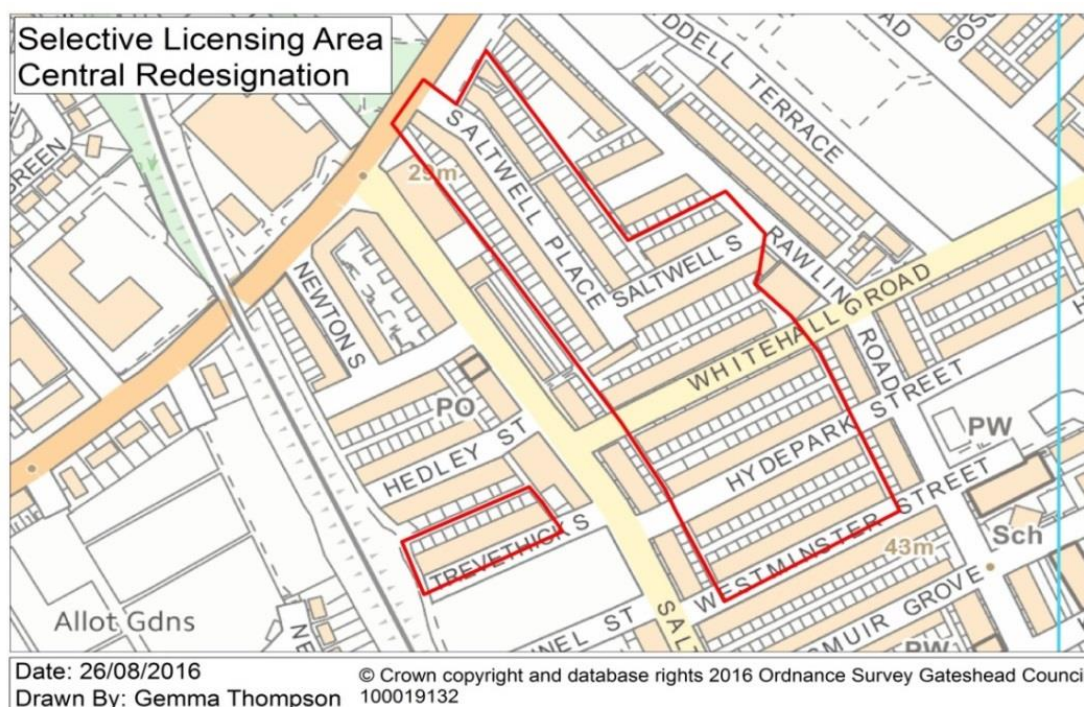
#### **Scheme commencement – April 2018 (for maximum five years)**

Number of homes: 320

Number of homes to be licensed - 224

Proportion privately rented: approx. 70%

#### **MAP 1 Selective Licensing Area Central Redesignation**



A list of streets included can be found in **Appendix B**.

## **AREA 2**

### **The Avenues**

A new designated area, introduced over three phases, commencing October 2018. **Detailed evidence to support this proposal, referred to as 'The Avenues' can be found on pages 21 and Appendix 3.**

A list of streets included can be found in **Appendix B**.

Proportion privately rented: approximately 65%  
Approx. 1300 homes- approx. 850 to be licensed

### **Scheme Commencement: Phased introduction over three years**

Phase 1 (October 2018)

Phase 2 (October 2019)

Phase 3 (March 2020) (and subject to ongoing consultation).

### **MAP 2 Proposed Licensing Areas 1-3**



Monitoring of the key indicators in relation to low demand (turnover rates, numbers of empty properties, sales values, rental values etc.) will be undertaken throughout the lifetime of the schemes. Should there be significant improvements to the wider proposed area achieved and pre-set objectives and outcomes met prior to the proposed implementation date of Phase 3, the requirement for Phase 3 to commence will be reconsidered.

## **SUMMARY OF LEGAL TESTS/CRITERIA**

In order for Cabinet/Council to approve a scheme they must

- Be satisfied that the appropriate legal tests and statutory grounds to introduce selective licensing have been met (Pages 21-37) and Appendix A and C.
- Consider that reasonable steps to consult persons likely to be affected by a designation have been undertaken and any representations considered (Pages 70-77)
- Ensure that any exercise of the power is consistent with the authority's overall housing strategy (Pages 13-17)
- Seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour both as combining selective licensing with other courses of action available to them and measures taken by other persons, and must not make a designation unless (Pages 65-69)
- That consideration has been given whether there are any other courses of action available to them that might provide an effective method of achieving the objectives that the designation would intend to achieve (Pages 79) and Appendix N.
- They consider that making the designation will significantly assist them to achieve that/those objectives.

The remainder of this report presents information and evidence to confirm that the above have been considered and undertaken to enable Cabinet/Council to approve the schemes.



### THE STRATEGIC CASE FOR LANDLORD LICENSING

Any designation made is required to be consistent with the Council's Housing Strategy.

Selective licensing is not a stand-alone response to the perceived problems in the proposed areas, but is an integral component of a strategic, Borough wide approach to poor housing conditions, poorly managed properties and low housing demand. Selective licensing supports Gateshead Council's Borough wide Housing Strategy and complementary policies on private sector housing renewal, regeneration, empty homes, homelessness and community safety.

#### **Gateshead's Long Term Sustainable Community Strategy – Vision 2030 and the Corporate Plan**

The proposals referred to in this report support Gateshead's long-term Sustainable Community Strategy: Vision 2030 and the Corporate Plan.

The long-term ambitious vision for Gateshead, Vision 2030 is:

*“Local people realising their full potential, enjoying the best quality of life in a healthy, equal, safe, prosperous and sustainable Gateshead.”*

The Strategy sets out the Borough's challenge for the future and plans up until 2030. The biggest challenge Gateshead faces is that of inequality.

#### **The Core Strategy and Urban Core Plan for Gateshead (2010-2030)**

The promotion of sustainable neighbourhoods to provide quality areas to live and work is a key priority within the Core Strategy and Urban Core Plan for Gateshead (2010-2030). Policy CS9 Existing Communities aims to ensure that communities will be sustainable places of quality and choice and within this strategy, Selective Licensing is recognised as a tool to improve homes within the private rented sector to manage and secure improvements in areas in low demand and related social problems.

#### **Housing Strategy**

The proposal aligns with two objectives within the Housing Strategy 2013-18 to support delivery of the Corporate Plan. The Housing Strategy 2013-18 provides a single reference document for all of the Council's housing-related activity and provides a programme of actions that will maximise the contribution of housing to wider economic growth, personal health and wellbeing.

Key objectives contained within the strategy, which are consistent with the implementation of Selective Licensing include:

- **Support** – to help residents access and sustain a home which promotes their wellbeing.

- **Standards** – to improve quality, condition and management of housing in the private rented sector so that all residents benefit from safe, healthy and well managed homes.
- **Supply** - To ensure use of existing stock and supply of new housing best meets current and future needs and aspirations.

Licensing will facilitate greater interaction with private sector landlords and lead to an improved understanding of the current private rented market. Licence conditions and the support that is provided to landlords and tenants will help to ensure properties are effectively managed and prevent long term problems associated with antisocial behaviour caused by private tenants. The associated inspection of property standards will ensure that poor property conditions and inadequate energy efficiency are identified and acted upon, which will serve to improve living standards for tenants.

### **The Bensham and Saltwell Neighbourhood Action Plan.**

The introduction of SLL into the proposed areas also compliments the objectives of the Bensham and Saltwell Neighbourhood Action Plan.

In 2004, Government funding was approved for the Bridging Newcastle Gateshead (BNG) Housing Market Renewal Pathfinder. Both proposed licensing areas fall within the identified BNG Pathfinder area, and within the Bensham and Saltwell Neighbourhood Action Plan (NAP) Area. The NAP was initially developed in partnership with consultants GVA Grimley in 2006, subject to extensive public consultation. The resulting plan outlined the basis of what regeneration work would happen and where. The aim of the BNG Pathfinder and the NAPs was to bring about the sustainable renewal of areas that were suffering from problems associated from weak housing markets and low housing demand.

The plan focused on the improvement of both existing housing stock and the general environment, as well as the development of new quality housing in the area, to improve area reputation and attractiveness to families. The plan projected that the proposed licensing areas could benefit from both property/environmental improvements (later fulfilled by the Block Improvement Schemes) and also Neighbourhood Management Interventions such as landlord licensing. **Appendix E.**

The Bensham and Saltwell NAP has benefited from substantial investment since Pathfinder status was awarded, and the implementation of a licensing scheme will complement the work already carried out, so helping to deliver the long term renewal objectives and further sustaining the legacy of BNG by working with partners to place shape and improve neighbourhoods to provide a good quality of life and place.

### **Empty Properties**

Long term empty homes that are detrimental to the surrounding areas or attract ASB are generally a cause of concern to residents. The Council adopts a co-ordinated approach in relation to empty properties. Interventions include a focus on bringing empty properties back into use, which often includes provision of advice and guidance to the owners of homes that have become vacant as a result of withdrawal from the private rented market. This should protect against premises remaining vacant for prolonged periods of time which may attract ASB. It would also ensure that valuable housing resources are not wasted

Licensing will allow us to gain a better understanding and knowledge of Gateshead's private rented sector and will assist the Council to identify the locations of empty dwellings in the areas so that targeted action can be taken to bring them back to use and maximise opportunities to meet housing need

A co-ordinated approach working alongside the Councils dedicated Empty Property Officer with referrals for properties eligible to participate in the Councils Empty Property Leasing scheme will also be undertaken.

### **Housing & Health – Current Joint Strategic Needs Assessment.**

Housing is a key determinant of health and wellbeing. Good quality homes are essential to ensuring that residents have the best physical and mental health possible. A warm, dry home, that is safe, and has sufficient space, is a positive contributor to health and wellbeing.

The relationship between poor housing and ill health is very clear. Evidence suggests that living in poor housing can lead to an increased risk of cardiovascular and respiratory disease, including death, as well as mental health problems such as anxiety and depression. Poor housing also contributes to additional pressures on health and social care budgets through admissions to hospital and associated aftercare.

Gateshead's current Joint Strategic Needs Assessment (JSNA) recognises the impact that housing can have upon health and wellbeing, and the link between poor health and poor housing. This was robustly evidenced in the Building Research Establishment (BRE) 2015 publication 'The Cost of Poor Housing to Health'.

The JSNA confirms that private rented properties in Gateshead are more likely to fail the legal minimum standard, which is likely to disproportionately affect vulnerable households. In 2012 the Gateshead Resident Satisfaction Survey reported that levels of satisfaction with home quality were low in Central Gateshead, areas where concentrations of private rented stock are high.

Landlord licensing is referenced in the JSNA as a tool that the Council will continue to utilise (subject to resources) to help meet the strategic housing priority of improving and maintaining housing standards.



## **Housing & Public Health**

The most recently released 2017 Public Health Report for Gateshead focuses on the health inequalities that those born in Gateshead face compared to other parts of the Country, and the differences in equality within different parts of the Borough itself. The report confirms that poor health outcomes are significantly more prevalent in communities that experience other hardships (e.g. poverty) and that the Council needs to target resources to the individuals and communities most in need. Licensing is an example of how this can be undertaken.

The burden of ill health falls hardest and fastest on those from low income households, of which there are a higher than average number within the proposed licensing areas. Health inequalities can range from gender, where you live, your local environment, your employment status, your lifestyle and what kind of house you live in.

Licensing will aim to help tackle inequalities by ensuring that all private tenants, many of which are categorised as vulnerable, live in safe, warm and well maintained homes, as well as looking to improve the local environment by tackling ASB and crime.

## **Anti-Social Behaviour – The Community Safety Board Partnership Plan**

Combatting ASB is one of the key strategic priorities of the Gateshead Community Safety Board. Although this proposal does not set out to designate the proposed areas on the legal test in relation to ASB, the evidence collated highlights higher than average crime and ASB problems in those neighbourhoods. The data also shows a correlation between the incidents reported to the Council and Northumbria Police and private rented homes.

Licensing of private rented properties will help to achieve this key priority by ensuring that landlords take reasonable steps to prevent ASB occurring e.g. tenant vetting's and regular property visits, as well as dealing with ASB problems effectively and proportionally when they arise, with the support of Council officers. Increased effort will also be taken with residents and tenants to ensure they understand their responsibilities as members of the community.

Given the strategic context above, the use of selective licensing is clearly consistent with the Councils overall strategic approach to housing and its approach to a number of key priorities for the Borough. Licensing, by aiming to address and improve the problems which are evidenced later in this report, will help to achieve a number of positive outcomes in terms of regeneration, health and wellbeing and community safety.

The Housing Act 2004 introduced Selective Landlord Licensing, and continues to require that Councils ensure that certain legal criteria are met when designating a scheme. Data and evidence gathering, including consultation have sought to establish the position in relation to these.

The legal requirement which Cabinet has to consider before authorising the designation of landlord licensing are set out below.

**Criterion 1**

That the area **is, or is likely to become, an area of low housing demand** and making the designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, contribute to the improvement of the social or economic conditions in the area; **and/or**

**Criterion 2**

That the area **is experiencing a significant and persistent problem caused by anti-social behaviour** and that some or all of the private sector landlords who have let premises in the area are failing to take action to combat the problem that it would be appropriate for them to take and that making the designation will, when combined with other measures taken in the area by the local authority, or by other persons together with the local authority, lead to a reduction in, or the elimination of, the problem. In other words, due to significant and persistent anti-social behaviour and a lack of appropriate action by private sector landlords;

**Additional conditions**

On 27th March 2015, the Selective Licensing of Houses (Additional Conditions) Order 2015 came into force. The Order imposes a number of additional conditions which a local housing authority must consider are satisfied in relation to the area before making a selective licensing designation under this provision. The additional conditions introduced by this Order are detailed as follows:

**High proportion of properties in the private rented sector**

That the area contains a high proportion of properties in the private rented sector, in relation to the total number of properties in the area and that one or more of the sets of conditions below (i) to (iv) is satisfied:

(i) That there is evidence of poor conditions in the sector and that making a designation will, combined with other measures, contribute towards an improvement in general housing conditions.

(ii)(a) That the area has high levels of migration and a significant number of properties in the sector are occupied by those migrants; and

(ii)(b) that making a designation will with other measures, contribute to the preservation or improvement of the social or economic conditions in the area and ensuring that properties are properly managed, and in particular, that overcrowding is prevented

(iii)(a) That the area is suffering from a high level of deprivation, which affects a significant number of the occupiers of relevant properties; and

(iii)(b) that making a designation, will with other measures, contribute to a reduction in the level of deprivation in the area.

(iv)(a) That the area suffers from high levels of crime and criminal activity affects those living in relevant properties or other households and businesses in the area; and

(iv)(b) that making a designation will, with other measures taken in the area contribute to a reduction in the levels of crime in the area, for the benefit of those living in the area.

### Gateshead's Evidence Base

The evidence presented and collated supports a designation based on the following grounds:

**Table 3 – Summary of Designation Criteria**

Proposed Area	Grounds
The Avenues	<p>Is or is likely to become an area of <b>LOW HOUSING DEMAND</b></p> <p>Additional Conditions</p> <ul style="list-style-type: none"> <li>- <i>High proportions of private rented stock</i></li> <li>- <i>Poor property conditions</i></li> <li>- <i>High levels of deprivation</i></li> <li>- <i>High levels of crime</i></li> </ul>
The Redesignation (Central Bensham Phase 2)	<p>Is or is likely to become an area of <b>LOW HOUSING DEMAND</b></p> <p>Additional Conditions</p> <ul style="list-style-type: none"> <li>- <i>High proportions of private rented stock</i></li> <li>- <i>High levels of deprivation</i></li> <li>- <i>High levels of crime</i></li> </ul>
N.B. Both schemes are underpinned by the prevalence of ASB problems	

The previous section outlines the statutory grounds that have to be met in order for selective licensing to be considered. This section of the proposal outlines a summary of the evidence to support the introduction of the schemes. Detailed evidence can be found in Appendix A for The Redesignated Area and for The Avenues, Appendix C.

An analysis of several data sets and bodies of research was undertaken to determine whether the evidence meets the legal criteria. Where possible analysis was at Lower Super output Area (LSOA) level.

In addition the public consultation provided an opportunity to collate qualitative data in relation to the sector and to gather the views from those likely to be affected by the proposal, as further evidence to support the proposal. **See page 70-77 and Appendix M for details and outcomes of the consultation.**

### Summary of Research

Initial research was conducted by an analysis of all of the indicators in relation to low demand (turnover, property values, number of empty properties, periods of vacancy, sale values etc.), as well as data in relation to ASB and crime for the whole of Gateshead. Data was collected from a variety of sources internal and external to the Council.

The 126 LSOA's that cover Gateshead were subsequently ranked with weightings given to the differing low demand, ASB and crime indicators including the complaints and requests for service made to the Council in relation to private tenants living in poor property conditions, ineffective landlord practices, noise, ASB, empty properties and refuse. There was a positive correlation between these and areas with higher concentrations of privately rented stock.

There are three LSOA's covering the proposed Avenues area. The overall ranking in line with the above indicators placed all three in the top ten of highest scoring areas – 1<sup>st</sup>, 4<sup>th</sup> and 10<sup>th</sup> ranking out of 126. There are four LSOA's covering the proposed Redesignated area. These ranked 1<sup>st</sup>, 2<sup>nd</sup> 8<sup>th</sup> and 10<sup>th</sup> out of 126 in the top ten highest scoring areas. The areas are highlighted in yellow on the following table.

Table 4

**Low Demand Area Analysis – Gateshead Wide  
Top Ten Combined Ranking Areas.**

Lower Super Output Areas	Overall Rank	Private rented properties	<i>Sold property rank</i>	Property transaction rank	Rank long term voids	Multiple turnover rank	Youth ASB 14-15 rank - Police	ASB Rank 14-15 Police	Criminal damage rank- Police	Private Housing Complaints 2103-16	Rank totals
<b>Bensham South</b>	<b>1</b>	15.9	11.0	3.3	10.6	13.3	0.8	1.7	3.6	16.7	76.8
<b>Kelvin Grove</b>	<b>2</b>	16.7	11.2	3.7	8.2	11.7	1.9	1.8	3.3	11.8	70.3
<b>Swalwell/Metro Centre</b>	<b>3</b>	14.8	10.9	3.1	13.6	8.3	1.1	2.2	5.5	9.2	68.9
<b>The Avenues</b>	<b>4</b>	15.4	10.4	2.6	7.8	12.8	0.9	1.2	3.1	13.0	67.3
<b>Birtley/Birtley Industrial</b>	<b>5</b>	13.5	10.4	3.3	9.0	6.9	5.6	3.0	5.6	8.9	66.0
<b>Sunderland Road</b>	<b>6</b>	16.5	9.0	3.3	8.3	10.1	1.3	2.2	4.1	9.8	64.7
<b>Chopwell North</b>	<b>7</b>	10.6	12.5	2.4	11.9	5.8	1.3	1.0	3.9	15.1	64.6
<b>Bensham South (2)</b>	<b>8</b>	13.5	10.7	3.6	8.9	10.8	1.0	1.2	2.7	11.8	64.1
<b>Shipcote</b>	<b>9</b>	13.7	11.0	3.5	5.6	10.5	1.4	2.2	3.1	12.5	63.6
<b>Bensham Central</b>	<b>10</b>	11.4	9.6	3.1	4.4	11.6	2.0	2.1	2.9	11.3	58.3

## Summary of Evidence Base for The Avenues

Appendix C provides a detailed overview of the evidence to demonstrate that legal criteria and conditions for the Avenues areas has been met. The below provides a summary:

### There are high concentrations of private rented homes

The Saltwell ward contains the highest private rented sector in Gateshead. The proposed Avenues licensing area has more than three times the national average of private rented homes:

**Table 5 – Private Rented Tenure % - The Avenues**

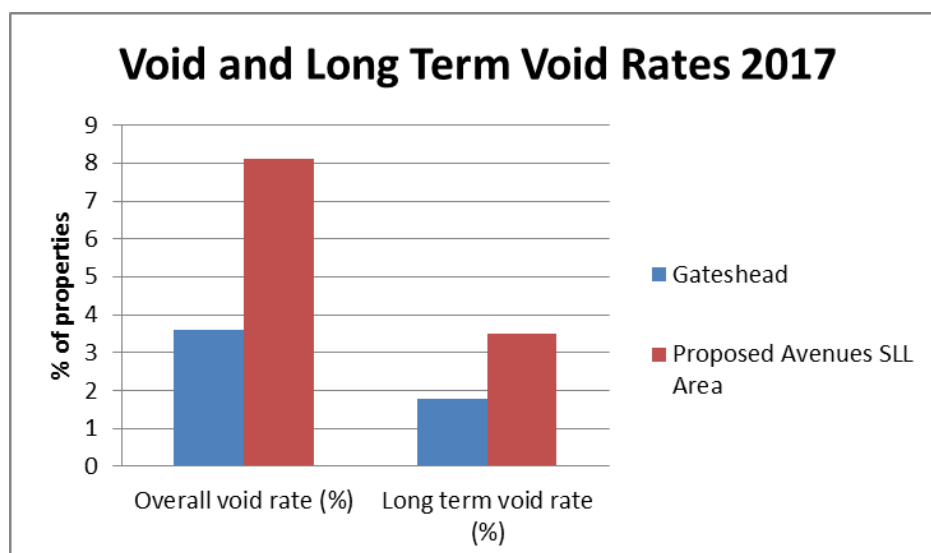
	Number	%
England	4.5 million/22.8 million	19.5%
Gateshead	14,617/93,292	15.7%
<b>The Avenues</b>	<b>901/1306</b>	<b>69%</b>

### Is or is likely to become an area of low housing demand

#### Empty Properties

- The proposed area has a void rate of 8.1%. This is more than double the rate for the rest of Gateshead – 3.6%
- 3.5% of properties in the area have been vacant for longer than 6 months which is almost double the Borough long term void rate of 1.8%
- Some of the vacant properties have been empty since 2004 despite several attempts to engage with owners and encourage to bring the properties back into use or sell.
- This tells us that there are more long term empties in the proposed area compared to elsewhere in Gateshead and that these properties are staying empty for longer periods of time

**Figure 1 – Void and Long Term Void Rates 2017 – The Avenues**



## **Sale Values**

An initial review of house prices and market performance has been undertaken to set the context for this proposal. It is recognised that the financial crisis had significant and ongoing negative impact on housing market confidence and resulted in reduced house prices across the country.

- The quarterly average price for all residential transactions from December 2010 to December 2015 in Gateshead have been consistently lower than the Tyne & Wear average and the North East region. In addition, the average price is substantially below the national average for England and Wales. As average prices have started to increase across the country from the end of 2013 onwards, prices in Gateshead have remained the same.
- The proposed Avenues SLL area is situated within NE8 (shown in red in Figure 2), which has consistently exhibited a lower price comparable to other parts (including NE11 and NE17 which have concentrations of similar housing stock) of the Borough

**Figure 2 – Gateshead Sale Values by Postcode 2005-2016**

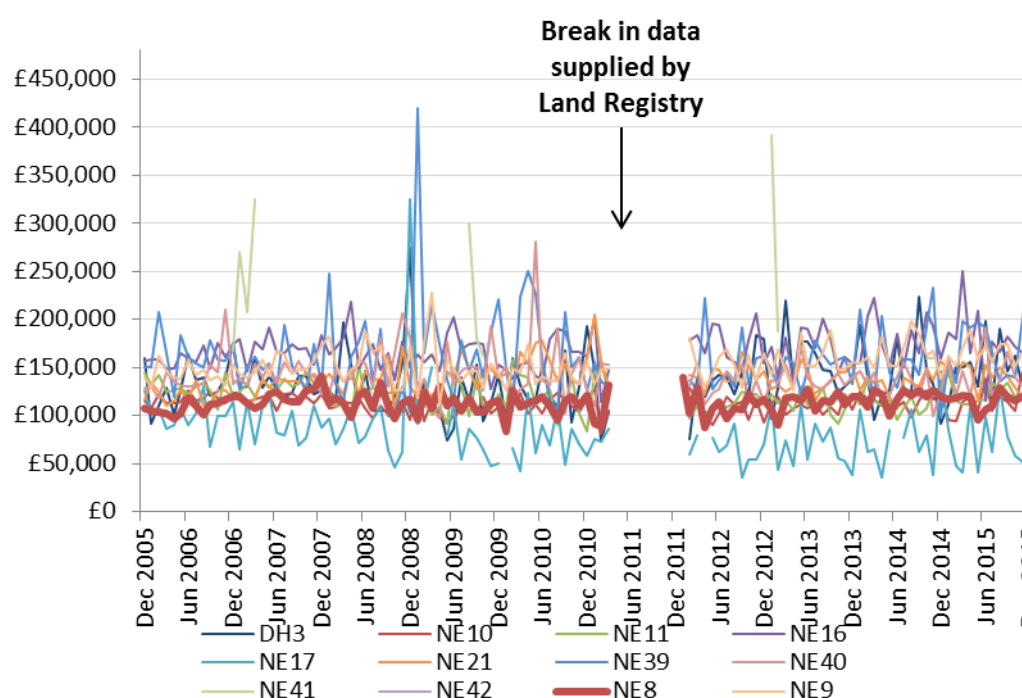
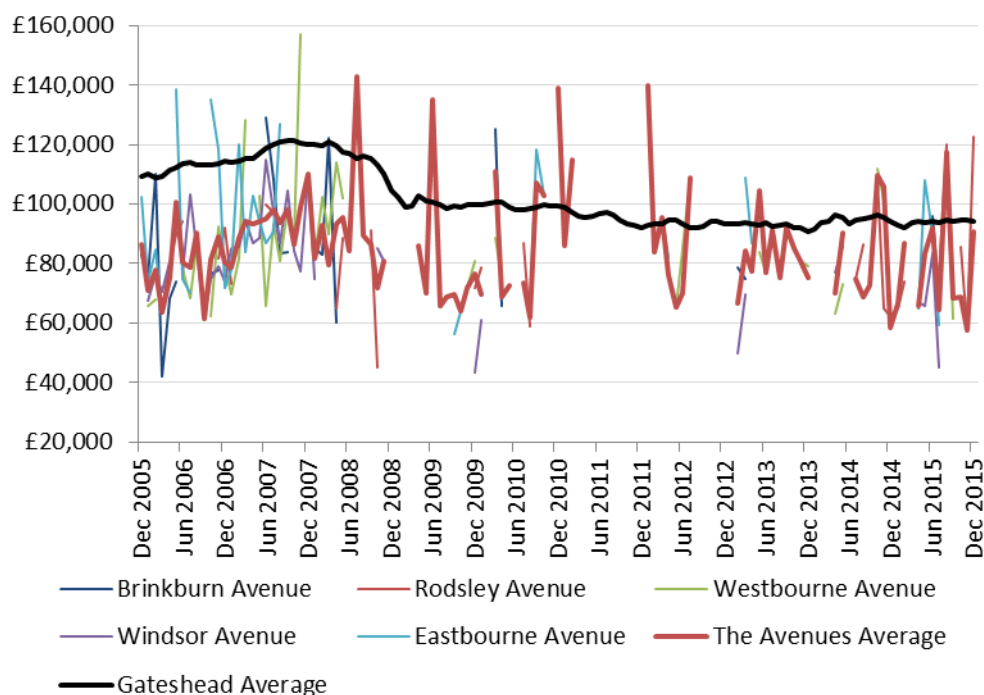


Figure 3 below goes on to demonstrate the year on year difference between those streets within the proposed SLL area and other areas in Gateshead. A substantial number of properties in the streets yielded a lower price than the rest of Gateshead.

**Figure 3 – Sales Values – Proposed Avenues SLL Streets 2005-16**



At the time of writing 53 properties were currently for sale on the open market in the proposed Avenues area. The marketed prices ranged from £180,000 for a three bedroomed terraced house to £35,000 for a two bedroom ground floor flat. (Source Rightmove 14<sup>th</sup> November 2017). This demonstrates the wide variation of property prices and market uncertainty within the proposed area, clearly indicating that sub markets are present which can indicate low demand.

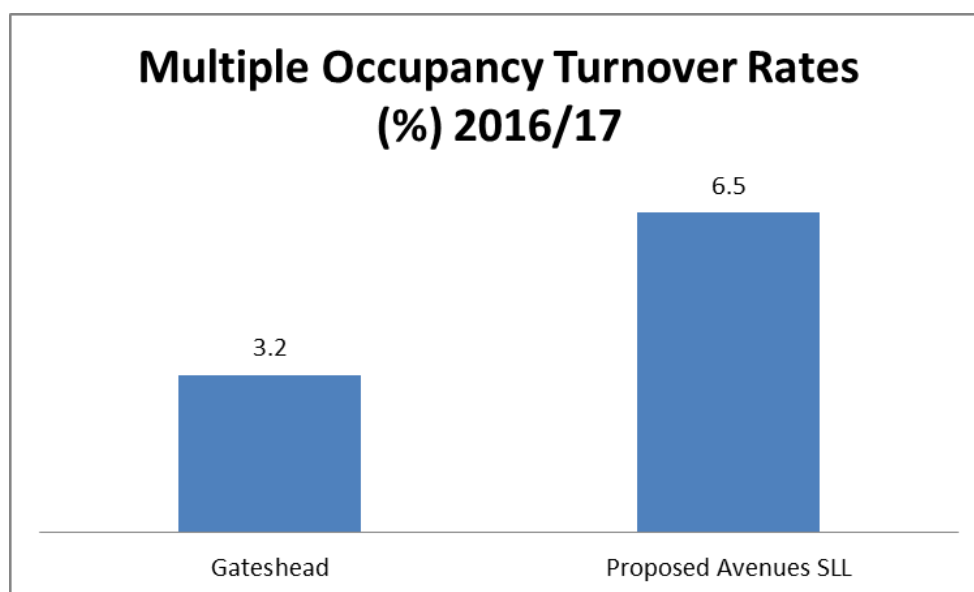
### **Resident Turnover**

An additional or alternative indicator to house transactions to gauge turnover is to analyse the number of properties where liability for Council Tax has changed more than once during the year. This method has the advantage of highlighting where private rented tenancies have changed, which would not be reflected in Land Registry sales information.

- Turnover of occupancy within the Avenues is higher than other parts of Gateshead and properties change hands more often.
- Nearly 7% of properties in the area had a different council tax payer on more than one occasion in 2016. This is more than double the 2017 Gateshead Borough average of 3.2%. Some of these have even changed over more than twice in that time.
- This can be a problem because it doesn't give time for a community and its residents to settle. It also may indicate dissatisfaction with the neighbourhood.



**Figure 4 – Multiple Turnover Rates – The Avenues**



- In contrast to the other 123 LSOA'S that cover the rest of Gateshead, which cover similar numbers of the population to allow for comparison, the three LSOA covering the proposed Avenues area rank 3<sup>rd</sup>, 4<sup>th</sup> and 6<sup>th</sup> highest for multiple turnover in the Borough. Areas with higher turnover were Gateshead town centre and the Baltic Business quarter where there are a number of commercial units and rates of private rented properties are far less.
- This level of liability change indicates an instability in the housing market when compared with the rest of the Borough.

### **Significant and Persistent Problems of Anti-Social Behaviour (ASB)**

Gateshead Council does not propose to seek to support a designation in this area on the grounds of anti-social behaviour. This area is however disproportionately affected by ASB and support will be targeted as part of the proposed scheme to help reduce these problems.

Gateshead Council data and that provided by Northumbria Police and Local Environmental Services in relation to refuse and fly tipping both show problems of anti-social behaviour in the proposed areas. With the high numbers of privately rented properties in these areas this inevitably indicates a correlation between the number of complaints received and their relative prevalence in these areas of large numbers of privately rented properties, for example from 2014-2017

- 86% of noise and ASB complaints received by the Council in the Avenues were in relation to private rented property.
- 82% of reported ASB and crime incidents to Northumbria Police from within the Avenues were in relation to private rented homes. A similar

number of incidents were reported for owner occupied properties (7%) and social providers (8%) combined. 4% of incidents were in relation to properties where the tenure is not currently known, but are expected to be owner occupiers.

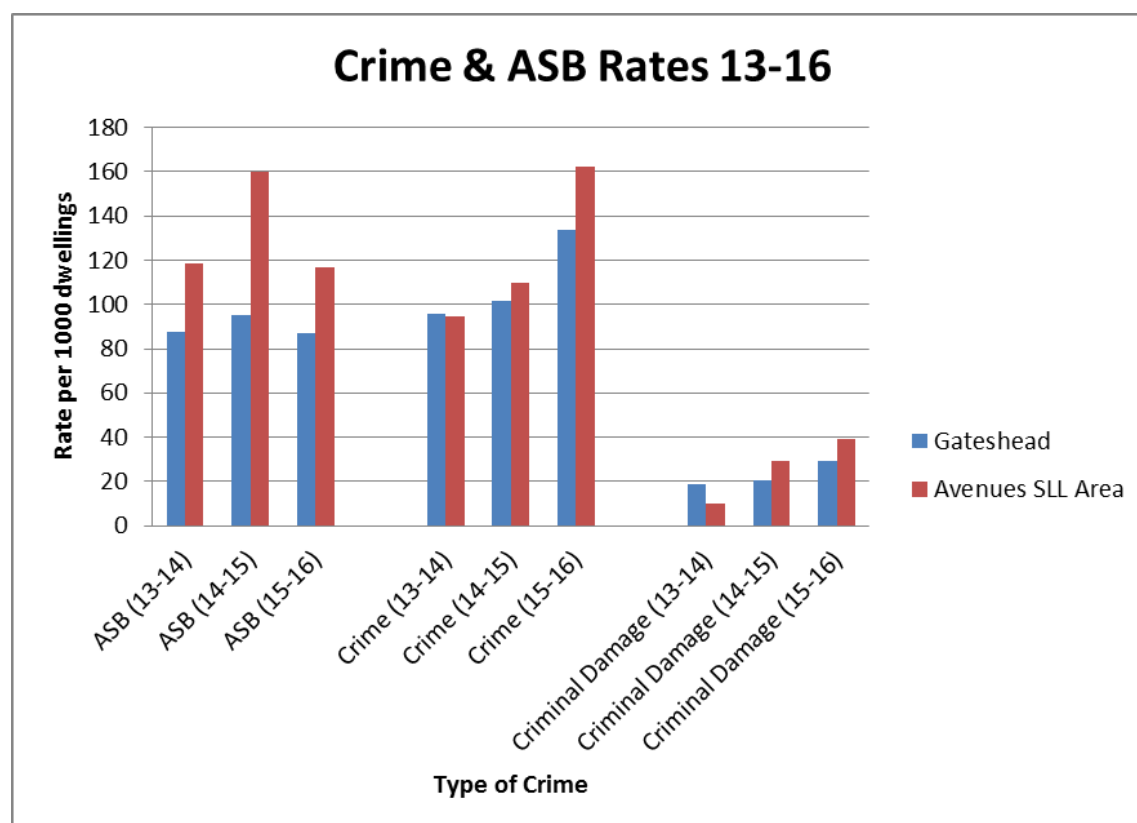
This data supports that there is a strong correlation between ASB/Crime and private rented homes within the proposed area

Northumbria Police have advised that more than 40% of known offenders in Central Gateshead live in the proposed Avenues area and the wards feature 4<sup>th</sup> and 5<sup>th</sup> highest in the borough across all types of crime and ASB. Wards with higher levels are where the number of private rented homes are a lot less.

Crime and criminal damage rates in Gateshead have increased each year since 2013. Rates in the proposed area have also increased year on year and at a rate that is higher than the Gateshead rate.

The total ASB and crime in the proposed area was higher than the Gateshead average over a three year period, apart from one instance in 13-14 when criminal damage was slightly lower than the borough average. (Figure 5). In particular ASB rates in the proposed area have been particularly higher than the borough average year on year.

**Figure 5 – Crime and ASB Rates – Gateshead and The Avenues 2013-16**



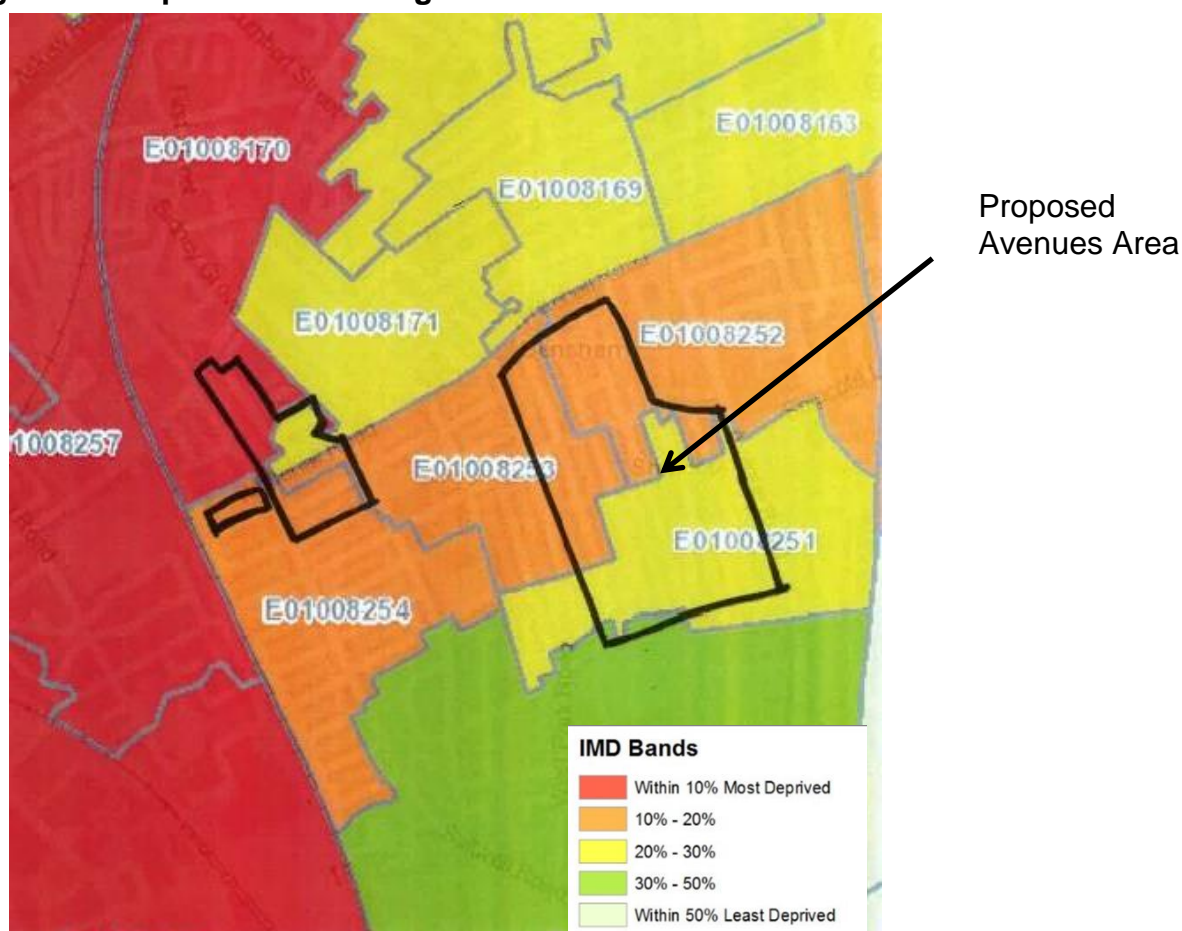
- The public consultation also confirmed the ASB and crime problems within the proposed area. 71% of responding residents advised they had experienced problems with a neighbouring property or residents within the area. There were also a noticeable number of stakeholders who recognised and reported that many problems they had experienced were from private sector homes and tenants.
- The team receive and respond to complaints of noise and antisocial behaviour occurring at private properties. Over a three year period from 2014-17, 136 complaints were received from residents in the proposed area, with the majority of these being in relation to neighbour noise. These complaints amounted to 6% of the complaints received across the Borough for only 1.4% of the total number of properties borough wide.
- Of the complaints received in the proposed area from April 2014 to March 2017, 86% were in relation to issues concerning private rented accommodation. 61% of complaints were received from occupiers of private rented properties, confirming that private tenants are also affected as well as being perpetrators. Interestingly a small proportion of complainants lived outside of the proposed area and in the surrounding neighbourhood, indicating the further reaching impact of noise and ASB from within the area,

## **ADDITIONAL CONDITIONS**

### **High Levels of Deprivation**

- In 2015 Gateshead was ranked 73<sup>rd</sup> most deprived out of 326 Local Authorities
- The highest levels of deprivation in Gateshead are concentrated within the Central Area where levels of private rented stock are high.
- There are 15 Lower Super Output areas (LSOA's) within Gateshead that fall within the 10% most deprived areas in England.
- The proposed Avenues licensing area covers three of these smaller lower super output areas;
  - o Two of these areas fall within 10-20% of the most deprived areas in the country
  - o One area falls within 20-30% most deprived.
  - o One neighbouring area, to be included in a further proposed licensing scheme falls within the top 10% most deprived.
- Further analysis of this data would suggest that barriers to housing and services (the physical and financial accessibility of housing and local services e.g. affordability, overcrowding and homelessness), and housing quality rank highly.

**Figure 6 – Deprivation Banding 2015 - The Avenues**



### **How has licensing helped so far and how will continuing it help further?**

Gateshead Council has a wide ranging strategic approach to tackle deprivation in the borough. It is based on the principal of trying to address inequalities both within the borough and compared with other areas in England. Gateshead Council's long term Sustainable Community Strategy: Vision 2030 is based around six big ideas to improve the economy, wellbeing and quality of opportunity for everyone in Gateshead so that all residents and business can fulfil their potential. Vision 2030 recognises that inequalities is one of our biggest challenges in relation to poverty and deprivation, the quality of the physical and natural environment and health. The promotion of sustainable neighbourhoods to provide quality places to live and work is also a key priority within the Core Strategy and Urban Core Plan for Gateshead 2010-2030. Licensing parts of the boroughs private rented stock in vulnerable areas has become a key part of that strategy as it is recognised as a tool to improve private rented homes and to manage and secure improvements in areas of low demand and related social problems.

High levels of deprivation in the proposed area are driven to a large extent by crime and housing. Licensing can make a direct and tangible difference to both of these factors e.g. enforcement action against landlords who illegally overcrowd or rent out homes in a poor condition are one of the key aims of the licensing scheme and will help to alleviate housing and health deprivation in the licensing areas. The information gathered through licensing will also

help to inform future joint operations with the police and other agencies to crack down on crime, again helping to mitigate deprivation.

### **Socio Economic Status**

- The Rate per 100 properties in the proposed Avenues area on out of work benefits (41) is more than double the Gateshead rate (16.8)
- The biggest contributor is the number of households claiming employment support allowance and incapacity benefit due to sickness and/or disability
- There are also nearly three times more households claiming Job Seekers Allowance compared to the rest of Gateshead.
- 37% of households in the Saltwell ward are on a low income which is significantly higher than the England average of 22%.
- The burden of ill health falls hardest and fastest on those from low income households.

### **Poor Housing Conditions**

In 2013 the Building Research Establishment (BRE) were procured to undertake a review of housing conditions across Gateshead.

- The model produced by the BRE predicts the proposed Avenues area to have a higher percentage of properties which contain at least one category one (12%) hazard than the Gateshead average of 10%. Disrepair in the area is also a significant contributor to properties failing the decent homes standard. Falls on stairs and Excess Cold are the most common hazards due to the age and construction type of the properties.

The BRE Model results also included the following:

#### **For all housing stock in Saltwell**

- The Saltwell ward in which the proposed Avenues area is located has a higher percentage of low income households (37%) than the England average of 30%
- The Saltwell ward has a higher percentage homes in fuel poverty when compared to the Gateshead average of 25%.
- 12% of properties in the Saltwell Ward are in disrepair. This is double the Gateshead and England average of 6%. Disrepair is a significant contributor to properties failing the decent homes standard.

#### **For private sector stock in Saltwell**

- A higher percentage (35%) of low income households compared to the rest of Gateshead (30%) and England (22%).
- Double the amount of properties in disrepair (12%), compared to the rest of Gateshead (6%) and England (6%).
- A higher percentage of homes in fuel poverty (27%) compared to the rest of Gateshead (23%) and England (18%).

### **Requests for help by residents to the Council**

- The biggest proportion of requests for help from tenants for property disrepair to the PSH Team are received from Central Gateshead. These are despite PSH Team activity to drive up property standards through the block improvement schemes and property accreditation.
- The number of accredited properties have reduced from 250 to 20 despite encouragement to private landlords to maintain the standard
- In the Saltwell ward there is a concentration of demand in relation to housing disrepair requests for help from tenants in the proposed Avenues area, compared to others parts of the Ward.

### **Summary of Evidence Base for Central Bensham Phase 2 (The Redesignated Area)**

The former and wider Central Bensham Phase 1 Licensing Scheme expired in May 2017. A full evaluation confirming the outcomes and achievements of the scheme have been provided to Cabinet in August 2017.

Appendix A to this report provides a detailed overview of the evidence to demonstrate that legal criteria and conditions for the Redesignated area have been met. The below provides a summary:

#### **High Concentration of Privately Rented Properties**

The proposed Redesignated licensing area has more than three times the national average of private rented homes and more than four times the Gateshead average:

**Table 6 – Private Rented Tenure % - The Avenues**

	<b>Number</b>	<b>%</b>
England	4.5 million/22.8 million	19.5%
Gateshead	14,617/93,292	15.7%
<b>Redesignated Area</b>	<b>229/317</b>	<b>72%</b>

#### **Is or is likely to become an area of low housing demand**

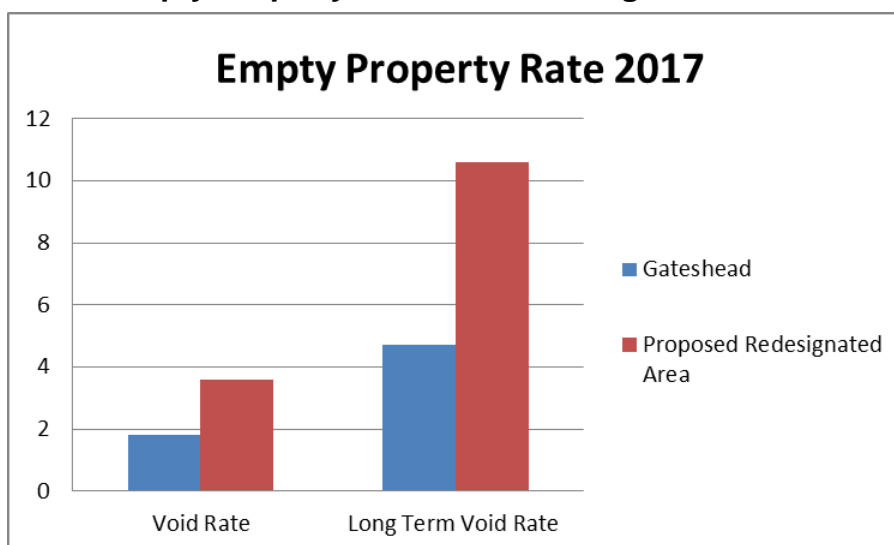
##### **Empty Properties**

- The proposed area has a void rate of 10.6%. This is almost three times the rate for the rest of Gateshead – 3.6% and is despite 75 properties being brought back into use during the previous licensing scheme.



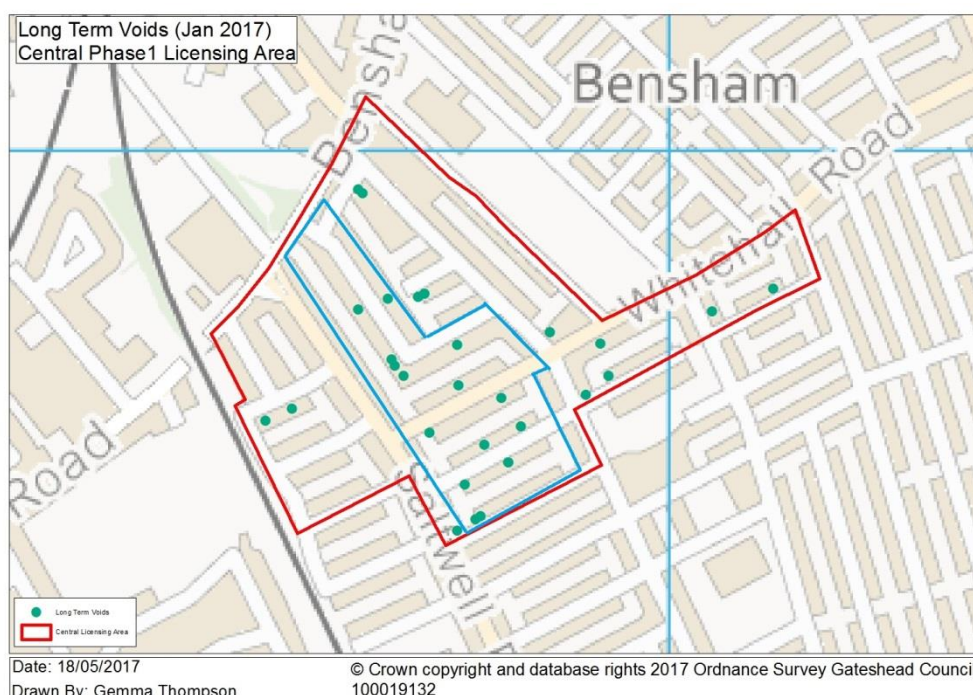
- 4.7% of properties in the area have been vacant for longer than 6 months which is more than double the Borough long term void rate of 1.8%
- Some of the vacant properties have been empty for more than five years despite several attempts to engage with owners and encourage to bring the properties back into use or sell.
- This tells us that there are more long term empties in the proposed area compared to elsewhere in Gateshead and that these properties are staying empty for longer periods of time

**Figure 7 – Empty Property Rate 2017 Redesignated Area & Gateshead**



It is normally considered that 4% of the stock being empty is a healthy sign within the housing market to allow for a changing population and demand.

Figure 8 below shows the spread of remaining long term empty homes in the wider former licensing area (red) and the proposed redesignated area (blue). Of the long term vacant, several have been empty for longer than five years.



## Property Sales Values

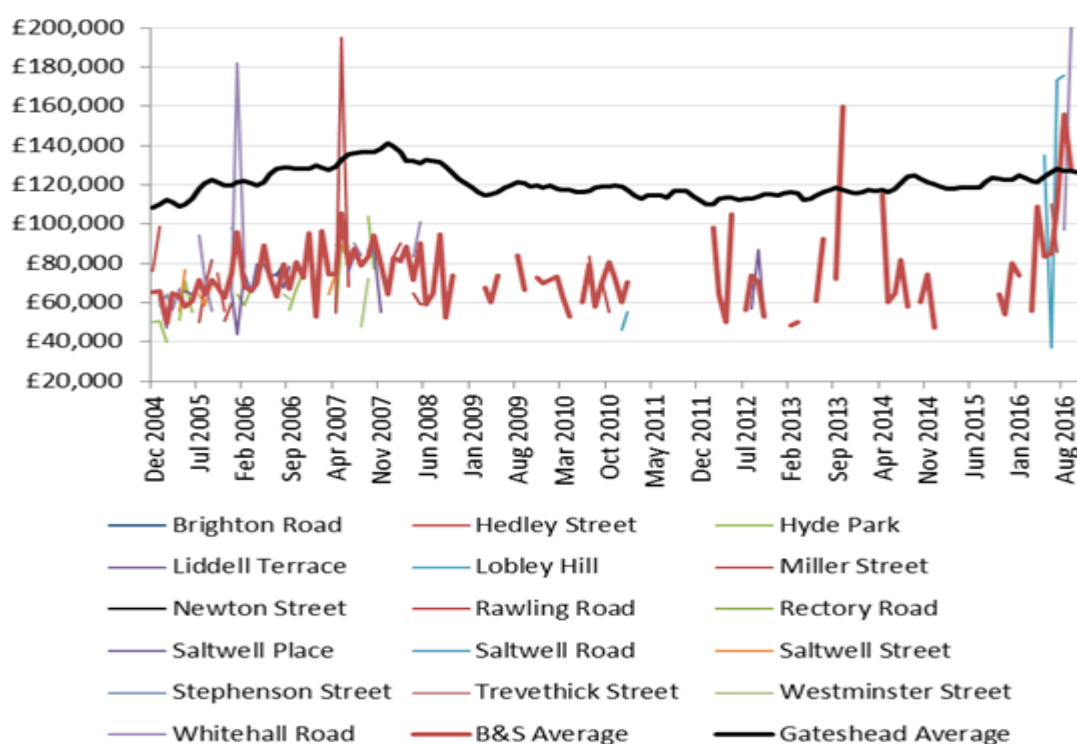
An initial review of house prices and market performance has been undertaken to set the context for this proposal. It is recognised that the financial crisis had significant and ongoing negative impact on housing market confidence and resulted in reduced house prices across the country.

Some of the same data sets as outlined on pages 21/22 for the Avenues have been used and considered and the below provides a summary:

- Quarterly prices in Gateshead have been consistently lower than the Tyne & Wear average and the North East region. In addition, the average price is substantially below the national average for England and Wales. As average prices have started to increase across the country from the end of 2013 onwards, prices in Gateshead have remained the same.
- The proposed SLL area (both The Avenues and the Redesignated area) are situated within NE8 (shown in red), which has consistently exhibited a lower average price than other parts of the Borough.

Data analysis has been possible at street level. Figure 9 below demonstrates the year on year difference between streets within the proposed redesignated area and other areas in Gateshead, as well as the Bensham and Saltwell average. It can be seen that prices in Bensham and Saltwell are substantially lower than the rest of Gateshead and prices on some of the streets in the proposed licensing area are lower again.

**FIGURE 9 - Property Sale Prices 2005-2015 Gateshead Postcodes**





### **Rental Values**

Average rental values have increased slightly since SLL was introduced in the wider area in 2012 from £97.40 per week to £99.91 per week. This information has been gathered from the tenancy agreements produced for landlords operating in the area by the PSH Team up until June 2016. This new value however remained lower than the Gateshead rental average of £108.60 per week.

### **What does this data tell us?**

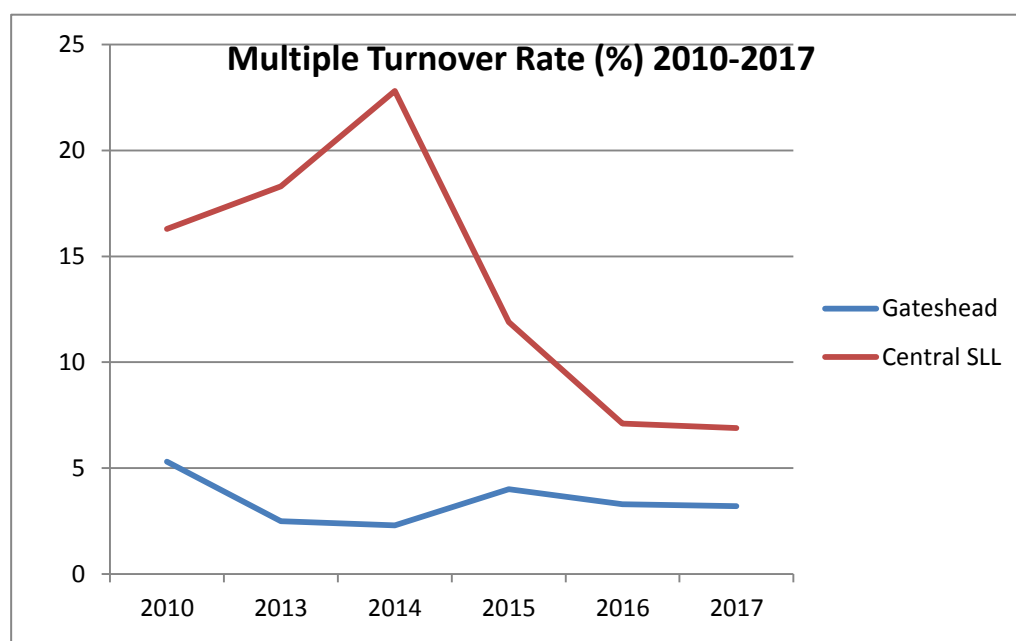
Property values have remained steady since SLL was introduced in the former area, whilst there has been an upward trend nationally. Gateshead has a lower than average property price value than the Tyne and Wear average and substantially lower than the average price for England and Wales. Property price within the existing and proposed SLL area is lower than the Borough and surrounding ward average. Lower than average prices (sales and rental value) is indicative of low demand.

### **Multiple Occupant Resident Turnover**

The multiple turnover of residents in the former Licensing area decreased substantially over the five year licensing period from 16.3% (based on number of dwellings in the area) to 6.9% in Spring 2017, which represents a 56% reduction. However the reduced rate remains more than double the Borough average of 3.2%, however the difference between the two is now substantially less.

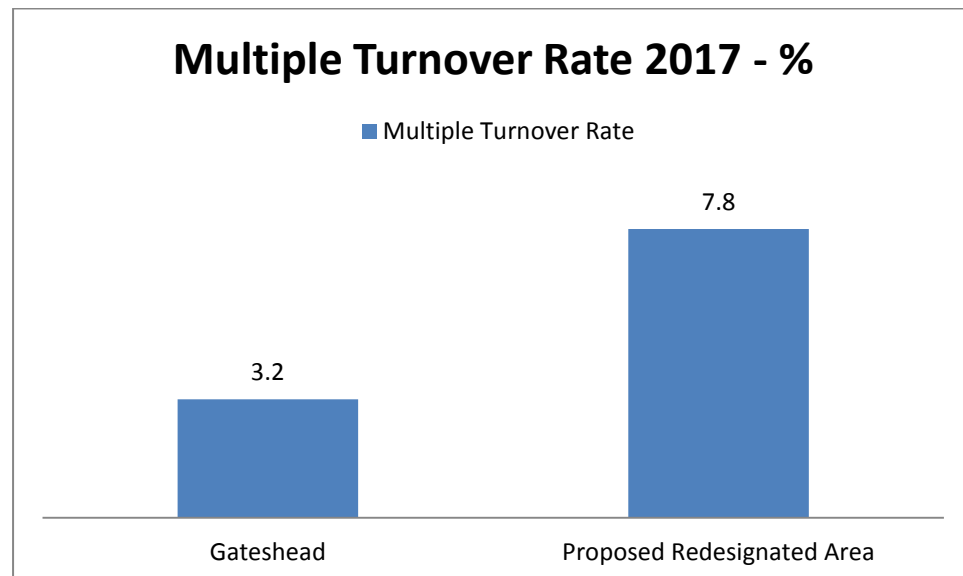
Slightly higher rates of turnover are to be expected as more than 60% of the private properties are rented compared to the borough average of 16%.

**FIGURE 10 – Turnover rates 2010-17- Former SLL Area**



The 2017 multiple turnover rate for the proposed redesignated area is 7.8% which is higher than the former wider licensing area and more than double the Gateshead rate of 3.2%

**Figure 11 – Multiple Turnover Rate 2107-Gateshead and Redesignated Area**



From February 2016 to January 2017 the postcode with the highest single turnover rate relative to the number of properties within that location was NE8 4QY – Saltwell Place (45%) and NE8 4XP – Trevethick Street.

During the same period the postcode with the highest multiple turnover relative to the number of properties within that location was NE8 4TH (17-109 Saltwell Rd and NE8 4QB (1-64 Hyde Park Street) at 13.3%.

#### **What does this data tell us?**

Turnover rates in the area have decreased by 56% since 2014, indicating that when people move into the area, they are moving on less often and staying for longer periods of time. However as a whole the area continues to have a turnover rate double that of the borough average.

There are certain locations within the existing area that are experiencing higher turnover than others and some of these locations are proposed for the continuation of licensing for a further five years to ensure ongoing regulation will help to ensure the continuation of the downward trend.

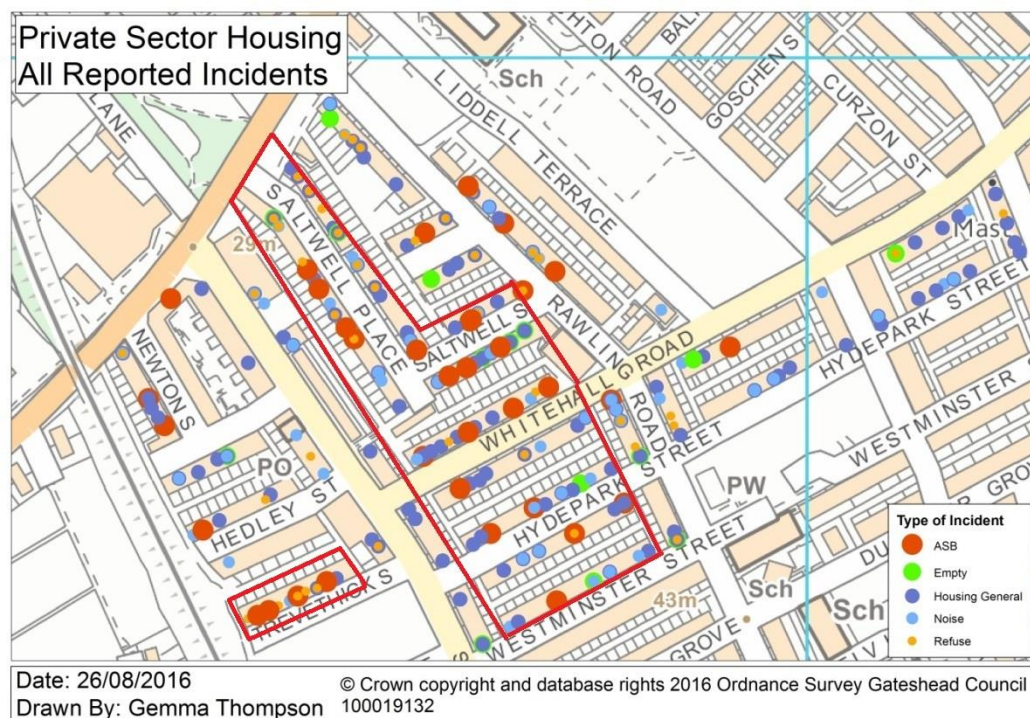
#### **Private Sector Housing Complaints**

The Private Sector Housing Team respond to and investigate a wide range of requests for help from those living and operating within the former licensing area, covering complaints of anti-social behaviour and noise, accumulations of refuse, empty properties and also from tenants who may have concerns over the condition of their rented home.

- The number of complaints overall received by PSH reduced over the five year licensing scheme with a significant reduction in the number of requests for help concerning private sector housing condition. Licensing has contributed towards this reduction through accreditation, programmed property inspections by Officers and landlord training.
- The number of accredited properties in the proposed area remains high which is why the Council are not looking to designate the smaller area on the condition of poor housing conditions.
- Of the noise and ASB complaints received in the proposed redesignated area from April 2014 to March 2017, 84% were in relation to issues concerning private rented accommodation. 52% of complaints were received from occupiers of private rented properties, confirming that private tenants are also affected as well as being perpetrators

Despite these reductions, the number of complaints received from within the area remains high. As a means to work out the spread and location of the demand on council services, all complaints received from May 2012 to August 2016 have been plotted on the map below. The map shows an obvious concentration of complaint demand in the proposed redesignated area.

**Figure 12 - PSH reported incidents 12-16 Proposed Scheme**



### What does this data tell us?

Despite reductions the number of complaints continued to be received remain higher than average. This analysis of this data and experience reveals that such issues are recurring in specific streets. Continued targeted work is required in these hotspot streets both with landlords and tenants to prevent and resolve these issues and SLL will allow this take place.

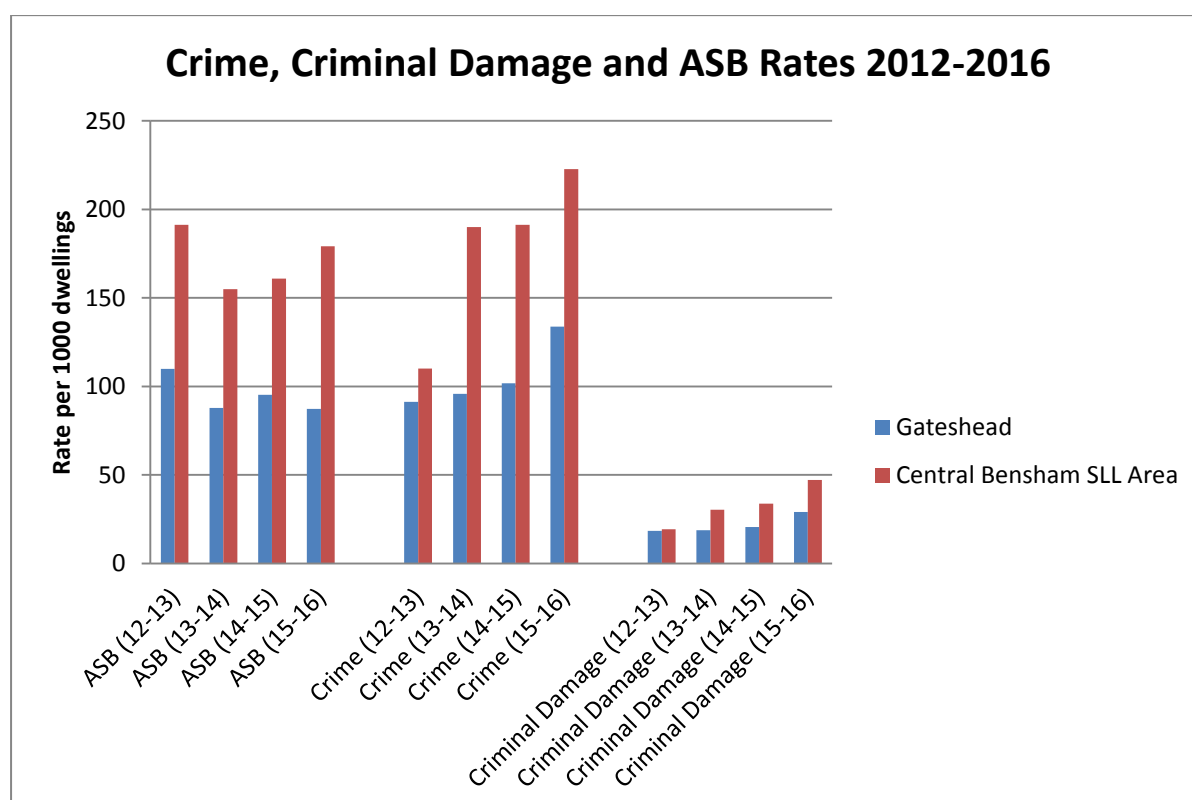
## **ADDITIONAL CONDITIONS**

### **High Levels of Crime**

#### **Crime and ASB reported to Northumbria Police**

Reported Crime and ASB to Northumbria Police within the SLL area remains higher than the borough average. This relates to criminal incidents outside the scope of private rented housing, but does include some neighbour dispute incidents.

**FIGURE 13 – Crime and ASB Rates 12-17 Central Phase 1 SLL (Source Northumbria Police)**



- The majority of incidents are linked to adults; only a small proportion (6%) are classed as youth-related disorder. Alcohol was deemed to be a factor in one in 10 incidents.
- In the last three years, more than eight in 10 incidents were classed as neighbour-related disputes or rowdy and inconsiderate behaviour.
- Recorded crime incidents have increased. Violence against the person accounts for the highest proportion of recorded crime in this locality; three in 10 offences are linked to violence against the person.
- Criminal damage also features highly, and accounts for 18% of all crimes reported in this locality in the last three years. More than half of the criminal damage offences reported are classed as damage to dwelling, with the other offences a mixture of threats to damage and damage to other property (e.g. vehicles).

Specifically in the redesignated area of the 279 incidents reported for crime and ASB in the redesignated area from May 2014 to May 2017, 240 – 85% of these were in relation to private rented homes

### **What does the data tell us?**

The number of complaints of ASB and crime to both the Council and the police indicate that the area is still experiencing ongoing issues. Further analysis of this data would suggest that a large majority of these incidents are reported in greater numbers from certain streets within the area and are linked to adults (a large proportion being tenants of private rented property) rather than youths. Ongoing intensive work with, landlords and tenants is required to prevent and manage this issue, including closer working with the police and other agencies such as immigration, and drug and alcohol support agencies.

### **High Levels of Deprivation**

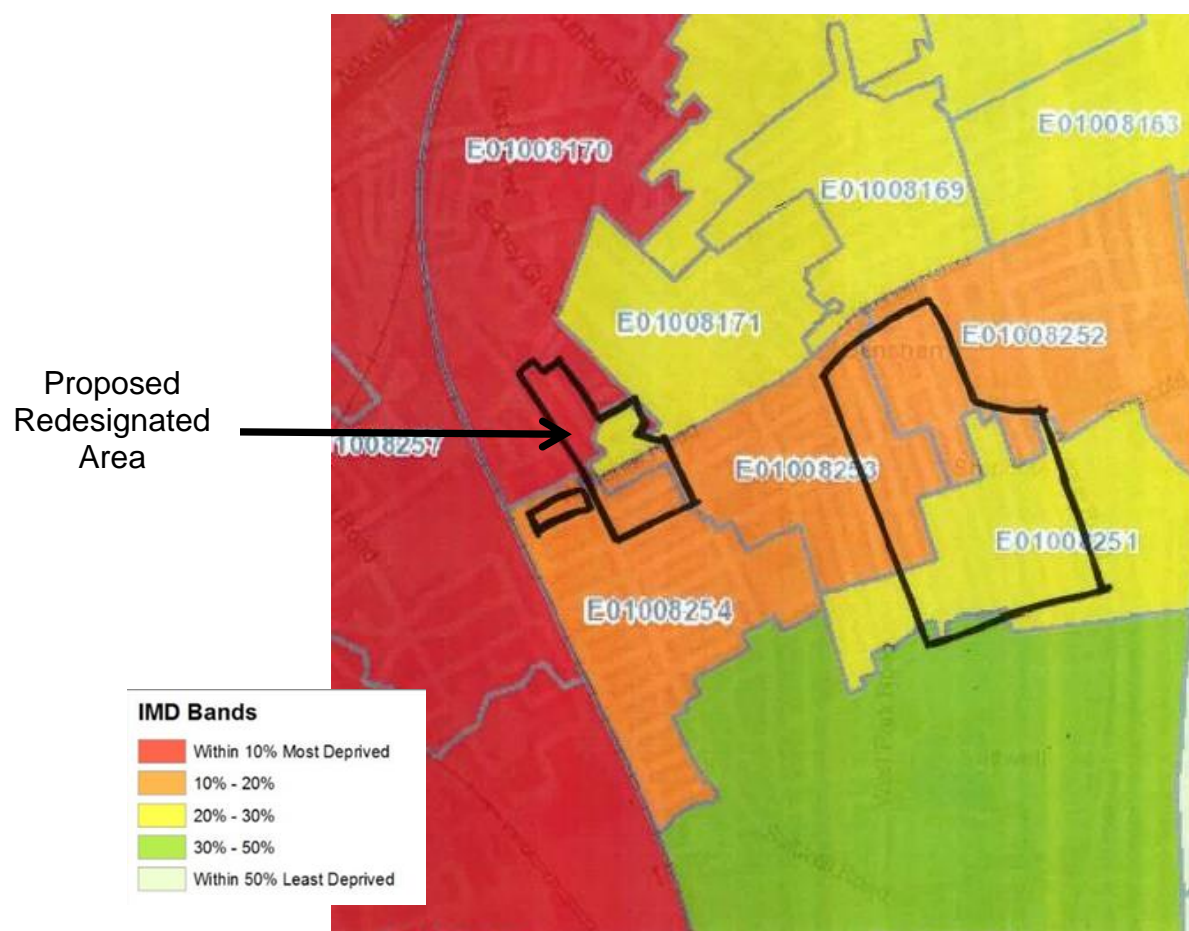
The data set for this condition is very similar to that used for the Avenues proposal due to the close proximity of both areas.

- In 2015 Gateshead was ranked 73<sup>rd</sup> most deprived out of 326 Local Authorities
- The highest levels of deprivation in Gateshead are concentrated within the Central Area where levels of private rented stock are high.
- There are 15 Lower Super Output areas (LSOA's) within Gateshead that fall within the 10% most deprived areas in England.
- The proposed licensing area falls within four LSOA's. 2015 data confirms that;
  - 
  - **One of the areas is in the top 10% of the most deprived in England,**
  - Two fall in the top 20% of the most deprived in England, and
  - One falls in the top 30% most deprived in England.
- Further analysis of this data would suggest that barriers to housing and services (the physical and financial accessibility of housing and local services e.g. affordability, overcrowding and homelessness), and housing quality rank highly.

In 2010 before the introduction of licensing three of the areas were in the top 10% and one in the top 20% most deprived in England. This positive change confirms that the areas have improved relative to others in the UK from 2010-2015, in relation to levels of deprivation.



**Figure 14 – Deprivation Banding 2015 – Redesignated Area**



The map on page 97 shows the overall spread of deprivation within Gateshead. The map confirms that the highest levels of deprivation are concentrated within central Gateshead, with a few other hotspots in Birtley and High Fell where the concentrations of private rented properties are not as high.

### **Socio Economic Status**

- 45% of households in the Lobley Hill and Bensham Ward are on a low income which is higher than the Gateshead average of 42% and considerably higher than the England average of 30%, indicating increased vulnerability of households.
- Specifically in the private rented sector, the number of households on a low income is 32% which is lower than the Gateshead average but higher than the national average.
- The average household income (not disposable income) in the proposed redesignated area is £21,610, whereas for Gateshead this is £30,781.
- The burden of ill health falls hardest and fastest on those from low income households.

In order to tackle problems associated with the private housing sector, the PSH Team and other partners actively engage with landlords, agents, tenants and other property owners to provide advice, support and guidance on any environmental health, safety and housing related matters. In addition formal action has been taken where necessary where both landlords and tenants have failed to improve conditions.

The section below outlines all of the interventions and actions previously and currently being undertaken by the Council to try and improve conditions and communities within the proposed areas.

### **Clearance and New Housing Development**

The wider area in which the proposed schemes are located have benefitted from Housing Market Renewal (HMR) Pathfinder funding in recent years to assist with problems of low demand, to bring about the sustainable renewal of areas with weak housing markets and to transform neighbourhoods into thriving, cohesive communities, where people will choose to live and stay.

Neighbouring streets and areas to both proposed SLL schemes have been subject to property acquisition, demolition and ongoing property redevelopment. Old and often poorly maintained terraced Tyneside flats, houses and commercial properties are and have been replaced by new, high quality family housing to provide the mix and balance of housing that is required.

Reduced concentrations of flatted accommodation and increased choice via the building of new homes of a different size and type, however estate agents report that areas of remaining housing continue to be most attractive to investors for the purpose of private renting.

### **Financial assistance for owners and landlords towards property improvements**

Using the HMR funding, properties in the proposed areas benefited from Area Renewal Assistance via The Block Improvement Scheme (BIS) Programme. The aim of the BIS programme was to improve housing market confidence through improvements to the visual appearance of terraces. In total £10.85 million of funding was used across thirteen phases and included;

- New boundary walls with railings
- Front step replacement to remedy cracking and unevenness
- New handrails to steps to match railings
- Garden treatments, introduction of increased greenery
- Neutral painting of front elevation stonework
- Renewal of front doors, replacement of windows and rainwater pipes.

435 properties within the wider former central licensing area participated in the programme, with 259 of these being privately rented. 313 properties within the proposed Avenues scheme were improved, 157 of which were private rented. Participants were required to make a 20% contribution to the works and costs and participating landlords were requested to ensure their properties reached and maintained the Gateshead Private Landlords Association Accreditation Standard.

Landlords were also provided with financial help towards the cost of meeting this Accreditation Standard; up to 50% of eligible works up to a maximum of £500 within the HMR area, in former licensing areas and the Central Phase 1 former area.

### **The Private Rented Property Accreditation Scheme**

The Accreditation Scheme encouraged private landlords who were GPLA members to improve properties up to the minimum legal housing standard and above. Available resources shaped the remit of accreditation to GPLA members where achievement of the scheme formed part of the Code of Conduct. The Council promoted a number of incentives to encourage landlords to accredit their property, these include;

- Approval for the funding for BIS as described above (up until 2010)
- A discount from the SLL fee in designated areas
- Financial assistance to bring the property up to the accreditation standard (up until December 2011)
- The provision of a detailed schedule of works to help landlords understand what works were required
- Accelerated advertising on the Gateshead Private Landlords Association weekly property list and GPLA website (up until June 2016).

The uptake of accreditation in the Avenues became significant at the time of the availability of funding to landlords via the BIS initiative. More than 250 properties were improved to the accredited standard which lasted for a maximum of five years. Unfortunately since this time, despite encouragement to private landlords to reaccredit their properties, the number of accredited properties in the Avenues proposed scheme has fallen to 20.

In the former Central Area Phase 1 licensing area the maintenance of accreditation has remained at a higher level as it remains a condition of a landlord's licence to do so for the duration of the five year licensing scheme. There are currently 326 properties accredited in the original larger Central Bensham SLL scheme, 146 of these are in the new smaller proposed area.

With the proposed discounts from the licensing fee of 18% for an accredited property it is envisaged, therefore, that the introduction and redesignation of selective licensing will greatly improve the uptake of accreditation and as such property standards. One of the conditions of licences granted under the proposed licensing scheme would require all licence holders to maintain the accredited standard once achieved for the duration of the licensing scheme to benefit from the discount.



## **Landlord Liaison and Support – Landlord Association Membership**

At every opportunity/interaction that the team have with landlords, landlords are encouraged to utilise the services of a local or nationally recognised landlords association to facilitate effective tenancy and property management.

The Gateshead Landlords Association (GPLA) was set up with the Council over fifteen years ago. Paying members signed up to a code of conduct and in return the Council provided a range of services from tenant vetting, production of tenancy agreements and property advertisements. Landlords were also provided with advice and support to improve management practices, and regular training courses were provided.

Experience has shown that this support is welcomed and well used by those seeking to manage their properties effectively, but has less impact on the most unscrupulous. Such schemes rely on the willingness of landlords to sign up to it, meaning that conscientious landlords will continue to participate, and 'rogue' landlords will remain difficult to identify, will avoid joining the scheme, preferring instead to operate with the minimum of regulation 'under the radar'.

Membership to the GPLA grew substantially, particularly since landlord licensing was first introduced in 2007, with there being more than 600 members at one stage. Membership levels peaked when two licensing areas were introduced. This was in part due to the discounts available from licence fees for being a member and the requirement to remain a member for the duration of the licensing scheme. Membership levels have reduced year on year since the requirement for licensing in former areas has expired and since many of the services available to landlords are no longer administered by the Council.

In June 2016 the administration of the GPLA from within the PSH Team ceased, with the Association now operating independently. Membership numbers recently provided were 326, representing approximately 5% of landlords borough wide. Details of GPLA representation of landlords within proposed areas are not available as the Association does not record this information.

## **Landlord Engagement**

Regular training for landlords to assist them in understanding their obligations and to aid compliance with the conditions of a licence would take place within the proposed areas, with support available from the PSH Team to assist landlords to deal with problem tenants and anti-social behaviour. The team provides practical support and information to both landlords and tenants. Experience has shown that this support is welcomed and well used by those seeking to manage their properties effectively, but has less impact on and less take up by the most unscrupulous.

## **Dedicated Empty Property Officer (EPO)**

An EPO continues to be employed by the Council in order for the objectives of the Housing Strategy/Urban Core Plan can be addressed. Both proactive and enforcement methods continue to be used to encourage owners to bring empty properties back into use.

Since 2012 the Private Sector Housing Team in partnership with the Gateshead Housing Company have also introduced the Empty Property Private Leasing Scheme (EPLS). For properties that have been empty for longer than six months, Gateshead Council would lease the property from the owner for five years and undertake any necessary works and improvements to bring it up to a decent rentable standard. The property would then be managed by the Council and let at an affordable rent (80% of Market rent) to people in housing need. Any costs to improve the property would be retrieved through the rental income over the five year period.

The uptake of the scheme has been low despite the scheme being extensively promoted. All owners of long term empty properties in proposed licensing area have been contacted on multiple occasions to encourage participation within the EPLS. In the proposed redesignated area three long term vacant properties have now been leased and improved and are subsequently managed by Gateshead Council. In relation to these properties £30,236.12 has been spent through the EPLS to improve the properties to a lettable standard. There has been no uptake of the EPLS in the proposed Avenues area.

Council interventions such as that described above however will only tackle empty homes and not the wider issues of the private rented sector.

## **Community Safety Partnership**

The Community Safety Board is the local multi-agency partnership that has been established to tackle community safety issues within Gateshead. Along with other supporting partner agencies, some of the key organisations that make up the Community Safety Board include:

- Gateshead Council
- Representatives from the Voluntary and Community Sector
- Northumbria Police
- Tyne and Wear Fire and Rescue Service
- NHS Newcastle Gateshead Clinical Commissioning Group
- Northumbria Community Rehabilitation Company
- National Probation Service
- The Gateshead Housing Company

Additional members of the wider Safer Gateshead partnership include a range of public, private, voluntary and community sector organisations. By working together, the partners in Safer Gateshead can have a greater impact on

reducing crime, disorder, drug abuse, alcohol-related problems and anti-social behaviour across the borough.

Safer Gateshead has a statutory duty to address:

- crime and disorder
- anti-social behaviour
- behaviour adversely affecting the environment
- substance misuse in their local area
- reducing re-offending

A range of powers and tools are available to Councils to deal with ASB or nuisance caused by private tenants or their visitors. There are specific powers contained within the ASB Crime and Policing Act 2014, which are used in conjunction with partners to resolve nuisance behaviour from residents of private homes or those responsible for management of such premises. These powers include but are not limited to:

- Community Protection Notices
- Closure Notices/Orders
- Civil Injunctions
- Criminal Behaviour Orders
- Public Spaces Protection Orders

The Council also manages the monthly MARAC (Multi-Agency Risk Assessment Conference) and ASB Panels, both of which can address issues concerning the occupants of privately rented homes as well as other accommodation. The panels allow for a multi-agency, problem-solving approach to the cases reviewed.

Effective though these powers and the multi-agency approach is, their use is often reactive rather than pro-active, compounded in areas where expectations are low and residents may be unwilling to complain. They are not generally used to identify widespread or chronic neighbourhood problems associated with high density private rented homes, but are used by Gateshead Council to tackle the anti-social behaviour of individuals when problems arise.

### **Action under Part 1 of Housing Act 2004 (the Act)**

The Council's PSH Team are able to take formal action under Part 1 of the Act when serious disrepair or Category 1 hazards assessed under the Housing Health and Safety Rating System (HHSRS) are identified. The type of action that can be taken includes serving Improvement Notices, Hazard Awareness Notices, Prohibition Orders or taking emergency remedial action. These powers are an effective tool to tackle hazards and improve standards in individual privately rented property, but do not operate in a strategic way over a distinct area. The Council only become aware of such problems when the tenants make a complaint. It is widely acknowledged that the majority of

vulnerable tenants living in the worst housing simply do not complain due to a lack of awareness of the standard they should expect and for fear of retaliatory eviction by their landlord.

It is likely that the requests for help received from tenants by Gateshead Council under represent the scale of disrepair problems in rented homes in the proposed areas. The introduction of selective licensing will enable the Council to carry out routine inspections of all properties within the proposed areas, ensuring that poor or unsafe housing conditions are identified and remedied, thereby raising the standard of accommodation.

Licensing will also ensure that the Council is made aware of the person responsible for managing the property, thereby reducing the time taken to track down the liable party. Presently, this can be problematic and costly in terms of both time and resources, especially in the case of absent landlords. It is anticipated that the introduction of licensing will result in an increase in enforcement activity within the proposed areas, and the number of Enforcement Officers available to deal with these matters will be increased.

Use of Part 1 powers will continue in designated areas in line with the Council's overall Enforcement Policy and the proposed Licensing Enforcement Policy which will outline timescales and actions for severe deficiencies in licensed properties.

### **Dealing with Statutory Nuisance and Noise**

The PSH Team currently investigates complaints of statutory nuisance under the Environmental Protection Act 1990 and allegation of anti-social behaviour as discussed above.

Nuisance complaints often relate to noisy or anti-social neighbours. Whilst the Council has powers under the 1990 Act to prosecute offenders or, in some cases, to encourage parties to participate in mediation to resolve ongoing issues, the resolution of noise and anti-social behaviour problems are most effective when the Council and landlords work together.

Selective licensing will, by making licences subject to conditions, compel landlords to take greater responsibility for the management of their properties and the behaviour of their tenants. This can encourage landlords to work with the PSH Team to help to resolve problems in a timely manner and be more proactive in preventing ASB before it occurs.

### **Tenant vetting service for GPLA members.**

Up until 2016 the team were undertaking an average of 580 individual vetting's per year, with one third of these being unsatisfactory (due to rent arrears, affordability or poor housing history/ASB problems).

From July 2016-May 2017 72 tenant references had been undertaken by GPLA members which is a substantial reduction from previous years. This may represent a genuine decrease in the number of landlords offering

accommodation within Gateshead undertaking checks now that the service is no longer undertaken by the Council. Landlords may also be using other providers for tenant referencing or doing their own. It is planned to resurrect and trial the tenants vetting's service for licence holders within proposed areas should licensing be introduced.

### **Why consider landlord licensing?**

There are landlords who have not responded to the support previously provided or who have chosen not to participate the afore mentioned voluntary interventions that would have helped them to improve their property standards and tenancy management arrangements.

The importance of effective property management has always been a key part of tackling the full range of issues in the area, recognised by the original Neighbourhood Plan for Bensham and Saltwell in 2006, created in conjunction with landlords and residents at that time. Previous remedies and interventions have led to improvements in the appearance of the area but have not been sufficient to tackle the full range of issues. Licensing allows the Council to target support and action to tackle poor property management and the anti-social behaviour (ASB) that is affecting the area.

The outcomes from previous licensing schemes confirm that licensing can be an effective tool to improving neighbourhoods and reduce decline. Whilst much has already been done and continues to be done to improve housing market sustainability of the proposed SLL area and the surrounding neighbourhoods, it is considered that licensing is still an additional and necessary intervention to complement the above interventions and ensure sustained and long term improvement is achieved. The actions and interventions undertaken to date have not individually or collectively provided a solution to stem complaints in relation to private sector homes.

Without the specific type of intervention that can be delivered through landlord licensing, the areas could be at risk of remaining one of low housing demand and undermining the long term suitability of the wider Neighbourhood.

### Impact of Licensing since 2007

Gateshead have implemented landlord licensing as a tool to improve communities since 2007. There have been four schemes introduced to date, with three having now expired and one running in parts of Swalwell until April 2018. The table below provides a summary of key outcomes and activity to date.

- 1498 licenses issued to date
- 88 licenses varied
- 850 properties inspected/improved to minimum legal standard
- 792 properties improved beyond the legal minimum, standard to become accredited
- 14 landlords prosecuted/9 rent repayment orders

### Support and Work in Former/Existing Licensing Areas

Areas that have been subject to SLL have benefited from intensive and concentrated support from Council Officers as follows;

- Inspections of all rented properties to ensure good standards – safety certificates in relation to gas and electric are checked
- Training in fair and good management practices of licence holders to ensure they fulfil their responsibilities
- Advice to tenants to ensure tenants understand their rights and responsibilities
- Demonstration by licence holders that adequate management practices are in place for dealing with anti-social behaviour (ASB) by their tenants
- Mediation between neighbours to prevent the escalation of ASB problems
- Close partnership working with Northumbria Police and other agencies to ensure that ASB concerns are addressed as quickly and effectively as possible
- Vetting checks on prospective tenants to ensure that landlords can make an informed choice as to who they offer a tenancy to
- Campaigns to tackle what matters to local people e.g. refuse, fly tipping and overgrown gardens
- Enforcement action to tackle landlords failing in their duties to manage their property effectively
- Intensive communications with landlords and residents with signposting to other services if required.
- Support to bring empty properties back into use
- Reduction in demand for other services such as noise and ASB complaints and housing disrepair complaints from tenants

This intensive support to landlords, tenants and residents has resulted in improvement to property standards, management practices and reductions in ASB. The evaluation of licensing schemes that have come to an end demonstrates that SLL can be an effective approach to providing support to areas suffering from low demand.

### **Evidence of Success in Expired Schemes**

All expired schemes have ran for the full five year period. A full evaluation of all schemes has been undertaken before expiry to examine the impact of licensing by comparing the low demand and ASB indicators from before and after the scheme was introduced. Evaluation also allowed for performance against intended outcomes to be assessed. The following outcomes have applied to each area where licensing has been in place:

- A reduction in resident turnover (residents are moving from property to property or in and out of the area less and are staying for longer periods of time)
- A reduction in the number of long term empty properties
- Less complaints being received in relation to empty properties
- Large reductions in the number of complaints made to the PSHT in relation to property conditions from tenants, noise and ASB (resulting in less demand on council services)
- Reduction in ASB rates to Northumbria Police
- A substantial improvement in the condition of private rented homes via property accreditation and programmed inspections
- Improved management practices of landlords via licensing conditions, education, support and advice

Full evaluation documents for each scheme can be found at [www.gateshead.gov.uk/landlordlicensing](http://www.gateshead.gov.uk/landlordlicensing)

### **Scheme Improvement and Developments**

Since the initial designations the PSHT has continued to manage and develop the schemes, to ensure their success within existing resources. Schemes and their implementation, including procedures have regularly been reviewed. Stakeholders have also been consulted at regular intervals to ensure that the implementation of the schemes aims to tackle problems affecting the community, in addition to trying to understand the impact that licensing has within an area.

Changes made to the administration of schemes over the last ten years have included:

- An administration fee to cover the cost of incomplete applications submitted
- Drop in sessions to assist landlords in the completion of their applications
- Development and provision of free licence holder training ran by PSH Officers to assist with compliance of licence conditions

- The introduction of a payment plan for licence holders to spread the cost of a licence
- Lean review of internal application procedures to make them more streamlined
- Increased proactive community campaigns to respond to common neighbourhood issues and concerns



### Implementation & Scheme Requirements

What will a landlord need to do?

A Landlord Licensing Service Standard and Enforcement Policy have been created, and are included at Appendix J which outline the provisions of the scheme, what a landlord needs to do and the service they will receive. The Enforcement Policy outlines the approach to be adopted by Officers under differing circumstances e.g. failure to apply and breach of licence conditions.

It is proposed that the schemes will run for the maximum five year period. The schemes will be reviewed on a regular basis and if it is deemed that the designation is successful and the problems associated with low demand have been resolved, the designation may be revised or revoked.

The schemes are expected to run in line with the following summary of provisions:

- A landlord will need to apply for a licence for every flat/house they own in the designated area (unless certain exemption criteria apply).
- Applications and payments will be administered by Senior Support Assistants, freeing up time for other Officers to be on the ground in the neighbourhoods. Late or absent applications, or breaches of licence mid scheme will be escalated to a licensing Officer who would consider appropriate formal action if required,
- The applicant will be required to demonstrate they are 'fit and proper' to hold a licence which means that any previous history such as criminal convictions or failure to comply with landlord and tenant duties will be considered. A full explanation of the fit and proper person criteria can be found in **Appendix K**.
- There will be conditions attached to each licence (See Appendix I) for proposed conditions). Some conditions are mandatory and required within legislation, others can be set by the Council. The conditions proposed are mandatory, or have been used effectively in previous schemes. There are also new conditions proposed that respond to neighbourhood issues such as refuse problems. The majority of conditions relate to the management, use and occupation of the property. The conditions provide a framework to a licence holder for the effective management of the property and the tenancy.
- Letting a property without a licence in a designated area is a criminal offence, liable to an unlimited fine. Failure to comply with the conditions of a licence is also an offence liable to a fine of up to £5000 per condition breach. Officers will endeavour to encourage applications are made in a timely manner. Legal action has had to be undertaken in previous schemes against a handful of landlords to secure compliance.
- Each property will be the subject of a thorough inspection to ensure compliance with the scheme standards (with the Police and

Immigration if required). The new methods of working to be adopted in future schemes can be found in Alternative Ways of Working for Future Schemes pages 47.

- Landlords will be provided with advice and guidance on how to rectify hazards in the quickest and most cost effective way. Those properties reaching the accreditation standard/already accredited will benefit from a fee discount. Further inspections will be undertaken to ensure standards are achieved and also maintained during the licensing period.
- At the time of the property inspection an in-depth tenant meeting will also be undertaken. Time will be spent by Officers getting to know the Community and its residents so that all are aware of their responsibilities as a tenant and also as a local resident.
- Before a licence is issued, applicants will be invited to meet with Officers to outline the expectations and responsibilities of them as a licence holder. The licence conditions will be explained in detail and the applicant will be required to demonstrate an understanding of this before a licence will be issued.
- Licence holders will be provided with online support and information to assist compliance with licence conditions, offered free training, and will be contacted on a regular basis to request evidence that demonstrates compliance with the conditions of their licence,
- Officers will work very closely with other partners and agencies such as Northumbria Police, Housing Options, Immigration, as well as the voluntary sector to provide package of support for tenants in the area.
- The scheme will operate with a 'lighter touch' approach for compliant landlords, with targeted work and enforcement action taken earlier for those landlords who are evasive and non-compliant with the requirements of the scheme.

## **LICENCE FEES**

S63(3) of The Housing Act 2004 permits a Local Authority to require that any application for a licence, be accompanied by a fee. There is no cap provided by Central Government on the fee, however the calculated fee is required to take into account the cost of running the scheme over its lifetime. Local Authorities are not permitted to seek a financial profit from licensing fees.

A fee structure is required to be fair and transparent, reflecting the actual costs of licensing and Local Authorities have the discretion to decide if fee discounts will be applied e.g. for accredited landlords with a recognised scheme.

### **Calculation of Licence Fee**

The proposed fee structure has been benchmarked against other Authorities. The costs of landlord licensing in other Authorities range considerably from £450-£1500.

Fees have been calculated in line with the costs the Authority is likely to incur in relation to the development, implementation and delivery of the scheme. A Local Government Cost calculator and guidance assists Authorities in determining fees and charges.

The Council has made a commitment to licensing and recognises that it would be inappropriate to set fees that are disproportionate or prohibitive. Consideration has also been given to the existing fee structure for the remaining schemes within the Borough.

Licensing is property specific. The fees have been calculated based on the amount of time/Officer grade at each stage of application, administration and implementation of the scheme per property, for the full five year period. A cost breakdown of the fee can be found in Appendix L.

Based on experience from the four previous schemes delivered, it is possible to anticipate the likely rate of applications. It has been projected that there will be 90% of applications received, with the potential for this to change due to fluctuations in the housing market and legislative changes. It is projected that 50% of applications will benefit from the early discount and the range of other discounts available. The remainder will fall into the higher fee structure. It is believed that landlords are also able to offset the licence fee against tax.

To date a charge for applicants to undertake a DBS (Disclosure and Barring Service) to check to establish if they are fit and proper has not been applied to keep costs to a minimum. Landlords will be asked to sign a declaration to confirm this status. This cost may need to be added into the provision of the scheme at a later date if a DBS becomes a legal requirement to confirm fit and proper status.

### **Fee Discounts**

Due to the success of the inclusion of fee discounts and following on from consultation feedback, these have again been included within the proposed schemes. These will be offered to landlords who

- have or who are prepared to bring their properties up to the Accreditation Standard, and
- for landlords whose competency and knowledge is verified via attending a Landlord foundation/accreditation course (to be provided by PSH Team members) and then becoming members of a nationally recognised landlords association for the duration of the scheme.

Where discounts are applicable they will be applied both at the point of application and also at the expiry of the scheme.

### **Fees & Charges**

A full list of the proposed fees and charges can be found in Appendix F, the table below provides a summary of these.

Specific charges have also been applied to reflect the extra administration involved in processing paper applications, incorrect/incomplete applications and providing a copy of the public register.

**Table 8 – Summary of Proposed Fees and Charges**

Early Application Fee	£550
Standard Fee	£750
Standard Fee Plus	£850
Late Application Fee	£1000
<b>Discounts</b>	
Accredited property	£100 (£50 at scheme commencement/£50 scheme expiry)
Accredited member of National Landlords Association (or equivalent)	£165 (£100 at scheme commencement/£65 at scheme expiry)
Multiple Properties	£10 per property
<b>Charges</b>	
Incomplete/deficient application submitted	£25
Charge for provision of and receipt of a paper application (for applications received after online system becomes available)	£50
Provision of a paper copy of the Public Register	£50
Charge per property to phase/spread licence payments	£25

### **Graded Fee Structure**

It is proposed that responsible landlords who are diligent and prompt in seeking to licence their properties will pay a lower fee than those who aren't. The proposed fee for those landlords will be the same as it has for the previous five years (before discounts). A standard fee will then be charged to those seeking to licence their properties after the scheme commences. This approach was supported during the consultation process.

Experience from former schemes shows that an unprecedented amount of time is spent chasing landlords that may disagree with the scheme or who may be reluctant to share their information. The costs of any extra chasing, the sending of warning communications and unannounced property inspections etc. have been incorporated into the setting of fees. In effect, the longer a landlord waits or if reminders or pursue is required, the licence fee will increase.

### **Phased Payments**

Landlords will not be required to pay their fee on an annual basis. Fees will be required at the point of application with the option to spread payments over an agreed timescale (which is a maximum of six months). The ability to spread

payments was a common request received from landlords during the consultation process. Recent case law also has determined that the cost of a licence must also be staged. Six months will be the maximum period to pay for a licence. This approach ensures that the fee income is received per licence is received within its first year. If landlords wish, they can chose to pay their fee in full.

The schemes will generate income from fees which will be received mainly in the first year of each scheme/phase. This income will be used to fund the delivery of the scheme over the full five year period. This requires cost accounting procedures to be set up for the schemes, including the setting up of separate budget codes to ensure that income and expenditure is transparent and accountable and can be rolled over into future years.

Officers have been working closely with colleagues in Finance when setting fees and developing the above approach.

### **Staffing/Required Resources.**

On approval, licenses will be issued and managed in accordance with the above criteria and following the requirements of The Housing Act 2004.

The Schemes will be managed and delivered by the Councils Private Sector Housing Team. The Team is responsible for ensuring improvements to the private rented sector across the Borough and has managed and delivered all landlord licensing schemes approved in Gateshead to date. The Team will continue to work with partners with whom well defined links have been established.

Fees have been set to ensure that the costs of delivering the scheme are partly recovered and without placing an excessive financial burden on landlords.

The costs of implementing and delivering the scheme(s) are predominately associated with providing staff. These costs will be met via a combination of income from the licensing fees and existing staff budgets. The Selective Landlord Licensing Team currently consists of 8 staff (7.3 Full time equivalents)

- One Senior Environmental Health Officer who manages and coordinates the delivery of the scheme.
- Two Environmental Health Officers and three Technical Officers who have been actively involved in the delivery of former and existing schemes alongside existing/former initiatives e.g. Accreditation
- Two Senior Support Assistants to provide administrative support in landlord licensing.

**Table 9 – Required Staffing Requirements**

<b>Staffing Levels (FTE)</b>	<b>Existing</b>	<b>Additional Staff</b>
1.0 Senior Env Health Officer	1.0	
1.8 Env Health Officer	0.8	1.0
1.75 Senior Support Assistant	0.75	1.0
2.75 Technical Officer	0.75	2.00
	3.3 FTE	4 FTE

The Team will be funded from existing mainstream budget (existing –see above) and the income generated from fees will allow additional staffing to be dedicated to the schemes to deliver improvements on the ground and improving landlord management practice.

The financial cost of implementing the licensing schemes is borne both by Gateshead Council and licence holders, making a direct and intensive investment in the proposed areas. Annual reviews of income and expenditure will be undertaken.

Further consideration has been given to ongoing scheme development and improvement whilst undertaking this proposal and also following the suggestions provided during the consultation period. Further details of suggestions raised during the consultation and how they have been considered can be found in Appendix E.

The following work areas and approaches are to be incorporated into the delivery of future schemes,

### **Landlord Licensing Enforcement Policy**

A comprehensive policy to make it clear to licence holders from the onset of application what their responsibilities are in relation to being a licence holder and the enforcement procedure and timescales for any deviations from fulfilment of licence conditions and the requirements of the licensing scheme. The policy will make it clear what action will be taken and when a licence holder fails to engage with the Council or demonstrate compliance with licence conditions. The policy will allow implementation of a lighter touch for compliant licence holders, and a pre agreed enforcement approach for those evading their responsibilities. The policy will be discussed at length with a licence holder to ensure understanding before a licence is issued.

The policy will be aimed at increasing enforcement activity at the beginning of a scheme with a focus on unlicensed houses, followed by a programme of both random and intelligence led inspections of licensed premises thereafter.

### **Graded fee structure**

It is proposed that responsible landlords who are prompt and diligent in seeking to licence properties will pay a lower fee than those who don't. Experience from former schemes shows that a lot of time is spent chasing landlords that may disagree with the scheme or may be reluctant to share their information. This occurs in the early stages of a scheme and also midterm. This will be incorporated into the setting of fees. The longer a landlord waits the more expensive it becomes, and if the Council are required to pursue an application, then a higher fee will be paid to reflect the additional time that is taken to chase and encourage an application. Proposed Fees and Charges can be viewed in Appendix F. .

### **Licence Holder application meeting**

An increased amount of time will be spent with applicants at the application stage to go through the licence conditions, meet the applicant in person and to discuss and outline expectations and responsibilities as a licence holder. The proposed 'Enforcement Policy' can also be discussed at this stage. There have been an unprecedented number of cases where a licence holder has forgotten or chosen to ignore the responsibilities contained within their licence conditions when asked to demonstrate compliance.

A 'licence holder application meeting' will now be factored into the application process and the applicant will be required to demonstrate understanding of their responsibilities before a licence is granted.

### **Model standards**

The legislation requires that a landlord must demonstrate satisfactory management procedures to hold a licence, including those that deal with anti-social behaviour issues and property complaints. Experience from existing and former schemes has demonstrated that many landlords have effective procedures in place for responding reasonably and proportionately to issues relating to poor property conditions and complaints concerning their tenants. However this is not the case for all. Landlords who are unable to demonstrate effective procedures and use of them will be asked to sign up to model standards set by the Council to ensure such issues such as ASB are dealt with effectively. The standards will be discussed in depth and agreed at the 'licence application meeting' as well as in licence holder training sessions. Proposed model standards can be found in Appendix G.

### **Property inspection at start of scheme**

Licensing has been used to substantially improve housing standards in designated areas. In Gateshead this has been achieved via landlords choosing to improve properties to the accredited standard and in turn receiving a discount from the licence fee, or via inspections of the remaining properties to ensure standards meet the basic legal minimum. In previous schemes landlords wishing to accredit properties have been given priority in terms of inspection so that the necessary works required to meet the standard were known before making a decision to undertake them and benefit from the fee discount. This meant that those properties where landlords choose not to accredit them were not inspected until a later point in time throughout the scheme and after a licence had been issued.

The legislation does not require that a property is inspected prior to a licence being issued, although the requirements of a designation in relation to housing conditions require that having carried out a review of housing conditions, the Council feel it appropriate for a significant number of properties to be inspected to determine if Category 1 and 2 hazards exist, that the LA intends to carry out such inspections with a view to carrying out enforcement action, and that the designation including any conditions imposed will contribute towards an improvement in the general housing conditions in the area. The outcome of the most recent housing condition survey from 2013 and the reduction of accredited properties in the proposed Avenues area would support justification for inspection.

Learning from previous application of property inspection it is clear that the properties most likely to be in the poorest condition are those where the landlord chooses not to apply for a licence or does not agree to accredit. Priority will therefore be given to inspect these properties first, and an overall aim to inspect all properties prior to issuing a licence.



### **Unannounced Property Inspections**

Where a property is found to be unlicensed, unannounced property visits with both the Police and Immigration to establish if the property is being occupied legally, is overcrowded and is to an acceptable standard will be carried out. If a breach of licensing conditions is suspected, unannounced property visits will also be undertaken. Such action will be incorporated into the Enforcement Policy – Appendix H. .

### **Penalty charges for unlicensed properties**

The Housing and Planning Act 2016 has introduced the provision for the issuing of a civil financial penalty charge as an alternative to prosecution. This approach will be dependent upon the circumstances of each individual case but the use of these powers is welcomed and will be incorporated into the Enforcement Policy.

### **Revised licence conditions**

In addition to the mandatory conditions set by The Housing Act 2004, the Council has the power to include other discretionary conditions within a licence which are considered appropriate for tackling issues that negatively affect the private rented sector in the borough. In addition to the model standards described above, further discretionary conditions have been included to help manage and improve the following;

- Refuse management, storage and disposal
- Management of empty properties and reducing periods of vacancy
- Regular property inspections by the licence holder
- The keeping of records and provision of information in relation to the property/licence
- Visibility and contact of the licence holder with tenants and neighbours.
- Upkeep of external property condition (overgrown gardens, graffiti and vandalism etc.)

A list of the proposed conditions of a licence can be found in Appendix I.

### **Development of an online application platform**

The licence application process involves submitting a large amount of supporting documentation as well as the completion of a lengthy application form.

For existing licence holders in the area proposed to be redesignated this process will be simplified using the information already on record (as long as there have been no relevant changes). Many of the safety certificates in relation to gas and electric may still be valid and so duplication of such documents will not be requested.

Work has commenced on the development of an online application form, with a downloading mechanism for supporting documentation, including the ability to pay for a licence online. The online application portal will be available in April 2018. For those landlords wishing to apply for a licence early, paper application forms will be available.

### **Closer working with tenants**

The Council recognise that a tenant's behaviour and conduct is as equally as important as a landlords in securing neighbourhood improvements. The Council intend to work with tenants much more closely in future licensing schemes to ensure that tenants understand their responsibilities as a tenant and as a local resident.

Licensing Officers will have an increased physical presence within the designated areas to get to know residents and build up relationships to allow for increased sharing of information and identification of issues and concerns. At the time of the property inspection, a 'tenants meeting' will also be undertaken (with the landlord present if required) with the occupants of a property to discuss licensing and landlord responsibilities, but with a strong emphasis on outlining expected behaviour as a tenant in terms of their responsibilities within the tenancy agreement, reporting repairs, property maintenance, expected behaviours, how to be a considerate neighbour, acceptable refuse storage and disposal, and to draw in support from any known agencies which may help the tenant to maintain their tenancy,

Tenants will be advised of the potential enforcement action that may be undertaken both from their landlord and the Council should there be any breach of tenancy or behaviour that negatively affects the local community.

### **Closer agency working**

Closer working relationships will be created between the Council, Immigration and the Police for the purposes of intelligence sharing and joint property visits. The creation of such relationships and agreed ways of joint working incur an extensive amount of work.

We have been able to secure increased police activity in the proposed areas to help to identify potential problems and those who are likely to commit ASB and undertake criminal activity, working alongside Council officers. The Police have confirmed that a high percentage of their known offenders are currently located within the proposed licensing areas. Further information on how licensing will form part of a wider strategy to address crime in the proposed areas is discussed in the Partnership Working chapter.

### **Increased presence on the ground**

To be able to fulfil the above we will be restructuring responsibilities within the licensing team and increasing resources proportionally to be able to deliver an effective licensing scheme. This will allow an increased presence of Officers on the ground in the areas, inspecting properties, identifying problems, their causes and reacting accordingly. This will allow us to take relevant enforcement action sooner rather than later and increase the support to landlords to help them deal with problem tenants.

### **Provision of a tenant vetting/reference service**

Troublesome tenants are a problem for both landlords and residents. The problems of ASB and crime affecting both proposed areas indicates that more needs to be done in the prevention of problems in the area as well as dealing with issues effectively when they do arise. For landlords tenant checks can

reduce the risks of missed rental payments and other problems during the tenancy such as complaints of ASB and nuisance. Robust tenant referencing is a crucial step to contributing towards the improvements within licensing areas.

To be able to support landlords comply with licensing conditions and to contribute towards area improvements the PSH Team will be re-establishing the former vetting's service to licence holders for potential tenancies that they are considering granting within the licensing area. This will follow a similar format to the former vetting's service and is not included within the licence fee. Restructure of responsibilities within the team will allow the necessary resource for this to be undertaken. Communications are in place with Northumbria Police to ensure that a 'police check' forms part of this service.

### **Continuation of the Phased Payment Plan for Licence Fees.**

The ability to spread the cost of a licence was introduced for the Chopwell, Central Bensham and Swalwell schemes. This was aimed at landlords with more than one application to submit and with larger portfolios. Agreements were made with licence holders at the time of application that fees would be made over a six month period. In the main this worked well, however was abused by a number of landlords, resulting in a large amount of chasing by Officers and the threat of enforcement action in some cases. As such the service was not made available as part of the initial proposal.

During the consultation several potential licence holders advised they would like to see this service continue. Feedback also suggested that the service would be of equal benefit to landlords with one property as well as those with larger portfolios. Having considered the feedback received and developed methods to reduce the likelihood of later/missing payments, this service will form part of the final proposal. This approach also ensures that the Council are in compliance with the payment of licence fees as per the Hemmings versus Westminster Council case law ruling. Licence holders will still be given the option to pay their fees up front if they wish to do so however the Council will not insist on this.

### **Licence Holder Steering Group**

Consideration is being given to the establishment of a steering group of key representatives involved in landlord licensing if the schemes are permitted and at a time when the majority of licenses have been issued. The purpose of the meetings will be to discuss scheme implementation, obtain feedback, and share information on scheme delivery and development.

### **Ongoing Development and Promotion of the Schemes**

The scheme has been promoted to residents and stakeholders (including landlords and agents) as an investment by the Local Authority in partnership with landlords, with the long term view of creating a more sustainable neighbourhood for people to live in.

The outcomes to be delivered through the making of a scheme and the taking of other measures are required to be assessed.

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

The main aims for both proposed schemes is to reduce low housing demand by raising standards within the private rented sector leading to improvements in the overall social and economic conditions in the area to create a strong, healthy and vibrant neighbourhood. It is also considered that the designation will assist in the reduction of anti-social behaviour in the area.

In order to achieve these aims, a number of key outcomes over the period of designation have been identified:

- To reduce the turnover of occupants to create stable communities
- To reduce the number of empty properties and the length of time they remain unoccupied
- To reduce levels of anti-social behaviour linked to tenants in the private rented sector.
- To improve private rented property conditions and increase the number of accredited homes
- To reduce problems with private rented housing that contribute to high levels of deprivation via improving housing conditions
- To improve the management of properties in the area
- To increase the number of tenants who manage their tenancy well
- To stabilise/increase rental values of private rented properties
- To stabilise/increase the value of residential premises
- To support the private rented sector in its provision of well managed properties and tenancies and assist those seeking to live and currently living in private rented accommodation.

### **How will a licensing scheme assist in meeting these objectives?**

These objectives respond to the issues faced within the proposed Areas, as set out previously including low demand, anti-social behaviour, property values and poor property conditions/deprivation. It is considered that the implementation will assist in delivering these outcomes and stabilise the residential market in the area by ensuring:

- Landlords and agents will be more accountable for property management.

- Clear explicit standards for landlords, agents and tenants in a properly regulated sector.
- Landlords and agents operating in the area are fit and proper and have the ability to manage property.
- More effective control of monitoring properties
- The provision of a framework for support, education and guidance services for landlords and tenants.
- Landlords and agents will be more accountable for the tenants who reside in their property.
- Landlords and agents will become more visible.
- Tenants will become more aware of their responsibilities for maintaining their tenancy
- Tenants will become more aware that they must act in a responsible manner and not be associated with anti-social behaviour.
- Tenants will be made aware that failure to conform to standards will lead to eviction.
- Tenants are reference checked prior to occupation of property in the area.
- A positive impact on tenants' behaviour, following an awareness of the difficulty in acquiring further accommodation coupled with improved standards of accommodation.
- Tenants will benefit from a guarantee of safe, healthy and well managed housing.
- Landlords and agents will benefit from a properly regulated sector, good public image and confidence in housing management.
- Bad landlords and agents will be forced to improve or will be forced out of the area.
- Exclusion of a licensee where there is evidence of harassment and illegal eviction.
- The profile and public image of the area and the sector is raised encouraging tenants into the market and reputable investment.
- The Authority will have more options to tackle problems within the area.
- Residents will have an additional means of reporting a problem or issues associated with a private rented property.
- The interests of owners who live in the same area are protected.

### **How will landlord licensing help with Deprivation?**

High levels of deprivation in the proposed area are driven to a large extent by crime and housing. Licensing can make a direct and tangible difference to both of these factors. Enforcement action against landlords who illegally overcrowd or rent out homes in a poor condition are key aims of the licensing scheme and will help to alleviate housing deprivation in the licensing areas. Conditions of a licence will also ensure properties are managed properly and can contribute to an improvement in the well-being of occupants and the wider community, including improving the health of households. The information gathered through licensing will also help to inform future joint operations with

the police and other agencies to crack down on crime, again helping to mitigate deprivation.

**How will landlord licensing help with property conditions?**

Licensing has been proven to improve housing standards in the growing private rented sector and helps both landlords and tenants manage rented properties to a higher standard. Standards will be improved via accreditation inspections and also the programmed property inspection regime undertaken in every licensing area to ensure that every property meets the minimum legal housing standard. Holding information of the licence holder, owner and agent also allows the Council to bring issues to the attention of those controlling the property at the earliest opportunity.

Licensing will also help to tackle certain environmental issues associated with rented homes. Waste accumulations in yards and incidents of fly-tipping in the lanes that surround homes in the proposed areas cause problems for local residents and have a negative impact on the attractiveness and desirability of the area. The property inspection and contact with tenants that occurs within the licensing area will help to identify the source of problems, to provide tenants with advice about their responsibilities, waste disposal services available and to ensure that action is taken where needed. Schemes will also provide an opportunity for the PSH Team to influence Council policy and procedures in relation to waste collection and street cleansing.

**What are the proposed risks and how have these been considered, prevented or managed?**

Consideration must be given to any potential negative economic impacts that licensing may have on an area, particularly the risk of increased costs to responsible landlords. The Council has given consideration to the potential impact that the introduction of licensing may have within a designated area,. The following table details a number of risks that have been identified, the residual likelihood of the risks occurring, the residual impact and the likely remedial action that could be taken to minimise the risk.

**Table 10 – Risk Management Analysis**

<b>RISK MANAGEMENT</b>			
<b>Risk</b>	<b>Residual Likelihood</b>	<b>Residual Impact</b>	<b>Remedial Action</b>
Lack of financial resources to implement scheme	Low	High	Regular monitoring of project. Efficient fee collection process..
Lack of staff resources	Medium	High	Ensure staffing allocation is commensurate with Scheme priority. Regular staff achievement and development appraisals carried out to maximise retention
Negative impact/reputation of designated area	Medium	High	Positive promotion of the scheme as a partnership between landlords and the Council. Effective communication with landlords to address concerns and encourage responsible landlords to remain in the PRS. Team ensures effective implementation of Selective Licensing
Changes in housing market	High	High	Conditions to be monitored by the Team, and appropriate response determined
Management of Private Rented sector does not improve	Low	High	Team ensures effective implementation of Selective Licensing
Displacement of	Medium	Medium	Use by landlords of competent agents to manage property.

ineffective/unscrupulous landlords			<p>Ineffective/unscrupulous landlords choose not to manage property at all.</p> <p>Work of Team with landlords to improve management skills.</p> <p>Use of other tools including Interim Management Orders (IMOs), where appropriate.</p> <p>Support and assistance from the Team is also available outside of proposed area to mitigate the impact.</p> <p>Neighbouring LA's are currently operating similar schemes and have been consulted.</p>
Increase in homelessness in area	Low	Medium	<p>Advice given during licensing process to both tenants and landlords in relation to their rights and responsibilities in relation to tenancies.</p> <p>Satisfactory arrangements with partner organisations to help prevent homelessness; CAB, Housing Options, PSH Team.</p> <p>Mediation between tenants and landlords.</p> <p>Existing schemes in place to help individuals find suitable accommodation, should they become homeless</p> <p>Satisfactory arrangements in place with partner organisations (e.g. Homelessness Team) to consider cases, which become homeless.</p> <p>Use of IMOs where appropriate.</p> <p>Use of appropriate legislation to take action if landlords are found to have unlawfully evicted tenants.</p>
Displacement of problem households	Medium	Medium	<p>Multi-agency response to tackle issues.</p> <p>Implementation of the graded response to anti-social behaviour to minimise displacement.</p> <p>Promotion of intensive intervention where appropriate, to prevent eviction.</p> <p>Effective signposting of problem households to relevant support agencies, where landlords choose to evict.</p> <p>Neighbouring LA's currently</p>



			operating similar schemes and have been consulted.
Increase in vacant properties	Low	High	Partnership working with Empty Property Officer and consideration of Empty Property Strategy. Support and advice provided to home owners to prevent vacancy and to bring properties back into use within shorter timescales.
Increase in rental charges	Low	High	Licence fees will be kept as low as possible and a package of discounts will be made available. No evidence of rental increases for this reason in former licensing areas..
Increase in costs for complaint landlords	Medium	Medium	Licence fees will be kept as low as possible and a package of discounts will be made available, specifically aimed at landlords with existing good standards and practices. Early application fee available. Lighter enforcement approach for compliant landlords.

An initial screening equalities impact assessment has been completed on the basis of perceived impacts in relation to protected characteristics under The Equality Act 2010, **Appendix J**

**How we will work together with others to eliminate/mitigate the area problems identified?**

**ASB & Crime**

The evidence gathered has shown a link between Council complaints/police incidents and private rented homes. Licensing of private rented homes will support the approach to tackling ASB in a practical way by using existing powers and those made available through licensing itself.

Allegations of anti-social behaviour occurring in the area will be investigated by Officers. The solutions to resolve ASB are often complex and the team will draw in expertise from a range of disciplines including the Police, adult and children's services, drug and alcohol support, mental health or domestic violence support, benefits and debt advice and housing options services. Mediation will be undertaken and use of legal powers where this is appropriate. Landlords will also be notified of problems too and required to participate in helping to resolve the problem.

Several of the proposed licensing conditions will help to assist in the prevention of ASB as well as dealing with issues effectively as and when they arise. It is a condition of a landlord's licence that they respond reasonably and proportionally to any complaint. Landlords are provided with advice and support to undertake the most appropriate action. Model standards in dealing with ASB and tenant problems effectively will be provided to licence holders if during the application process, the Council are not satisfied with the current arrangements in place.

Licensing also places a legal requirement on landlords to undertake reference checks on tenants prior to offering a tenancy. By doing so a licence holder will then be able to make an informed choice as to whether a prospective tenant is suitable for both the property and the neighbourhood. Experience has shown that such a condition deters tenants with a poor housing history from trying to access accommodation within licensing areas.

Landlords are provided with training and guidance as to what constitutes an acceptable reference/check. Uncovering a history of poor tenancy management, anti-social behaviour or criminality should indicate that a prospective tenant may not be suitable for the property and a tenancy should not be granted under those circumstances. If a tenancy is granted without adequate checks being undertaken, and there are subsequent problems with tenant behaviour that affects the community, this will be deemed as a breach of licence conditions for which enforcement action against the licence holder can be considered.

These requirements have contributed to decreases in the number of ASB complaints made to the Council in former and existing licensing areas that have occurred over the five year licensing period.

### **Tenant Vetting Service for Tenancies within the Proposed Areas**

As part of scheme implementation, there will be the provision of a tenant referencing/vetting service for potential tenancies within the proposed areas, to assist licence holders in fulfilling their licensing obligations. This will be of a similar format to the former vetting's process;

- Tenant meeting with Council officers and completion of an 'informed consent form' providing personal details, identification and previous five years housing history
- Police check (via the Safer Estates Agreement)
- References from previous housing providers
- Checks with internal council record systems for any adverse history
- Checks with housing benefit to ensure affordability (if benefit is payable)

The team will also work closely with partner agencies to try and reduce crime and ASB. Regular meetings are held with Northumbria Police, the Fire Authority, the Youth Offending Team and enforcement officers from other housing providers, when a joint approach is required to resolve neighbourhood or specific issues. Where required work with HMRC, the Gangmaster Labour Abuse Authority and Immigration enforcement is also undertaken to tackle housing crime, including unannounced visits to properties

### **Partnership with Northumbria Police**

Licensing will assist Northumbria Police in the implementation of their Police and Crime Plan 2017-21. Two of the main objectives of the plan are to cut crime and reduce ASB.

In reducing ASB the Police are committed to working with partner organisations to effectively tackle ASB, and neighbourhood policing teams and community safety partnerships will engage with victims.

Proactive partnership working between Northumbria Police and PSH Officers is currently being developed to improve information sharing, responsiveness and the potential for action to be taken against criminal and anti-social activity within the area.

Licensing Officers will carry out a tenant meeting with every resident within a privately rented home within the area, and the preparation for this meeting will include information gathering in relation to what and who Officers may encounter such as

- Who is likely to be residing in the property?

- Are there live ASB complaints?
- Are we going to encounter someone with convictions/suspected of current crime/ASB?
- Are we going to encounter someone out on licence/not attending their probation appointments?
- Is the property owned by someone we suspect may be complicit in cannabis farming/brothels/connected with labour abuse offences?
- Have the tenants been involved with or have failed to attend appointments with supporting agencies
- Have they had action taken against them in relation to ASB at the current or previous home

The purpose of the information gathering is to enable best use of the contact with the resident and to uncover what is taking place at the home which may be leading to issues in the community and possible vulnerability. Referrals for additional support and drawing in other agencies (drug and alcohol misuse dependency) can then also be undertaken.

Current working arrangements with the Police in relation to tackling ASB using existing legislation is working well, however the dedicated police resource allocated to the licensing areas will enable investigations to be undertaken and action to be taken in a timely manner to reduce the impact on ASB on the community. Support will also be provided by the Police to accompany Officers on visits to unlicensed properties and their investigation.

Licensing will encourage agencies, the Police and the landlord to come together to try and resolve any ASB problems and ensure that any vulnerable tenants or their families are supported.

## **Community Engagement**

Northumbria Police are currently working with Newcastle University Urban Studies School to understand the impact of crime and ASB on communities, the reasons why communities are often unwilling to get involved and the implementation of an emerging method of increasing community engagement. The Police propose to support the licensing team using this method to help to increase community interest and participation in tackling crime and ASB. This will include training of licensing staff and support to facilitate residents meetings and other methods of engagement such as the use of social media, provided by Police Officers that have used this method elsewhere in the force area.

The Police have created an ongoing legacy of community involvement in the areas where this has been used.

## **Homelessness Prevention**

The Council's Housing Strategy satisfies the requirement for the Council to produce a Homelessness Prevention Strategy.

Preventing homelessness and reducing the number of homeless households is a key objective of the Strategy by the provision of effective housing support.

The designation of a selective licensing scheme would provide additional protection for assured short-hold tenants in unlicensed Part 3 houses. It would, for example, preclude a landlord from serving a notice under section 21 of the Housing Act 1988 (notice requiring possession) so long as the property remains unlicensed; and would help to mitigate the risk of unlawful eviction by improving the management practices of landlords.

It is recognised that the designation of a selective licensing scheme might result in a small number of houses being taken out of the rental market by reluctant landlords, leading to a potential increase in homeless households. In the discharge of its homelessness functions, however, in particular its homelessness prevention duty, the Council provides those threatened with homelessness with housing options and advice. Accordingly, if households find themselves displaced or threatened with homelessness because of the licensing designation, the local authority will help them to explore the accommodation options available to them with a view to securing alternative and affordable housing.

The PSH Team has established links, and referral pathways, with the Housing Options Team of the Council's Housing Company. Team members regularly attend working groups to ensure effective co-ordination of case work, particularly in relation to ASB and homelessness.

Meetings with Housing Options and Homeless team have been undertaken in preparation for this proposal and future ways of working together and the sharing information etc. agreed. Additional work and preparation is being done to ensure that the Council is in a position to respond to the new requirements of the Homelessness Prevention Act 2017. In particular, considering how we focus on prevention work rather than regulation and reactive work.

Baseline figures for homelessness and its cause within the areas have been collated pre designation to be able to monitor trends throughout the lifetime of the scheme. The following information sharing and actions have been agreed:

- Housing Options officers educated in the legislation in relation to licensing and the restrictions on the use of s21 notices if a licence is not in place.
- Housing options to make PSH Officers aware when a private tenant within the areas presents themselves as homeless and the reasons for this presentation

- PSHT Officers to explore if any breach of licensing condition of other legislation and upskill/educate landlord if so/take enforcement action if required
- PSHT Officers to mediate between landlord and tenant if required to encourage sustainable tenancies and homelessness prevention.
- Consideration being given to the provision of a virtual bond scheme for properties within the licensing area for those in housing need (property must be accredited and landlord compliant)

The Homelessness Prevention Act 2017 is expected to go live on 3<sup>rd</sup> April 2018. The council is developing an Intervention Plan to identify steps required to be taken in preparation.

### **Working with The Gateshead Housing Company (Council Housing Stock)**

There are small numbers of Council owned properties within the proposed areas. TGHC Tenancy and Estate Officers will work alongside PSH Officers to report any issues affecting their tenants from private rented homes and to take reasonable action when their own tenants are causing problems. Regular updates and meeting will be held between Officers to ensure a coordinated and consistent approach regardless of tenure.

### **Working with other social housing providers**

There are small numbers of properties owned by other social housing providers within both proposed areas. A similar partnership approach to that described above for council owned stock will be undertaken.

In January 2017, Cabinet Members approved a report seeking permission based on relevant evidence and data initially gathered, for a consultation to be undertaken in line with s80(9) of The Housing Act 2004 and relevant guidance, in relation to the proposal to designate further areas within Gateshead for selective landlord licensing.

Section 80(9) of the Act states that when considering making a designation for selective licensing the local housing authority must :

- a) Take reasonable steps to consult persons who are likely to be affected by the designation; and
- b) Consider any representations made in accordance with the consultation and not withdrawn.

The minimum consultation period required for the designation to fall within the *Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of other residential accommodation (England) General Approval 2015* is ten weeks.

A thirteen week period for consultation about the proposal to designate further areas for selective licensing was adopted. The consultation ran from 20 March – 18 June 2017.

The aim of the consultation was to provide local residents, landlords/managing and letting agents and local businesses known to operating in the area and likely to be affected by the proposals with an opportunity to provide their views about the proposals to introduce further selective licensing schemes in the areas.

The following means of consultation were used:

- Gateshead Council website, including an online landlord and resident questionnaire for both proposed areas:  
[www.gateshead.gov.uk/bensham](http://www.gateshead.gov.uk/bensham) for residents and businesses  
[www.gateshead.gov.uk/landlords](http://www.gateshead.gov.uk/landlords) for landlords
- Gateshead Council Facebook page;
- Gateshead Council's Twitter feed;
- Notice in Spring 2017 edition of Council News magazine delivered to every home in the borough;
- Direct mail-out to landlords and managing/letting agents in the borough and surrounding areas;
- Mail drop with paper questionnaire to every property and business or service in the borough and surrounding areas, who are likely to be affected by the designation;

- Direct mail and email to local community groups;
- Direct mail to neighbouring Local Authorities
- Letter to partner and agencies such as The Police, Housing Options, Shelter, Local Charities, Youth Offending Team, Adult and Children Services, BME groups
- Press release to BBC Newcastle
- Posters in streets, libraries, businesses and other public areas in the proposed areas.
- Landlord and resident drop in consultation sessions held in April and May 2017 in the Civic Centre and community facilities in the proposed areas. The May session for landlords included a proposal presentation.

The following groups were Groups were also sent information in relation to the proposal and requested to advise their members of the consultation, provide feedback via the online questionnaire and were invited to attend a consultation event:

- Landlords associations, including:
  - National Landlords Association
  - Residential Landlords Association
  - Gateshead Private Landlords Association
- Residents associations
- Local managing agents and the Association of Residential Managing Agents
- Local estate agents and the National Association of Estate Agents
- Local businesses, service providers and residents
- Neighbouring local authorities
- Northumbria Police
- Tyne and Wear Fire Authority
- Shelter
- Youth Offending Team
- Social housing providers e.g. The Gateshead Housing Company
- Internal departments e.g. Adult & Children Services, Housing Options/Homelessness, Community Safety and Economic Development.

## **Consultation responses**

The volume of response to the consultation was as follows;

- 317 responses to the online and hard copy questionnaires
- The Avenues – 50 responses from landlords and agents (10% of known landlords/agents)
- 161 responses from households/residents (12.5% of total households)
- Redesignation Area – 21 responses from licence holders/agents (9% of existing licence holders)
- 69 responses from households/agents (22% of total households)
- A full breakdown of the tenure of responding households can be found in the main report.



- 9 individual letters/emails (responses provided)
- Written response from National Landlords Association

A full and executive summary report detailing the outcomes of the consultation was created and presented to Housing & Economy Portfolio members in November 2017.

Advice and guidance from representative in Legal Services has been obtained to ensure that the consultation approach was in accordance with the Act and associated guidance, as well as the analysis and consideration of all views, objections and suggestions raised.

## **Response Summary**

### **Support for Landlord Licensing**

#### **- The Proposed Avenues Area**

A clear majority (81%) of responding residents (mainly owner occupiers and private tenants) agreed that there is a need to licence private landlords in the Avenues. Only 8% of residents responded that they did not think there was a need for licensing. If the no responses were removed from the calculations, 91% of residents that did respond to this question agreed there was a need for landlord licensing in the area and 9% did not.

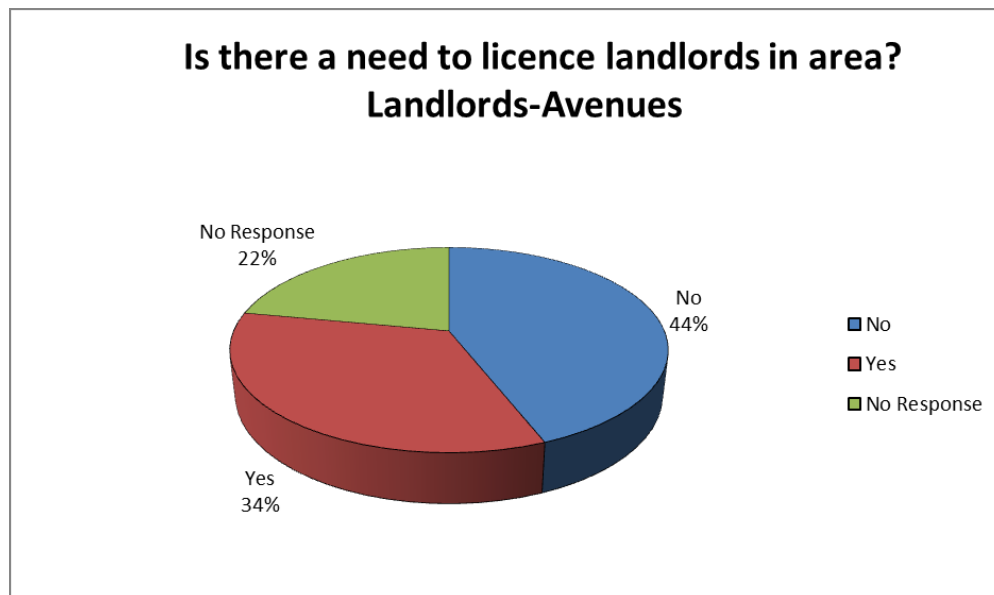
**Figure 14**



In contrast 44% of responding landlords and agents responded that they felt landlord licensing was not required, with 34% responding that they did think there was a need for landlord licensing. The number of landlords/agents responding that they felt licensing was required was more than expected. There was a significant 22% of landlords/agents who did not provide a response. Again if the

no responses were removed, 56% responded no and 44% of landlords/agents responded yes.

**Figure 15**



In the main opposition to the Avenues proposal from landlords was:

- The area does not suffer from the problems outlined
- Way for the Council to make money
- Penalises the good landlords and should only apply to the bad
- Too costly, a tax for landlords
- Previous schemes have not improved areas

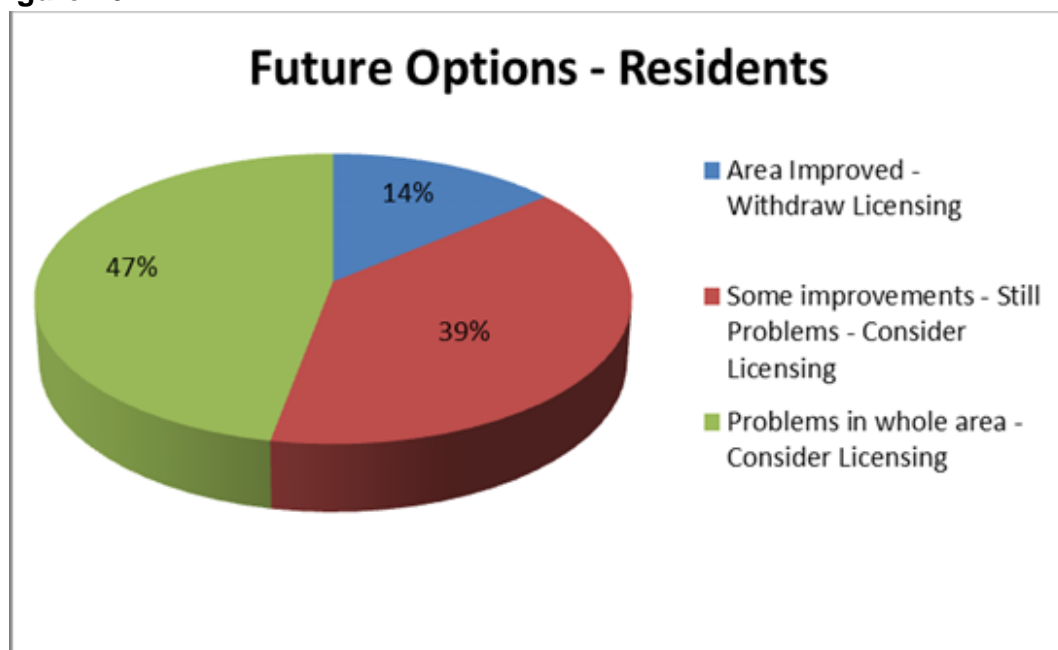
For those landlords in favour of licensing, some of the common responses included:

- Licensing is a good idea to increase landlord responsibility
- In support as many landlords aren't keeping their properties to an acceptable standard
- It will set a standard to adhere to and bring in more revenue to spend in the area
- Irresponsible landlords have led to area decline (anti-social tenants, noise, drugs and refuse issues). Any intervention to make landlords more accountable can only be a positive for the area
- To help sustain communities and provide a better service for tenants and all residents

## Redesignated Area (Central Bensham Phase 2)

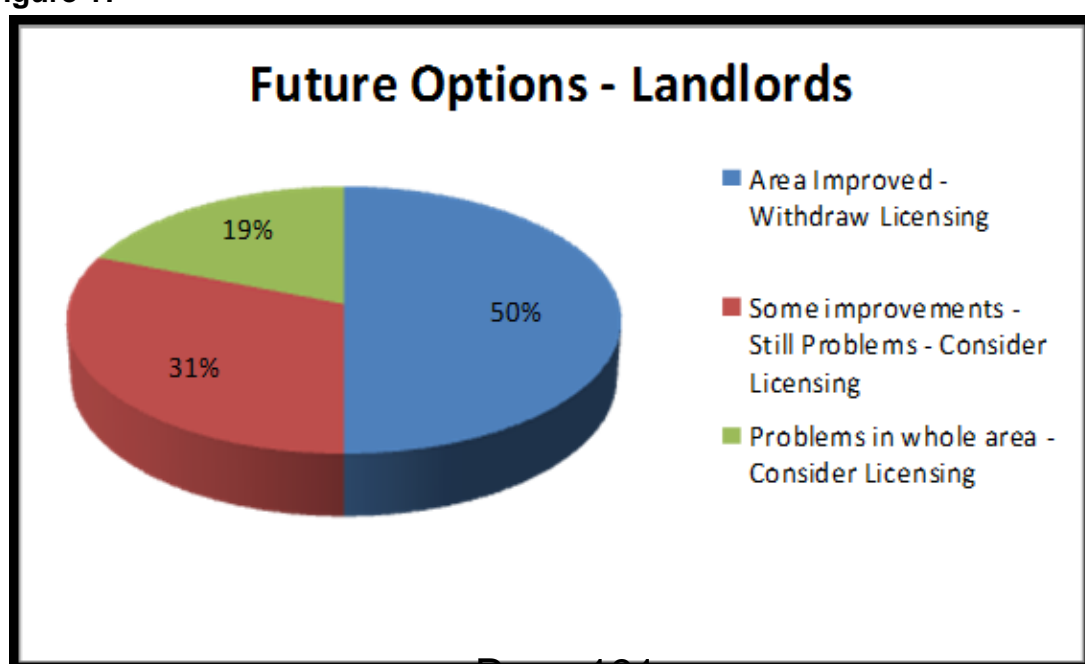
During February 2017 an evaluation consultation exercise was undertaken in the former Central Phase 1 licensing area. Stakeholders were advised that the licensing scheme at that time was within its final year. They were then asked to consider three possible proposed future options and asked to advise which option they felt best described the current position within the area. The majority, 86% of responding residents told us that landlord licensing should continue either across the whole area or in parts of it.

**Figure 16**



50% of responding landlords also agreed that certain problems remain in the area and that continued licensing should be considered, with 50% responding that the area had improved to the point where licensing should be withdrawn.

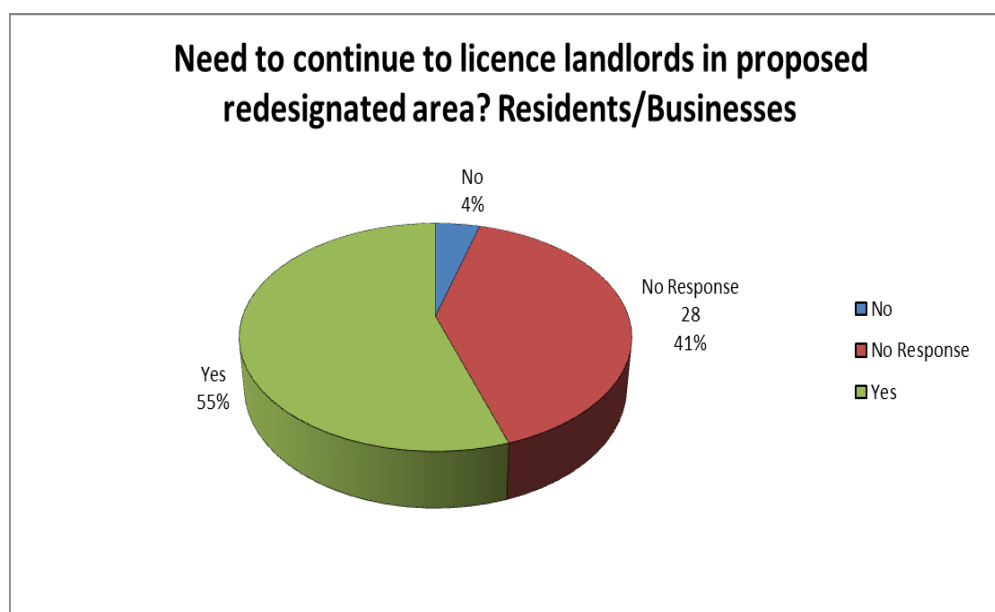
**Figure 17**



Stakeholders were asked a similar question within the March-June 2017 survey. This was following the provision of information in relation to what licensing entails and why the Council were looking to reintroduce it.

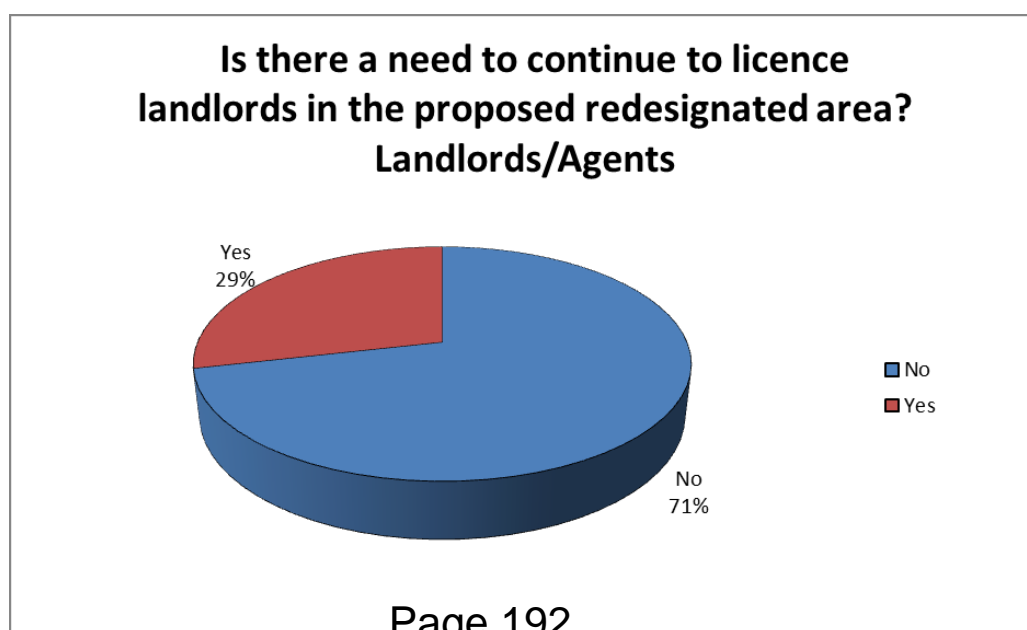
55% of residents responded that they thought there was the continued need to licence private landlords in the area and 4% did not. Interestingly 41% of respondents did not answer this question. If the no responses are removed, the values would change to 92% of those who did respond to this question agreed that landlords should continue to be licensed in the proposed area and 8% did not agree

**Figure 18**



For landlords and agents far fewer were in agreement (71%) with 29% agreeing that landlord licensing should continue in the proposed redesignated area.

**Figure 19**



For those residents in favour of continued landlord licensing, the below summarises some of the common responses as to why:

- ASB, Fly tipping and dog fouling are ongoing problems
- All rented housing should be licensed
- All tenants should be vetted
- Landlords are absent and have no interest in the area
- Area is likely to slip back if not renewed
- Backlanes a mess, houses/flats neglected
- Gateshead Council has solved many problems with landlord licensing – the area will revert back if the scheme is removed.
- Landlord more visible and reactive since licensing was introduced.

For those residents not in favour, the following comments were received;

- It is a tax on property rental – the Council has had five years
- Will push up prices, bad tenants need educating and not thrown out

For those landlords/agents not in favour for continued landlord licensing, the below summarises some of the common responses as to why:

- Seen no benefit
- Do not wish to pay further fees
- Why should good landlords pay for the bad. Target the bad ones
- Landlord issues are no longer the key problem in the area – re licensing landlords is not the solution-use exiting powers to tackle bad landlords, poor tenants and poor properties.
- Work with landlords instead
- Reductions in property prices and less attractive area.
- For those landlords/agents in favour for continued landlord licensing, the below summarises some of the responses as to why:
- Licensing had had a positive effect on the area along with the block improvement schemes
- The great thing about licensing is that it forces all irresponsible landlords into improving their property which has a positive effect.
- It benefits both parties and the area as a whole
- Yes-there are numerous problems throughout the Bensham area
- Yes-good idea for the reasons you have stated

There were no responses received from landlords/agents in relation to the actual proposed boundaries of the redesignated area. For residents/businesses the most common responses received were as follows:

- All of Gateshead
- The whole of Saltwell, Bensham and Shipcote

A full summary of the suggestions, views and feedback received can be found in Appendix M.

Full consideration has been given to many of the suggestions raised and many of these have been acted upon, resulting in revisions to the final proposal and administration of the scheme. Appendix E.

An appraisal for any alternative options suggested during the consultation period has also been undertaken-Appendix N.

Some of the common questions raised during consultation and the Councils response can be found in Appendix O.

## **POST CONSULTATION COMMUNICATIONS**

### **The Gateshead Private Landlords Association**

A local association for private landlords representing an estimated 5% of landlords borough wide and approximately 10-12% of landlords in the proposed licensing areas.

Following the end of the consultation period, GPLA committee members have attended member surgeries in the proposed areas as well as emailing members outlining their proposal concerns. A formal response from the GPLA as an organisation was not received during the consultation period. Submissions were received and responded to from a couple of members but these did not confirm that they were on behalf of the GPLA. These submissions and their content have been considered in the consultation summary report.

Regular meetings with Committee members from the GPLA were suggested by Council Officers following the end of the consultation period in order to keep them up to date with ongoing revisions to the proposal and to seek their views on these. During these meetings the following themes were commonly raised by the GPLA representatives

- *Consultation summary document is contradictory.*  
The detail of many of the responses have been shared with the GPLA and in some cases respondents did provide some views that can be interpreted as contradictory e.g. they are satisfied with their area on the whole but then later confirmed concerns about community problems such as ASB and refuse and the standard or management of privately rented homes.
- *Dispute some of the evidence demonstrating problems in the proposed areas*  
The Committee have been invited to provide information or evidence to support their concerns

- *Former schemes have not been successful/the Council have had five years.*

Full evaluations have been undertaken on all expired schemes and initially agreed aims and objectives have been mostly achieved. These evaluations have been shared with GPLA members.

- *Penalises the good – target resources at the bad.*

A comprehensive whole area approach is required to make an impact. Those landlords who have properties to a good standard and keen to development themselves and management practices will benefit from financial discounts. They will also benefit from increased intervention to tackle problems within neighbouring properties which may have had an impact on the satisfaction of their own tenants with their home and neighbourhood. It is anticipated that this will encourage good tenants to stay, reduce turnover and reduce the overheads to landlords during periods of vacancy.

- *SLL negatively affects the reputation of an area and results in mortgage arrangement difficulties for investors*

Contact has been made with Officers during the period of former licensing schemes from prospective buyers who have been attracted to the area due to a scheme being in place. They have described the support being directed into the area has made it a desirable private rented prospect. Research has been undertaken into the perceived reluctance by lenders to provide mortgages for privately rented homes in licensing areas. Evidence of this has not been identified on any significant scale. It is important to note that this only has an impact on the privately rented market but not on those looking to move into the area and reside in the property themselves.

As such there is no available evidence to support the GPLA's fear that licensing can have a negative impact on the reputation of an area.

A number of issues the outside the scope of landlord licensing have also been discussed e.g. housing. benefit payments, tax issues, housing company letting practices and waste permits for landlords. Some of these issues and concerns have subsequently been communicated to other services within the Council for their consideration.

The Committee submitted some recommendations based on questions asked by officers – however it is not possible to know if this is representative of members. These recommendations have been considered. The GPLA Committee is keen for the high level of scrutiny of the evidence base of selective licensing.

#### **UPDATE – 16<sup>th</sup> January 2018**

The GPLA were requested to submit submissions in relation to the proposals by 14<sup>th</sup> January 2018. A 36 page submission was received after the deadline on the 16<sup>th</sup> January 2018 and was sent to Cabinet Members directly. Due to the very short time scale from the late receipt of the submissions to the date

of Cabinet, efforts have been made as reasonably as possible to consider the content of the submissions provided. Appendix P.

## ALTERNATIVE OPTIONS CONSIDERED



Before adopting a scheme of selective licensing, the Council is required to consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method in dealing with the problem or problems in question. As described in Actions & Interventions In Place and Undertaken Section page 38,, the Council has operated and implemented a range of schemes and initiatives to improve property conditions and management of the private rented sector for a number of years.

Alternative approaches in tackling the causes and symptoms of low demand and ASB have been considered and appraised. A detailed appraisal of the options is given in Appendix N. Some of these options were also put forward during the consultation process. Assessing projects in isolation however would be less effective than pursuing a coordinated approach that is joining a range of tools, agencies and services together, which is what landlord licensing enables us to do.

It is considered that there is no practical and beneficial alternative to the designation that would achieve the same aims and outcomes. The encompassing approach intended for licensing across many different disciplines, along with partnership working will significantly assist in achieving aims and objectives.

## DESIGNATION REVIEW



Whilst the designations are intended to last for five years, Section 84 of the Act requires the Local Housing Authority to review the operation of the designation from time to time. If following a review, it is considered appropriate to do so, the designation may be revoked. This could occur if the findings of a review of the operation of the designation before the end of the five years found that the set objectives of reducing ASB in the area, improving the management and conditions of the privately rented sector and the wider community of the area had been achieved.

Area/Phase 3 of the proposed Avenues designation will be subject to ongoing consultation and analysis of relevant data. If through the implementation of



Phase 1 and 2, the aims and outcomes of this proposal are achieved for the area as a whole, Phase 3 may not require licensing.

Alternatively, if the designation is not in fact tackling the issues identified by the Council, the Council may consider that the designation should be revoked and take alternative measures to address the issues.

PRS licensing, such as selective licensing, is however a long-term remedy and is unlikely to yield instant results. Accordingly, if, in the initial phases of the designation, there has been little improvement in the PRS, this will not necessarily mean that the designation has failed in its objectives.

The evidence provided in this report has confirmed that the legal criteria that are required for an area to be designated for landlord licensing exist, and have been demonstrated. Both proposed areas are exhibiting key indicators of low housing demand and improvements to the management of the private rented stock are required to prevent further decline and to sustain the improvements that have already been secured over the last five year licensing scheme. The implementation of landlord licensing by the Council, with the participation of residents, landlords and stakeholders will help to promote community cohesion and stimulate long term neighbourhood sustainability, improve housing market conditions, reduce low housing demand and anti-social behaviour.

The importance of effective property management has always been a key part of tackling the full range of issues affecting vulnerable areas, recognised by the Neighbourhood Plan for Bensham and Saltwell in 2006, created in conjunction with landlords and residents at that time. The implementation of licensing also aligns entirely with several key and existing Council strategies and plans. Visions 2030 sets out the overall vision of 'Local people realising their full potential, enjoying the best quality of life in a healthy, safe prosperous and sustainable Gateshead. Licensing can play a major role in helping to achieve this and in achieving the recently revised aspiration of the Council: to ensure Gateshead is a place where residents can thrive. Safe, well managed and warm homes are key to this, as well as a safe, responsible and thriving local community.

Previous remedies and interventions have led to improvements in the appearance of the areas but have not been sufficient to tackle the full range of issues. Licensing allows the Council to target support and action to tackle poor property management and the anti-social behaviour (ASB) that continues to affect the proposed areas.

The size of the private rented sector in Gateshead has doubled over the last decade and continues to increase. It is important that the Council continues to champion a well-managed private rented sector to ensure that the housing needs of residents are met. A Selective Landlord Licensing designation focusses and targets resources to areas most in need and tackles those landlords whose poor practices impact upon the most vulnerable residents.

The outcomes from previous licensing schemes confirm that licensing has a positive impact and can be an effective tool in improving neighbourhoods and reducing decline. Whilst much has already been done and continues to be done to improve housing market sustainability of the proposed SLL areas and the surrounding neighbourhoods, it is considered that licensing is still an additional and necessary intervention to complement the above interventions and sustain their legacy. Particularly in the proposed redesignated area, the data gathered suggests that the ongoing intervention of licensing is still

required to ensure improvements already achieved are sustained and to direct resources to the streets most in need of ongoing support.

It is acknowledged that selective licensing is not a 'solve all problems' solution. It needs to be used in tandem with a number of other tools and partners to increase the likelihood of achieving improvements. The way in which this will be undertaken has been outlined in this report.

Selective licensing is an investment by both the Council and private landlords who have properties in an area, which benefits the whole neighbourhood and community. Without this investment there is concern that the area may continue to suffer the problems associated with low housing demand, empty properties, high property turnover and lower property values.

Selective landlord licensing is the correct approach as the evidence and results from the consultation demonstrate it is needed, the implementation will help to tackle the problems that the evidence reveals and significantly help the Council achieve its objectives; it is a wholly complementary tool to use alongside other regeneration and neighbourhood shaping activities already undertaken to achieve better neighbourhoods and the improvements achieved via former and expired schemes demonstrate what licensing can achieve.

Without the specific type of intervention that can be delivered through landlord licensing, the areas could be at risk of remaining one of low housing demand and could undermine the long term sustainability of the wider Neighbourhoods.

## APPENDIX A

### DETAILED EVIDENCE TO SUPPORT THE INTRODUCTION OF LANDLORD LICENSING IN CENTRAL BENSAM PHASE 2 (THE REDESIGNATED AREA)

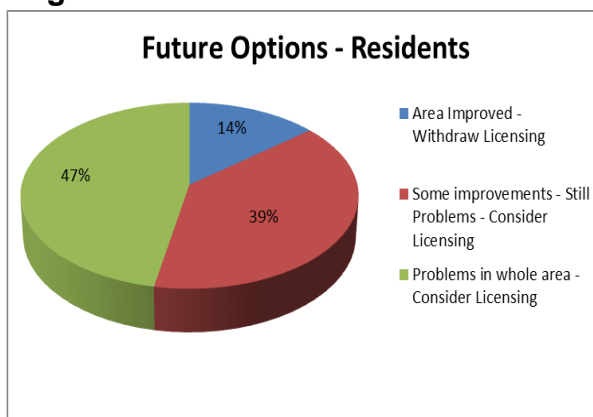
#### Impact of former scheme-Central Bensham Phase 1

The former scheme had a positive impact on problems of anti-social behaviour and poor property management.

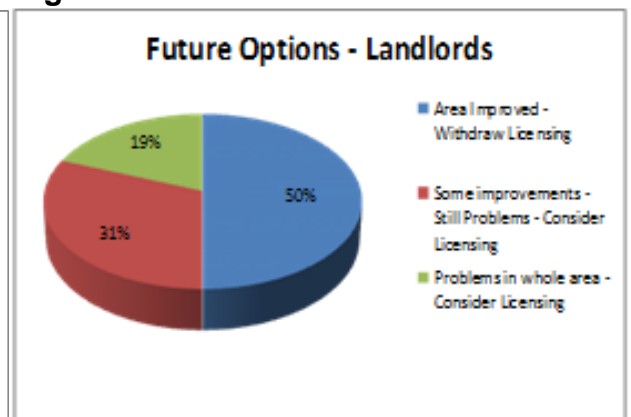
Recently consultation with licence holders, residents and stakeholders from within the scheme revealed their views and provided feedback. An analysis has also been undertaken to compare data on low demand indicators (empty properties, occupant turnover, rental/property values, demand for council services) and anti-social behaviour from pre licensing to date. The following pages provide a summary of this analysis and provide information as to why consideration is being given to redesignating part of the existing licensing area.

When asked which of three options best described the current situation in the former licensing area a massive 86% of responding residents told us that landlord licensing should continue either across the whole area or in parts of it, Figure 1. 50% of responding landlords also agreed that certain problems remain in the area and that continued licensing should be considered, with the remaining 50% responding that the area has improved to the stage where licensing is no longer required, Figure 2.

**Figure 1**



**Figure 2**



In the comments regarding ongoing issues and problems affecting the neighbourhood there were common responses which included anti-social behaviour and drug use, refuse, problem tenants and dog fouling. Residents were also concerned about the condition of rented homes with many feeling that the area would revert to previous standards should licensing end.

The initial analysis of the wider data indicates that there have been great improvements in the area in the last five years with a reduction in occupant turnover, reported ASB/crime and an increase in the number of homes meeting the legal minimum standard. Problem landlords have been excluded from the scheme and have been deterred from investing in the area and existing licence holders have been given advice, support and training to understand the expectations of good management standards.

The data also reveals, in conjunction with the continuing demand on Council services, that there are certain hotspots/streets within the existing licensing area that would benefit from the ongoing support of licensing. The area continues to demonstrate some key indicators of low demand despite reductions in trends since licensing was introduced, and there remains some ineffective management by some landlords.

Due to an in-depth understanding of the area gathered from targeted work in the last five years and close working with landlords it is possible to identify those streets that require ongoing intervention and those that could be managed independently. The area will continue to be monitored closely to ensure standards do not slip. There remains a number of landlords whose standards without ongoing regulation are likely to return to pre-licensing practices, compromising the neighbourhood improvements made.

It is proposed to seek to redesignate parts of the existing scheme to allow further time for improved management practices to be embedded. This will include an increased focussed on the area that continues to cause problems. The proposed area continues to demonstrate some indicators of low housing demand and contains a high proportion (approx. 72%) of privately rented properties.

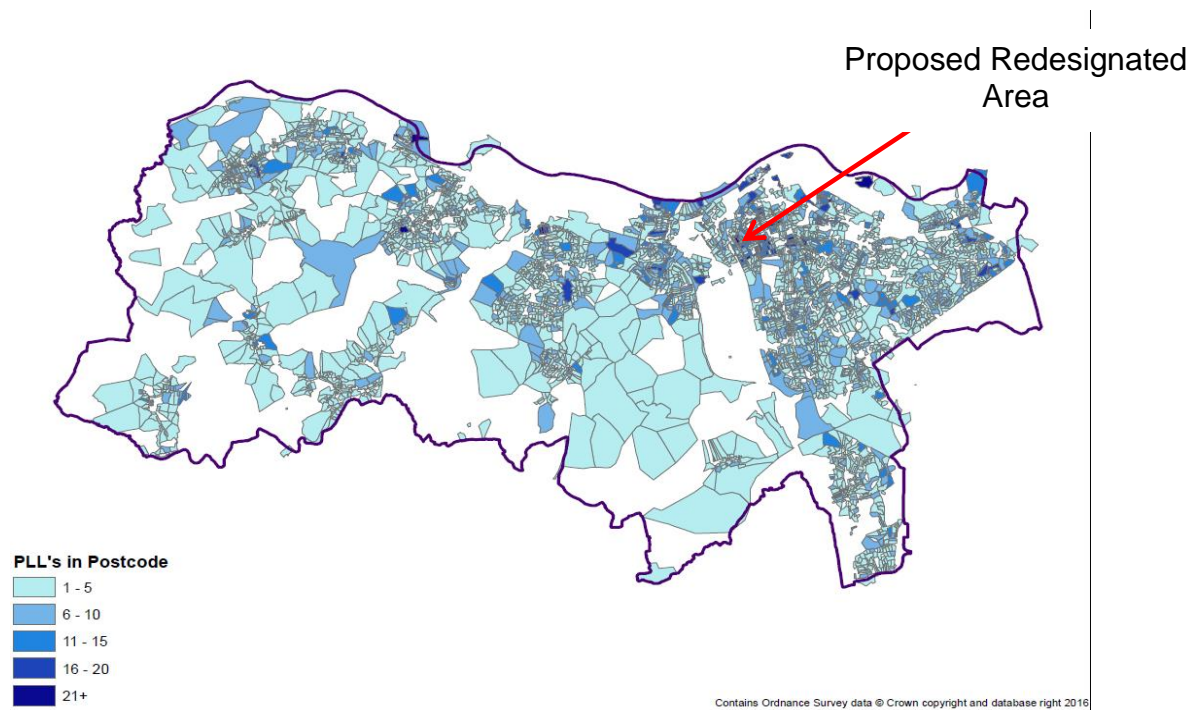
An analysis of some of the key indicators of low housing demand have been undertaken and are provided below with an explanation as to why consideration of licensing is being considered following this analysis.

### **High Proportions of Private Rented Property**

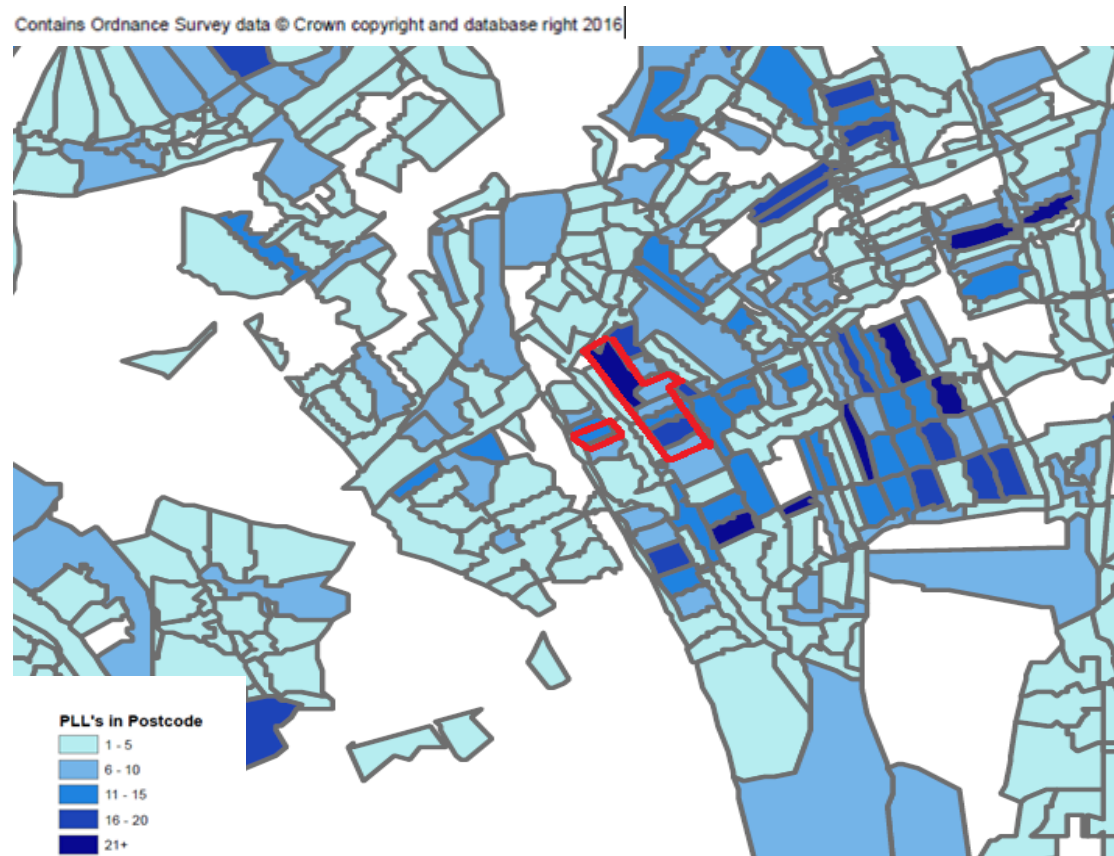
The proposed area consists of 317 dwellings with approximately 229 of these being privately rented. The levels of private rented property in the area are 72%, which substantially exceeds the Borough average of 16% and the UK average of 19%. Geographically the area is very small (0.0015% of the borough yet) covers 1.6% of the Boroughs total private rented housing.

### **Redesignated area – Central Bensham Phase 2**

The location and proportion of private rented homes was based on LSOA breakdown using Council Tax data, as well as data from the BRE Stock Model and tenure figures from 2013. Figures were also matched against local land and property gazetteer as well as internal databases.



An enlarged view of the proposed area shows postcode areas. The predominance of darker blue shading confirms higher concentrations of private rented properties in comparison to other areas.



## Tenure % - Proposed redesignated SLL Area

Tenure	Total	Percentage
Privately Rented	229	72%
Empty Properties	37	12%
Owner Occupied	44	14%
Gateshead Housing Company and Registered Social Landlords	5	1.5%
Commercial Premises	2	0.5%
Community Facilities	0	0%
Total	317	100%

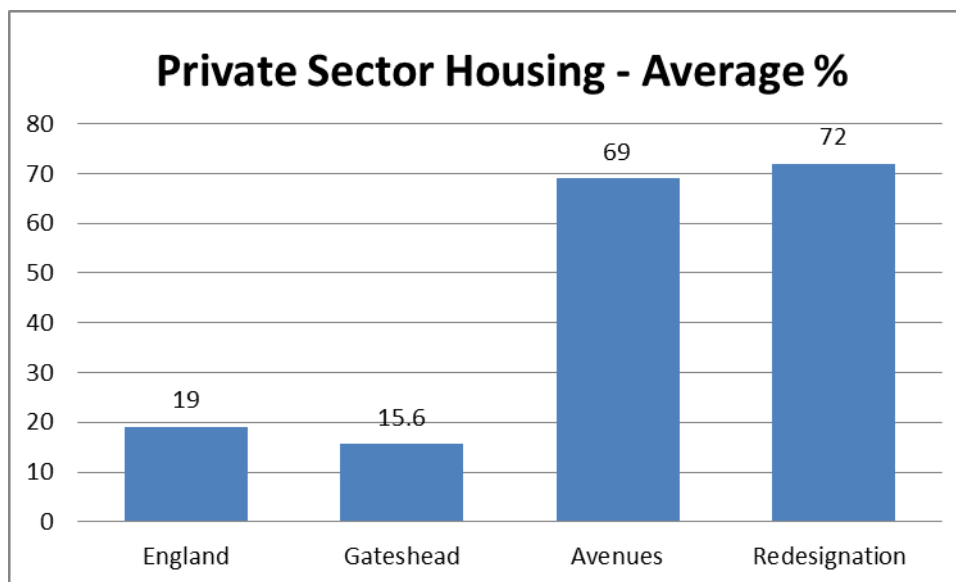
Using former data from the expired scheme, there are 229 private rented properties out of the 317 that fall within the proposed redesignated area – 72% private rented. The four statutory conditions which allow for selective licensing (as specified in The Selective Licensing of Houses (Additional Conditions)(England)Order 2015), those being housing conditions, migration, deprivation and crime, can only be considered where:

- The area contains a high proportion of properties in the PRS in relation to the number of properties in the area and
- Those properties are occupied under either assured tenancies or licenses to occupy.

There is no statutory definition of what constitutes a ‘high proportion’ and it is therefore open to the Council to make its own reasonable determination having regard to guidance.

*‘Nationally the private rented sector currently makes up 19% of the total housing stock in England. The actual number of privately rented properties in a given area may be more or less than this, and if it is more than 19%, the area can be considered as having a high proportion of privately rented properties. 19% is the figure as of March 2014. This figure will vary from time to time, so local authorities are strongly advised to consult the latest available English Housing Survey when considering whether an area has a high proportion of privately rented properties.’* (Selective licensing in the private rented sector - A Guide for local authorities)

The most recent 2015-16 English Housing Survey confirms the current national figure to be between 19 and 20%. As the proposed redesignated licensing area has more than three times the national average, it is satisfied that the area has a high proportion of property in the private rented sector.



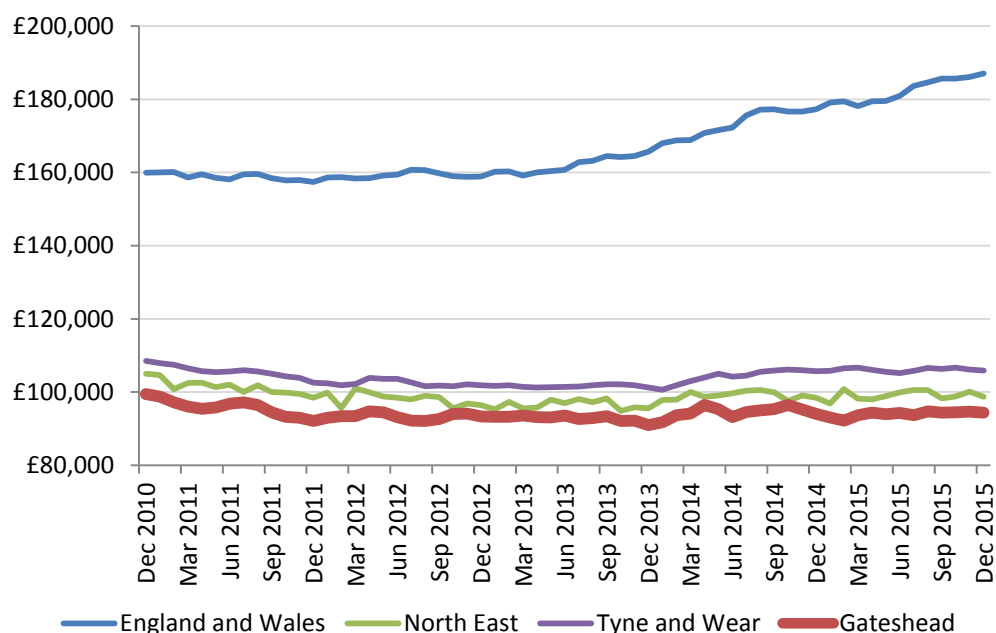
## INDICATORS OF LOW HOUSING DEMAND

### Property Sales Values

An initial review of house prices and market performance has been undertaken to set the context for this proposal. It is recognised that the financial crisis had significant and ongoing negative impact on housing market confidence and resulted in reduced house prices across the country.

Quarterly average prices (Figure XX below) for all residential transactions from December 2010 to December 2015 show that prices in Gateshead have been consistently lower than the Tyne & Wear average and the North East region. In addition, the average price is substantially below the national average for England and Wales. As average prices have started to increase across the country from the end of 2013 onwards, prices in Gateshead have remained the same.

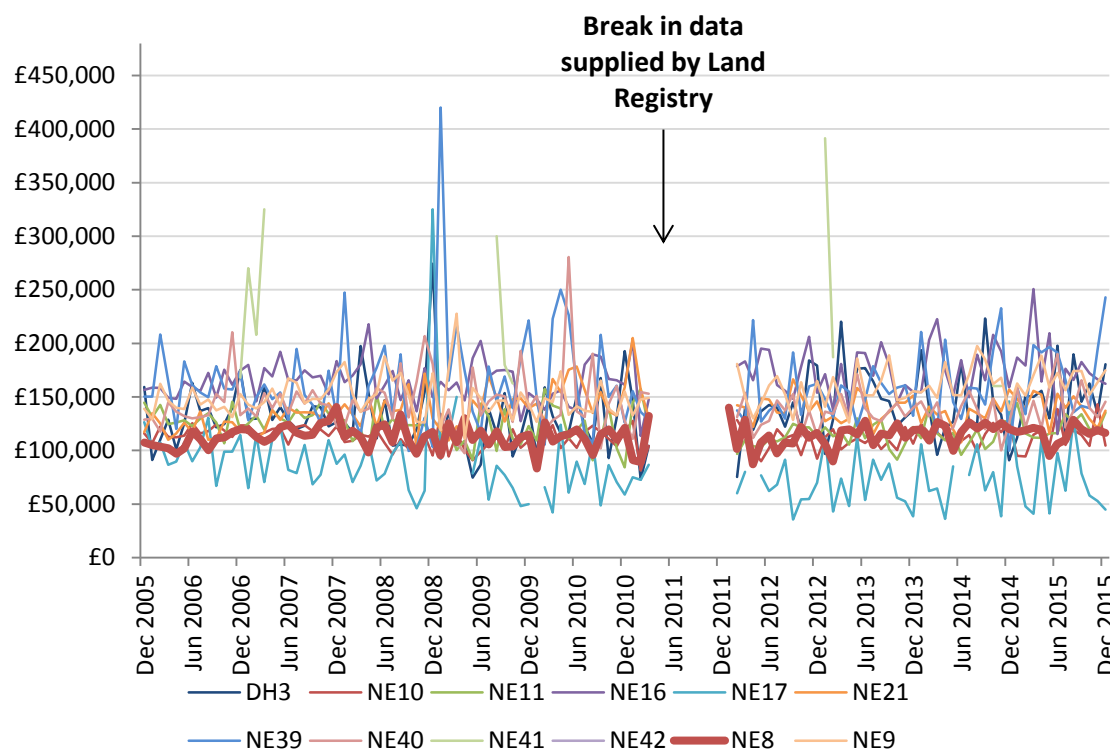
### Residential Transaction 2010-15, England, Northeast and Gateshead



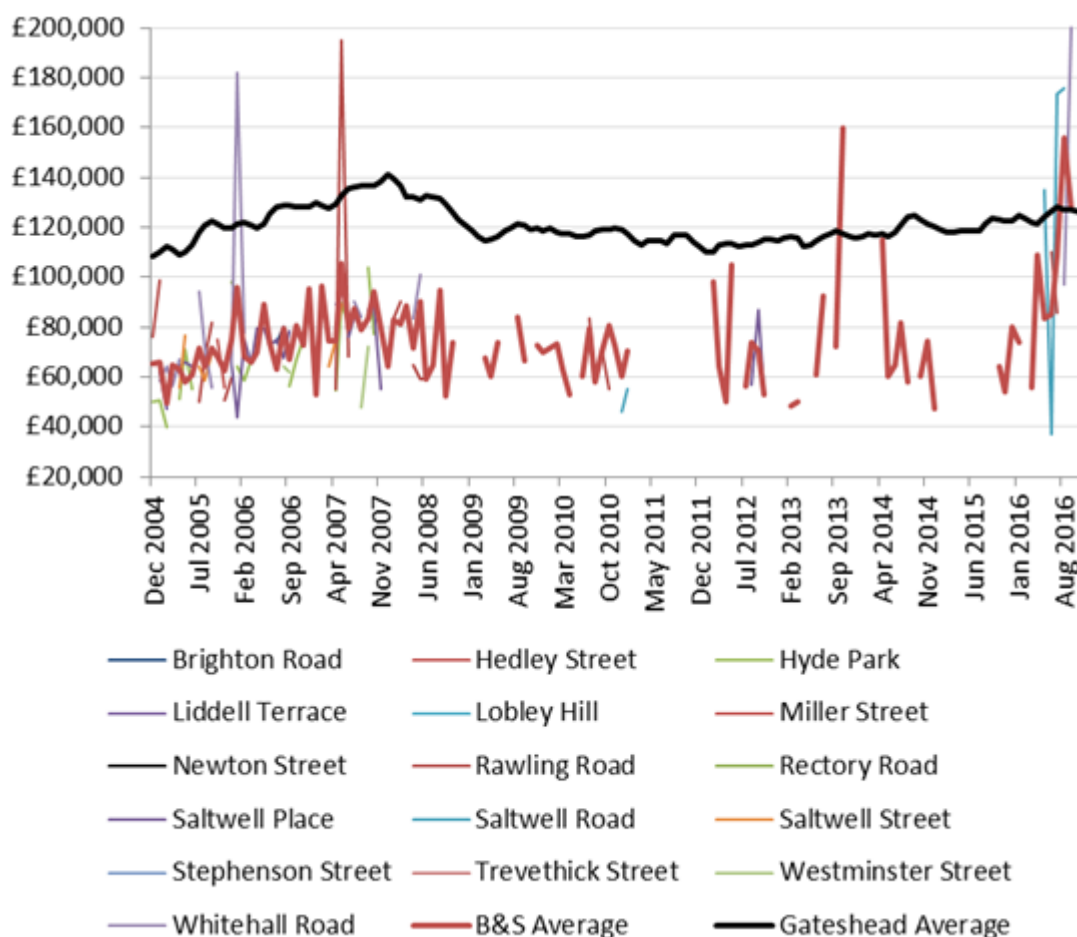


The graph below shows a time series plot of average prices between December 2005 and December 2010 by postcode sector in Gateshead. The proposed SLL area (both The Avenues and the Redesignated area) are situated within NE8 (shown in red), which has consistently exhibited a lower average price than other parts of the Borough, except for NE17. NE17 includes the rural area of Chopwell, an area with historical lower than average house prices and an area that has previously subject to SLL.

### Property Sale Prices 2005-2015 Gateshead Postcodes



Analysis of sale prices has also been possible at street level. Figure XX below demonstrates the year on year difference of streets the proposed redesignated area, compared to the Bensham and Saltwell average, as well as the rest of Gateshead. It can be seen that the majority of properties yielded a lower price compared to the Gateshead average, with some yielding a lower price than the Bensham and Saltwell average.



In addition to the above closer analysis of up to date sold prices from Land Registry records confirm that property prices remain lower than Gateshead and the Saltwell Ward

- Gateshead Borough £126,171
- Saltwell £124,582
- Lobley Hill & Bensham £116,568
- Proposed redesignated scheme area(NE8) £75,250

### **Rental Values**

Average rental values have increased slightly since SLL was introduced in 2012 from £97.40 per week to £99.91 per week. This information has been gathered from the tenancy agreements produced for landlords operating in the area by the PSH Team up until June 2016. This new value however remains lower than the Gateshead rental average of £108.60 per week.

### **What does this data tell us?**

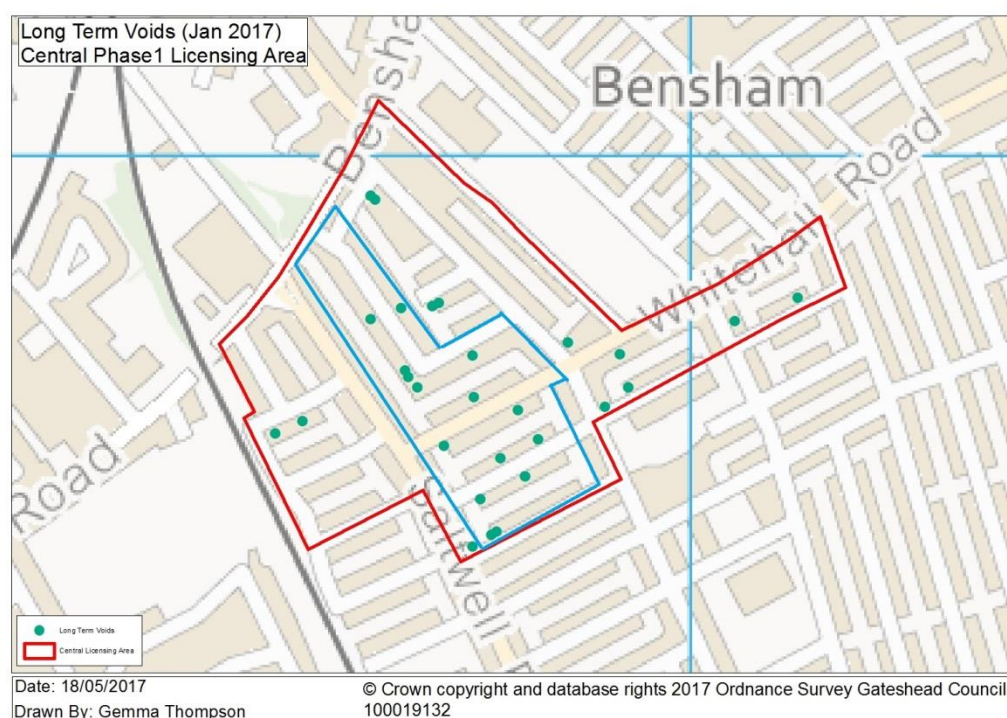
Property values have remained steady since SLL was introduced, whilst there has been an upward trend nationally. Gateshead has a lower than average property price value than the Tyne and Wear average and substantially lower

than the average price for England and Wales. Property price within the existing and proposed SLL area is lower than the Borough and surrounding ward average. Lower than average prices is indicative of low demand.

### **Empty Properties**

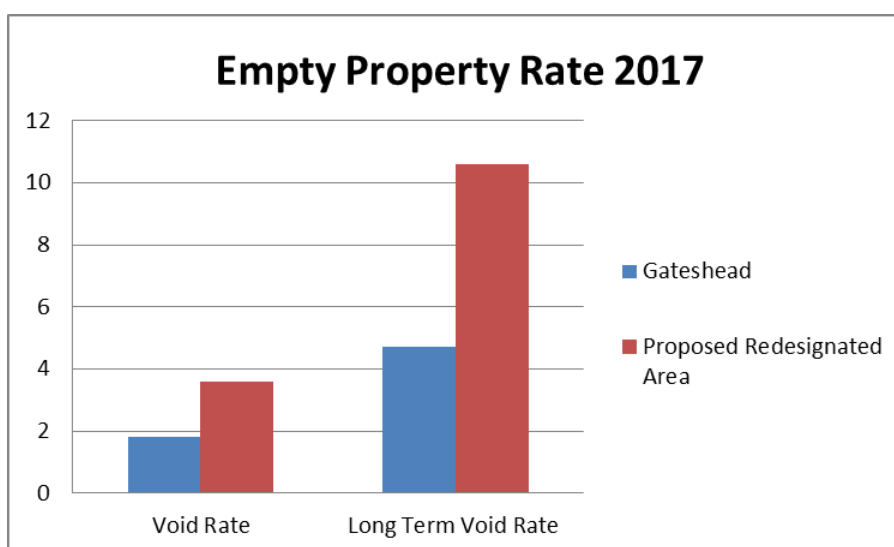
The former licensing scheme that was in the area up until May 2017 contributed towards the reduction in long term empty homes over the five years.

The map below shows the spread of remaining long term empty homes in the wider former licensing area (red) and the proposed redesignated area (blue).



- The proposed area has a void rate of 10.6%. This is almost three times the rate for the rest of Gateshead – 3.6% and is despite 75 properties being brought back into use during the previous licensing scheme.
- 4.7% of properties in the area have been vacant for longer than 6 months which is more than double the Borough long term void rate of 1.8%
- Some of the vacant properties have been empty for more than five years despite several attempts to engage with owners and encourage to bring the properties back into use or sell.
- This tells us that there are more long term empties in the proposed area compared to elsewhere in Gateshead and that these properties are staying empty for longer periods of time

## Empty Property Rate 2017 Redesignated Area & Gateshead



**It is normally considered that 4% of the stock being empty is a healthy sign within the housing market to allow for a changing population and demand**

### **Multiple Occupant Turnover**

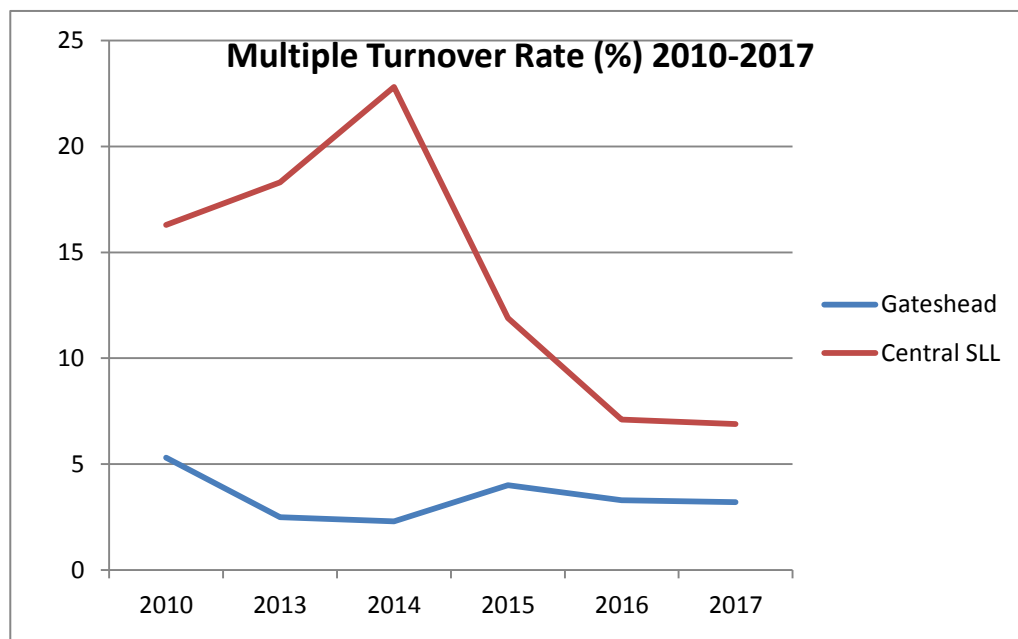
*The turnover of residents in the former Licensing area has decreased substantially over the five year period.*

In the years leading up to designation (2009/2010), liability changeover rate in the area reflected the instability in the housing market when compared with the rest of the Borough. At the time multiple changes of liability in council tax (2 or more) was 16.3% (based on number of dwellings in the area) compared with 5.3% across the Borough.

Throughout the scheme period (2012-17), the rate has fluctuated, with the rate in February 2014 increasing to 22.8%, and since this time it has decreased year on year. More recent figures (Jan 2017) report a reduction in turnover in the licensing area to 6.9% which is more than half the initial 2009/10 rate (a 56% reduction)

Despite this large reduction, multiple turnover rates remain more than double the Borough average of 3.2%, however the difference between the two is now substantially less. Slightly higher rates of turnover are to be expected as more than 60% of the private properties are rented compared to the borough average of 16%.

## Turnover rates 2010-17- Former SLL Area



The Borough rate has also followed a similar decreasing trend from 5.3% in 09/10 to 3.2, which is a much slower rate than that within the licensing area (39% reduction overall)

Examination of this data more closely reveals which streets within the area continue to demonstrate the highest turnover of occupants. From February 2016 to January 2017 the postcode with the highest single turnover rate relative to the number of properties within that location was NE8 4QY – Saltwell Place (45%) and NE8 4XP – Trevethick Street.

During the same period the postcode with the highest multiple turnover relative to the number of properties within that location was NE8 4TH (17-109 Saltwell Rd- a large proportion of which are Gateshead Housing Company stock)), where 16.7% of properties in that postcode had more than two changes reported to council tax liability. Followed by NE8 4QB (1-64 Hyde Park Street) at 13.3%.

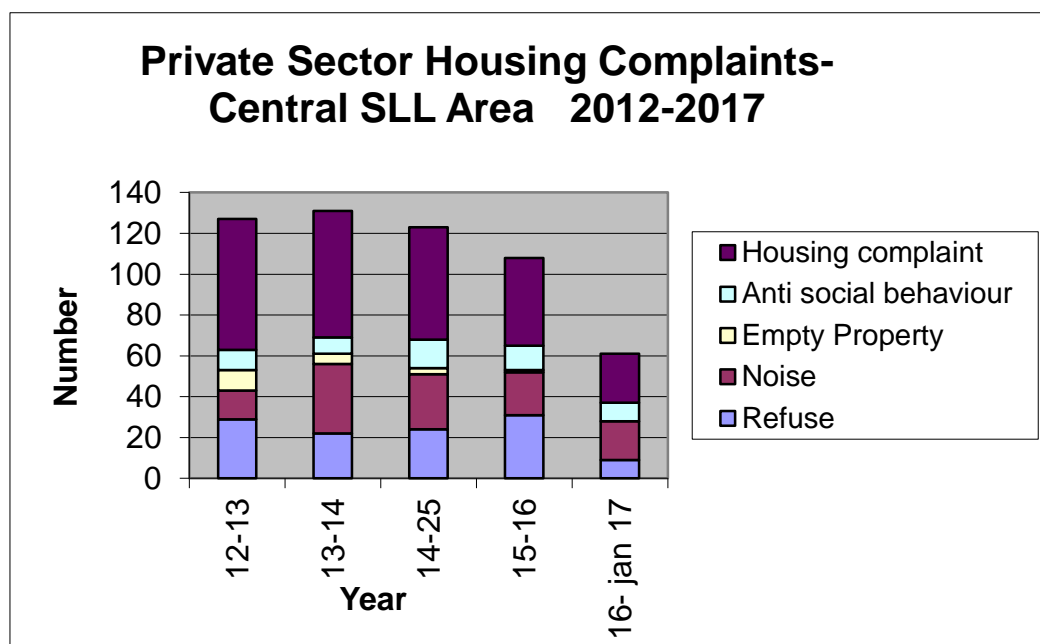
### What does this data tell us?

Turnover rates in the area have decreased by 56% since 2014. This would indicate that when people move into the area, they are moving on less often and staying for longer periods of time since 2012 and the introduction of licensing. This may be due to increased satisfaction with the property, the local neighbourhood and access to local services. However as a whole the area continues to have a turnover rate double that of the borough average.

There are certain locations within the existing area that are experiencing higher turnover than others and some of these locations are proposed for the continuation of licensing for a further five years to ensure ongoing regulation will help to ensure the continuation of the downward trend.

### **Private Sector Housing Complaints**

The Private Sector Housing Team respond to and investigate a wide range of requests for help from those living and operating within the licensing area, covering complaints of anti-social behaviour and noise, accumulations of refuse, empty properties and also from tenants who may have concerns over the condition of their rented home. The complaints received in the former licensing area from 2012 to January 2017 can be seen below. N.B PSH stopped reporting refuse incidents from Summer 2015 due to a change in responsibility for refuse investigation.



The number of complaints overall received by PSH has reduced over the five year licensing scheme with a significant reduction in the number of requests for help concerning private sector housing condition. Licensing has contributed towards this reduction through accreditation, programmed property inspections by Officers and landlord training. The number of accredited properties in the proposed area remains high which is why the Council are not looking to designate on the condition of poor housing conditions. The former licensing scheme has dramatically improved the condition of private rented homes in the area.

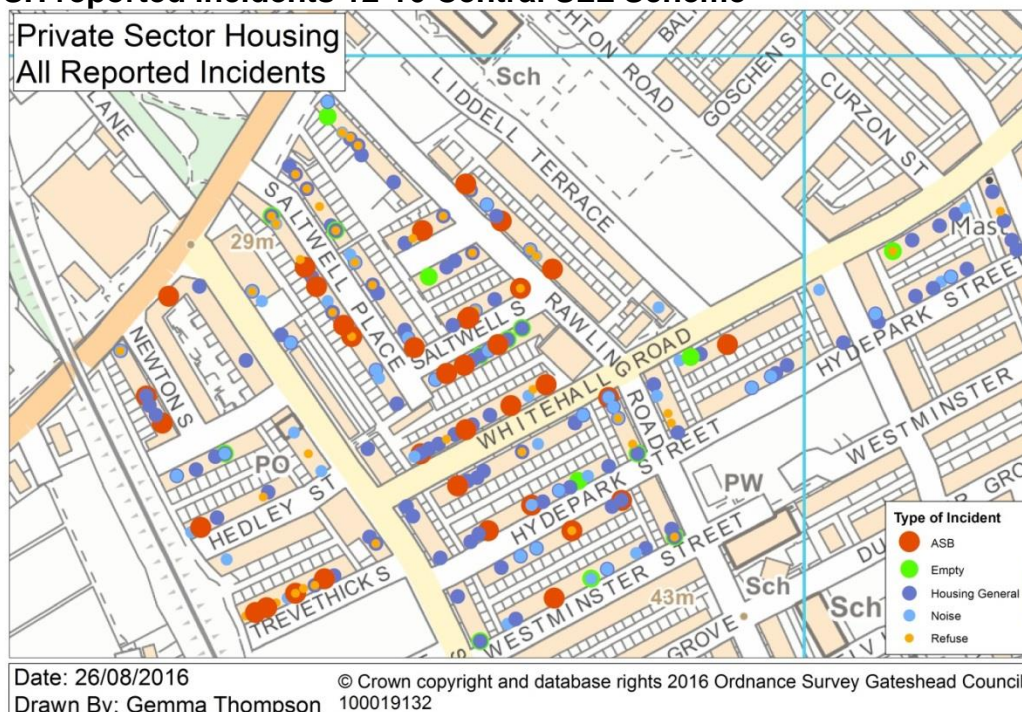
Of the noise and ASB complaints received in the proposed redesignated area from April 2014 to March 2017, 84% were in relation to issues concerning private rented accommodation. 52% of complaints were received from occupiers of private rented properties, confirming that private tenants are also affected as well as being perpetrators

Reductions in the number of complaints concerning empty properties have also occurred. Of the current 32 long term empty properties in the proposed area (March 17), five have been brought back into use under the Council's Leasing Scheme. This is despite exhaustive efforts to engage owners and encourage participation within the scheme.



Despite these reductions, the number of complaints received from within the area remains high. As a means to work out the spread and location of the demand on council services, all complaints received from May 2012 to August 2016 have been plotted on the map below.

### PSH reported incidents 12-16 Central SLL Scheme



### What does this data tell us?

There has been a reduction in housing related complaints made to the Council over the five year period of licensing. The number of complaints continued to be received remain higher than average. This analysis of this data and experience reveals that such issues are recurring in specific streets. Continued targeted work is required in these hotspot streets both with landlords and tenants to prevent and resolve these issues and SLL will allow this take place.

The resulting map indicates particular hot spot areas within the existing area where higher numbers of complaints are received. The middle section of the area covering Saltwell Place, Saltwell Street, the bottom end of Whitehall Road, Hyde Park Street and Westminster Street are particularly concentrated areas. Trevethick Street also is particularly concentrated for ASB and refuse issues.

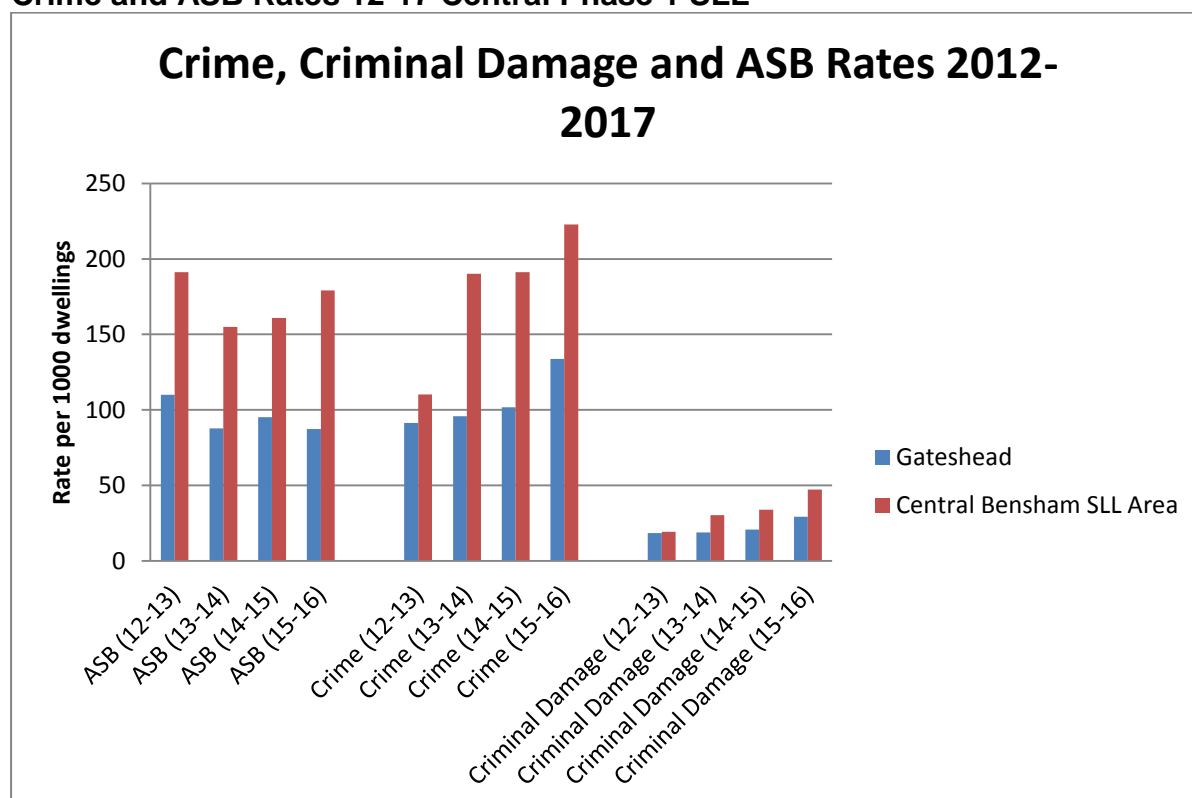
## **ADDITIONAL CONDITIONS**

### **High Levels of Crime**

#### **Crime and ASB reported to Northumbria Police**

Reported Crime and ASB to Northumbria Police within the SLL area remains higher than the borough average. This relates to criminal incidents outside the scope of PSH, but does include some neighbour dispute incidents

## Crime and ASB Rates 12-17 Central Phase 1 SLL



The Police have advised that in the last three years the vast majority of incidents are linked to adults; only a small proportion of incidents (6%) are classed as youth-related disorder. Alcohol was deemed to be a factor in one in 10 incidents.

In the last three years, more than eight in 10 incidents were classed as neighbour-related disputes or rowdy and inconsiderate behaviour.

Recorded crime incidents have increased. Violence against the person accounts for the highest proportion of recorded crime in this locality; three in 10 offences are linked to violence against the person. In 2013/14, a fifth of offences were classed as violence against the person and by 2015/16 this increased to almost four in 10 offences.

However, in the last 12 months, Gateshead as a whole has experienced a rise in the number of crimes recorded by Northumbria Police. These increases are directly attributed to national changes in the way in which crime is now recorded by Police Forces; similarly, increased confidence in victims to come forward has resulted in an upturn in certain crime categories; while, greater emphasis to address vulnerability has resulted in changes to the way in which Community Safety partners operate.

Criminal damage also features highly, and accounts for 18% of all crimes reported in this locality in the last three years. More than half of the criminal damage offences reported are classed as damage to dwelling, with the other offences a mixture of threats to damage and damage to other property (e.g. vehicles).



### **What does the data tell us?**

Since SLL was introduced there has been a reduction in the overall number of complaints made to the council concerning housing conditions, however complaints of ASB and crime to both the Council and the police indicate that the area is still experiencing ongoing issues. Further analysis of this data would suggest that a large majority of these incidents are reported in greater numbers from certain streets within the area and are linked to adults (a large proportion being tenants of private rented property) rather than youths. Ongoing intensive work with, landlords and tenants is required to prevent and manage this issue, including closer working with the police and other agencies such as immigration, and drug and alcohol support agencies.

### **High Levels of Deprivation**

The Indices of Multiple Deprivation measures deprivation based on a number of factors including income, employment, health, housing, crime plus others. In 2015 the Indices of Multiple Deprivation found Gateshead to be the 73<sup>rd</sup> most deprived Local Authority area out of 326 Local Authorities.

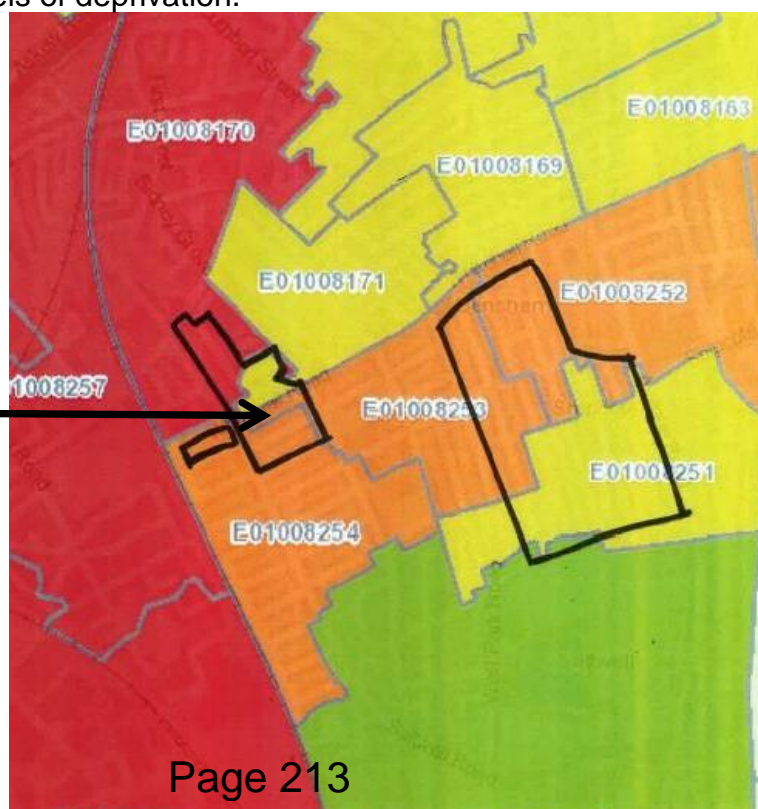
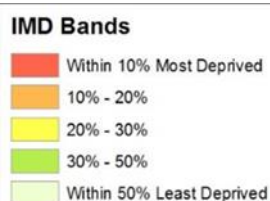
### **Lower super output areas**

Within Gateshead there are 126 smaller areas known as Lower Layer Super Output Areas (LSOAs), each designed to be of the same population size. 15 of these areas fall within the 10% most deprived areas in England. The licensing area falls within four LSOA's. 2015 data confirms that;

- One of the areas is in the top 10% of the most deprived in England,
- Two fall in the top 20% of the most deprived in England, and
- One falls in the top 30% most deprived in England.

In 2010 before the introduction of licensing three of the areas were in the top 10% and one in the top 20% most deprived in England. This positive change confirms that the areas have improved relative to others in the UK from 2010-2015, in relation to levels of deprivation.

Proposed  
Redesignated  
Area



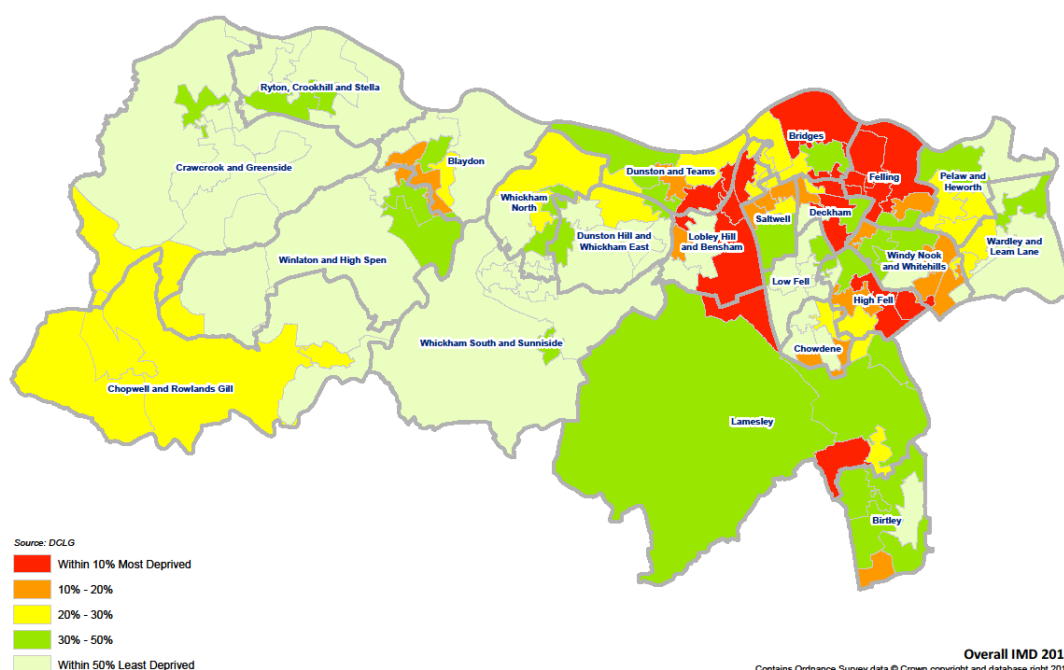
The LSOA's in the top 10% and 20% most deprived area covers the majority of the proposed redesignated area.

Further analysis of this data would suggest that barriers to housing and services (the physical and financial accessibility of housing and local services e.g. affordability, overcrowding and homelessness), and housing quality rank highly.

High levels of deprivation in the proposed area are driven to a large extent by crime and housing. Licensing can make a direct and tangible difference to both of these factors e.g. enforcement action against landlords who illegally overcrowd or rent out homes in a poor condition are one of the key aims of the licensing scheme and will help to alleviate housing and health deprivation in the licensing areas. The information gathered through licensing will also help to inform future joint operations with the police and other agencies to crack down on crime, again helping to mitigate deprivation.

The map below shows the overall spread of deprivation within Gateshead. The map confirms that the highest levels of deprivation are concentrated within central Gateshead, with a few other hotspots in Birtley and High Fell where the concentrations of private rented properties are not as high.

### Multiple Deprivation in Gateshead, Index of Multiple Deprivation 2015.



## **Socio Economic Status**

- 45% of households in the Lobley Hill and Bensham Ward are on a low income which is higher than the Gateshead average of 42% and considerably higher than the England average of 30%, indicating increased vulnerability of households.
- Specifically in the private rented sector, the number of households on a low income is 32% which is lower than the Gateshead average but higher than the national average.

## APPENDIX B

### Proposed Street Lists

#### **Central Bensham Phase 2 – Redesignated Area** **Streets Included**

Hyde Park Street 1-63 odd and 2-64 even  
Saltwell Place – ALL  
Saltwell Street – ALL  
Trevethick Street – ALL  
Westminster Street – 1-63 odd  
Whitehall Road - 275-343 odd 274-340 even

#### **The Avenues** **Streets Included**

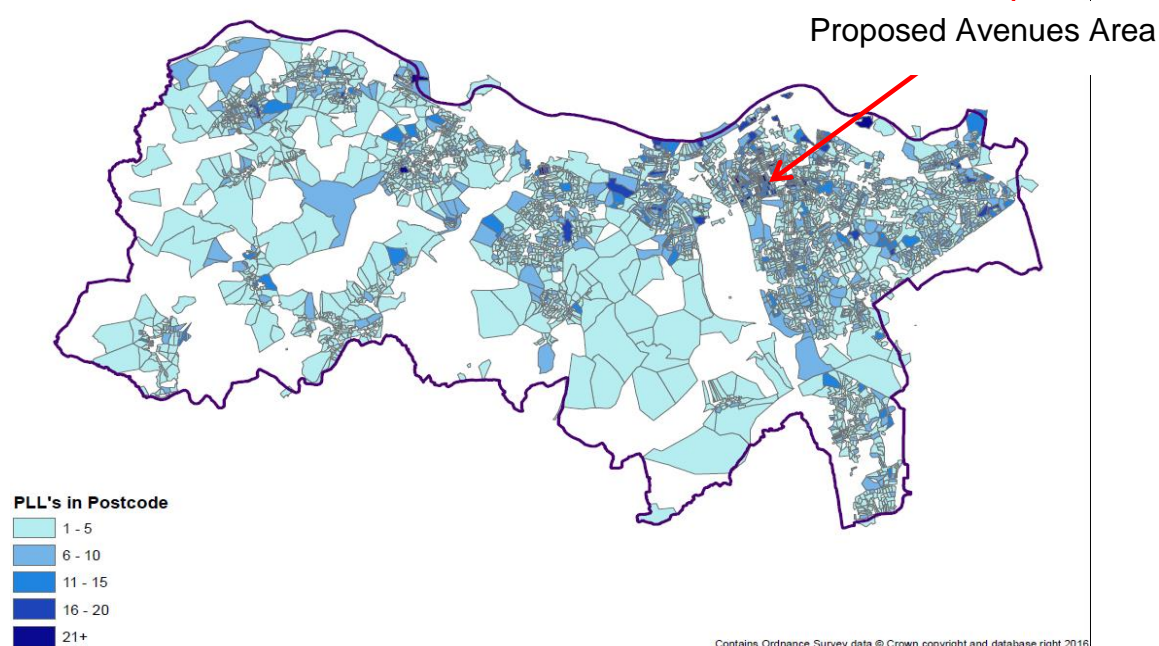
<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>
Rectory Road 137-279	Rectory Road 281-339	Rectory Road 341-371
Windsor Ave 2-156 1-157	Windsor Ave 158-222 159-221	Windsor Ave 226-276 223-281
Westbourne Ave 2-176 1-157	Westbourne Ave 178-240 159-221	Westbourne Ave 242-300 223-285
Eastbourne Ave 2-158 1-161	Eastbourne Ave 162-224 163-225	Eastbourne Ave 226-268 227-291
Brinkburn Ave 2-64 1-67	Brinkburn Ave 66-128 73-131	Brinkburn Ave 130-198 133-211
Rodsley Ave 154-194 153-199	Rodsley Ave 86-152 85-149	Rodsley Ave 2-84 1-83
Westfield Terrace 1-11		

## APPENDIX C

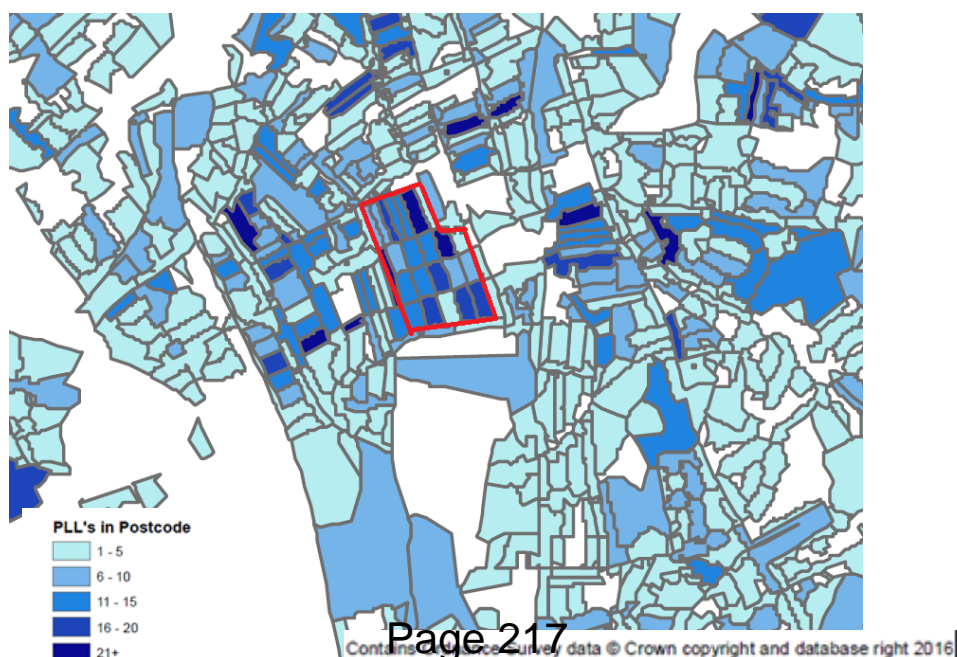
### DETAILED EVIDENCE TO SUPPORT THE INTRODUCTION OF LANDLORD LICENSING IN THE AVENUES (Phases 1-3)

#### High Proportion of Property in the Private Rented Sector

The location and proportion of private rented homes was based on LSOA breakdown using Council Tax data, as well as data from the BRE Stock Model and tenure figures from 2013. Figures were also matched against local land and property gazetteer as well as internal databases.



An enlarged view of the proposed area shows postcode areas. The predominance of darker blue shading confirms higher concentrations of private rented properties in comparison to other areas.



The baseline tenure split for Gateshead is as follows:

<b>Tenure</b>	<b>Number</b>	<b>%</b>
Owner Occupied	53,898	57.8
Social Rented	24,777	26.5
Private Rented	14,617	15.7
<b>Total</b>	<b>93,292</b>	
<b>The Avenues</b>	<b>901/1306</b>	<b>69%</b>

There are an estimated 901 private rented properties out of the 1306 that fall within the proposed Avenues designated area – 69% private rented. The four statutory conditions which allow for selective licensing (as specified in The Selective Licensing of Houses (Additional Conditions)(England)Order 2015), those being housing conditions, migration, deprivation and crime, can only be considered where:

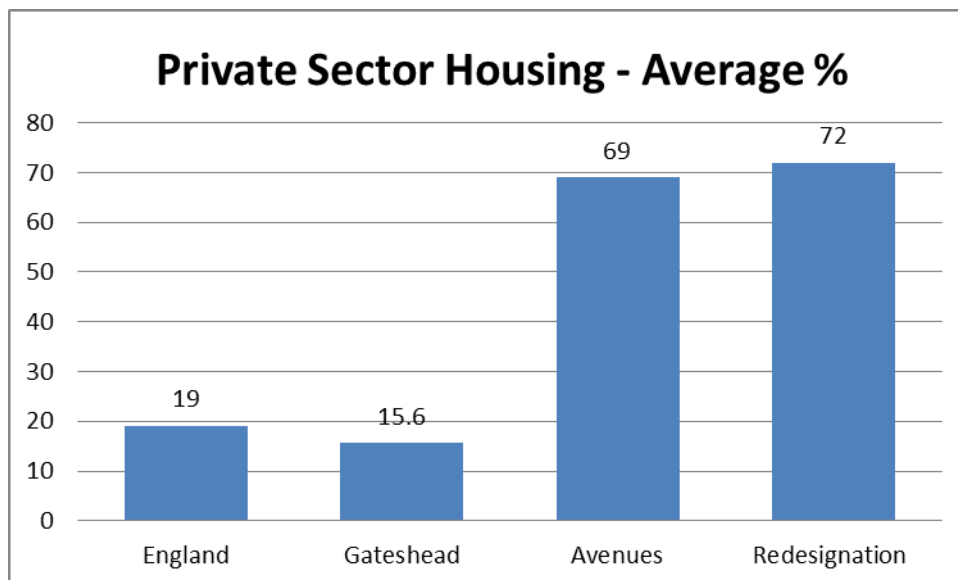
- The area contains a high proportion of properties in the PRS in relation to the number of properties in the area and
- Those properties are occupied under either assured tenancies or licenses to occupy.

There is no statutory definition of what constitutes a ‘high proportion’ and it is therefore open to the Council to make its own reasonable determination having regard to guidance.

*‘Nationally the private rented sector currently makes up 19% of the total housing stock in England. The actual number of privately rented properties in a given area may be more or less than this, and if it is more than 19%, the area can be considered as having a high proportion of privately rented properties. 19% is the figure as of March 2014. This figure will vary from time to time, so local authorities are strongly advised to consult the latest available English Housing Survey when considering whether an area has a high proportion of privately rented properties.’* (Selective licensing in the private rented sector - A Guide for local authorities)

The most recent 2015-16 English Housing Survey confirms the current national figure to be between 19 and 20%. As the proposed Avenues licensing area has more than three times the national average, it is satisfied that the area has a high proportion of property in the private rented sector.





### **Assured Shorthold and Regulated Tenancies**

Assured shorthold tenancies (AST) are the most common form of contract in the PRS, and along with properties let under licence, are licensable under a selective licensing scheme.

The main documented alternative to AST's and licenses are regulated tenancies; tenancies which were established prior to 1991 and which have not been relet since, whereby they would default to an AST.

Valuation Office records at November 2017 showed 14 properties within the proposed Avenues area were let by private providers/individuals on regulated tenancies, the equivalent to 1.5% of the private rented stock in the area. This indicates that 98.5% of the private rented property in the proposed area will be let subject to a tenancy agreement or licence compatible with SLL.

### **THE AVENUES (Phases 1-3)**

The Avenues is situated within the Saltwell Ward. Parts of the ward are densely populated and include a large number of traditional terraces, including very high numbers of Tyneside flats in the north of the ward (the proposed licensing area). The ward contains the highest private rented sector in Gateshead. Saltwell has a diverse population including black and minority ethnic communities and a significant proportion of the orthodox Jewish community. In 2014 the population of the Ward stood at 10401 with 64% of the population being aged 16-64 and 3.7% of the population being black and minority ethnic.

The proposed area covers less than 1% of Gateshead's total geographical area, yet contains almost 6% of the private rented stock. Using council tax

data and information provided by residents, the total estimated number of private rented homes is 69% (901 homes).

### **Low Housing Demand**

In identifying if an area is suffering from, or likely to become, an area of low housing demand, it is recommended that local authorities consider the following factors;

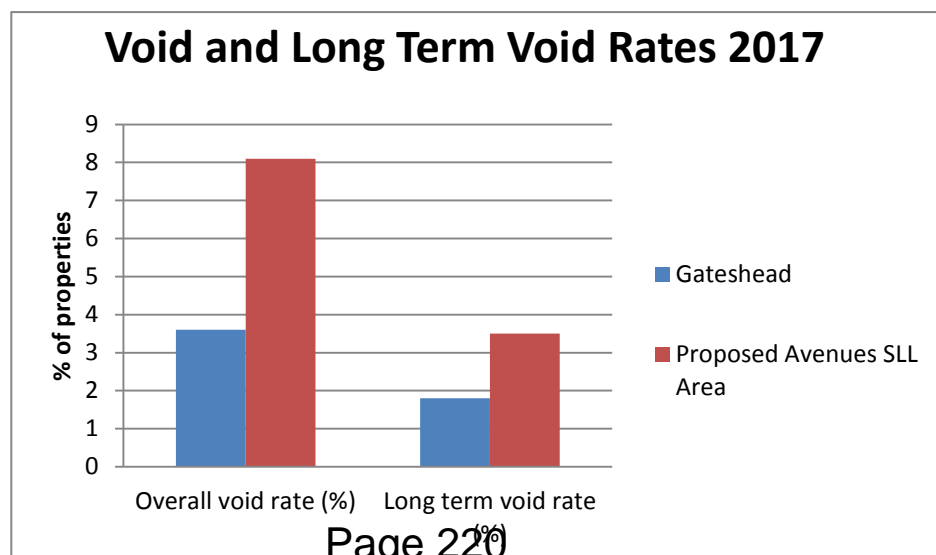
- The value of residential premises in the area, in comparison to the value of similar properties in other comparable areas;
- The turnover of occupiers of residential premises (both rented and owner-occupied);
- The number of residential premises which are available to rent or buy, and the length of time they have remained unoccupied; and
- The general appearance of the locality and the number of boarded up shops and properties.

An analysis of the above has confirmed that the area is currently demonstrating some key indicators of low housing demand:

### **Empty Properties**

There are just over 1300 properties covering the proposed Avenues licensing area. In January 2017, 8.1% of homes in the area were empty, more than double the average to the rest of the Borough of 3.6%.

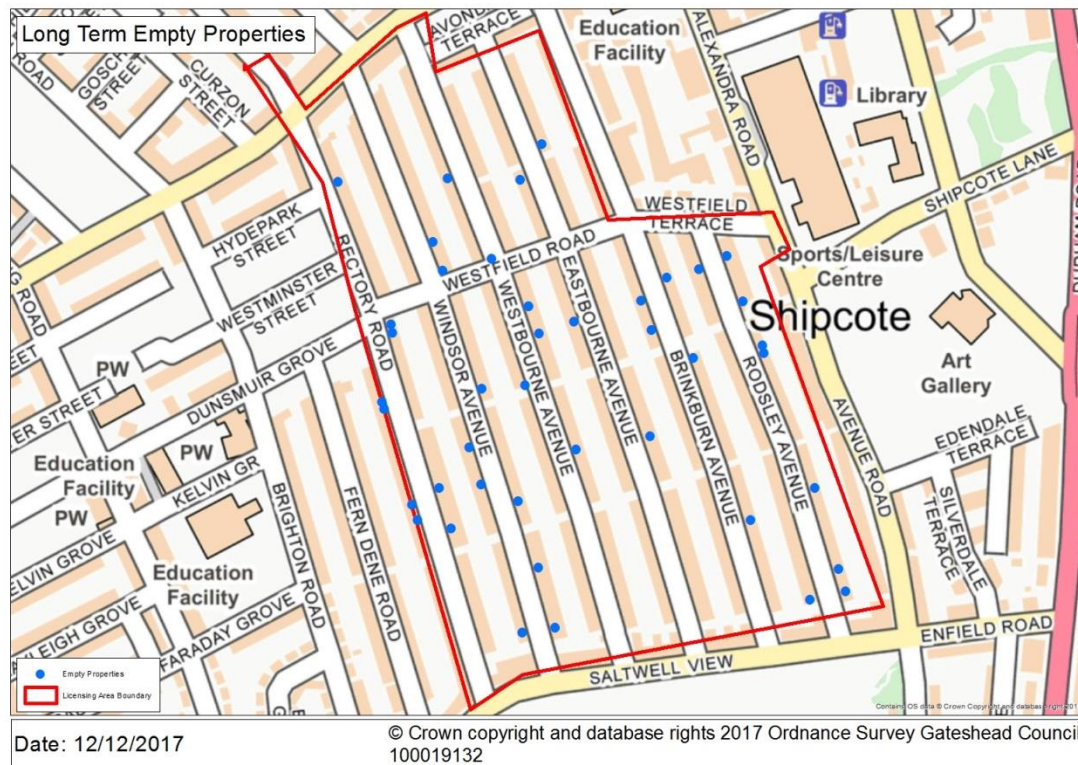
3.5% of those properties that are empty have been vacant for longer than 6 months. An analysis of the long term empty properties indicates that some have been vacant for several years. There are properties within the area that have been vacant since 2004 and this is despite several attempts to engage with owners and encouragement to bring the properties back into use or sale. The Borough average for long term empty properties is 1.8% which tells us that there are more long term empties in the proposed area compared to elsewhere in Gateshead and that these properties are staying empty for longer periods of time.





## Void and Long Term Void Rates 2017 – Gateshead and Proposed Avenues SLL area.

Of the 42 long term empty properties in the proposed area (March 17), only one has been brought back into use under the Council's Leasing Scheme. This is despite exhaustive efforts to engage owners and encourage participation within the scheme.



Specifically in the proposed areas owners have advised that their properties are empty for the following reasons;

- Property is in negative equity so unable to sell
- Lack of finances to bring property up to a lettable standard or maintain condition
- Property is in probate

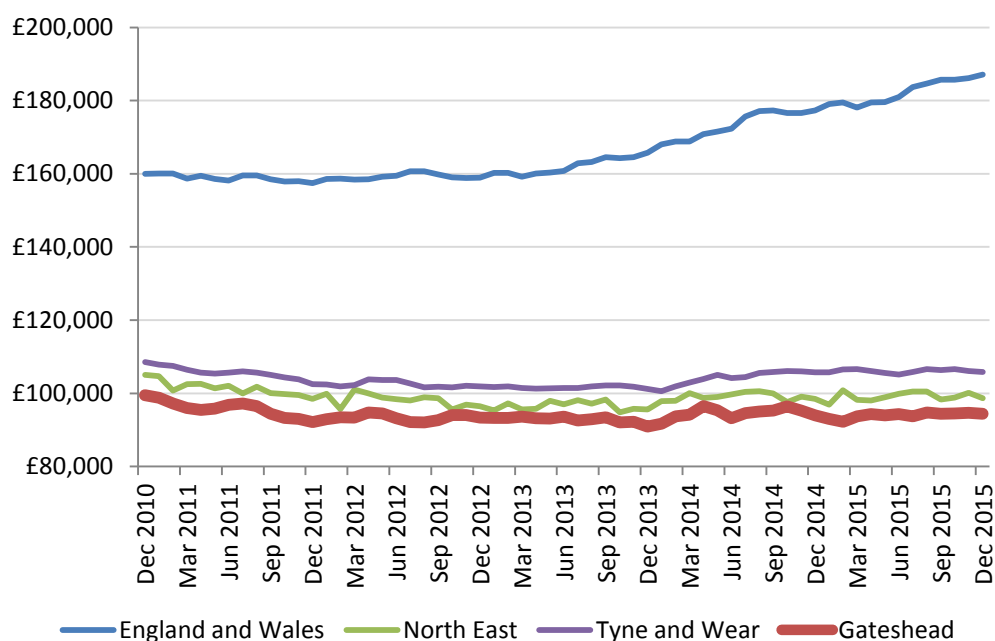
The number of long term empty properties continues to be a problem affecting the sustainability of the proposed SLL area. Properties that are left empty for long periods of time can have a number of negative effects such as

- They can attract ASB including vandalism, litter and sometimes arson
- Market values are often reduced as neighbours move away and confidence is reduced
- They are a wasted resource both financially and in terms of potential housing or community use
- The reduced spending power of the local area impacts on local businesses and the general economic stability of the area.

## Residential Property Value

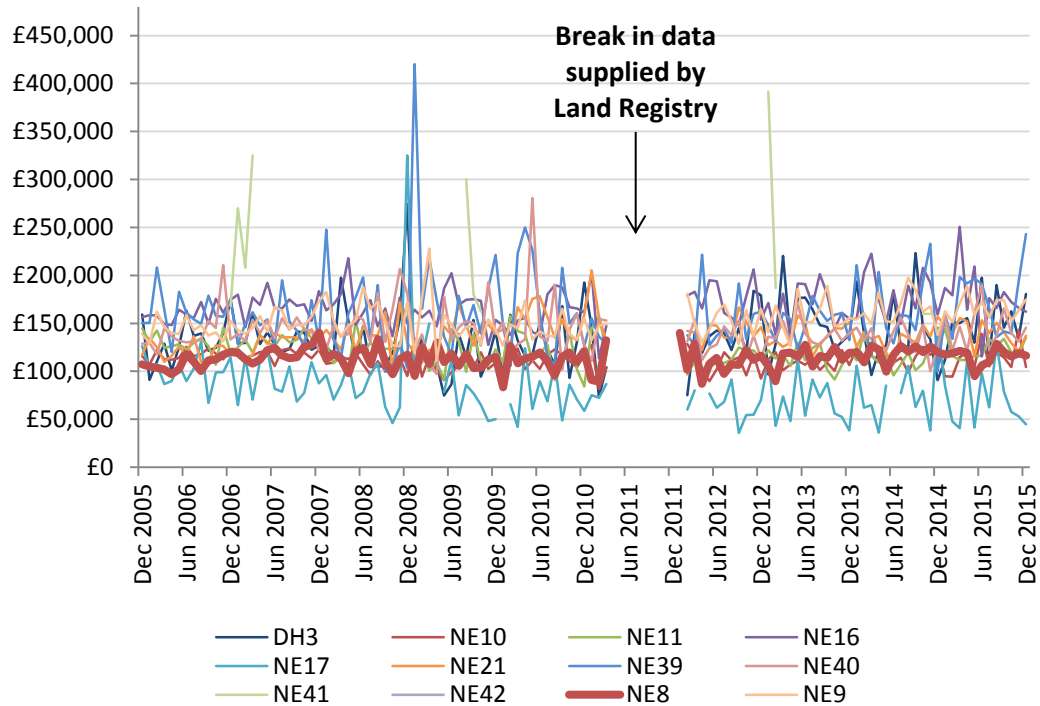
An initial review of house prices and market performance has been undertaken to set the context for this proposal. It is recognised that the financial crisis had significant and ongoing negative impact on housing market confidence and resulted in reduced house prices across the country.

The quarterly average price (see below) for all residential transactions from December 2010 to December 2015 in Gateshead have been consistently lower than the Tyne & Wear average and the North East region. In addition, the average price is substantially below the national average for England and Wales. As average prices have started to increase across the country from the end of 2013 onwards, prices in Gateshead have remained the same.



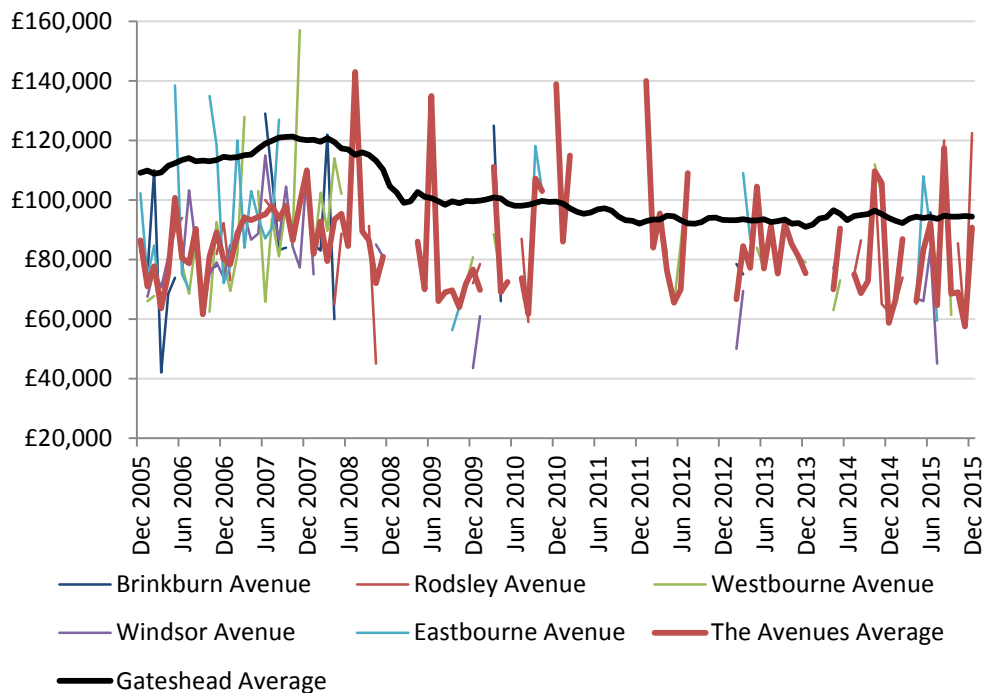
## **Residential Transaction 2010-15, England, Northeast and Gateshead**

Below shows a time series plot of prices between December 2005 and December 2015 by postcode sector in Gateshead. The proposed Avenues SLL area is situated within NE8 (shown in red), which has consistently exhibited a lower price comparable to other parts (including NE11 and NE17 which have concentrations of similar housing stock) of the Borough, except for NE17. NE17 includes the rural area of Chopwell, an area with historical lower than average house prices and an area that has previously subject to SLL



### Property Sale Prices 2005-2015 Gateshead Postcode

Below goes on the demonstrate the year on year difference between those streets within the proposed SLL area and other areas in Gateshead. A substantial number of properties in the streets yielded a lower price than the Gateshead average.



### Property Sale Prices 2005-2015 Proposed Area Streets

### **Latest Housing Market Evidence - Rightmove**

At the time of writing 53 properties were currently for sale on the open market in the proposed Avenues area. The marketed prices ranged from £180,000 for a three bedrooomed terraced house to £35,000 for a two bedroom ground floor flat. (Source Rightmove 14<sup>th</sup> November 2017). This demonstrates the wide variation of property prices and market uncertainty within the proposed area, clearly indicating that sub markets are present which can indicate low demand.

### **Information from local Estate Agents**

Agents operating in the proposed area and marketing properties for sale have been contacted to provide an insight into current market conditions. Agents confirmed that there is a notable difference in market conditions from one end of the proposed area to another. The area closer to Saltwell Park (Phase 3) is operating much closer to normal market conditions than the parts of the area closer to Whitehall Road (Phases 1 and 2). Properties in Phase 3 are kept to a higher standard and are well presented compared to those in Phases 1 and 2. There is also more interest from first time buyers in Phase 3. Sale prices are also significantly less in Phase 1 and 2 compared to Phase 3. One agent quoted differences of £20,000 between Phase 1 compared to Phase 3 for properties of the same size and layout and finished to the same standard.

Agents confirmed that Phases 1 and 2 are very much an investors market, where properties are purchased to privately rent. The amount of time properties are on the market for sale can vary considerably. Properties being sold by an investors to an investor usually sell a lot quicker and for a lower price. Properties that are not being sold by an investor, where an owner is aiming to get a reusable price, can take longer to sell. One agent advised they had been marketing a property for sale in the proposed area since October 2015 with little interest, with the knowledge that if the owner considerably lowered the price, there would be more interest and most likely by an investor. Other agents advised that the area is very price sensitive, and did not experience too much difference in sale times, but that this was heavily influenced by pricing.

Whilst there have always been variations in property values between specific parts of the Borough, the prices in the proposed area are dampened by the reputation of the area for a minimum investment for a higher yield.

Demand for properties in the area is often from families and couples in receipt of housing benefit, or those out of work or on a low income who are looking for properties with cheaper rents.

This insight into the market and the difference from one end of the proposed area to other supports this proposal and again demonstrates the wide variation of property prices and market uncertainty, clearly indicating that sub markets are present which can indicate low demand. The information also supports the proposal in the planned phased introduction of licensing. It has always been proposed that the introduction of Phase 3 for landlord licensing

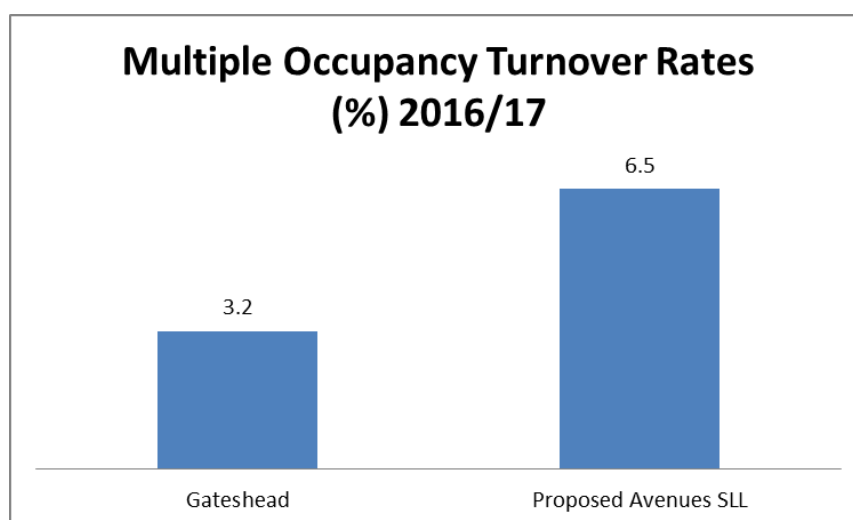
will be subject to ongoing consultation and monitoring of the necessary data to ensure at the point of introduction the legal tests continue to be met.

### **Occupancy Turnover**

An additional or alternative indicator to house transactions to gauge turnover is to analyse the number of properties where liability for Council Tax has changed more than once during the year. This method has the advantage of highlighting where private rented tenancies have changed, which would not be reflected in Land Registry sales information.

Analysis of this data has confirmed that the turnover (churn) of occupancy within the proposed area is higher than other parts of the Borough and properties change hands more often. Nearly 7% of properties in the area had a different council tax payer on more than one occasion in 2016. This is more than double the 2017 Gateshead Borough average of 3.2%. Some of these have even changed over more than twice in that time.

This indicates that turnover is higher in the area and properties change hands more often than in other parts of Gateshead. This can be a problem because it doesn't give time for a community and its residents to settle. It also may indicate dissatisfaction with the neighbourhood.



In contrast to the other 123 LSOA'S that cover the rest of Gateshead, which cover similar numbers of the population to allow for comparison, the three LSOA covering the proposed Avenues area rank 3<sup>rd</sup>, 4<sup>th</sup> and 6<sup>th</sup> highest for multiple turnover in the Borough. Area with higher turnover were Gateshead town centre and the Baltic Business quarter where there are a number of commercial units and rates of private rented properties are far less.

Due to the nature and concentrations of rented properties in the area, slightly raised values of turnover are to be expected, however rates are currently double the Gateshead average. Similar to previous areas designated for

licensing, this level of liability change indicates an instability in the housing market when compared with the rest of the Borough.

### **Significant and Persistent Problems of Anti-Social Behaviour (ASB)**

Gateshead Council does not propose to seek to support a designation in this area on the grounds of anti-social behaviour. This area is however disproportionately affected by ASB and support will be targeted as part of the proposed scheme to help reduce these problems.

The guidance in terms of meeting the legal condition relating to anti-social behaviour has however still be considered for the purposes of data analysis and to obtain an insight into ASB and crime affecting the area so that the proposal can be developed accordingly.

Government guidance advises that the following must be met to satisfy the ASB condition:

- (a) that the area is experiencing a significant and persistent problem caused by anti-social behaviour;
- (b) that some or all of the private sector landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat the problem that it would be appropriate for them to take; and
- (c) that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, lead to a reduction in, or the elimination of, the problem.

Antisocial behaviour is not exclusively but can include acts of;

- Verbal abuse, intimidation or harassment behaviour of tenants or neighbours;
- Noise, rowdy and nuisance behaviour affecting persons living in or visiting the vicinity;
- Animal related problems;
- Vehicle related nuisance;
- Anti-social drinking or prostitution;
- Illegal drug taking or dealing;
- Graffiti and fly posting; and
- Litter and waste within the curtilage of the property.

A landlord has responsibility to ensure that her/his tenants do not cause annoyance or nuisance to other persons living, working or visiting the immediate neighbourhood. If anti-social behaviour is being carried out within the immediate vicinity of the property, and is being caused by the occupiers of it, then it would be reasonable to expect a landlord to ensure that those persons are not conducting themselves in such a way that is adversely impacting on the local community. This applies equally to visitors to the property.

Anti-social behaviour is defined by Housing Act 2004 as:



1. “Conduct on the part of occupiers of, or visitors to, residential premises;
  - a) which causes or is likely to cause a nuisance or annoyance to persons residing, visiting or otherwise engaged in lawful activities in the vicinity of such premises, or
  - b) which involves or is likely to involve the use of such premises for illegal purposes”.

Guidance issued by Department for Communities and Local Government, titled “*Approval steps for additional and selective licensing designations in England*” (February 2010) gives further explanation of the definition of anti-social behaviour. Whilst it should be noted that the guidance referred to is now dated and may not necessarily reflect current advice, it indicates that an area can be deemed to be suffering from significant and persistent anti-social behaviour if it suffers from;

- **Crime:** Tenants not respecting the property in which they live and engaging in vandalism, criminal damage, burglary, robbery/theft and car crime;
- **Nuisance Neighbours:** Intimidation and harassment, noise, rowdy and nuisance behaviour, animal related problems, vehicle related nuisance. Tenants engaged in begging, anti-social drinking, street prostitution and kerb crawling, street drugs market within the curtilage of the property; or
- **Environmental Crime:** Tenants engaged in graffiti and fly posting, fly tipping, litter and waste, nuisance vehicles, drugs paraphernalia, fireworks misuse in/around the curtilage of the property.

Gateshead Council data and that provided by Northumbria Police and Local Environmental Services in relation to refuse and fly tipping both show problems of anti-social behaviour in the proposed areas. With the high numbers of privately rented properties in these areas this inevitably indicates a correlation between the number of complaints received and their relative prevalence in these areas of large numbers of privately rented properties for example from 2014-2017, 86% of noise and ASB complaints received by the Council in the Avenues were in relation to private rented property. Further data analysis of Crime and ASB is provided below.

### **ADDITIONAL CONDITIONS**

#### **High Levels of Crime (also including ASB)**

In considering whether an area suffers from a high level of crime, the authority should consider;

- Whether the area has displayed a noticeable increase in crime over a relatively short period of time, e.g. 12 months;
- Whether the crime rate is significantly higher than in other parts of the local authority area, or it is higher than the national average; and

- Whether the impact of crime in the area affects the local community and the extent to which a selective licensing scheme can address the problems.

The licensing scheme must be part of a wider strategy to address crime in the designated area.

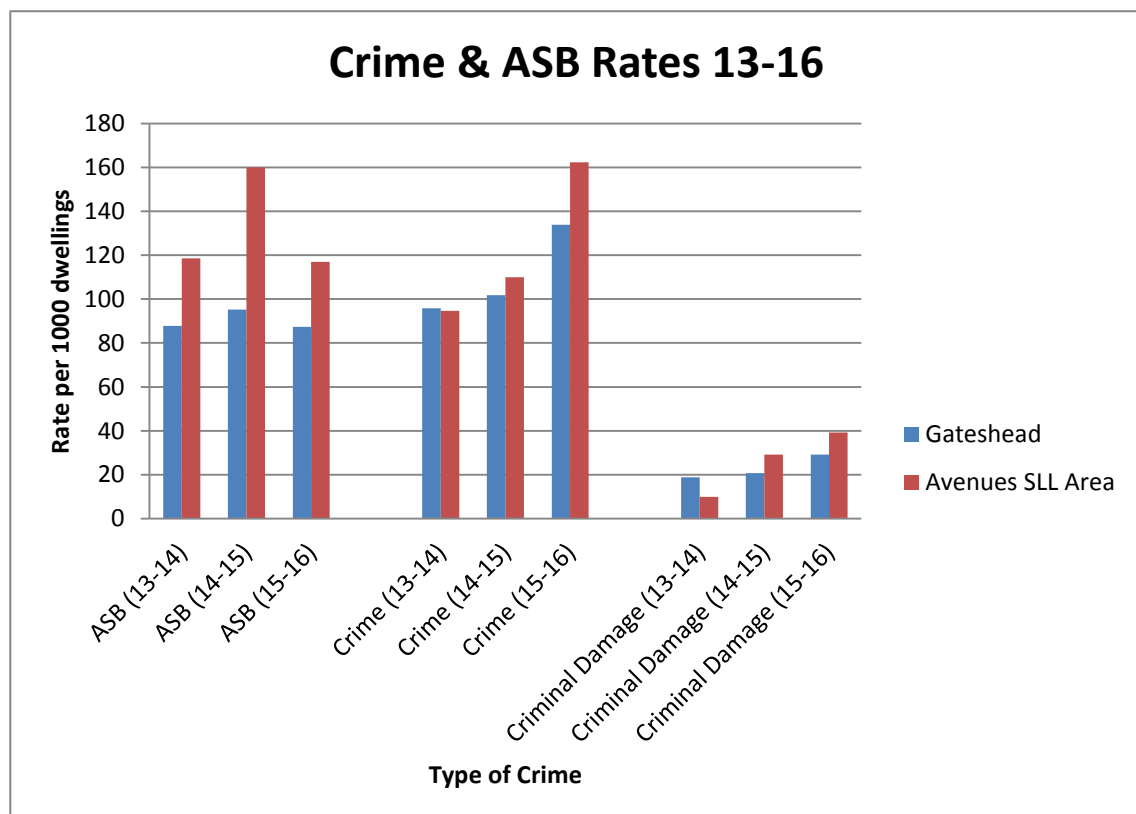
The graphs below shows figures obtained from Northumbria Police regarding levels of crime and ASB within the proposed Avenues area covering from 2013 to the end of 2016. The area is compared to the Gateshead average.

Northumbria Police have advised that more than 40% of known offenders in Central Gateshead live in the proposed Avenues area and the wards feature 4<sup>th</sup> and 5<sup>th</sup> highest in the borough across all types of crime and ASB. Wards with higher levels are where the town centre and Metro Centre are located, and where levels of private rented homes are a lot less.

Crime and criminal damage rates in Gateshead have increased each year since 2013. Rates in the proposed area have also increased year on year and at a rate that is higher than the Gateshead rate.

The total ASB and crime in the proposed area was higher than the Gateshead average over a three year period, apart from one instance in 13-14 when criminal damage was slightly lower than the borough average. (Figure 5). In particular ASB rates in the proposed area have been particularly higher than the borough average year on year.

**FIGURE 5 - Crime and ASB Rates 13-16, Gateshead and Proposed Avenues Area**





## There is a correlation between Police reported incidents and the Private Rented Sector

Further analysis of the incidents reported to Northumbria Police from April 2016- end of March 2017 from within the Avenues from has been undertaken. Reported incidents in relation to vehicle collisions, adult/child concerns etc. have been removed prior to analysis. Incidents below are in relation ASB (including noise) and crime.

Count of Street1	Tenure						
IN SCHEME	Street1	LAN	OOC	SOCIAL	TGHC	UNKNOWN	Grand Total
YES	BRINKBURN	79	11				90
	EASTBOURNE	230	12			4	246
	RECTORY	108	2				110
	RODSLEY	96	5		24	29	154
	WESTBOURNE	111	24	24		1	160
	WESTFIELD	2					2
	WINDSOR	115	10	19		1	145
<b>Grand Total</b>		<b>741</b>	<b>64</b>	<b>43</b>	<b>24</b>	<b>35</b>	<b>907</b>
<b>Grand Total</b>		<b>82%</b>	<b>7%</b>	<b>5%</b>	<b>3%</b>	<b>4%</b>	<b>100%</b>

82% of reported ASB and crime incidents to Northumbria Police from within the Avenues were in relation to private rented homes. A similar number of incidents were reported for owner occupied properties (7%) and social providers (8%) combined. 4% of incidents were in relation to properties where the tenure is not currently known, but are expected to be owner occupiers. This data supports that there is a strong correlation between ASB/Crime and private rented homes within the proposed area.

## Consultation feedback

Residents were asked for comments in relation to the problems of ASB and crime within the Avenue during the consultation period. 71% of responding residents advised they had experienced problems with a neighbouring property or residents within the area. There were also a noticeable number of stakeholders who recognised and reported that many problems they had experienced were from private sector homes and tenants.

## Private Sector Housing Complaints

The team receive and respond to complaints of noise and antisocial behaviour occurring at private properties. Over a three year period from 2014-17, 136 complaints were received from residents in the proposed area, with the majority of these being in relation to neighbour noise. These complaints amounted to 6% of the complaints received across the Borough for only 1.4% of the total number of properties borough wide.

## Correlation between Council reported incidents and the Private Rented Sector

Of the complaints received in the proposed area from April 2014 to March 2017, 86% were in relation to issues concerning private rented

accommodation. 61% of complaints were received from occupiers of private rented properties, confirming that private tenants are also affected as well as being perpetrators. Interestingly a small proportion of complainants lived outside of the proposed area and in the surrounding neighbourhood, indicating the further reaching impact of noise and ASB from within the area,

### **High Levels of Deprivation**

For an area to be designated under this condition, the conditions are;

- (a) That the area is suffering from a high level of deprivation, which affects a significant number of the occupiers of properties referred to in article 3(1)(a); and
- (b) That making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, contribute to a reduction in the level of deprivation in the area.

In determining whether an area is suffering from a high level of deprivation, the local housing authority may have regard to the following factors in relation to the area:

- (a) the employment status of adults;
- (b) the average income of households;
- (c) the health of households;
- (d) the availability and ease of access to education, training and other services for households;
- (e) housing conditions;
- (f) the physical environment; and
- (g) levels of crime.

### **English Indices of Deprivation 2015**

The term deprivation covers a wide range of issues and refers to unmet needs caused by a lack of resources of all kinds, not just financial. The English Indices of Deprivation attempt to measure multiple deprivations by taking into account a range of factors.

The Indices of Deprivation 2015 provide a set of relative measures of deprivation for small areas (Lower-layer Super Output Areas) across England, based on seven domains of deprivation. The domains were combined using the following weights to produce the overall Index of Multiple Deprivation (IMD);

- Income Deprivation (22.5%)
- Employment Deprivation (22.5%)
- Education, Skills and Training Deprivation (13.5%)
- Health Deprivation and Disability (13.5%)
- Crime (9.3%)
- Barriers to Housing and Services (9.3%)
- Living Environment Deprivation (9.3%)

LSOAs (Lower-layer Super Output Areas) are small areas designed to be of a similar population size, with an average of approximately 1,500 residents or 650 households. There are 32,844 Lower-layer Super Output Areas (LSOAs)

in England. They were produced by the Office for National Statistics for the reporting of small area statistics.

A range of summary measures are available for higher-level geographies including local authority districts and upper-tier local authorities, local enterprise partnerships, and clinical commissioning groups.

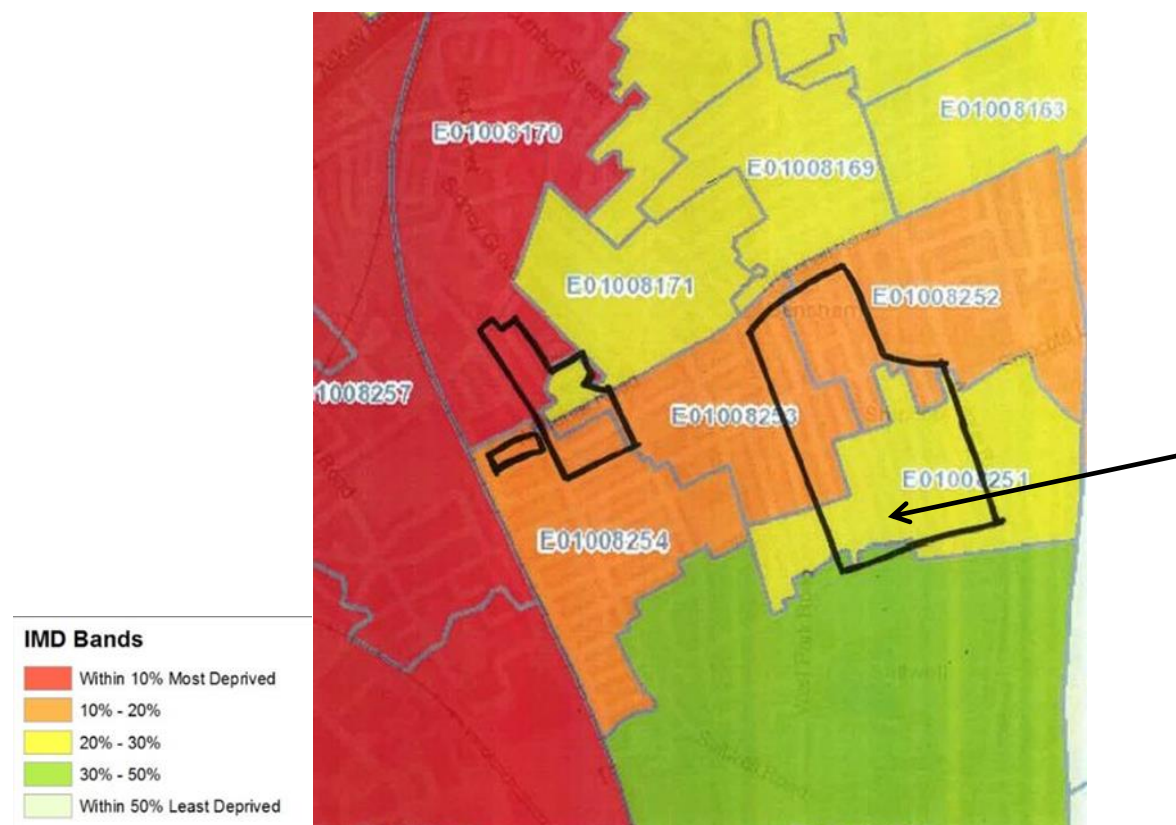
### **Deprivation In Gateshead & The Proposed Avenues SLL Area**

In 2015 the Indices of Multiple Deprivation found Gateshead to be the 73<sup>rd</sup> most deprived Local Authority area out of 326 Local Authorities.

#### **Lower super output areas**

Within Gateshead there are 126 smaller areas known as Lower Layer Super Output Areas (LSOAs), 15 of these areas fall within the 10% most deprived areas in England. The proposed Avenues licensing area covers three of these smaller lower super output areas;

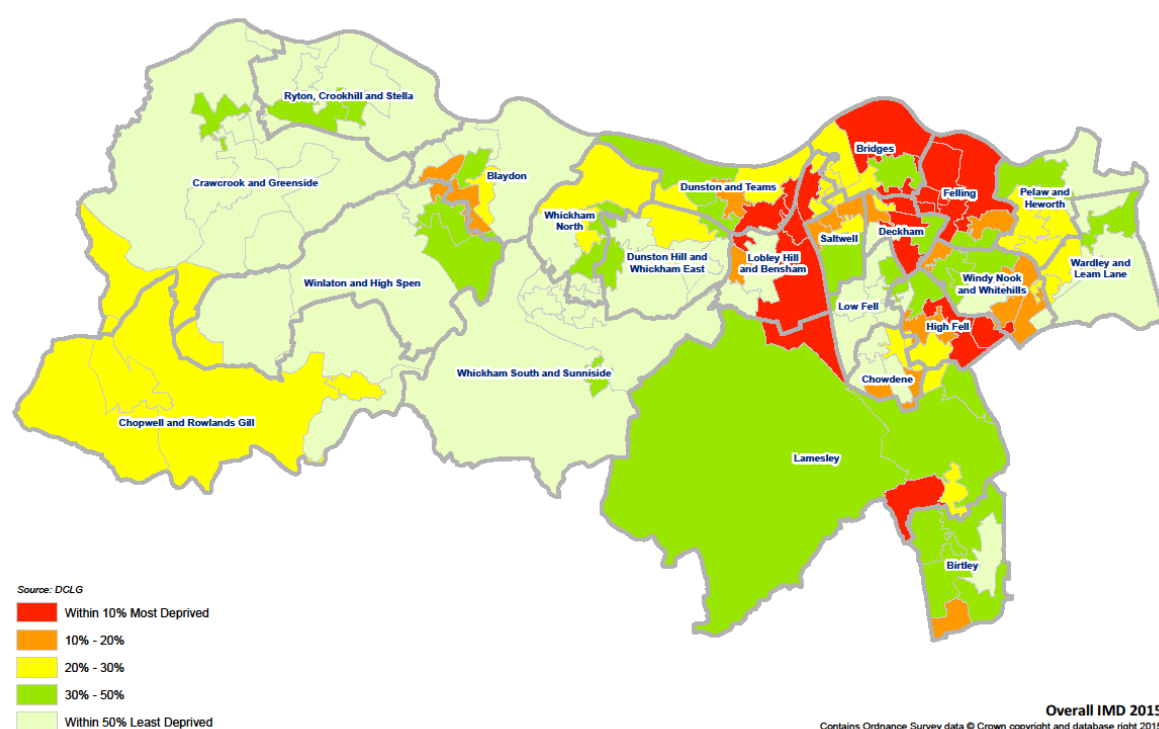
- Two of these areas fall within 10-20% of the most deprived areas in the country
- One area falls within 20-30% most deprived.
- One neighbouring area, to be included in a further proposed licensing scheme falls within the top 10% most deprived.



Further analysis of this data would suggest that barriers to housing and services (the physical and financial accessibility of housing and local services e.g. affordability, overcrowding and homelessness), and housing quality rank highly.

Map 3 below shows the spread of deprivation within Gateshead. The map shows that the highest levels of deprivation are concentrated within Central Gateshead, with a few other hotspots in Birtley and High Fell where the concentrations of private rented properties are not as high.

**MAP 3 - Multiple Deprivation in Gateshead, Index of Multiple Deprivation 2015.**



## Socio Economic Status

The socio economic analysis within the proposed Avenues area is detailed below.

	<b>Gateshead 93790</b>	<b>Proposed SLL Area 1306</b>	<b>Rate difference</b>
<b>Job seekers Allowance Claimants</b>	2900	155	
<b>JSA Claimants rate per 100 properties</b>	3.09	11.9	<b>8.81</b>
<b>Employment Support Allowance and Incapacity Benefit</b>	10770	330	
<b>ESA &amp; IB claimants rate per 100 properties</b>	11.4	25.3	<b>13.9</b>
<b>Lone Parent Claimants</b>	1730	45	
<b>Lone parent claimants rate per 100 properties</b>	1.8	3.44	<b>1.64</b>
<b>Other on income related benefit</b>	380	5	
<b>Other on income related benefit rate per 100 properties</b>	0.4	0.38	<b>+0.02</b>
<b>Total out of work benefits</b>	15780	535	
<b>Total out of work benefits rate per 100 properties.</b>	16.8	41.0	<b>24.2</b>

Source – DWP 2015 data

## Poor Housing Conditions

### Review of Local Housing Conditions

The quality and condition of properties in the proposed area reflects the predominance of pre 1919 Victorian Tyneside flats, (estimated 99%). Gateshead Council procured the BRE (Building Research Establishment) Housing Stock Projection Model in 2013 to provide estimates of the local housing conditions at the level of the authority, ward and census output areas. The estimates are based on models developed by BRE which combine national data from the English House Condition Survey, with local census data and social economic data on income.

The model produced by the BRE predicts the proposed Avenues area to have a higher percentage of properties which contain at least one category one (12%) hazard than the Gateshead average of 10%. Disrepair in the area is also a significant contributor to properties failing the decent homes standard. Falls on stairs and Excess Cold are the most common hazards due to the age and construction type of the properties.

The BRE Model results also included the following:

For all housing stock in Saltwell



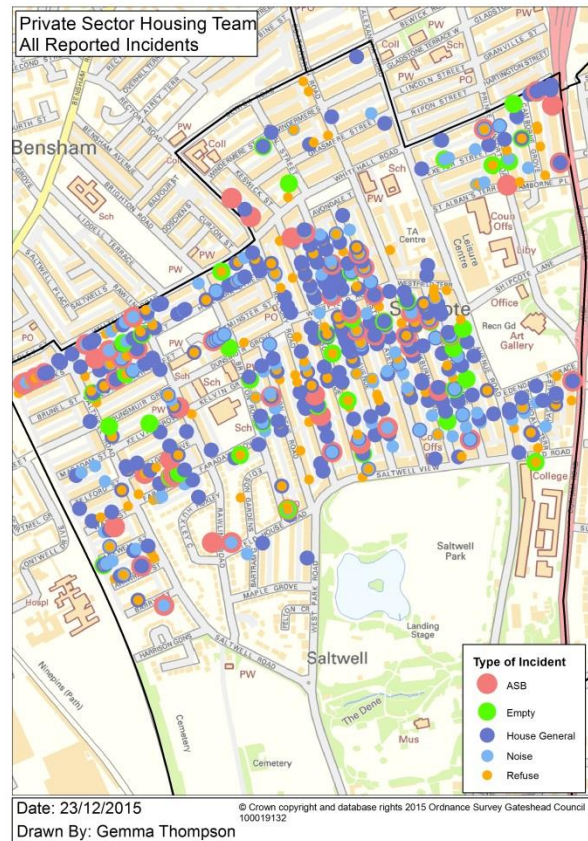
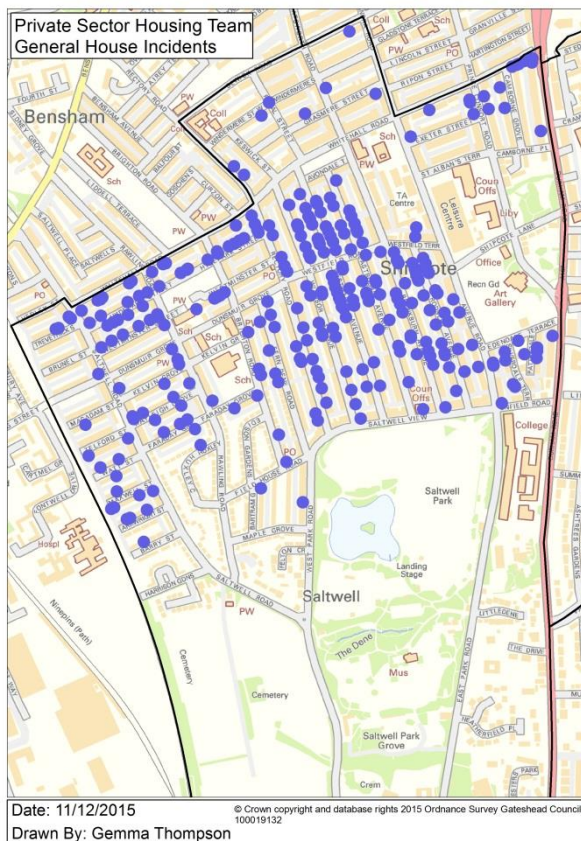
- The Saltwell ward in which the proposed Avenues area is located has a higher percentage of low income households (37%) than the England average of 30%
- The Saltwell ward has a higher percentage homes in fuel poverty when compared to the Gateshead average of 25%.
- 12% of properties in the Saltwell Ward are in disrepair. This is double the Gateshead and England average of 6%. Disrepair is a significant contributor to properties failing the decent homes standard.

For private sector stock in Saltwell

- A higher percentage (35%) of low income households compared to the rest of Gateshead (30%) and England (22%).
- Double the amount of properties in disrepair (12%), compared to the rest of Gateshead (5%) and England (6%).
- A higher percentage of homes in fuel poverty (27%) compared to the rest of Gateshead (23%) and England (18%).

### PROPERTY DISREPAIR COMPALINTS & REQUESTS FOR HELP

The biggest proportion of requests for help to the PSH Team are received from central Gateshead. Map 4 demonstrates the spread of all reported incidents to the PSH Team from 2013 to the end of 2016 in the proposed area. The maps shows the incidents specifically in relation to housing disrepair. Both maps show a concentration of demand in the both of the proposed areas.



Reported incidents are despite PSH team activity to drive up property standards by encouraging compliance with the GPLA Accreditation Standard, which resulted in huge improvements to the private sector housing stock in the proposed area during the block improvement scheme initiative. More than 250 properties were improved to the accredited standard and resulted in many Category 1 hazards being removed. Unfortunately since this time, despite encouragement to private landlords to reaccredit their properties, the number of accredited properties in the Avenues proposed scheme is currently just 20.

Licensing will increasingly allow Local housing authorities to be targeted in addressing poor property conditions through their powers under Part 1 of the Housing Act, which are extensive. A local housing authority should not use its Part 3 powers (Selective Licensing) where it is appropriate to tackle small numbers of properties which are in poor condition and are adversely affecting the character of the area and/or the health and safety of their occupants. The local authority may consider it appropriate to make a Selective Licensing Scheme as part of a wider strategy to tackle housing conditions so it can prioritise enforcement action under Part 1 of the Act, whilst ensuring that properties are properly managed through licence conditions under Part 3 to prevent further deterioration.

### **Levels of Migration**

The Council currently does not have full evidence on migration within the Saltwell ward. The absence of this evidence means that the Council are unable to consider this condition as an indicator of need for SLL. Work is progressing to improve data gathering in relation to this.



## APPENDIX D

### BENSHAM AND SALTWELL PREFERRED PLAN

DECEMBER 2005

-  Potential Clearance and Redevelopment
-  Neighbourhood Centre Improvements
-  Property/Environmental Improvements
-  Areas for Potential Future Investment
-  Neighbourhood Management
-  Community Facilities Schools, Churches etc.
-  Green Space Improvements
-  Key Movement Corridors
-  Rail Links

- A. Cricket & Rugby Club
- B. Windmill Hills Primary School
- C. St Joseph RC Primary School
- D. Health Centre
- E. Alexandra Road Infants School
- F. Kingdom Hall
- G. Hotel
- H. Christ Church
- I. Gateshead Jewish Boys School
- J. Bewick Centre
- K. Synagogue
- L. Brighton Avenue Primary School
- M. Caedmon Community Infant School
- N. Caedmon Community Primary School
- O. Medical Centre
- P. Muslim Community Centre
- Q. Nursery
- R. Library
- S. Leisure Centre
- T. Bensham Clinic
- U. Medical Centre
- V. Shipley Art Gallery
- W. St Chads
- X. Corpus Christi Church
- Y. Corpus Christi RC Primary School
- Z. Kelvin Grove Primary School





## APPENDIX E

### Consultation Suggestions/Considerations/Proposal Revisions

Suggestion for Scheme Admin/Implementation	Response/Consideration Given/Action Taken	Why/Reasons
Reintroduce tenant/referencing/vetting's	Work is underway to resurrect the tenant vetting's service. This service is proposed to be available within licensing areas only and will follow a similar format to that undertaken previously e.g. 5 years housing history and police check. Service will be available at no extra cost. <b>Reconsidered and to be reintroduced.</b>	Outside the scope of the decision on the introduction of licensing. Not viable in isolation to landlord licensing as concentrates on ASB aspect and not property conditions and tenancy management. To be used as a supplementary tool rather than instead of.
Phased payment plan	The financial impact of licence fees, especially for landlords with larger portfolios is recognised. This approach has been abused in former licensing schemes. Extra steps in place to make the collection process more streamlined e.g. if one payment missed, full outstanding balance required in full. Likely to be a shorter period for smaller portfolios and a larger repayment period for larger portfolios. <b>Reconsidered and accepted</b>	Outside the scope of the decision on the introduction of licensing. Plan does not detract from the positive impact SLL can bring to an area. To be used as a supporting measure for licence holders.
Apply any discounts at end of scheme	Awaiting to see if this is legal in line with the Hemmings v Westminster Council ruling. This is a good idea to reduce the costs of chasing membership and upkeep of property accreditation mid scheme. Will put the responsibility on the licence holder to confirm year on year. <b>Considered and accepted (pending legal permission).</b>	Outside the scope of the decision on the introduction of licensing. To be used as a supporting measure for licence holders
Discount for LL membership	Initially removed due to the amount of chasing mid scheme and abuse of this previously by some licence holders. Previously this became a form filling exercise with no level of competence required. Many landlords also did not utilise the services available to them via membership to assist with condition compliance e.g. training. Many also	Outside the scope of the decision on the introduction of licensing.  To be used as recognition for compliant/professional landlords operating within proposed areas.

	<p>joined for one year and did not renew as required. Consideration to membership to a nationally recognised body where there is a system of verification prior to membership and throughout. The NLA offer an accredited membership. To become accredited a landlord is required to attend a one day course and pass an assessment, therefore demonstrating a level of competence and responsibility. Council to facilitate courses in house to keeps costs to a minimum Must ensure that the cost of course attendance is in line with the discounts proposed. Discounts now proposed for membership to the NL;A following feedback received during consultation and comparison of association services and benefits. Initial discount to be awarded on application and then a further discount at end of licence term if association membership and property accreditation standards have been maintained throughout the scheme. <b>Reconsidered and accepted.</b></p>	
Increase tenant responsibility in respect of refuse	<p>New scheme approach will include greater working with local residents and tenants. All properties to be inspected prior to a licence being granted and in depth discussion with tenant in terms of refuse responsibilities. Licence conditions also updated to include more responsibilities for landlords in relation to provision of bins and waste disposal in between tenancies. Enforcement action to be considered for residents as well as property owners. <b>Already proposed,.</b></p>	<p>Outside the scope of the decision on the introduction of licensing. Not viable in isolation to landlord licensing as concentrates on ASB aspect and not property conditions and tenancy management. To be used as a supplementary tool rather than instead of</p>
Prevetted tenants service/green card system rather than licensing	<p>Onus to vet transferred to the Council. Status only valid for the day of decision May arise in unnecessary work – if a tenant doesn't access housing in the area or finds another property Open to misuse for outside the area as well as fake use/copy of cards Increased costs to produce cards, monitor dates of expiry. System</p>	<p>Outside the scope of the decision on the introduction of licensing. Not viable in isolation to landlord licensing as concentrates on ASB aspect and not property conditions and tenancy management.</p>

	<p>concentrates on aspects of behaviour only and would not contribute towards improving property conditions, landlord management practices and other community issues etc. that landlord licensing aims to achieve. <b>Considered and not accepted.</b></p>	
<p>Consider applying a fee discount for landlords who become accredited members of the NLA</p>	<p>Considered – as above under Discount for Landlord Membership. <b>Considered and accepted.</b></p>	
<p>Reduced fee for varying a licence to an existing licence holder.</p>	<p>Recognition that if the owner of the property remains the same and the licence holder is an agent that then changes to another (who is known already to the Council as fit and proper), the amending of the licence can be an administrative task rather than requesting a full and new application. This is balanced against ensuring the Council are made aware of changes to those involved in the management of the property. In the past new agents have been evasive in telling us they are involved to avoid paying the full application fee. Fee to issue a new licence will be will be an administrative charge for the cost of doing so- £50 <b>Considered and accepted.</b></p>	<p>Outside the scope of the decision on the introduction of licensing</p>
<p>Revoke a licence if on inspection a property does not meet the legal required standard.</p>	<p>There is clear guidance within the Housing Act as to when a licence can be revoked. These are if the property is no longer licensable or if there are repeated and serious breaches of licensing conditions. A graded approach would be adopted in line with the SLL Enforcement/Service Enforcement Policy. Officers will work closely with licence holders to upskill and duplicate and ensure properties are improve using an informal and formal approach if required. <b>Considered and accepted in part-response will be proportional and in line with the Enforcement Policy.</b></p>	<p>Outside the scope of the decision on the introduction of licensing</p>

Provide clear outline of when and why unannounced property inspections will be undertaken	There will be clear guidance provided in the Enforcement Policy as to the circumstances when these will be undertaken. <b>Considered and accepted.</b>	Outside the scope of the decision on the introduction of licensing
Reduced fee for multiple applications	There is no substantial cost saving to the Council in terms of multiple property applications. All properties require the same amount of time in terms of proposing to issue and granting a licence. All require an inspection and all will be monitored the same during the lifetime of the scheme. The only time saving is in relation to the fit and proper person criteria which will only be assessed once for an applicant with multiple properties. <b>£10 saving per subsequent property has been added to the fees and charges. Considered and accepted</b>	Outside the scope of the decision on the introduction of licensing
Make the status of a licence application very clear online	The Council must keep a public register of licenses issued. It is proposed to have an online and interactive register on the Councils webpages where users can search by property address, landlord name to find out if a property is licensed or to report an unlicensed property. It is proposed to have a status for applications pending. <b>Considered and accepted.</b>	Outside the scope of the decision on the introduction of licensing
Discount if landlord has only one or very few properties in the area	Cost of scheme and fees has been worked out on numbers of properties to be licensed. Each property requires a licence and monitoring over the lifetime of the scheme, resulting in costs. Discounts have been proposed for commitment to the sector via national landlord association membership and property accreditation. Landlords with few properties will be able to spread the cost of their licence/s. <b>Considered and accepted in part.</b>	Outside the scope of the decision on the introduction of licensing
Exemption from fee if	See above. Early bird discounts available for landlords who are	Outside the scope of the decision on the introduction

landlords are members of a recognised association/are accredited and there have been no previous complaints from tenants	timely and forthcoming with their applications. Discounts also available via property and landlord accreditation. Charges proposed for those who fail to return or are late in returning requested information during the scheme. <b>Considered and not accepted.</b>	of licensing.  To be used as recognition for compliant/professional landlords operating within proposed areas.
Discount for compliance throughout the scheme	See 'Reduced fee for multiple properties above' Fee is worked out on a per property basis. Discounts now proposed for both property accreditation and membership to a national landlords association following feedback received during consultation. Initial discount to be awarded on application and then a further discount at end of licence term if association membership and property accreditation standards have been maintained throughout the scheme. <b>Considered and accepted.</b>	Outside the scope of the decision on the introduction of licensing.  To be used as recognition for compliant/professional landlords operating within proposed areas.
Higher fee for additional properties	There is no increase in costs to the Council in terms of multiple property applications. All properties require the same amount of time in terms of proposing to issue and granting a licence. All require an inspection and all will be monitored the same during the lifetime of the scheme. There is a cost saving based on the fit and proper person check element of an application which will be incorporated into the proposed fees and charges. Higher fees for additional properties not a consideration. <b>Considered and not accepted.</b>	Outside the scope of the decision on the introduction of licensing.
Ensure that overcrowding and the illegal use of properties are targeted	Plans to work closely with partner agencies such as the Police and Immigration are proposed. Licensing results in inspections of the properties being undertaken to identify any issues and appropriate action will be taken if required. Unannounced property inspections will be undertaken if criminality or breach of conditions are suspected. <b>Considered and accepted.</b>	Outside the scope of the decision on the introduction of licensing.

Limits on how many properties a landlord can have	This is not within the scope of the scheme.	Outside the scope of the decision on the introduction of licensing.
Increased responsibility for landlords for external property appearance and maintenance	To be incorporated into updated licence conditions. <b>Considered and accepted.</b>	Outside the scope of the decision on the introduction of licensing. To be used in addition.
Increased monitoring of tenant behaviour	See increase tenants responsibility above. There will be ongoing sharing of information and partnership working/joint visits with appropriate agencies such as the police, internal council services and immigration. Tenants will be provided with advice and support. Plans to set up a residents group with officers to share information. Trends and patterns identified to be dealt with using existing powers e.g. ASB legislation. <b>Considered and accepted.</b>	Outside the scope of the decision on the introduction of licensing.
Appoint a landlord representative	Working/steering group comprising of key landlord/agent representatives to be established if scheme agreed. <b>Considered and accepted</b>	Outside the scope of the decision on the introduction of licensing.
Parking permits for residents	This is not within the scope of the scheme.	Outside the scope of the decision on the introduction of licensing.
Helpline for residents to report ASB.	Reporting mechanisms already in place. Residents to be advised of these during tenants meeting and letter drops. Officers to have specific streets within area to cover and to build a rapport with residents so as to create another avenue for reporting. Plans in place for mechanisms to increase community engagement and empowerment – e.g. resident/multi agency meetings. <b>Considered in part and accepted.</b>	Outside the scope of the decision on the introduction of licensing.

## APPENDIX F

### **PROPOSED FEES** **Selective Landlord Licensing 2018**

Early Application Fee	£550 (complete application received prior to scheme live date, or before licensable property is purchased/managed mid scheme)
Standard Fee	£750 (complete application received within 28 days of becoming licensable)
Standard Fee Plus	£850 (complete application received more than 28 days of property becoming licensable and reminder sent)
Late Application Fee	£1000 (complete application received more than 28 days of becoming licensable and application had to be pursued on multiple occasions)
<b>Discounts</b>	
Accredited property (paid at expiry of licence)	£100 (18% discount from early application fee)  <b>Unaccredited on application –</b> discount repaid if property accredited within agreed timescales and property meets standard for full licence duration  <b>Accredited at time of application -</b> £50 upfront discount for properties already accredited and £50 paid at licence expiry if standard maintained)
Accredited member of a National Landlords Association (or equivalent)	£100 up front discount for current accredited members/licence holder commits to and attends foundation course  £65 additional discount at end of scheme (repaid if membership maintained for full licence duration)
Multiple Properties (discount on the fit and proper element of a licence after the first application)	£10 per subsequent application

<b>Licence Variations</b>	
Change of address details of existing licence holder, manager, owner, mortgagee, freeholder, leaseholder etc.	No fee
Change of mortgage provider, freeholder and leaseholder (unless they are also the licence holder or manager)	No fee
Variation of Licence instigated by the Council	No Fee
Change of licence holder	Application fee
Change of manager (if not the licence holder), Change of manager (if the new manager is the most appropriate to be the licence holder and the property owner remains the same)	No fee  £50 administration fee
<b>Charges</b>	
Charge for provision of and receipt of a paper application (for applications received after online system becomes available)	£50
Charge for each incomplete/deficient application received	£25 (added to fee) (if application is returned or missing information needs to be pursued)
Phased payment plan (per property)	£25 per property (to be added to final invoice amount)
Charge for failing to return requested property/licence information mid scheme	£25 per additional request
Caution issue (as an alternative to prosecution)	£300 (staff time, caution issue)
Public register – request for paper copy	£50

<b>Action</b>	<b>Applicable Fee</b>
Revocation of licence	No fee
Application to licence following revocation of licence	Application fee
Application refused by the Council	Application fee with no refund
Application withdrawn by the applicant	Application fee with no refund
Application made in error e.g. duplicate/ property not required to be licensed	No fee, refund will be made
Properties that cease to be licensable	Application fee with no refund



during the licensing process	
Enforcement action under Part 1 of The Housing Act 2004 relating to a licensed property (charged under s49 of The Housing Act 2004)	£350 per legal Notice served (under review) NB Once an invoice is issued, this charge becomes a local land charge on the property.

An NLA accredited LL with an accredited property can pay £400 upfront (if application is submitted early)

This amounts to £1.53 a week for the licence over a five year term and does not include the discounts that may be awarded at scheme expiry (£1.10 a week)

**Early application fee** – no chasing for application or missing information, properties less likely to need regular intervention during lifetime of scheme, reward for landlords being timely and forthcoming.

**Standard fee** – landlords do not submit application in a timely manner and additional communications required to ensure application is submitted within 28 days. Period of time passes where offence committed as no application received before property became licensable. Landlord, property and tenancy may require additional support and intervention during scheme.

**Standard fee plus** – no application received before scheme or during first 28 days despite notifications, further communications and one formal reminder being sent. LH requires additional support/training and property may require increased intervention during the scheme period.

**Late application fee** - no application received before scheme or during first 28 days despite notifications, multiple communications and multiple reminders sent. Unannounced property inspection undertaken. Property more likely to require increased intervention during the scheme. LH requires additional support and training.

### Discounts

**Property Accreditation** = property condition assessed as being over and beyond the legal minimum housing standard – less likelihood of complaints from tenants and neighbours, commitment to the provision of a safe and well maintained property.

**Accredited Landlord** – landlord undertaken days foundation training course on roles and responsibilities of being a landlord and has shown a level of knowledge and competence. Access to services to maintain knowledge and competence and to assist with compliance with of licensing conditions – less likelihood of non-compliance and subsequent action.

**Subsequent/multiple applications** - discount on the fit and proper element of a licence after the first application

## **APPENDIX G**

### **Model Standard Example**

#### **Procedure for Licence Holders and Managing Agents to Respond To Disrepair**

##### **Commencing a Tenancy**

Prior to the start of any tenancy it is essential the property is free of any obvious hazards and must be in a good state of overall repair both internally and externally. The property must have a heating system capable of heating all parts of the dwelling and providing the tenants with a supply of hot water.

It is recommended the Licence Holder/and or his manager carryout a full inventory and this is to be signed by both parties at the beginning of a new tenancy (or as soon as practicable afterwards) and to give the tenant the opportunity both to carry out a joint inventory inspection at the outset and to discuss the inventory at the end of the tenancy. At the start of a new tenancy the licence holder must provide their tenants with information on how to report repairs.

##### **Periodic Inspections**

The Licence Holder and/or his manager are required to make regular visits to the property, (at least every six months) to ensure that the property is maintained, secure and has not been abandoned. It is essential the tenant is given 24 hours' notice prior to any visit (except in emergencies).

During such a pre-arranged visit the property would be inspected internally to determine it was in a good state of repair and was being maintained in a clean, tidy and safe condition. Furthermore, the exterior of the property should be checked to ensure any yards, forecourts and gardens surrounding the house must be maintained and kept in a clean, tidy and safe condition and free from accumulations of refuse.

If any furniture was supplied at the start of a tenancy it must be in a safe and good condition and well maintained or replaced as necessary. Such items remain the responsibility of the Licence Holder throughout the tenancy (unless specified otherwise in the Tenancy Agreement).

It must be noted if the tenant refuses the landlord access to the property they cannot just enter the property uninvited (further advice can be provided by the Private Sector Housing Team).

##### **Repairs and Complaints**

Landlords should ensure that they have an appropriate programme of inspection in place for their properties to ensure they are free from disrepair. There should be procedures in place for dealing with repairs.

Tenants should be advised of any planned programmes of repairs which should be carried out with due regard to the convenience of the tenant. Landlords should respond promptly whenever notified by their tenants that a repair is needed to the property and carry out repairs within a time period appropriate to the severity of the problem. The landlord must respond to a complaint within 14 days beginning with the day on which the complaint was given.

The Licence Holder must provide the occupiers of the house and the occupiers of any adjoining properties, with details of the following:

- Name of the licence holder or managing agent;
- A contact address and daytime telephone number;
- An emergency contact telephone number.
- This information must be supplied within 28 days. An emergency contact telephone number for the Licence Holder and/or management agency shall also be available and notified to the authority.

Tenants must receive written confirmation detailing arrangements in place to deal with repair issues and emergencies should they arise. The responsibility for repairs should be set out clearly in the Tenancy Agreement.

### **Guide to Timescales**

All timescales to complete maintenance work should be proportionate to the severity of the disrepair, keeping as far as is practicable to the guide timescales below:

- **Emergency Repairs**

Those that are required in order to avoid danger to health, risk to the safety of residents, or serious damage to buildings or internal contents. Emergency repairs should be addressed within 24 hours of being reported. In circumstances where this is not possible best temporary arrangements must be carried out. Examples of emergency repairs would include burst water pipes, faulty electricity installation or a structural repair that poses a risk to the tenant or the public. In circumstances where this is not possible best temporary arrangements will be carried out.

- **Urgent Repairs**

Repairs to defects which materially affect the comfort or convenience of the residents should be completed as soon as possible and as a maximum within five working days of report. Such repairs would include leaking roof, partial loss of electrical power or blocked drain.

- **Non-Urgent Repairs**

Repairs not falling within the above categories –should be completed within 28 working days of being reported by the tenant. Such repairs include enforcing tenancy conditions where appropriate and minor disrepair such as plaster repairs, or sticking doors and windows. This will include enforcing tenancy conditions where appropriate.

## APPENDIX H

### **Enforcement Policy** **Selective Landlord Licensing**

#### **Introduction**

Selective licensing is a regulatory tool under Part 3 of the Housing Act 2004 which provides a discretionary power for Local Authorities to introduce selective landlord licensing of privately rented homes within a designated area. This is based on specific indicators of low housing demand, problems with anti-social behaviour, including concerns with one or more of the following - levels of crime, deprivation, migration and housing conditions. .

Selective licensing contributes to confidence in the private rented sector, and encourages landlords to increase accountability for the management of their property and tenants. Generally, good responsible landlords will benefit from the additional support with unscrupulous landlords finding it a less appealing proposition.

The policy sets out the broad principles and processes which Officers within Private Sector Housing will follow when delivering landlord licensing in line with the requirements of The Housing Act 2004, and other appropriate housing legislation to ensure the approach is fair and consistent and that it will stand up to scrutiny.

This enforcement policy helps to promote efficient and effective approaches to regulatory inspection and enforcement of licensing schemes, which improve regulatory outcomes without imposing unnecessary burdens. Enforcement in the context of this policy is not limited to formal enforcement action such as serving notices or prosecution, but includes, the inspection of premises to check for compliance with legislation and the provision of advice, support and guidance. It sets out what owners, landlords, and their agents and tenants of private sector properties can expect from Gateshead Council and the types of enforcement action that can be taken and considered.

#### **Overall Enforcement Policy**

The Private Sector Housing Team endeavours to work with landlords to provide support and guidance to improve housing standards and practices within the private rented sector. Any enforcement action considered will be based on risk and we must also have full regard to any statutory duty. Assessment of risk will be based on current legislation and specific guidance.

#### **Our Agreed Principles for Effective Enforcement**

In response to the enforcement concordat the Private Sector Housing Team consider the following principles as the basis for undertaking fair and balanced enforcement.

## **OPENNESS**

- We will provide information to the public in plain language and if possible, avoid any jargon.
- We are open and honest about how we do our work and in particular how we set our charges for enforcement.
- We will always discuss general issues, specific failures or problems with anyone who we have enforced against.
- We will try to ensure that people understand what is expected from them as well as making them aware of what they can expect from us.

## **HELPFULNESS**

- Our staff will provide a courteous, efficient and helpful service.
- All staff visiting properties will identify themselves by name and carry identification cards.
- We will provide a contact point and telephone number for further dealings with Officers.

## **PROPORTIONALITY**

- Where possible, we will endeavor to minimise the costs of compliance with notices by ensuring the action we take is proportionate to the risks.
- We will work with those required to take action so that they can meet their legal obligations without unnecessary expense.
- Similarly, any sanctions we impose will take account of the seriousness of the offence.

## **CONSISTENCY AND FAIRNESS**

- Officers will carry out their duties in a fair and consistent manner. To achieve this, we will develop and put in place procedures for the range of enforcement activities we carry out and ensure that Officers follow such procedures.
- Although Officers have to exercise judgment in individual cases, we will ensure that procedures wherever possible are the same and people are treated equitably. It must be stressed that as a rule we believe in gaining the desired result through effective engagement with the parties involved, however we will take enforcement action if the criteria of the enforcement policy has been satisfied.

## **SERVICE COMPLAINTS**

- The Council has a corporate complaints system that enables the public to provide their views on our services. Details of the procedure can be found at the Civic Centre, Regent Street, Gateshead, Tyne and Wear, NE8 1HH or by visiting the Council's website at

[www.gateshead.gov.uk](http://www.gateshead.gov.uk). We respond promptly and positively to complaints received about the service.

### **PRINCIPLES OF ENFORCEMENT & ENFORCEMENT DECISIONS**

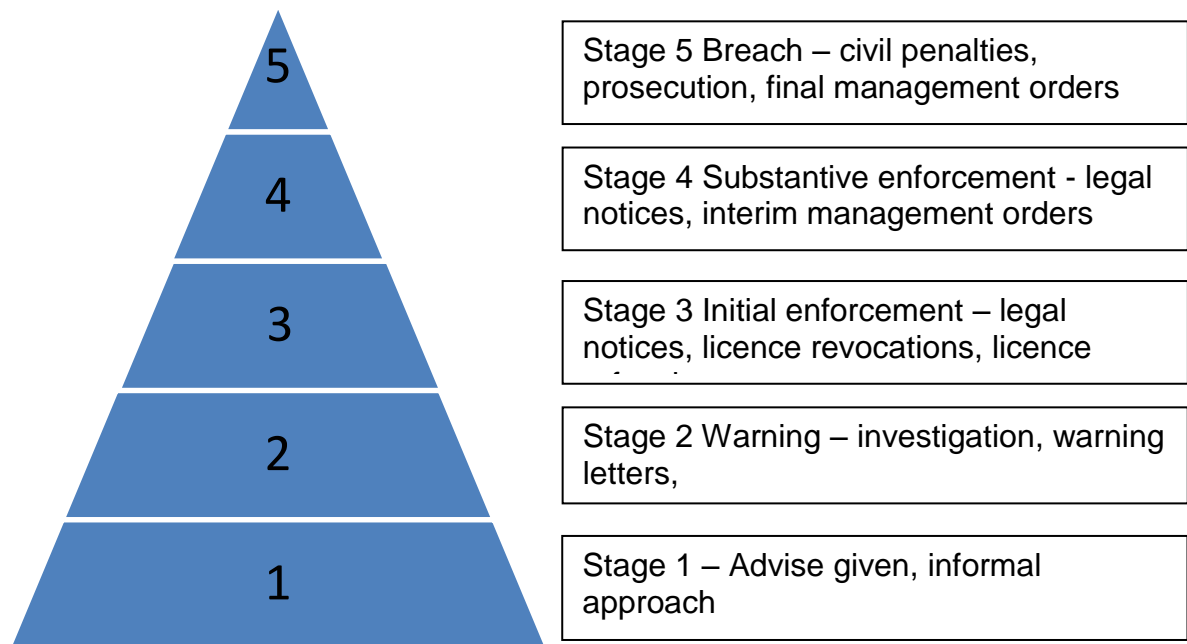
- When discharging its duties in relation to Private Sector Housing, the Council will follow the principles of good enforcement and ensure that enforcement decisions are made and actions taken in line with the provisions of the following legislation:
  - The Human Rights Act 1998
  - Regulators Compliance Code
  - Criminal Procedures and Investigations Act 1996
  - Regulation of Investigatory Powers Act 2000
  - The Crime and Disorder Act 1996
  - The Police and Criminal Evidence Act 1984 (as amended)
  - Civil penalties under the Housing and Planning Act 2016 - Guidance for Local Housing Authorities

### **PARTNERSHIP WORKING**

- We engage We engage in partnership working with other enforcement agencies where there is a shared enforcement role, or where it is in the public interest to share matters concerning non-compliance with enforcement actions taken. For example liaising with; the Police, the Health and Safety Executive and other Council Services.

### **Graded Response to Enforcement Action**

The pyramid detailed below provides an overview of the graded response to enforcement action. If a landlord engages with the Local Authority in the first instance they will be supported following an informal approach. However, if a landlord does not comply with the informal request, the local authority will take the graded approach to ensure compliance. Enforcement action will be based on risk and we must also have full regard to any statutory duty. Assessment of risk will be based on current legislation and specific guidance. As and when necessary, the council will seek to ensure it recovers appropriate costs from those landlords who are not being proactive in managing or letting properties.



Actions available broadly divided into two categories:

- **Informal action**
- **Formal action**

Once we have established that action needs to be taken to resolve an issue, wherever possible an informal approach will be adopted having regard to either the Code or the Concordat. However, in certain cases there will be no alternative but to take formal action.

Consideration will be given to:

- The impact of interventions on economic progress, especially small businesses,
- Whether benefits justify the costs and poses the minimum burden to achieve the objective,
- Whether informal action may compromise the objective or whether there is a serious breach of legislation. For example, where an imminent risk to public health exists and removal of the risk is only guaranteed through a formal approach.
- Any relevant history in relation to the case. In particular, officers will consider whether any formal action has been taken in the past, the recipient's response and the ability and willingness of the recipient to keep to agreed timetables of work.
- Whether an act or omission is serious enough to warrant formal action, or whilst there is no infringement of legislation, a positive benefit from informal action can be derived.

The initial decision to take informal or formal action will be made by the enforcement officer. The decision will be agreed with the relevant line manager, however, overall responsibility for officers' actions rests with the Service Director of Development, Transport and Public Protection.

### **Informal Action (Stages 1 & 2)**

Informal action includes;

- Issuing verbal advice or instruction,
- Working in partnership with key agencies,
- The provision of advisory written information; examples are schedules of work in relation to required property repairs and informal warning/reminder letters to submit a licence application/information.
- Guidance, information and advice to licence holders advising them of their responsibilities, including an online document library and landlord support pages.

### **Formal Action (Stages 3 - 5)**

If informal engagement fails, or it is not appropriate to adopt an informal approach as certain circumstances require immediate formal action, formal action may be taken.

### ***Authorisation of officers***

By exercising its powers of delegation, the Council has authorised officers within the Team to carry out enforcement action. Only officers who the Council have determined as competent will be authorised to take enforcement action. Any enforcement action is initiated by suitably qualified and experienced enforcement officers.

Officers will also have sufficient training and understanding of this enforcement policy and in their area of work to ensure a consistent approach to their duties. We undertake to monitor officers' actions to ensure they are always in accordance with our policies.

All officers carry identification and an authorisation to show what legislation they are able to enforce. They are required to show these if asked.

All officers are required to carry out their duties in accordance with set procedures and protocols. These procedures vary depending on the area of work involved.

### ***Delegation of Authority***

Delegations of authority have been made to the Service Director and to the Environmental Health & Trading Standards Manager in respect to enforcement activity.

### **Licence Holder**

Licence holders must ensure their properties are well managed, safe and comply with all of the licence conditions attached to the selective landlord licence.

If the Council receive concerns about a particular property, licence holder, manager or breach to licence conditions they will investigate to determine the best course of action. The Council may take into consideration the following factors when determining the most appropriate course of action:

- The number of properties in the licence holders portfolio
- The length of time the person has been a landlord, manager, licence holder



- Their willingness to engage and address issues at their properties
- Confidence in the management to tackle the issues raised by the Council

### **Offences under Selective Licensing**

There are criminal offences under selective licensing relating to failure to comply with the licensing requirements:

- It is a criminal offence to manage or have control of a property which is required to be licensed under Part 3 and is not so licensed. On summary conviction, a person found guilty of such an offence may be given an unlimited fine.
- Where a licence holder, or person who has agreed to be bound by the licence, then breaches a condition of a licence without a reasonable excuse.
- A person commits an offence if s/he knowingly supplies any information in respect of Part 3 licensing, to the Council or another person which is false or misleading or is reckless as to whether it is false or misleading. On summary conviction, a person found guilty of such an offence may receive an unlimited fine.

### **Unlicensed Properties**

It is an offence for a landlord to rent a property in a designated area without applying for a selective licence. The local authority will investigate and take enforcement action if/ or when necessary, and this will be carried out in accordance with this Policy and the Council's Enforcement Concordat. The Council is the prosecuting authority for such offences and proceedings are taken in the relevant Court.

After promotion of the scheme it is expected landlords will make an application for a licence in a timely manner. Where applications are not made or where properties are found to be unlicensed mid scheme, the Council will investigate those properties which there is reason to believe should be licensed but are not. Landlords who are timely and diligent in making an application will pay a reduced fee than those who do not – See Fees and Charges.

An *unannounced property inspection* (with the Police/Immigration) will be undertaken to all properties where no licence application is received to determine the standard and use of accommodation. The council would view the offence of failing to ensure that a rented home was licensed under its selective licensing scheme as a significant issue, meaning that the tenants and wider community are not protected by the additional regulatory controls afforded by licensing. It may also affect any decision regarding existing or future licenses both in Gateshead and within other local authorities.

Other actions may be taken if there are concerns about the property revealed during the investigation, e.g. a safety inspection under part 1 of the Housing Act 2004, to deal with category 1 or 2 hazards that have been identified at the

inspection, therefore improving property conditions. Action may also be taken against the tenant in relation to the tenant regarding anti-social behaviour or refuse concerns. Currently the council charges where it has to serve statutory notices under this legislation such as improvement notices, or prohibition orders (see fees and charges for details). Any such action may impact on decisions regarding suitability to hold a licence in the future.

Unlicensed properties may result in one or more of the following:

- A caution
- The application of a civil penalty charge as an alternative to prosecution.
- A prosecution against the landlord/agent being considered,

The following will be taken into consideration in determining which method of action to undertake:

- There must be evidence of guilt sufficient to give a realistic prospect of conviction;
  - Is this the first time this landlords property has been uncovered as operating without a licence, are there previous similar offences
  - How long has the potential offence been committed
  - Have there been complaints in relation to the property/landlord that have impacted the tenants or local community
  - Is the landlord new to the area, an existing licence holder, known to PSH Team and for what reason, their history of compliance, willingness to comply.
  - Is there evidence of intentional noncompliance, neglect, recklessness or ignorance.
  - Does the owner/landlord have a reasonable excuse for failing to apply
  - Is it in the public interest to pursue a prosecution
  - Landlord/owner confidence, experience, training
  - What would be the outcome/impact of a prosecution versus a civil penalty/caution
- (this is not an exhaustive list)

### **Failure to Comply with and Provide Information to Confirm Licence Condition Compliance**

All Licence Holders renting out properties within the designated licensing area are expected to comply with the conditions of their licence under part 3 of the Housing Act 2004 (see appendix 1 (licence conditions)). Any licence holder found to be in breach of their licence will be investigated by the Private Sector Housing Team. There are many different examples that could be deemed as a licence holder breaching the terms of their licence (this list is not exhaustive) but includes:

- Failing to carry out repairs to property, as instructed by the Local Authority (this breach may result in the serving of an improvement notice under part 1 of the Housing Act)

- Failing to return a completed annual review within the specified time scale of 28 days
- Failure to provide requested information e.g. valid gas safety certificate and a satisfactory electrical installation condition report with the annual review or at any other time when requested.
- Failing (when requested by the Council) to provide other information on request such as copies of tenancy agreements or evidence of reference checks for new tenant's or proof of correspondence regarding issues of anti-social behaviour.

The Council will work to support licence holders who breach their licence for minor offences, they will provide support, education and guidance to help them comply with the licence conditions. However, the Council will consider revoking a licence from a licence holder who is found to be in breach of their licence on more than one occasion.

Any licence holder who fails to comply with the terms of their licence could experience difficulties in securing future landlord licenses both in Gateshead and with other local authorities. It is a criminal offence to breach the conditions of a selective landlord licence. On conviction the licence holder could face a fine of up to £5,000 for no-compliance with licence conditions.

Every effort will be made by the Council to prevent a licence holder from breaching any of the conditions of their licence. However, it is the licence holder's responsibility to ensure the property is being managed effectively in accordance with the licence. Consideration will be given to a formal prosecution and/or the issue of a civil penalty charge for repeated breaches of licence conditions.

### **Investigating an Offence**

If the requested information is not received and/or the Council believe there has been an offence the licence holder or landlord/agent will be invited to attend a formal interview under caution under the Police and Criminal Evidence Act 1984 (PACE).

PACE interviews are conducted under caution and are recorded, suspects have the opportunity to have legal representation present. The record of interview is admissible as evidence in any subsequent prosecution. Copies of the recorded interview are provided to the suspect at the end of the interview or as soon as practicable afterwards. The Council will use the information provided by suspects in the PACE interview to help consider if further action will be required, and what the course of action might be.

### **Simple Cautions**

Under certain circumstances, a simple caution may be used as an alternative to prosecution and will usually be considered before making a decision to prosecute.

A caution is a serious matter. It may be used to influence any decision whether or not to prosecute should the individual, organisation or business offend again and it may be referred to in any subsequent court proceedings. Simple cautions remain on record for a period of 3 years.

Cautions are intended to:-

- Deal quickly and simply with certain, less serious offences;
- Avoid unnecessary appearance in criminal courts;
- Reduce the chance of offenders re-offending.

Before issuing a caution the following matters will be taken into account when deciding whether a caution is appropriate:-

- There must be evidence of guilt sufficient to give a realistic prospect of conviction;
- The offender must understand the significance of the formal caution and admit the offence by signing a declaration;
- The seriousness of the offence, as a caution is not suitable for serious offences.

Decisions to issue a caution will be notified to all known interested bodies, including tenants, managers, freeholders, leaseholders and mortgagees. Where an individual chooses not to accept a formal caution the Council will consider other options such as a civil penalty or a prosecution. Simple cautions are viewed as valuable enforcement tools because they can be cited in court if the same person or organisation, within three years of the original offence, commits similar offences and typically both save officer time and reduce the burden placed upon the court system.

### **Prosecution**

The Council will use discretion in deciding whether to bring a prosecution and generally will only commence proceedings when it is considered to be in the public interest. The decision to prosecute lies with the Service Director for Development, Transport and Public Protection, in conjunction with advice from Legal Services..

Before deciding to prosecute there must be sufficient evidence for a realistic prospect of conviction, taking account of any defence that may be available. In certain circumstances prosecution without prior warning may take place.

The decision to prosecute will always take into account the criteria laid down in the Code for Crown Prosecutors issued by the Crown Prosecution Service. The Evidential Test and Public Interest Test will be considered at this stage.

Each case that we deal with is unique and must be considered on its own facts. In deciding whether to issue a formal caution or proceed with a prosecution, the initial decision will be made by the enforcement officer in consultation with the line manager and team leader. Having collected and collated evidence, officers will consult with the Head of Service and ultimately Legal and Corporate Services to consider and review the merit of the proposed action.

### **Civil Penalties**

As an alternative to prosecution a civil penalty can be issued for the offences committed under Part 3 of the Housing Act 2004 (section 95). The power to impose a civil penalty as an alternative to prosecution for these offences was introduced by section 126 and Schedule 9 of the Housing and Planning Act 2016 and came into force on 6 April 2016. In the first instance, local authorities must have sufficient evidence to initiate a prosecution but the liable person can be issued with a civil penalty of up to £30,000 as an alternative.

The liable person has a right to appeal to the First-Tier Tribunal (Residential Property Tribunal). Any enforcement action would be taken in accordance with the Housing Enforcement Policy and each case will be judged on its own merit.

### **Other Sanctions Available to the Local Authority**

In addition to the above, there are other enforcement options and sanctions which the Council have at their disposal, including but not limited to:

### **The Housing Health and Safety Rating System**

The Government's approach to the evaluation of the potential risks to health and safety from any deficiencies identified in dwellings. The underlying principle of the HHSRS is that any residential premises should provide a safe and healthy environment for any potential occupier or visitor.

For the purposes of the HHSRS, it must be pointed out that the assessment is solely about the risks to health and safety. The feasibility, cost or extent of any remedial action is irrelevant to the assessment. For example some deficiencies, such as a broken stair tread or a leaking pipe, may be quickly, easily and cheaply remedied, but while such deficiencies are present, the threat to health or safety can be considerable.

The Council has a duty under the Act to take action if we discover a Category 1 hazard in a property, and we have the power to take action to deal with a Category 2 hazard.

The first step will be to approach the landlord (or agent) informally, however the amount of leeway allowed to a landlord (or agent) informally will be at our discretion. We will have consideration to the requirements of the Regulators' Compliance Code and the Enforcement Concordat, whichever one is applicable.

If the landlord does not respond within a reasonable time, we are most likely to move onto formal action, which may include any of the following:

- Serve an **Improvement Notice** (requires that the hazard is removed within a set time)
- Make a **Prohibition Order** (prohibits the use of all or part of the dwelling)
- Serve a **Hazard Awareness Notice** (for minor hazards, the notice simply advises and does not require that owners do anything)
- Take **Emergency Remedial Action** or make an **Emergency Prohibition Order** (if a category 1 hazard exists and is so serious that it represents an 'imminent risk of serious harm' to the occupants. Such a notice allows the Council to enter the premises and take urgent action to deal with the hazard. We can then charge owners for the costs of this work but the owners have a right of appeal against the notice and the costs involved).
- Make a **Demolition Order**.
- Declare a **Clearance Area**.

Even without using emergency powers, we can, with or without the agreement of the owner, carry out the works required in a notice and charge accordingly.

Alternatively the owners can be prosecuted or issued with a civil penalty charge for failing to comply with an Improvement Notice or Prohibition Order. The Act gives us the power to charge to recover the costs of any enforcement action: any such charge must be reasonable and can only cover the Council's costs. The Housing Act 2004 allows for local authorities to make a charge in respect of the service of notices in order to recover their costs.)

### **Statutory Notices**

A wide range of legislation contains provisions for the use of statutory notices, which legally require the execution of works, the removal of statutory nuisances or the protection of public health and/or safety. Only officers specifically authorised are permitted to serve statutory notices.

All notices contain notes that explain the effect of the notice and the recipient's right of appeal.

We will always be willing to discuss the works specified in the notice, as well as timescales given and the reason for the service of the notice. In emergency circumstances we are authorised to carry out works without the service of a notice; normally when this would cause an undue delay.

In other situations, there is a presumption that notices will be served if the criteria set down in the legislation are met. However, this presumption can be rebutted depending on the circumstances of the case. As cases vary so much it is difficult to be prescriptive about when we will not serve notices. Each case is looked at individually and the following factors taken into account:

- informal action has not achieved the desired effect,
- there is a lack of confidence that the individual/company will respond to an informal approach,
- there is a history of non-compliance with informal action,
- standards are generally poor with little management awareness of statutory requirements,
- the consequences of non-compliance could be potentially serious to the health and safety of the public

If the recipient fails to comply with the notice, the Council has various sanctions it can impose including: carrying works in default, prosecution, caution or the use of emergency powers.

Statutory notices may also be served in conjunction with prosecutions.

Having regard to statutory powers, and where the law allows, a charge will apply to statutory notices. All charges will be levied on the person upon whom the notice is served and will be made at a level fixed within the Council's agreed charges having regard to a written record assessing costs reasonably incurred. In all cases the Council will instigate debt recovery action.

Where a notice is not complied with by the expiry date, a prosecution or the issue of a civil penalty charge maybe considered appropriate. In these

circumstances a report, in accordance with the Constitution, will be made to decide what further enforcement action is appropriate.

### **Works in Default**

In some circumstances, failure to comply with a notice may result in the Council arranging for the necessary works to be carried out (works in default). The cost to the owner will usually be more than if the owner carries out the works themselves as they will be charged for officer time on visits, carrying out schedules of work and any other reasonable costs incurred by the local authority.

In determining whether carrying out works in default is the most appropriate course of action, we will consider the following:

- The effects of not carrying out the work on the health and safety of the residents concerned
- The reason for the work not being carried out in the first place.
- Whether benefits justify the costs and poses the minimum burden to achieve the objective,

It should be noted that carrying out works in default does not necessarily exclude us from either issuing a formal caution or prosecuting the offender. We are legally entitled to ensure that the work is carried out and we will also consider if it is appropriate to take further action.

The Council will actively pursue debts incurred. Enforced sale of empty properties will be considered where appropriate in line with The Law of Property Act 1925 where a debt has been incurred for example following works undertaken to an empty home in the owners default. Until the debt is cleared it will remain registered with the local Land Charges Registry as a financial charge. Once it is registered the charge will accrue compound interest.

### **Rent Repayment Orders**

Rent repayment orders (RROs) are a mechanism under the Housing Act 2004 by which rent or Housing Benefit can be recovered from landlords found to be renting a property without a licence where one is needed.

The Council can apply to the First Tier Tribunal – Residential Property Tribunal to recover Housing Benefit paid in respect of a property during any period when it ought to have been licensed, but was not. The maximum that an authority may claim is twelve months Housing Benefit, during any period that a dwelling was not licensed.

In addition, an occupier (or former occupier) may also be able to apply for a rent repayment order in respect of rent paid (less any Housing Benefit). To make an application for a rent repayment order, a tenant only needs to submit a claim to the First Tier Tribunal which sets out the reasons for the claim and the dates to which it relates and includes:

- the offence relates to housing that was occupied by the tenant at the time of the offence; and
- the application for a rent repayment order is made within 12 months of the date that the offence has been committed.

Rent repayment orders have now been extended through the Housing and Planning Act 2016 to cover a much wider range of offences, described below:

- Failure to comply with an Improvement Notice (section 30 of the Housing Act 2004)
- Failure to comply with a Prohibition Order (section 32 of the Housing Act 2004)
- Breach of a banning order made under section 21 of the Housing and Planning Act 2016
- Using violence to secure entry to a property (section 6 of the Criminal Law Act 1977)
- Illegal eviction or harassment of the occupiers of a property (section 1 of the Protection from Eviction Act 1977)

A rent repayment order can be made against a landlord who has received a civil penalty in respect of an offence, but only at a time when there is no prospect of the landlord appealing against that penalty.

The Council must consider a rent repayment order after a person is the subject of a successful civil penalty and in most cases the Council will subsequently make an application for a rent repayment order to recover monies paid through Housing Benefit or through the housing element of Universal Credit.

### **Restrictions on Terminating Tenancies under Section 21 of the Housing Act 1988:**

Selective licensing requirements can restrict the termination of assured shorthold tenancies. Under Section 21 of the Housing Act 1988, a landlord may serve a notice (known as a Section 21 notice) on an assured shorthold tenant, giving two months' minimum notice that the landlord intends to apply for possession. Provided that the statutory requirements are met, a court must make an order granting possession to the landlord. No element of tenant default is required.

However, a landlord may not give a Section 21 notice to a tenant of a property that is required to be licensed under a selective licensing scheme, but that is not so licensed.

### **Interim and Final Management Orders**

Where a licence has not been obtained, or where the licence conditions have not been complied with, the Council may, at its discretion, apply to take over the management of the property for an appropriate period of time, or use a managing agent. This provision is detailed under Part 4 of the Housing Act 2004.

### **Interim Management Orders (IMO)**

An interim management order is made for the purpose of securing any action that the Council considers necessary, to protect the health, safety and welfare of the occupants. There are specific circumstances when the Council have a statutory duty to make an IMO on a licensable property (under Part 2 or Part 3 of the Act) including:



- Where a property that should be licensed but is not so licensed, and there is no reasonable prospect of it becoming licensed in the near future;
- When a property that should be licensed but is not so licensed, there are serious health, safety or welfare concerns that cannot be dealt with adequately by using the statutory powers available under Part 1 of the Act (e.g. Improvement Notices);
- When the Council have revoked the licence from a licensable property and there will be no reasonable prospect of it becoming licensed again in the near future;
- When the Council have revoked the licence on a property and there will be (on the revocation date) serious health, safety or welfare concerns that cannot be dealt with adequately by using the statutory powers available under Part 1 of the Act (e.g. Improvement Notices).

#### **Discretionary Power to make an IMO**

There are prescribed circumstances in which the Council has the discretionary power to make an IMO. However, this discretionary power is only exercisable with approval from the Residential Property Tribunal. The circumstances are:

- When, in respect of an HMO that is not required to be licensed, there are serious health, safety or welfare concerns;
- When, in respect of a privately rented dwelling or a building containing such dwellings (unless subject to a statutory exemption), there are serious health, safety or welfare concerns and the further conditions set out within the Housing (Interim Management Orders) (Prescribed Circumstances) (England) Order 2006 (SI 2006/369) have been satisfied. These further conditions are that the area in which the property is situated is experiencing a significant and persistent problem caused by anti-social behaviour, that the problem is attributable, in whole or in part to an occupier of the property, that the landlord is a private sector landlord and that he is failing to take action that it would be appropriate for him to take to combat the problem.

#### **Final Management Orders (FMO)**

Final management orders (FMOs) are orders which may only be made after the making of an IMO. FMOs are similar to IMOs, but provide for a longer-term solution and can be in place for up to five years. An FMO must include a "management scheme" that sets out how the Council would manage the property while the FMO is in place. A management scheme must be in two parts, including:

- Part 1 of the scheme must contain a plan giving details of the way in which the Council proposes to manage the house.

- Part 2 must describe, in general terms, how the Council intends to address the matters which caused them to make the FMO. Under an FMO, the Council has the power to issue assured shorthold tenancies without obtaining permission from the landlord.

### **Mandatory Duty to make a Final Management Order**

If the Council has made an IMO in respect of a property that is required to be licensed under Parts 2 or 3 of the Act (HMO and selective licensing) and it is of the opinion that on the expiry of the IMO there would be no prospect of it being able to grant a licence, it must make an FMO to replace the IMO upon its expiry.

If the above conditions were to apply again upon the expiry of the first FMO, the Council would be obliged to make a further FMO.

### **Discretionary Power to make a Final Management Order**

If the Council has made an IMO in respect of a property that is not required to be licensed under Parts 2 or 3 of the Act (HMO and selective licensing), but it is of the opinion that there is a longer-term need to protect the health, safety and welfare of residents and neighbours, it may make an FMO to replace the IMO upon its expiry.

If the above conditions were to apply again upon the expiry of the first FMO, the Council would have the discretionary power to make a further FMO.

### **Anti-Social Behavioural (ASB)**

Anti-social behaviour is defined as acting in a way that is capable of causing nuisance or annoyance to anyone. There are many issues which can affect a person within their own homes and can be categorised as anti-social behaviour including:

- Loud noise from neighbours
- Harassment behaviour such as verbal abuse or threats
- Vandalism, property damage and graffiti
- Fly-tipping, dumping rubbish and abandoned cars
- Animal nuisance including persistent dog barking and dog faeces

### **Anti-Social Behaviour Powers**

The Anti-Social Crime and Policing Act 2014 provides for a new absolute ground for possession by private landlords where a tenant or member of their household or visitor has met one of the following conditions:

- Is convicted of a serious criminal offence
- Is found by a court to have breached Injunction to Prevent Nuisance or Annoyance (IPNA)
- Is convicted of breach of a Community Behaviour Order (CBO)
- Is convicted for breach of a Noise Abatement Notice
- Tenants property closed under a Closure Order

If a landlord applies to the court after serving the relevant notice then the court MUST grant possession provided the correct procedures have been followed.

The courts discretion to suspend possession is restricted to 14 days or 6 weeks in exceptional circumstances.

### **Partnership Working to Tackle ASB**

The Council's Private Sector Housing Team will take a lead role in improving partnership working by providing education and support for landlords in the management of tenants who cause anti-social behaviour. The Council will work in partnership with other agencies as well as the Police to tackle issues of ASB including supporting landlords through the eviction process should it become necessary to seek possession.

If a landlord suspects criminal activity he/she immediately must notify the appropriate authorities, including the private sector housing officer, anti-social behaviour officer or the police. The landlord must also participate in any case conferences or multi agency meetings that take place to address ASB associated with their property as detailed in the licence conditions.

### **Powers of Entry**

The Housing Act 2004 gives us, on production of our authority, the power to enter premises at any reasonable time. These far reaching powers of entry allow access to ascertain whether or not a statutory nuisance exists; or for the purpose of taking any action, or executing any work, authorised or required by law. This may include inspections or the taking of samples, photographs, and recordings.

Notice of entry is not required to be given in cases where the Council consider that the premises are unlicensed and should be licensed, or where there is a suspected breach of licensing conditions.

If entry is obstructed or refused the Housing Act 2004 allows us to obtain a warrant from a magistrate. This warrant permits us to enter at any time (by force if need be) in order to ascertain whether there is a contravention of the relevant act or to carry out remedial action.

### **Missing/Late payments – Fee Payment Plan**

Licence holders will not be required to pay their fee on an annual basis. Fees will be required at the point of application with the option to spread payments over an agreed timescale (which is a maximum of six months). If landlords wish, they can chose to pay their fee in full.

A phased payment plan will be set up at the time of application and agreed between the Council and Licence Holder. The Licence Holder will be provided with a full break down of the payments required and the payment dates. The licence holder is responsible for ensuring that correct payments are received on the agreed dates .

Any missed or late payments will result in the outstanding balance to be requested in full and payable immediately.

### **Revocation of a Licence**

A licence can be varied or revoked by the Council.

The council can revoke an application on its own initiative, on further application from the licence holder or other relevant person where an

application to do so is made by the licence holder or any relevant person, or where the council consider that:

- The licence holder has seriously breached a condition of the licence, or repeatedly breaches a condition of the licence
- The licence holder is no longer a fit and proper person
- The management of the house is being carried on by someone who is not a fit and proper person
- The property ceases to be one that requires a licence
- The property is granted a licence as an HMO (under part two of the Housing Act 2004)

### **Incomplete licence applications**

Where an application is missing information that is required as part of the application process, one opportunity will be offered to supply the correct information (administration charge payable). Where information is still not supplied as required to comply with the requirements of an application the applicant will be returned. The applicant will be deemed to have not made a valid application and may be at risk of further investigation for failing to licence the property.

This policy will be reviewed on an annual basis to maintain accuracy, in order to secure the level of service given to the public.

For any queries please contact the Private Sector Housing Team, Communities and Environment, Gateshead Council, Civic Centre, Regent Street, Gateshead, Tyne & Wear, NE8 1HH. (Telephone number 0191 4333000), Email [privatelandlords@gateshead.gov.uk](mailto:privatelandlords@gateshead.gov.uk) or via the Council website [www.gateshead.gov.uk](http://www.gateshead.gov.uk)

## **APPENDIX I**

### **CONDITIONS OF THIS LICENCE:**

In these conditions, “house” is meant to refer to the building or part of a building, which is licensed under Part 3 of the Housing Act 2004 (The Act). The “Authority” is meant to refer to the local housing authority, namely Gateshead Council.

#### **1. MANDATORY LICENCE CONDITIONS**

- a) The licence holder must provide a valid gas safety certificate (if gas is supplied to the property), on an annual basis. A copy must be submitted to the local authority on request and to the tenant within 14 days of issue.
- b) The licence holder must ensure that all furniture supplied by the landlord complies with the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (as amended), and that there are arrangements for the inspection of all items provided by the landlord to ensure they are maintained in a satisfactory & safe condition.
- c) The licence holder must ensure that there are either hard wired or 10 year battery operated smoke alarms installed on each storey of the house on which there is a room used wholly or partly as living accommodation (including a bathroom, lavatory, hall or landing). Smoke alarms must be kept in proper working order and tested on the day the tenancy commences with further testing on a regular basis. Evidence of testing must be made available to the Authority upon request.
- d) The licence holder must ensure that a carbon monoxide alarm is installed in any room in the house which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance, and to keep any such alarm in proper working order and to supply to the Council, on request, with a declaration by him as to the condition and positioning of any such alarm.
- e) The licence holder must supply to the occupiers of the house a written, signed statement of the terms in which they occupy it, (e.g. a tenancy agreement). Information provided to the tenant must include the following:
  - The name and address of licence holder or managing agent
  - A contact address and daytime telephone number
  - An emergency telephone number
  - A copy of the landlord licence including the conditions
  - Where a bond has been taken; the deposit amount and information where the deposit is protected.

This should be submitted to the Authority on request.

- f) The licence holder must obtain valid references in relation to potential tenants, in order to make an informed decision regarding their occupancy of the property, before the tenancy commences. References should include details of previous and recent housing history. Evidence of these references and checks must be made available to the Authority upon request.

## **OTHER CONDITIONS**

### **2. Electrical Safety**

- a) The licence holder must provide a satisfactory Electrical Installation Condition Report (EICR) on the electrical installation at the property for the duration of the licence period. This must have been carried out by a 'competent person' who is a member of one of the government approved schemes i.e. NICEIC, NAPIT, ELECSA, BRE or registered to undertake electrical works in accordance with Part P of the Building Regulations. This report must be no more than 5 years old (unless a new installation certificate) and deem the electrical installation to be in at least a satisfactory condition.
- b) The licence holder must ensure that all portable electrical appliances supplied (as part of the tenancy) are in a safe condition, and in good working order. Any portable appliances provided must be tested on an annual basis and a (PAT) certificate must be submitted if requested by the local authority.

### **3. Managing Anti-Social Behaviour**

- a) If asked for a reference for an existing or former tenant, a licence holder must state whether or not they are aware of any allegations of anti-social behaviour made against the tenant. If allegations have been made they must give details to the best of their knowledge, of whether the allegations have been admitted or have been found proven in any court or tribunal.
- b) The licence holder and/or the manager are required to provide information regarding the full names and dates of birth of each occupant, when asked by the local authority.
- c) The licence holder must ensure occupants of the house are aware of how they can report nuisance and ASB to the local authority.
- d) The licence holder must take reasonable and practicable steps following advice or recommendations from the Council following receipt of a complaint or to prevent or reduce anti-social behaviour by persons occupying or visiting the property. Evidence of such must be available to the Authority upon request.
- e) The licence holder must take reasonable and practical steps, should it be found that the property is being used for illegal or immoral use. Evidence of such must be available to the Authority upon request.

- f) Where the licence holder is specifically invited they shall attend any case conferences or multi agency meetings arranged by the local authority or the police to reduce or prevent ASB in relation to their tenant or property.

#### **4. Property Management**

- a) On commencement of a new tenancy, the licence holder must compile a detailed inventory of all items, included within the tenancy and provide a copy to the tenant. This should be available to the Authority on request.
- b) The licence holder must ensure the property is adequately managed and as such have satisfactory maintenance arrangements in place.
- c) Regular prearranged visits (at least every 6 months) by the licence holder to the property must be undertaken to determine effective tenancy and property management by the tenant.. As a minimum the record must contain a log of who carried out the inspection, the date, the time and any issues found and action undertaken. Evidence of these visits/checks shall be made available to the Authority upon request
- d) All repairs to the property or any installations, facilities or equipment within it are to be carried out by competent and reputable persons, and that they are completed to a reasonable standard.
- e) The licence holder must ensure the property is kept in a good state of repair and free of category 1 hazards that could affect the health and safety of tenants, occupiers and visitors to the property as prescribed under Part 1 of the aforementioned Act.
- f) The licence holder must inform the local authority within 5 working days if there is a change in the managing agent, to allow the Council adequate time to carry out fit and proper person checks and vary the licence accordingly. A signed copy of the management agent contract must be submitted within 14 days of the instruction of a new managing agent.
- g) The licence holder must provide the occupiers of the house and the occupiers of any neighbouring properties, with the following details:
- Name of the licence holder or managing agent
  - A contact address and daytime telephone number
  - An emergency telephone number
- h) At the beginning of a new tenancy the licence holder must provide tenants with information that explains how they can make a complaint about the property and the arrangements in place to deal with emergency and other repairs.
- i) The licence holder shall indicate to the occupiers how they intend to respond to any complaint including timescales for the steps they intend to take. Complaints must be responded to within a reasonable timescale.

- j) The licence holder must ensure that the property is occupied accordingly in relation to the number of occupiers, the number of habitable rooms, the space available and the amenities provided.
- k) The licence holder must inform the local authority of any change in circumstances which may affect the suitability to remain as licensee, including any change to the fit and proper person criteria or change in property ownership. This must be done within 5 working days of the changes taking place.
- l) The licence holder must inform the local authority of any change in circumstances which may result in the variation of the licence being required including change of address, surname or contact details. This must be done within 5 working days of the changes taking place.
- m) The licence holder must ensure that within 28 working days of the property becoming vacant the Authorities Licensing Officer is notified. He/she must ensure that all reasonable measures are taken to ensure that the property and curtilage are kept secure from unauthorised entry during periods when the property is unoccupied.
- n) The licence holder must reside in the UK.
- o) The licence holder must improve and maintain their knowledge and competency by keeping up to date with current housing issues and regulation to enable the effective management of their property and tenants. It is expected that licence holders will complete at least five hours training per year. Evidence of this must be available to the Authority upon request and could include attendance at:
  - Training courses in relation to housing related matters
  - Landlord Forums
  - Presentations in relation to housing related matters
  - Landlord Association meetings
  - On-line training courses

## **5. Tenancy Management**

- a) Prior to offering a tenancy, a licence holder must undertake Right to Rent checks on every prospective occupier to establish the correct right to rent status. Evidence of this must be available to the Authority upon request.
- b) The licence holder must abide by the conditions and responsibilities contained within the tenancy agreement and carry out all landlord functions as laid down in the agreement.
- c) On commencement of a new tenancy which started on or was renewed after 1<sup>st</sup> October 2015 the licence holder must provide the following to their tenant:



- Energy performance certificate
- Valid gas safety certificate
- Copy of the 'How to rent' tenants booklet

## **6. Energy Performance**

- a) The Licence Holder must provide each occupier of the house with an Energy Performance Certificate at the start of each new tenancy. The licence holder shall provide a copy of the said certificate to the Authority on demand. Please note that the letting of properties from April 2018 are required to have a minimum EPC rating of E.

## **7. Managing Refuse and Waste**

- a) At the start of any new tenancy the licence holder must ensure there is no refuse or waste left inside the property or within the curtilage from the previous tenant.
- b) The licence holder must ensure at the start of any new tenancy there is a green domestic waste bin and a blue recycling bin provided at the property. Both bins must be clearly marked with the number/street of the property.
- c) The licence holder must outline to the occupiers of the property in writing their responsibilities regarding storage and disposal of waste prior to the start of a new tenancy. Specific information should include details such as the day/week on which recycling/general waste and household waste is to be collected and how a tenant should dispose of bulky items such as furniture.
- d) At all times any gardens, yards and other external areas within the curtilage of the licensed property are kept in reasonably clean and tidy condition and free from rodent infestation. The tenancy agreement must set out who is responsible for maintaining the gardens and other external areas within the curtilage of the property.
- e) The exterior of the property and all boundary walls, fences and gates must be kept free from vandalism and/or graffiti.
- f) The licence holder must inform occupants on the correct disposal arrangements for accumulations and bulky waste items, including the penalties for fly tipping and the prolonged storage of waste within the front and rear gardens/yard and any outbuilding of the property.
- g) Licence holders must respond reasonably and effectively if there are complaints concerning accumulations of waste and refuse at the property. Any waste removal must be removed lawfully, and either collected by a registered waste carrier with the appropriate permit or disposed of at the council's waste disposal facility.

## **8. Additional Licence Conditions**

- a) As agreed with the relevant officer, the property must have attained the – property accreditation standard within 3 months from the date that the licence is issued. The property must fulfil the accreditation standard for the full duration of the licence. An agreed discount will be awarded for continued attainment of the accredited standard in-line with the fee structure at the expiry of the licence.
- b) The Licence holder must remain an accredited member of the National Landlord Association or another equivalent membership to a recognised landlord/agent association for the full duration of the licensing scheme. Proof of membership must be provided on an annual basis or when requested. An agreed discount will be awarded for continued membership in-line with the fee structure at the expiry of the licence.
- c) It is the responsibility of the licence holder to retain copies of all certificates and records in relation to the property (conditions 1a, 1c, 1f, 2a, 2b, 3d, 3e, 4a, 4m, 5a and 6a) for the duration of the licence and provide these to the local authority on request.
- d) The licence holder must complete and return (within the requested timescales and with all requested information/documents), the annual review of their licence. Late or incomplete returns will be subject to an administrative charge.
- e) The licence holder is required to pay the full fee for the licence in the manner and timescales agreed with the local authority

### **N.B**

The requirement for a licence holder to provide a bin at the start of a tenancy is in response to the problems of flytipping and waste accumulations affecting the proposed areas. This condition is also based on the same principle outlined in the recent government response in Houses in Multiple Occupation and residential property licensing reforms – December 2017. Specifically in relation to refuse disposal facilities in licensed properties (HMO's), the government response acknowledges that whilst tenants are responsible for properly disposing of their rubbish, they need adequate and accessible receptacles to do so. It is accepted that the issue of rubbish collection is not within the control of the landlord and there is no intention to require landlords to perform functions which are the responsibility of the local waste authority. However securing the provision of suitable facilities for the disposal and storage of refuse is, in the Government's opinion, a fair and proper responsibility for the manager of an HMO. The Government are therefore proposing to include a mandatory condition in all HMO licenses relating to the provision of suitable facilities for refuse storage and disposal.

## APPENDIX J EQUALITIES IMPACT ASSESSMENT



### Equality Impact Assessment Initial Screening Pro-forma (Stage 1)

<b>Group: Communities and Environment</b>	<b>Service: Development &amp; Public Protection</b>	<b>Section: Private Sector Housing</b>	<b>Officer responsible for assessment: R Crosby /Christine Oates</b>
<b>Support officers: Rachel Crosby/Christine Oates</b>		<b>Completion date: 1/11/17</b>	
<b>(1) Name &amp; purpose of the policy, strategy, function or budget proposal:</b> Briefly describe the aims, objectives and purpose of the policy/function or budget proposal		<b>Review date: 12 months from scheme start (if agreed)</b>  The introduction of the Selective Licensing of Private Landlords within two areas of the Borough, (over a maximum 5-year period) including the re-designation of parts of Central Bensham and the designation of The Avenues (phased introduction over a three year period).  Part 3 of the Housing Act 2004 sets out the scheme for licensing private rented properties in a local housing authority area. Under section 80 of the Act a local housing authority can designate the whole or any part or parts of its area as subject to selective licensing. The proposed designated areas are required to have high proportions of private rented properties which demonstrate indicators of low housing demand and issues with anti-social behaviour. The area must also be suffering from one of the following, high levels of migration, poor property conditions, high levels of deprivation and high levels of crime.	
<b>(2) Is this new or existing?</b>		There are two schemes proposed (one a redesignation of a former licensing area (Central Bensham Phase 2) and a new area (The Avenues)).	

(3) Who are the main customer groups affected by this policy, strategy, function or budget proposal and has there been prior consultation undertaken?	
<p>Once an area is designated for selective licensing any private landlord wishing to operate within the designated area must apply for a licence for every tenanted house within that area.</p> <p>The power does not permit local housing authorities to require licensing of houses that have been made exempt under the Selective Licensing of Houses (Specific Exemptions) (England) Order 2006 (such as business tenancies, tenancies with a term over 21 years, holiday lettings etc), or any properties that are subject to a tenancy or licence granted by a body which is registered as a social landlord under Part 1 of the Housing Act 1996.</p> <p>The main customer groups affected by the policy include: landlords who rent properties within the proposed area they will be expected to maintain their properties and educate their tenants. Private tenants who will benefit from improved quality accommodation and in turn this will strengthen and benefit the local neighbourhood and local communities. Residents within the local neighbourhood of all tenures will also be positively affected by the improved management of the private rented sector.</p> <p>Prior to designation a consultation must be undertaken. The consultation approach was primarily governed by the provisions within the Housing Act 2004 and the DCLG guidance. The consultation ran for 13 weeks from 20th March 2017 to 18th June 2017, (an additional week was included due to an unexpected 48hr shut down of the Council's online webpages).</p> <p>The Council used many different means of consulting with persons who were likely to be effected by the proposed designation, including:</p> <ul style="list-style-type: none"> <li>• Information on the Gateshead Council website</li> <li>• Online questionnaire for proposed areas: <ul style="list-style-type: none"> <li>➢ <a href="http://www.gateshead.gov.uk/bensham">www.gateshead.gov.uk/bensham</a> for residents and businesses</li> <li>➢ <a href="http://www.gateshead.gov.uk/landlords">www.gateshead.gov.uk/landlords</a> for landlords</li> </ul> </li> <li>• Social media sources including Facebook and Twitter</li> <li>• Direct mail, email, mail drops, letters, paper questionnaires, posters in public areas, press release,</li> </ul> <p>Additionally, the Council arranged drop-in sessions throughout the consultation period at various venues across the borough. All known landlords and letting agents were invited to provide feedback and comment on the proposal.</p>	

(4) Using the table below please consider the impact of the policy, strategy, function or budget proposal on the protected characteristics as identified in the Equality Act 2010. If you have identified negative impact then a full EIA will need to be completed. Please note Question 5 should be answered in relation to impact on employees.															
Protected Characteristics	Assessment of Potential Impact (delete as appropriate)	Reason for this Assessment	Are there any mitigating circumstances?												
Age	Positive	<p>There is a large age range of tenants residing within the designated areas. According to the data on the Public Health England website collated by the Office of National Statistics the population of Saltwell and central Bensham ranged in age from:</p> <table><tr><td><b>Saltwell</b></td><td><b>Bensham</b></td></tr><tr><td>21.4% under 16</td><td>17.6% under 16</td></tr><tr><td>17.3 aged 16-24</td><td>10.1% aged 16-24</td></tr><tr><td>51.5% aged 25-64</td><td>54.9% aged 25-64</td></tr><tr><td>8.6% aged 65-84</td><td>14.9% aged 65-84</td></tr><tr><td>1.2% aged 85 and over</td><td>2.6 aged 85 and over</td></tr></table> <p>It is expected there will be a greater impact on young families (often with children) as many are limited to the private rented sector and sometimes struggle to access social housing.</p> <p>Improving housing conditions will have a positive effect on the health (physical and emotional) of tenant's regardless of age.</p> <p>The application of the scheme will apply to all rented homes within the proposed designated areas.</p> <p>The representation of households with a disability in the PRS is no more than that for the total population but the effect of licensing will be positive for these households.</p>	<b>Saltwell</b>	<b>Bensham</b>	21.4% under 16	17.6% under 16	17.3 aged 16-24	10.1% aged 16-24	51.5% aged 25-64	54.9% aged 25-64	8.6% aged 65-84	14.9% aged 65-84	1.2% aged 85 and over	2.6 aged 85 and over	<p>Private Sector Housing will monitor during the implementation of Selective Licensing and will continue to monitor throughout the mid-term evaluation. They will be mindful of any evidence that would indicate if any person with a protected characteristic in that community was being affected.</p>
<b>Saltwell</b>	<b>Bensham</b>														
21.4% under 16	17.6% under 16														
17.3 aged 16-24	10.1% aged 16-24														
51.5% aged 25-64	54.9% aged 25-64														
8.6% aged 65-84	14.9% aged 65-84														
1.2% aged 85 and over	2.6 aged 85 and over														
Disability	Positive		<p>Private Sector Housing will monitor during the implementation of Selective Licensing and will continue to monitor</p>												

		<p>The increased communications and interactions with occupants and residents will ensure that any necessary support or referrals to partner agencies are undertaken.</p>	<p>throughout the mid-term evaluation. They will be mindful of any evidence that would indicate if any person with a protected characteristic in that community was being affected.</p>
Race	Neutral	<p>Both proposed areas have a diverse population of both residents and landlords, including black and minority ethnic communities as well as a concentration of members of the Orthodox Jewish Community.</p> <p>The Private Sector Housing Team will be mindful of any evidence that would indicate any racial group or vulnerable group in that community that was being affected.</p>	<p>Private Sector Housing will monitor during the implementation of Selective Licensing and will continue to monitor throughout the mid-term evaluation. They will be mindful of any evidence that would indicate if any person with a protected characteristic in that community was being affected.</p>
Gender (includes gender reassignment)	Neutral	<p>There is no evidence that the representation of transgender households in the PRS is no more than that for the total population but the effect of licensing will be positive for these households.</p>	<p>Private Sector Housing will monitor during the implementation of Selective Licensing and will continue to monitor throughout the mid-term evaluation. They will be</p>

			mindful of any evidence that would indicate if any person with a protected characteristic in that community was being affected.
Pregnancy & Maternity	Positive	There will probably be a significant number of expectant mothers living in the PRS and the effect of licensing for these households would be positive.	Private Sector Housing will monitor during the implementation of Selective Licensing and will continue to monitor throughout the mid-term evaluation. They will be mindful of any evidence that would indicate if any person with a protected characteristic in that community was being affected.
Sexuality	Neutral	There is no evidence that the representation of gay and/or bisexual households in the PRS is no more than that for the total population but the effect of licensing will be positive for these households.	Private Sector Housing will monitor during the implementation of Selective Licensing and

			will continue to monitor throughout the mid-term evaluation. They will be mindful of any evidence that would indicate if any person with a protected characteristic in that community was being affected.
Religion or belief	Neutral	Both proposed areas have a diverse population of individuals including black and minority ethnic communities as well as a high concentration of members of the Orthodox Jewish Community.  Gateshead faith group representation in the 2011 Census was as follows for Saltwell and Bensham 74% of residents are Christian, 0.2% Buddhist, 0.3% Muslim, 7% were part of another religious group, 19% stated no religion.	Private Sector Housing will monitor during the implementation of Selective Licensing and will continue to monitor throughout the mid-term evaluation. They will be mindful of any evidence that would indicate if any person with a protected characteristic in that community was being affected.
Marriage & civil partnership	Neutral	Marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. Civil partners must be treated the same as married couples on a wide range of legal matters.  According to the 2011 Census the household composition for	Private Sector Housing will monitor during the implementation of Selective Licensing and will continue to monitor throughout the mid-term evaluation. They will be



		Bensham consists of 35% of the population are married and for Saltwell 27% of the population are married.	mindful of any evidence that would indicate if any person with a protected characteristic in that community was being affected.
--	--	---	---

**(5) Impact on Council Employees**

Please indicate which of the protected characteristics your assessment has identified as being of relevance:

Age	<input type="checkbox"/>	Disability	<input type="checkbox"/>	Race	<input type="checkbox"/>	Gender (inc. gender reassignment)	<input type="checkbox"/>
Pregnancy & Maternity	<input type="checkbox"/>	Sexuality	<input type="checkbox"/>	Religion or belief	<input type="checkbox"/>	Marriage & civil partnership	<input type="checkbox"/>
None	<input checked="" type="checkbox"/>						
Reason:							

**(6) Evidence and Engagement**

**Please use this section to detail the information that you have considered to assess the service for its relevance to equality eg data, research, engagement etc.**




In 2015 the indices of Multiple Deprivation found Gateshead to be 73<sup>rd</sup> most deprived Local Authority area out of 326 Local Authorities. Specifically, within Gateshead, there are 126 smaller areas known as Lower Layer Super Output Areas (LSOAs), 15 of these areas fall within the 10% most deprived areas in England. Within the Borough there are concentrations of private rented accommodation, traditionally in areas of deprivation, where the private rented sector is commonly below standard in terms of property condition and tenancy management, and the Council continue to deal with complaints concerning landlords and properties. In these concentrated areas house and rental prices are lower than average and when properties do come up for sale they may be bought up by landlords because of the low price and lack of demand from owner occupiers.

Monitoring and analysis of certain indicators have identified within the areas identified, low demand (high number of empty properties, low rental/sales values, high occupant turnover, and higher levels of ASB, crime and housing complaints).

The proposal report for the consultation included the redesignation of Central Bensham. This is to enable the close working with landlords, residents and tenants to continue as there is a strong likelihood that without the ongoing regulation of licensing, standards are at a risk of returning to pre-licensing practices. Also, monitoring and analysis indicates there are other areas within central Gateshead specifically Saltwell/The Avenues that is demonstrating indicators of low demand and would benefit from the intervention of selective licensing.

The Private Sector Housing Team has adopted a partnership approach with landlords within the proposed areas. The local authority has to take reasonable steps to consult persons who are likely to be affected by the designation. A full public consultation was undertaken in accordance with the requirements of The Housing Act 2004 and associated government guidance. The aim of the consultation was to provide all relevant stakeholders likely to be affected by the proposals with an opportunity to provide their views, opinions and suggestions. The methods of consultation used included:

- a) Consultation survey – available online and delivered to every property/business in the proposed areas.
- b) Letter/email to every known landlord/agent operating in the proposed area – with a link to online information and an invite to consultation event
- c) Online information consultation report – providing the evidence base and rationale to the proposal and details of consultation events.
- d) Letters to local and national landlords associations, neighbouring Local Authorities, Northumbria Police, Fire Authority, charities, community groups, local social housing providers with an invite to consultation events
- e) 4 consultation events – two for landlords and two for residents/businesses – one being a presentation, held in the Civic Centre and community buildings in the proposed areas.

(7) Should this policy, strategy, function, or budget proposal proceed to a Stage Two EIA?	Yes / <u>No</u>  If yes is this because: 1. Negative impact identified 2. Need better monitoring data 3. Need other information 4. Possibility to promote equal opportunities and good inter-group relations.	Date Stage Two EIA to commence:  Not required
		Target date for completion of Stage Two EIA:
<b>SIGNED:</b> Completing Officer  12.12.17.		
<b>SIGNED:</b> Service Director 		
<b>SIGNED:</b> Strategic Director 		

## APPENDIX K

### Fit and Proper Person Criteria

#### The Proposed Licence Holder must be a 'Fit and Proper Person'.

The local authority "must have regard (among other things) to" evidence which shows that the proposed licence holder or any person associated or formerly associated whether personally or on a work basis with the proposed licence holder, provided it is relevant to whether that person is fit and proper, has:

- (a) Committed any offence involving fraud or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003;
- (b) Practiced unlawful discrimination on the grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with, the carrying on of any business.
- (c) Contravened any provision of the law relating to housing, public health, environmental health, or of landlord and tenant law which led to civil or criminal proceedings resulting in a judgement being made against you e.g. failing to comply with a Housing Act notice or have had works in default carried out by the Local Authority on a property'.
- (d) Been refused a licence or had a licence revoked for any property in relation to HMO, additional or selective licensing under the Housing Act 2004.
- (e) Been, or is, the owner or manager of a property which has had complaints from tenants or other sources regarding serious or repeated breaches of the conditions of a licence; in relation to HMO, additional or selective licensing under the Housing Act 2004.
- (f) Been, or is, the owner or manager of any property that has been the subject of an interim or final management order or a special interim management order under the Housing Act 2004.
- (g) Demonstrated any conduct or business practices which are considered by Gateshead Council to indicate unsuitability to be a licence holder or manager of a licensed property.

## APPENDIX L

### LICENCE FEE COST BREAKDOWN

Selective Licensing costs					
	Rates include oncosts and are calculated on assumed productivity - 89%				
Cost Breakdown (per licence and based on a complete application)	Time Taken Hours	Officer Grade	Hourly Grade	Cost	
APP record created, N&A of landlord/agent linked, SLL template created	00:10:00	SSA	16.27	2.71	
Send designation notification to all owners/landlords/agents	00:10:00	SSA	16.27	2.71	
Advice in reception/over the phone - assist with application completion, general communications	00:20:00	SSA,TO EHO	25.87	8.62	average
Application received, update APP	00:05:00	SSA	16.27	1.55	
One reminder letter sent	00:10:00	SSA	16.27	2.71	
Send out acknowledgement letter	00:10:00	SSA	16.27	2.71	
Check application details/information	00:15:00	SSA	16.27	4.06	
Check enclosures:	00:45:00	SSA	16.27	12.20	
Gas Safety certificate					
Electrical Installation Condition Report					
Energy Performance Certificate					
PA Test & Fire Safety test where applicable					
Tenancy Agreement & ASB/Repair procedures					
Management Contract					
Proof of Address					
Photographs					
Fit and Proper Person Check:- (only charged for the first application on multiple properties)	00:45:00	SSA	16.27	12.20	
Check self declaration					
Check Rev & Bens					
Check housing enforcement records (PSH)					
Check ASB system					
Check agent redress membership					
Check LA prosecution database/banning orders/rogue landlord database					
Payment of licence fee:-					
If cheque included with application - notification, take to cashiers	00:15:00	SSA	16.27	4.06	
If payment to be made using CC/DC	00:10:00	SSA	16.27	2.71	
34 Send out acknowledgment letter/receipt	00:10:00	SSA	16.27	2.71	
35 Log on system and APP	00:10:00	SSA	16.27	2.71	
36 If paying by instalments - raise invoice/set up customer account	00:30:00	SSA	16.27	8.13	
37 Monthly audit of payments received (x6)	00:30:00	SEHO	35.88	17.94	
38					
39 Preparation for licence application site visit	00:15:00	EHO/TO	30.67	7.66	
40 Travel time	00:15:00	EHO/TO	30.67	7.66	
41 Property visit/inspection/tenants meeting	00:50:00	EHO/TO	30.67	25.55	average
42 Post visit feedback to proposed licence holder	00:15:00	EHO/TO	30.67	7.66	average
43 Update APP	00:05:00	EHO/TO	30.67	2.55	average
44 Produce schedule of works	00:50:00	EHO/TO	30.67	25.55	average
45 Communicate over progress/arrange revisit	00:20:00	EHO/TO	30.67	10.22	average
46 Property revisit	00:20:00	EHO/TO	30.67	10.22	
47					
48 Prepare notice to propose to grant licence and letter for LH and all 3rd parties	00:45:00	SSA	16.27	12.20	
49 Update details on APP	00:10:00	SSA	16.27	2.71	
50 Consider any representations received	00:20:00	SEHO	35.88	11.96	
51 Prepare final notice to grant and letters for LH and all 3rd parties	00:45:00	SSA	16.27	12.20	
52 Check licence - Senior EHO to check	00:10:00	SEHO/EHO	34.54	5.75	Average
53 Licence holder meeting/licence issue	01:10:00	EHO/TO	30.67	35.78	Average
54 Enter details on public register	00:05:00	SSA	16.27	1.35	
55					
56 Ongoing administration/monitoring of designation/tenure checks/condition monitoring(5years):-	01:30:00	SSA	16.27	24.40	
57 General and unforeseen correspondence/enquiries during lifetime of licence - variation/revocation/refusal	00:45:00	EHO/TO	30.67	23.00	
58 Potential to deal with any appeals made for the granting/refusing to grant/specific conditions EHO and management	01:00:00	EHO/SEHO	34.54	35.54	
59 Visits to area - proactive campaigns/visits to property (per property)	01:00:00	EHO/TO	30.67	30.67	
60 Annual licence review (years 2,3, 4 and 5) - Update APP	03:00:00	SSA	16.27	48.81	
61					
62 Landlord training/preparation for (per average number of attendees)	00:20:00	EHO/TO	30.67	10.22	
63 Ongoing review of scheme (average time per licence)	00:20:00	SEHO/EHO	34.54	11.51	
64 Updates/communications to LH during scheme	00:45:00	EHO/TO	30.67	23	
65 Dealing with complaints, tenancy and property matters during scheme	00:40:00	EHO/TO	30.67	20.44	
66 Central costs - ICT, finance, facilities, HR, customer services, telephony, equipment, legal services				£262	
Additional expenses - postage (average number of letters expected to be sent - standard application), Land Registry Search, set up costs (above costs are for a typical application which is complete and has not had to be pursued, or unannounced visit undertaken or additional support throughout scheme needed)	20.05			£751	without phas
				£776	with phased

## **APPENDIX M**

### **SELECTIVE LICENSING PROPOSAL CONSULTATION: REPORT OF FINDINGS**

**Please visit**

<http://www.gateshead.gov.uk/DocumentLibrary/housing/Private/Appendix-2-Consultation-Summary-Executive-Summary.pdf> for an executive summary of the consultation findings.

## APPENDIX N

### SLL – OTHER OPTION APPRAISAL

Option	Outcome	Barriers	Risks	Resource Implications
Housing Act 2004 Enforcement	Repair of individual privately rented houses. An effective tool for dealing with health or safety hazards.	<p>An effective tool, but does not go far enough to tackle the scale of problems across distinct areas.</p> <p>Not all problems are reported to the Council. If tenants do report problems there is a risk of retaliatory eviction or harassment by their landlord.</p> <p>Only responsive to individual complaints and not carried out on a proactive area basis.</p> <p>Does not tackle anti-social behaviour by tenants or management standards.</p>	<p>Resource intensive.</p> <p>Taking action to tackle hazards is complicated and can be slow.</p> <p>Landlords can be obstructive and dealing with the worst problems can mean the Council taking action through the courts which is time consuming and resource intensive .</p>	Can only achieve widespread impact in improving property conditions by a major increase in Council resources.

<p>Housing and Planning Act 2016 enforcement</p>	<p>Alternative and additional penalties for non compliance with Housing Act requirements – an alternative to prosecution.</p>	<p>Strengthens existing licensing and HA04 powers but does not replace them.</p> <p>Not all problems are reported to the Council. If tenants do report problems there is a risk of retaliatory eviction or harassment by their landlord.</p> <p>Only responsive to individual complaints and not carried out on a proactive area basis.</p> <p>Does not tackle anti-social behaviour by tenants and its root cause or management standards.</p> <p>Quicker process than prosecution for breach of housing act requirements and potentially less costly to the LA.</p>	<p>Resource intensive.</p> <p>Powers very much in their infancy and all not yet available to use by LA's.</p> <p>Taking action to tackle hazards is complicated and can be slow.</p> <p>Provisions allow for LA's to avoid court action and to impose a civil penalty.</p> <p>Fine/banning order offences guidance yet to be released by the Government</p> <p>Provisions seek to ban landlords rather than educate</p>	<p>Can only achieve widespread impact in improving property conditions by a major increase in Council resources</p>
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Special Interim Management Orders	Allows a local authority to take on the day to day management of a private sector tenancy where certain prescribed conditions are met relating to anti-social behaviour and protection of the health, safety and welfare of persons.	<p>Process requires considerable resources, gathering of detailed evidence and authorisation by the Residential Property Tribunal.</p> <p>Considerable resources from the Council to engage and supervise a tenancy and property management services.</p>	A short term solution to management failings of the landlord resulting in anti-social behaviour affecting the health, safety and welfare of persons. Landlords may see the process as too draconian a solution.	Resource intensive. Even retention of the full rental income may be inadequate to properly manage and maintain a tenancy. Any additional costs would have to be borne from within the Council budget putting other services at risk.
Borough wide scheme with a lower fee	Registration requirement for all landlords operating in Gateshead	Legal criteria for the introduction of licensing prevents Gateshead from doing this e.g. lower than average e private rented stock borough wide.		
Tenant registration scheme/Green card system	Tenants pre vetted and ready to rent when sourcing property in the area	<p>May arise in unnecessary work – if a tenant doesn't access housing in the area or finds another property</p> <p>Open to misuse for outside the area as well</p>	<p>Status only valid for the day of decision.</p> <p>Of limited impact on the problems an area is affected by.</p> <p>Huge amount of</p>	<p>Onus to vet transferred to the Council which is a landlord responsibility.</p> <p>Increased costs to administer , no current funding available.</p>

		<p>as fake use/copy of cards</p> <p>System concentrates on aspects of behaviour only and would not contribute towards improving property conditions, landlord management practices and other community issues etc</p>	<p>resource to tackle limited range of problems.</p>	
Voluntary accreditation scheme	Provides an opportunity to differentiate between those landlords who operate acceptable management standards and those that don't.	<p>The majority of accreditation schemes have operated on the basis of specific incentives for participating landlords, e.g. access to property improvement grants, however with the current economic situation the Council is unlikely to be able to offer financial</p>	<p>Only the better motivated landlords will be willing to participate.</p> <p>Unscrupulous landlords will try to remain under the radar</p> <p>Does not impact on those landlords who do not maintain or manage their properties properly</p>	<p>Reasonable level of resource input required for uncertain returns.</p> <p>Council funding contribution is expected/required.</p>

		<p>incentives. Accreditation levels increase when SLL introduced due to fee discounts available.</p> <p>Previously implemented and experience to date shows only limited support by landlords for accreditation outside of areas unless incentives available or under contract.</p>		
Town & Country Planning Act s215	Discretionary council power to tackle derelict land or property adversely affecting the visual amenity of an area.	Can only be used to tackle the external fabric of a building in an area where the majority of the properties are in good condition. No formal action can be used for internal works or management standards.	Makes no impact on management of tenancies or condition of internal housing standards..	Valuable tool for tackling derelict land or individual properties, but mostly not applicable to poor property conditions or management.
Education Programme – Tenants/Landlords	Same as voluntary accreditation above.			

## APPENDIX O

### Consultation-Frequently asked Questions and Answers

**Why are the complaint landlords being asked to reapply and pay again for a further five years? And It is unfair to target good landlords for the irresponsible actions of the minority – especially in the redesignated area.**

We recognise that there are landlords in both proposed areas who let their properties responsibly. There are also previous licence holders who effectively complied with the conditions of their former licence/s. There have been some major improvements in the former licensing area over the last five years, residents turnover has more than halved, complaints to the Council have decreased, there are fewer long term empty homes etc. The evidence gathered confirms that there are ongoing problems affecting the proposed redesignated area in relation to ongoing low demand in that despite the improvements, rates remain higher than other parts of Gateshead. There are also issues with deprivation and crime. Intelligence has resulted in a smaller and redefined area to be established where problems remain. The remaining former wider licensing area is being left to manage itself in the hope that the support and advice provided over the last five years will result in effective private rented sector management. For those streets where problems still exist, a further five years of intervention is required. This will also help to ensure that the improvements so far can be sustained and in-depth work with landlords and tenants can be undertaken.. A licence scheme is funded via a partnership from both private landlords and the Council. Compliant, diligent and prompt landlords will be offered several discounts on application to reduce costs. For such a landlord the licence can be calculated at just over a pound a week for the five year period. Compliant landlords will receive a much lighter touch approach from the Council in the schemes delivery, compared to those landlords who are evasive or have problem properties/tenants. Landlords investments will be protected as the improvements to the area through licensing are sustained.

**ASB of tenants is not the landlords fault/problem**

Landlords are ideally positioned to assist in preventing and try to minimise problems with ASB in the community. This can be achieved by undertaking robust checks on tenants prior to offering a tenancy and reacting reasonably and proportionately to any problems. Licensing will ensure that these responsibilities are fulfilled. Residents have every right to expect landlords to take action if their tenants are being anti-social. Landlord have the ability to influence behaviour with the power of their tenancy agreement. The fact that some landlords do not recognised this responsibility is evidence that action and further support is required in the areas. Further support to landlords and tenants will be a key feature of the scheme.

**The scheme will cost too much – the cost will be passed onto tenants.**

Licensing is centered around a successful partnership between the Council and landlords. The Council proposes to set the fee at a level that ensures

partial cost recovery for the scheme and is a balance between a reasonable costs for landlords, whilst also seeking to ensure the scheme is successful, properly funded and appropriately resourced. The Council are prohibited from making a profit. Both landlords and The Council are making a financial contribution towards the costs of running the scheme.

A discounted fee for a licence made in advance of a property becoming licensable is £550 per property.. A graded fee structure will then be applied in line with how long an application takes to be submitted and if the Council are required to pursue an application. The standard fees have been calculated as the amount required based on the number of likely properties affected to ensure the scheme is successful, funded and resourced. The enhanced fees have been calculated based on the cost of additional costs in Officer time and resources for chasing and pursuing an application. Discounts can be applied to fees for accredited landlords and where properties have been assessed as being at an acceptable condition.

The costs of the scheme for landlords over the five year period who take advantage of the discounts available including the early application saver will be £1.09 a week or £4.72 a month. Our understanding of the local property market, market rent values, and typical buy to let mortgage rates, suggests that the majority of landlords will be able to absorb this cost without increasing rent levels. Rental values are also very much controlled by locally set housing allowance rates. Landlords who set their rents too high possible face increased periods of vacancy or tenants who fall into arrears leading to increased costs and overheads.

The maximum amount payable for a landlord whose application has to be pursued and who does not take advantage of any of the discounts available is £16.66 a month - £1000 per licence. It is estimated that a very small minority of landlords will be charged the £1000 fee as the team will work hard to secure an application at the earliest opportunity.

#### **It will cost too much to bring homes up to the required standard**

It is important to clarify that all private rented properties should already meet legal standards. For those that aren't we will allow time and provide support to help landlords to understand and implement any required improvements.

Whilst we appreciate that the accreditation standard is slightly above the legal minimum, experience has told us that commonly requested repairs to meet this standard are in relation to decoration and fixtures and fittings rather than hugely expensive and structural/physical works.

#### **The scheme will reflect poorly on Central Gateshead, reduce mortgage availability and lead to more empty homes.**

There has been no presentation of conclusive evidence of this in the three former licensing areas. The requirements of the scheme means that unscrupulous landlords or those who are not fit and proper are prevented from holding a licence.

Licensing is an intensive care package for an area – where the Council will direct more resource to improving the neighbourhood. This has been and should be viewed as a positive rather than a negative. Officers have heard

from landlords looking to buy properties in licensing areas specifically because the council is directing resource into the neighbourhood. Landlords who would be put off by this are more likely to be the ones who do not undertake their responsibilities effectively and see licensing as a burden.

Former schemes have operated effectively and met many of the originally set outcomes and objectives. Former areas subject to licensing have also not experienced an increase in empty homes. If landlords do choose to sell then this may provide opportunities for owner occupation to help balance out tenure proportions in the area. We will work alongside our dedicated Empty Property Officer to ensure support and advice are given to try and bring empty properties back into use and reduce periods of vacancy. We will monitor the number of empty homes carefully, which can sometimes result from poor financial planning and management by landlords (e.g. income from properties is spent without making allowance for the costs of repairs). We will intervene where appropriate if properties left empty are in poor repair or attracting ASB and fly tipping. Exploration of other options will also be considered such as the empty property leasing scheme or management orders.

Research has been undertaken into the perceived reluctance by lenders to provide mortgages for privately rented homes in licensing areas. Evidence of this has not been identified on any significant scale. It is important to note that this only has an impact on the privately rented market but not on those looking to move into the area and reside in the property themselves.

## APPENDIX P

### SUBMISSION BY THE GPLA-RECEIVED 16<sup>th</sup> JANUARY 2018



GC PRS by GPLA  
Response - Final

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## COUNCIL MEETING

25 January 2018

### CHARGING AND FINANCIAL ASSESSMENT FOR ADULT CARE AND SUPPORT SERVICES

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**Sheena Ramsey, Chief Executive**

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#### EXECUTIVE SUMMARY

1. The purpose of the report is to seek approval to implement the policy on Charging and Financial Assessment for Adult Care and Support Services.
2. The Care Act 2014 enables the Council to decide whether or not to charge an adult when it is arranging to meet an adult's care and support needs or a carer's support needs.
3. The new policy for Charging and Financial Assessment for Adult Social Care and Support Services was approved by Cabinet in March 2017, however following implementation concerns were raised regarding service users being unaware of the consultation process. A further period of consultation took place and informed the proposed policy.
4. It is proposed that the new policy is implemented with effect from 1 April 2018, with a period of tapering in respect of those people who will be most impacted by the policy. This will limit the immediate impact and enable people to undertake appropriate financial planning.
5. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

#### RECOMMENDATION

6. It is recommended that Council approves the proposed policy for Charging and Financial Assessment for Adult Care and Support Services as set out in Appendix 2 of the attached report.

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**TITLE OF REPORT:**           **Charging and Financial Assessment for Adult Care and Support Services**

**REPORT OF:**               **Caroline O'Neil Strategic Director Care, Wellbeing and Learning**

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### **Purpose of the Report**

1. Cabinet is requested to recommend to Council that the policy on Charging and Financial Assessment for Adult Care and Support Services be implemented following consultation.

### **Background**

2. The Care Act 2014 and the regulations made under it provide a legal framework for charging for care and support. It enables the Council to decide whether or not to charge an adult when it is arranging to meet an adult's care and support needs or a carer's support needs.
3. The charging policy provides a transparent, consistent and fair framework for the Council to use when assessing an individual's ability to pay towards any social care services they are assessed to receive. The actual charges for Adult Social Care Services are reviewed annually and are defined in the Council's Fees and Charges Report.
4. This policy included some key changes to the current charging policy:
  - to calculate the adult's contribution based on the cost of two carers (when the adult requires this) rather than on one carer in every case as at present;
  - to remove the maximum weekly amount an adult is required to pay towards their care, which is currently capped at £205. They would be required to pay their full assessed contribution. The maximum amount an adult will pay towards their care is the cost of their care package, and
  - to reduce the Disability Related Expenditure (DRE), which is to cover additional expenditure an adult may have due to their disability, e.g. speciality clothing, from £20.60 per week to £15.00.
5. Cabinet approved the new policy for Charging and Financial Assessment for Adult Social Care and Support Services in March 2017 and this was implemented in April 2017. However, following the implementation some concerns were raised regarding service users being unaware of the consultation process. The implementation of the policy was therefore halted, and the charging framework reverted to the previous arrangements. A further period of consultation took place. The outcome of the consultations has informed the proposed policy and additional recommendations.

### **Proposal**

6. The proposed policy for Charging and Financial Assessment for Adult Care and Support Services is implemented with effect 1 April 2018.
7. The proposed changes are implemented as consulted upon.

8. Some minor amendments to the wording of the Review and Appeals section of the policy are proposed which include a 20 working days timescale for appeal and subsequent review of the appeal. This is not considered a significant change in the policy.
9. That in light of comments from members of the public, a period of tapering be included in respect of those people who will be most impacted by the policy, which will limit the immediate impact and enable people to undertake appropriate financial planning (Appendix 6).

## **Recommendations**

10. Cabinet is requested to recommend that Council approves the proposed policy for Charging and Financial Assessment for Adult Care and Support Services as set out in appendix 2 to this report.

For the following reasons:

- (i) To meet the statutory requirements of the Care Act 2014 and the regulations made under it.
- (ii) To provide a transparent, consistent and fair framework for the provision for charging and financial assessment for all adults receiving care and support services.

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**CONTACT:** Steph Downey

extension: 3919

**Policy Context**

1. The Care Act 2014, which provides a legal framework for charging for Adult Social Care:
  - Section 14 of the Care Act provides Local Authorities with the power to ask adults to make a contribution for the cost of their social care.
  - Section 17 of the Care Act allows Local Authorities to carry out a financial assessment to determine the amount a customer can afford to contribute towards the care services they receive.
2. The policy has been designed in line with Care and Support Regulation (Statutory Instruments) and Care and Support Guidance and Annexes issued under the Care Act 2014.
3. This update on the charging regime will support the Council's aspirations set out in Vision 2030 and the direction of travel set out in the Council Plan and, in particular, shared outcomes for Live Well Gateshead and the Council Pledge to make Gateshead a place where everyone thrives and tackling inequalities.

**Background**

4. The Council's Adult Social Care provides a range of services for vulnerable people but is reliant on income from charges to help pay for them. Without this income, service levels could not be maintained.
5. The Council has decided to charge for services as, any authority which recovers less revenue that its discretionary powers allow is placing an extra burden on its population or is foregoing resources which could be used to the benefit of the service.
6. This policy aims to produce a transparent, consistent and fair framework for charging and financial assessment for all adults that receive care and support services following an assessment of their needs, and taking account of their individual financial circumstances.
7. Charges for care services are reviewed annually and are defined in the Adult Social Care Fees and Charges Schedule.
8. This policy included some key changes to the current charging policy:
  - to calculate the adults contribution based on the cost of two carers (when the adult requires this) rather than on one carer in every case as at present;
  - to remove the maximum weekly amount an adult is required to pay towards their care, which is currently capped at £205. They would be required to pay their full assessed contribution. The maximum amount an adult will pay towards their care is the cost of their care package, and
  - to reduce the Disability Related Expenditure (DRE), which is to cover additional expenditure an adult may have due to their disability, e.g. speciality clothing, from £20.60 per week to £15.00.

9. There are currently 1787 adults paying for community based care provision who could be impacted by these changes. It should be noted however, that this analysis represents a “snap shot”, as the client base for Adult Social Care changes on a regular basis, and therefore both the costs of peoples’ care packages and the financial circumstances of these individuals fluctuate and change, as the client base changes.
10. There are currently 15 adults who will be impacted by the move to charging for 2 carers. The average increase in charge would be £40.00 per week.
11. 54 adults who are currently assessed pay the £205 capped maximum contribution. Although this is the cohort of adults who would be impacted, some adults’ capital is not significantly over the national threshold, and therefore they would have limited means to pay increased charges for a long period of time before depleting their capital to within the limits. There are approximately 50 adults who have not provided financial information who have agreed to pay the maximum contribution; these adults would be eligible for a financial assessment which may limit the increase in contribution. **Appendix 5** sets out further details of the statistical impact of the proposed changes.
12. The reduction in DRE would impact on approximately 850 adults paying for services. Whilst the proposal is to limit the set amount of DRE there remains provision in the policy for an individual assessment to be requested if there is evidence that the DRE standard amount is insufficient to cover their individual needs.
13. The amount an adult is required to contribute towards the cost of their care is based on an assessment of ability to pay and therefore any increases in contributions will be limited to their assessable amount.
14. Local benchmarking has been undertaken and highlights that there is a mixed approach to the application of a cap on the maximum contribution with 4 out of 7 councils who responded not having a cap for those with the ability to pay. All the councils that responded charge for 2 carers where this is required. There is a mixed approach to application of the DRE allowance with a number undertaking individual assessment.
15. Financial modelling suggests the changes outlined above will realise in the region of £0.350m additional income towards the cost of providing care. The actual extent of the increase in income will be determined by individual financial assessments.

## Consultation

16. Consultation on the policy and the proposed changes originally took place between 20 September 2016 and 13 December 2016. This policy decision was agreed by Cabinet and Council in March 2017 and the charging policy was implemented in April 2017. As some service users had not been notified of the consultation process as intended, a decision was made to cease implementation of the policy and to undertake a further consultation exercise. The second consultation period took place between 29 June 2017 and 31 July 2017 and contained a slight amendment to one of the proposal questions (proposal 3) in order to aid clarity in light of feedback from the first consultation exercise. It was then subsequently discovered that the examples provided were based on financial information from the previous year’s (2016/17) fees and charges so a letter with additional examples was sent to those people where the rate would make a material difference to their financial assessment to explain this. People were invited to send in any additional comments via post,

email, telephone or at the consultation sessions which were held on 4 and 9 January 2018.

17. There were 93 respondents to the first online survey and 190 to the second but not all respondents provided a response to each question. A summary of responses is shown in appendices 3 a, b and 4.

**Appendix 3a** – reflects the on line responses to the initial consultation undertaken in December 2015 – January 2016

**Appendix 3b** – reflects the on line responses to the second consultation undertaken in June 2017 – July 2017

**Appendix 4** – reflects the comments and suggestions received throughout the consultation. As a number of comments were similar in nature, they have been summarised and a collective response given.

18. The majority of comments received were regarding the fairness of the system with some believing contributions should be based on ability to pay and others questioning whether the amount people are left with is sufficient to meet their daily living costs. Others disputed that the charges would have little impact on Council budgets considering the small numbers affected and would be more costly to implement. Concerns were expressed about vulnerable people with the greatest needs being penalised, and potentially being put at risk by refusing care to minimise cost increases, or putting extra pressure on informal carers. Several suggestions included raising costs but at a more gradual rate to allow existing clients the opportunity to plan for these increases. A summary of responses can be found in appendix 4.
19. Whilst only 35.68% of respondents said yes to currently receiving services 60.06% responded yes to either having or living with someone who has a disability. There was a good cross section in terms of the age and employment status of those who responded. 98.67% of respondents live in Gateshead and the majority of respondents (97.42%) were white British.
20. A presentation on the proposed changes was given at the following stakeholder groups which highlighted the original online consultation:
  - Physical Disability and Sensory Impairment Board
  - Carers Partnership
  - Autism Steering Group – followed up via e-mail
  - Learning Disability Partnership Board – via e-mail
21. The Cabinet Members for Adult Social Care have been consulted

### **Alternative Options**

22. The alternative option would be to continue with the current charging policy and not introduce any of the proposed changes but this would not result in a Care Act 2014 compliant policy and would not bring us in line with the position applied by most other councils to assist in the ability to continue to provide services to those that need them most.
23. An ongoing cap on the weekly contribution rate at a level aligned to the residential care fee rate, as it is in some other local authorities, a rate of circa £500 would apply

for Gateshead. Capping the weekly contribution rate to £500 would result in the Council foregoing resources which could be used to the benefit of the service.

### **Implications of Recommended Option**

#### **24. Resources:**

- a) Financial Implications** - The Strategic Director, Corporate Resources confirms that on the basis of the current client information held by the Council the changes proposed in the policy will result in estimated additional income of £0.545m to contribute to the delivery of the 2017/18 trading and income generation budget saving of £1m within Adult Social Care and continue to deliver services to those who need them the most. The impact of mitigating the decision and providing a cap on the maximum weekly amount in 2018/19 of £500 is £0.185m.
- b) Human Resources Implications** - There are no human resource implications directly arising from this report
- c) Property Implications** - There are no property implications directly arising from this report

**25. Risk Management Implication** – Comprehensive consultation has mitigated the risk of legal challenge and the ability to adopt the policy as proposed.

**26. Equality and Diversity Implications** – An equalities impact assessment has been undertaken following the outcome of the consultation responses and is attached at appendix 5.

**27. Crime and Disorder Implications** - None

**28. Health Implications** – contributions would be based on a person's ability to pay and are only levied following a full financial assessment. As such, charging has a limited negative effect on people's health and well-being

**29. Sustainability Implications** - None

**30. Human Rights Implications** - None

**31. Area and Ward Implications** - the report relates to a policy which has a borough wide impact.

#### **32. Background Information**

Care Act 2014  
Equalities Impact Assessment





**GATESHEAD COUNCIL**

**ADULT SOCIAL CARE**

**CHARGING AND FINANCIAL ASSESSMENT FOR ADULT CARE  
AND SUPPORT SERVICES**

## **CONTENTS**

- 1 Introduction
- 2 Legal Framework
- 3 Charges for care and support
4. Support for Carers
5. Non-payment and deprivation
6. Changes in circumstances
7. Re-assessment
8. Reviews and Appeals
9. Privacy statement

## **1 Introduction**

- 1.1 Gateshead Council, Adult Social Care provides a range of services for vulnerable people but is reliant on income from charges to help pay for them. Without this income, service levels may not be maintained.
- 1.2. Gateshead Council has decided to charge for services as, any authority which recovers less revenue than its discretionary powers allow is placing an extra burden on its population or is foregoing resources which could be used to the benefit of the service.
- 1.3 This policy aims to produce a transparent, consistent and fair framework for charging and financial assessment for all adults that receive care and support services following an assessment of their needs, and taking account of their individual financial circumstances.
- 1.4 Charges for care services are reviewed annually and are defined in the Adult Social Care Fees and Charges Schedule.
- 1.5 For the purposes of this policy, an 'adult' in relation to a financial assessment carried out by the council means a person over 18 needing care and support or, as the case may be, a carer in respect of whom the council is carrying out the financial assessment.
- 1.6 For the purposes of this policy, a 'carer' is a person who proposes to provide necessary care and support for an adult.

## **2 Legal Framework**

- 2.1 The Act and guidance underpinning this policy are:
  - \* The Care Act 2014 (the Act) – in particular sections 14, 17 and 69-70
  - \* *The Care and Support (Charging and Assessment of Resources) Regulations 2014 (the Regulations) and*
  - \* *The Care and Support and Aftercare (Choice of Accommodation) Regulations 2014.*
  - \* *The Care and Support (Deferred Payment) Regulations 2014*
  - \* *The Care and Support (Personal Budget Exclusion of costs) regulations 2014*
  - \* *The Care and Support Statutory Guidance 2014 (the Guidance)*
- 2.2 The Care Act 2014 and the regulations made under it provides a legal framework for charging for care and support and it will be applied by the council as required. It enables the Council to decide whether or not to charge an adult when it is arranging to meet an adult's care and support needs or a carer's support needs.
- 2.22 Gateshead Council will apply the following principles when calculating the contribution an adult must make towards care:
  - Promote wellbeing.

- The adult will not pay more than the cost of their care package, so for example that will include the full cost of 2:1 care in the cost of care package'
- Charging will be clear and transparent so adults will know what they will be charged.
- Our policy on charging will support carers to look after their own health and wellbeing and to care effectively and safely
- Our charging rules will apply equally so those with similar needs or services are treated the same and minimise anomalies between different care settings or adults with protected characteristics.
- The contribution does not undermine the adult's independence of living by reducing their income to unsustainable levels and the amount charged will not reduce a person's disposable income below the Minimum Income Guarantee (MIG) as defined in regulations.
- The financial assessment process will include a comprehensive benefit maximisation and uptake service to ensure that an adult is in receipt of any benefits to which they are entitled
- A disability related expenditure allowance will be given to cover additional expenditure an adult may have due to their disability e.g. specialist clothing or dietary needs. Any individual who believes that their own Disability Related Expenditure averaged over a 3 month period exceeds this weekly allowance should ask for an individual assessment in this regard and provide supporting evidence of the existence, level and necessity of the expenditure.
- All adults who are assessed as being able to make a financial contribution to their care and support costs must pay the contribution. Any unpaid contribution will give rise to a debt and lawful enforcement procedures will be taken.
- Any debt will be recovered where appropriate in line with the Councils Debt Recovery protocols.
- Where the council, under this policy, makes a charge, the contribution payable is due from the start of any service or the first date of payment of a direct payment
- All customers, clients, service users and adults will be treated in a professional manner, with dignity and respect.
- This policy and provision of services reflects, and is appropriate to, the needs of the diverse communities within the Borough and is consistent with the Public Sector Equality Duty under the Equalities Act 2010.
- Will encourage and enable those who wish to stay in or take up employment, education or training or plan for the future costs of meeting their needs to do so
- Will be sustainable for the Council in the long term

- The Council will challenge and remove discrimination to ensure that those wishing to access care and support or support from the Council will not be treated any less favourably on the grounds of gender, sexual orientation, race, nationality, ethnic origin, disability, marital status, age, religion or belief, or any other conditions or requirements which cannot be shown to be justified.

### 3. Charges for Care and Support

#### 3.1 Services to be provided free of charge:

The council will provide the following services free of charge:

- Provision of community equipment (aids and minor adaptations a total of £1000 or less)
- Intermediate care and reablement support services (**but not including urgent response services**) up to the first 6 weeks (the council have the discretion to provide these services for longer when having regard to the guidance on preventative services) ( see Appendix 3)
- Care and support provided to adults with variant Creutzfeldt-Jakob disease
- S117 – after-care services/support provided under s117 of the Mental Health Act 1983
- Any service or part of service which the NHS is under a duty to provide including Continuing Healthcare and the NHS contribution to Registered Nursing Care.
- More broadly, any services which the council is under a duty to provide through other legislation may not be charged for under the Care Act 2014.
- A financial assessment, a needs assessment or the preparation of a care and support plan.
- Providing advice about the availability of services or assessment of need.
- Cost of putting in place arrangements to meet needs (except as detailed below)

#### 3.2 Services we will charge for:

- Any Care and support provided to meet a person's assessed needs unless specifically exempted by law or this Policy.
- Where an adult is able to meet the full cost of their care, the council will make a charge for putting in place arrangements to meet need, when requested to do so, however the council will only recover the actual costs incurred in accordance with section 18 of the Care Act.

- 3.3 Charges will be made after a full or light touch financial assessment has been undertaken to ensure the adult is not charged more than it is reasonably practicable for them to pay.
- 3.4 The amount charged for care and support in a non-residential setting will not reduce a person's disposable income below Minimum Income Guarantee amount (MIG)
- 3.5 For residents or temporary residents provided with accommodation in a care home, a weekly personal expenses allowance (PEA), set annually by the Government is allowed when the charge for care and support is calculated.
- 3.6 Short term residents  
Means a person who is provided with accommodation in a care home for a period not exceeding 8 weeks

A standard charge will be made for a short term placement and the amount of the charge is detailed in the council's Fees and Charges Booklet. The local authority has discretion to assess and charge as if the person were having needs met other than by the provision of accommodation in a care home i.e. at the same rate as if their needs were being met in the community.

#### Temporary Residents

A temporary resident is defined as a person whose need to stay in a care home is *intended* to last for a limited period of time and where there is a plan to return home. The person's stay should be unlikely to exceed 52 weeks, or in exceptional circumstances, unlikely to substantially exceed 52 weeks and this should be recognised and written into their care plan. The Council will assess and charge a temporary resident in accordance with the Regulations

- 3.7 Other services
- A reasonable flat rate fee will apply for the cost of meals.
  - A flat rate fee will be charged for transport where it is not included as part of the care and support plan.
  - An administrative charge and interest will be made for a deferred payment agreement
  - A charge will be made for arranging to meet need for self-funders.
  - A charge will be made for Car badges for disabled people
  - A charge will be made for Care Call service

Where the Council makes a charge under this section the amount of the charge will be set out in the Council's Fees and Charges Booklet and the amount of any such charge will be included in any consultation carried out for that Booklet.

## 4. **Support for Carers**

- 4.1 Where a carer has eligible support needs of their own, the Council will carry out an assessment of those needs and identify how those needs will be met.
- 4.2 Where those needs are met by providing a service directly to the carer, the council will not charge for those services.

- 4.3 Where those needs are met by providing a service directly to the cared for adult, the Council will not charge the carer for that service, however, it may result in a charge to the cared for adult.

## **5. Non-Payment and Deprivation**

- 5.1 Deprivation of income and/or capital is where the adult has spent or given away any of their capital or failed to claim an income in order to reduce the charges they would otherwise be liable to pay.

### **5.1.1 Notional Income**

An adult will be treated as having income they do not have (notional income) where that income would be available on application but where the adult has not applied or deliberately deprived themselves of for the purpose of reducing the amount they are liable to pay for care and support.

### **5.1.2 Notional Capital**

An adult will be treated as having capital they do not have (notional capital) where the adult has intentionally deprived or decreased their overall assets in order to reduce the amount they are charged towards their care

### **5.1.3 Diminishing notional capital**

In the same way as it would be accepted that any other capital would reduce over time, the council will calculate a weekly amount by which notional capital would reduce by calculating the difference between the higher rate the adult has been assessed to pay and the rate that would have been payable had the adult not been assessed as possessing notional capital. The council will tell you when you will become eligible for funding towards your care costs

- 5.2 Where care fees remain unpaid, or deprivation has occurred, the Council will have due regard to the vulnerable nature of the client group and the Councils responsibility for meeting need when deciding on debt recovery action and the type of action to be taken.

- 5.3 The Council will take all reasonable steps and act reasonably when approaching the recovery of debts and court action will normally only be considered after all other avenues have been exhausted. The Council will take action in the County Court to recover debts due to it in accordance with section 69 of the Care Act 2014. Any interest and additional costs payable will be set by the County Court.

Where an asset or income has been transferred to a third party to avoid or reduce a charge the third party will be liable to pay the council the difference in accordance with section 70 of the Care Act 2014.

- 5.5 The Council may use the Regulation of Investigatory Powers Act 2000 to investigate allegations of deprivation.

- 5.6 The Council will always offer a Deferred Payment Agreement (DPA) as an option to repay debt where an adult is in a care home or extra care property and has sufficient equity to cover the DPA.
- 5.8 The council will seek to recover the costs incurred in recovering any amounts due to it as detailed in the council's Fees and Charges Booklet.

## **6. What Happens if an Adult's Financial Circumstances Change?**

If an adult has any change in financial circumstances they (or their legally appointed financial representative) must notify the councils Financial Assessment team who will review and revise the financial assessment as necessary.

Items that should be reported to the council immediately will include for example any additional benefits received since the initial financial assessment such as Attendance Allowance/Personal Independence Payment, an increase or reduction in capital or other income etc.

## **7. Re-Assessment**

- 7.1 The adult's contribution will be reassessed every year in April, to take account of the annual increases in benefits, private pensions and the cost of living and any changes in the Councils fees and charges.

If the adult is in receipt of Pension Credit / Income Support the Financial Assessment team will revise the charge automatically. If an adult does not receive these benefits the adult may be asked undergo a revised financial assessment.

## **8. Reviews and Appeals**

- 8.1 The council have in place a process to look again at the level of the adults assessed contribution if the adult or carer believes that it is not reasonable for them to pay the contribution for which they have been assessed to pay. The adult can ask the financial assessment team to look again at their assessment – this is called a review. Any evidence, usually in the form of documents, should be submitted when requesting a review.
- 8.2.1 The financial assessment officer will carry out a more detailed financial assessment that will take into account all disability related expenditure instead of giving a fixed rate amount.
- 8.2.2 The adult must first contact the Principal Officer – Financial Assessment Team either themselves or through their representative/advocate to explain why they feel that it is not reasonably practicable for them to pay the assessed contribution or why they think the calculation is wrong. However it would be necessary for a financial assessment to have been undertaken prior to such a review being considered.
- 8.3 The review process is detailed below:



Stage 1

- The adult will write to the financial assessment team within 20 working days of the date of the outcome letter explaining why they think the financial assessment is wrong.
- The Principal Officer – Financial Assessment Team The manager will review the financial assessment within 20 working days of receipt of the request for a review. There can only be two outcomes from stage 1:
  - I The Council will change the decision of the original financial assessment

Or

- II The Council will uphold the decision of the original financial assessment

The adult will be notified of the decision in writing.

Stage 2

- If an adult is still not happy with the decision, they have the right to appeal that decision, An appeal should be submitted within 20 working days of the date of the review outcome letter.
- Appeals will be heard by the Council's appeal panel as soon as practicably possible. The adult will be notified in writing of the outcome of the appeal.
- If the adult remains unhappy with the appeal, then they can make a complaint under the Adult Social Care's complaints procedure (visit the complaints page on the Councils website [www.gateshead.gov.uk](http://www.gateshead.gov.uk))

## 9 Privacy

Information will be collected to enable the calculation of contributions relating to services provided and assessment of welfare benefit entitlement. In accordance with the Data Protection Act 1998 this information will only be shared with other relevant people and agencies in accordance with the data protection principles or with the written consent of the individual or their legally appointed representative. The Council will use other information available to it to facilitate an accurate financial assessment only with the express permission of the adult or their legally appointed representative.

## What is enablement?

‘Intermediate care and reablement support services’ means care and support provided to an adult under sections 18, 19 and 20 or S2 (1) of the Care ACT 2014 which:

- a) Consists of a programme of (services, facilities or resources)
- b) Is for a specialised period of time (‘the specified period’); and
- c) Has as its purpose the provision of assistance to an adult to enable the adult to maintain or regain the ability needed to live independently in their own home

Within Gateshead Council there are two types of delivery

**Enablement** – a home based service provided by domiciliary care to enable people to live independently, this is provided in a person’s own home

**Intermediate care** – a bed based service for people, staying for short stay in a residential setting based at Eastwood Promoting Independence Centre. This will include

- Service users requiring a ‘step down’ rehabilitative approach from acute hospital wards, to encourage physical recovery, further independence, and build confidence, as a prelude to returning home
- Service user requiring a representative ‘step-up’ approach from community setting, receiving appropriate interventions to maximise functional ability and independence – preventing acute admission to hospital or an inappropriate long term residential care placement.
- Service users whose physical functioning; overall confidence and self-esteem can be enhanced from a multi-disciplinary approach. Consequently, reducing the level of risk posed to the individual following discharge from the centre.

Both services will assist people to accommodate their illness or condition by learning or relearning the skills necessary, this is an eligibility decision service; its purpose is to provide assistance to an adult to enable the adult to maintain or regain the ability needed to live independently in their own home. The function of the services is for a specific period of time (up to six weeks). However, both services should not have a strict time limit since the period of time for which the support is provided should depend on the needs and outcomes of the individual. In some cases for instance a period of enablement for a visual impaired person (a specific form of enablement) may be expected to last longer than six weeks.

## Charging

Both ‘enablement’ and ‘intermediate’ care services are free for up to six weeks. Gateshead Council does have the authority to charge for this where it is provided beyond six weeks, but will consider continuing to provide it free of charge beyond this time when clear preventative benefits to the individual has been identified and it has been agreed by the appropriate Service / Team Manager for a further specified period.

The service users progress is monitored on a weekly basis, if identified that long term services will be required they will be referred for an assessment, this assessment will also include a financial assessment

## **Admission criteria**

### **Enablement service (home based)**

- This service is available to Gateshead residents and support carers
- The service is an inclusive mainstream intake model being accessible to all people form 18+ (including people in transition from children's to adults services)
- People who are in need of a new, continued or increased level of services because of either changes in their personal / domestic or social activity by experiencing a deterioration in functional abilities.
- The service user must be medically stable to participate without acute health issues and have the potential and motivation to achieve identified goals within an allocated timescale, with the predominant objective to remain independent at home

### **Intermediate care services (bed based)**

- A service user who must possess motivation and commitment and have the potential to be rehabilitated (identified through assessment by a Therapist ie Physiotherapist or Occupational Therapist)
- A service user who must be medically stable and not require any further 'in patient care' – though may be requiring rehabilitation from trauma or acute exacerbation of existing illness / condition. Admission is not for any service users with unstable acute medical conditions (e.g. requiring more than once a week medical support)
- The service user must be registered with a Gateshead GP
- The service user must not require further nursing needs, beyond that which can be met by the support / treatment provided by the District Nursing service or Community Matron
- The service user is usually aged 55 years and above
- The service user must only require support from one staff member for moving and handling tasks. Associated risk assessment must be completed prior to admission by the admitting professional
- The service users' needs can't be met within a domiciliary care setting

## **Exceptions**

A person should not receive further enablement within 3 months of a previous episode unless there has been a significant change of circumstances ie hospital admission

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## First Consultation Period – Dec 2015 to Jan 2016

### Responses to the Consultation on proposed changes to the charging and financial assessment for adult social care and support services

**Proposal 1 –** The cost of care is currently calculated at a standard rate regardless of how many carers are required. It is proposed to calculate the service user's contribution towards the cost of care based on the number of carers required. However, they will not pay more than the limit set at their personal assessment.

#### **Example A – Mrs Grey**

Mrs Grey is 45 years old and receives 3 hours of homecare per week from two carers. The proposed change means the cost of care would rise from £39 to £78 per week. However, her weekly income is £260 and she has therefore been assessed to contribute a maximum of £68.68 towards her care.

**Cost of care = £78**

**Personal assessment = £68.68**

**Currently pays = £39 (cost of one carer)**

**Proposed payment = £68.68 (two carers)**

#### **Example B – Mr White**

Mr White is 69 years old and receives 6 hours of homecare per week from two carers. The proposed change means the cost of care would rise from £78 to £156. However, his weekly income is £172 and he has therefore been assessed as having no disposable income to contribute towards his care.

**Cost of care = £156**

**Personal assessment = £0**

**Currently pays = £0**

**Proposed payment = £0**

#### **Q. Do you agree or disagree with Proposal 1?**

This single response question was answered by 93 respondents.

Response	Number of Respondents	Percentage of Respondents
Agree	39	41.94%
Disagree	44	47.31%
Don't know	10	10.75%

**Proposal 2 –** The maximum weekly amount a service user is required to pay towards their care is currently capped at £205. It is proposed to remove this threshold. This means that the maximum a user would be required to pay is the amount identified in their personal assessment.

**Example A – Mrs Wright**

Mrs Wright is 75 years old and receives 21 hours of homecare per week costing £265.50. She has capital in excess of £80,000 and she has therefore been assessed as being able to pay the full cost of her care. However, the current cap means she only pays £205. The proposed change means that she would have to pay the full cost of her care.

**Cost of care = £265.50**

**Personal assessment = £265.50**

**Currently pays = £205**

**Proposed payment = £265.50**

**Example B – Mr Smith**

Mr Smith is 80 years old and receives 24 hours of homecare per week costing £312. The proposed change would not affect how much Mr Smith pays because he has capital below £23,250 and has been assessed to contribute a maximum of £150 towards his care.

**Cost of care = £312**

**Personal assessment = £150**

**Currently pays = £150**

**Proposed payment = £150**

**Q. Do you agree or disagree with Proposal 2?**

**This single response question was answered by 85 respondents.**

<b>Response</b>	<b>Number of Respondents</b>	<b>Percentage of Respondents</b>
Agree	28	32.94%
Disagree	44	51.76%
Don't know	13	15.29%

**Proposal 3 –** All Service users currently receive a standard allowance of £20.60 per week to cover additional disability related costs such as speciality clothing or equipment. This is known as a Disability Related Expenditure (DRE) allowance. It is proposed to reduce the standard rate of DRE allowance to £15 per week.

**Example A – Mrs Green**

Mrs Green is 91 years old and receives 9 hours of homecare per week costing £110.50. Her income is £168.23 and she has been assessed as having no disposable income to contribute towards her care. The proposed change will therefore not affect Mrs Green.

**Cost of= £110.50**

**Personal assessment = £0**  
(current £20.60 DRE allowance)

**Personal assessment = £0**  
(proposed £15 DRE allowance)

**Currently pays = £0**

**Example B – Mr Brown**

Mr Brown is 89 years old and receives 10 hours of homecare per week costing £168. His income is £350.00 per week and, after taking into account the standard DRE allowance of £20.60, he has been assessed to contribute a maximum of £18.63 towards his care. However, the proposed change to a standard DRE allowance of £15 means that in future he will have to pay £24.23.

**Cost of care = £168**

**Personal assessment = £18.63**  
(current £20.60 DRE allowance)

**Personal assessment = £24.23**  
(proposed £15 DRE allowance)

**Currently pays = £18.63**

**Q. Do you agree or disagree with Proposal 3?**

This single response question was answered by 86 respondents.

Response	Number of Respondents	Percentage of Respondents
Agree	45	52.33%
Disagree	28	32.56%
Don't know	13	15.12%

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## Second Consultation Period – June 2017 – July 2017

### Responses to the Consultation on proposed changes to the charging and financial assessment for Adult Social Care and Support Services

**Proposal 1 –** The cost of care is currently calculated at a standard rate regardless of how many carers are required. It is proposed to calculate the service user's contribution towards the cost of care based on the number of carers required. However, they will not pay more than the limit set at their personal assessment.

#### **Example A – Mrs Grey**

Mrs Grey is 45 years old and receives 3 hours of homecare per week from two carers. The proposed change means the cost of care would rise from £39 to £78 per week. However, her weekly income is £260 and she has therefore been assessed to contribute a maximum of £68.68 towards her care.

**Cost of care = £78**

**Personal assessment = £68.68**

**Currently pays = £39 (cost of one carer)**

**Proposed payment = £68.68 (two carers)**

#### **Example B – Mr White**

Mr White is 69 years old and receives 6 hours of homecare per week from two carers. The proposed change means the cost of care would rise from £78 to £156. However, his weekly income is £172 and he has therefore been assessed as having no disposable income to contribute towards his care.

**Cost of care = £156**

**Personal assessment = £0**

**Currently pays = £0**

**Proposed payment = £0**

#### **Q. Do you agree or disagree with Proposal 1?**

**This single response question was answered by 190 respondents.**

<b>Response</b>	<b>Number of Respondents</b>	<b>Percentage of Respondents</b>
Agree	59	31.05%
Disagree	93	48.95%
Don't know	38	20%

**Proposal 2 –** The maximum weekly amount a service user is required to pay towards their care is currently capped at £205. It is proposed to remove this threshold. This means that the maximum a user would be required to pay is the amount identified in their personal assessment.

**Example A – Mrs Wright**

Mrs Wright is 75 years old and receives 21 hours of homecare per week costing £265.50. She has capital in excess of £80,000 and she has therefore been assessed as being able to pay the full cost of her care. However, the current cap means she only pays £205. The proposed change means that she would have to pay the full cost of her care.

**Cost of care = £265.50**

**Personal assessment = £265.50**

**Currently pays = £205**

**Proposed payment = £265.50**

**Example B – Mr Smith**

Mr Smith is 80 years old and receives 24 hours of homecare per week costing £312. The proposed change would not affect how much Mr Smith pays because he has capital below £23,250 and has been assessed to contribute a maximum of £150 towards his care.

**Cost of care = £312**

**Personal assessment = £150**

**Currently pays = £150**

**Proposed payment = £150**

**Q. Do you agree or disagree with Proposal 2?**

**This single response question was answered by 182 respondents.**

<b>Response</b>	<b>Number of Respondents</b>	<b>Percentage of Respondents</b>
Agree	51	28.02%
Disagree	96	52.75%
Don't know	35	19.23%

**Proposal 3 –** All Service users who have capital of more than £23,250 have to pay the full cost of their care and are therefore not affected by the following proposed change. Those with capital of £23,250 or less will have a financial assessment to establish how much they should contribute towards the cost of their care. As part of the assessment a standard allowance is applied to cover additional disability related costs such as speciality clothing or equipment. This is known as a Disability Related Expenditure (DRE) allowance. In effect this reduces the amount they have to pay by £20.60 per week. It is proposed to reduce the standard rate of DRE allowance to £15 per week.

**Example A – Mrs Green**

Mrs Green is 91 years old and receives 9 hours of homecare per week costing £110.50. Her income is £168.23 and she has been assessed as having no disposable income to contribute towards her care. The proposed change will therefore not affect Mrs Green.

**Cost of= £110.50**

**Personal assessment = £0**  
**(current £20.60 DRE allowance)**

**Personal assessment = £0**  
**(proposed £15 DRE allowance)**

**Currently pays = £0**

**Example B – Mr Brown**

Mr Brown is 89 years old and receives 10 hours of homecare per week costing £168. His income is £350.00 per week and, after taking into account the standard DRE allowance of £20.60, he has been assessed to contribute a maximum of £18.63 towards his care. However, the proposed change to a standard DRE allowance of £15 means that in future he will have to pay £24.23.

**Cost of care = £168**

**Personal assessment = £18.63**  
**(current £20.60 DRE allowance)**

**Personal assessment = £24.23**  
**(proposed £15 DRE allowance)**

**Currently pays = £18.63**

**Q. Do you agree or disagree with Proposal 3?**

**This single response question was answered by 181 respondents.**

<b>Response</b>	<b>Number of Respondents</b>	<b>Percentage of Respondents</b>
Agree	73	40.33%
Disagree	64	35.36%
Don't know	44	24.31%

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### Consultation commentary

The following provides analysis of the comments and alternative options submitted throughout the various stages of the consultation, and analysis/response from officers in terms of these comments or suggestions.

Suggestion/comment from consultation	The Cap should remain at £205 for current clients and only be raised/removed for new clients
Analysis/response	The Care and Support Statutory Guidance suggests that a Council should apply the charging rules equally so those with similar needs or services are treated the same and minimise anomalies between different care settings.
Suggestion/comment from consultation	The Cap should be raised (e.g. to £400 or £500) but there should still be a cap
Analysis/response	There are two issues with this suggestion; (1) that further discussions and changes are then required every time the cap needs to be raised (and this incurs costs for the Council), and (2) this still limits the amount being paid by those who are assessed as being most able to afford to make a contribution (whilst perversely someone with more moderate income/capital may be required to make the same contribution as someone who has more financial resources available to them).
Suggestion/comment from consultation	That as part of the consultation, everyone who is impacted should be advised of what the proposed changes would mean for them, in order to enable them to give an informed response.
Analysis/response	<p>The aim of the consultation is to seek wide views on the proposals, as to whether the intended policy is fair; not to just ask the people specifically affected whether they agree with the changes for them. The consultees should include people who are directly impacted, but also the wider population (on the basis that if the policy is not implemented, resources would need to be identified from elsewhere). Added to this, the people who will be impacted by the policy change on a regular basis, as new people start to receive Adult Social Care and current clients move out of the charging regulations.</p> <p>The Council did provide detailed examples throughout the consultation period to assist people in understanding how the proposals would operate and how these would impact upon individuals. Additionally, officers have provided telephone lines, email addresses and two public meetings so that any queries could be answered.</p>
Suggestion/comment from consultation	That the policy is complex and unclear

Analysis/response	<p>The policy is derived from the national legislation and statutory guidance relating to the Care Act 2014, and therefore is not something that the Council can directly influence. Officers have tried to make the examples as clear and illustrative as possible, but acknowledge that the charging regulations are complex.</p> <p>In order to try and assist consultees in understanding the proposed policy and implications, officers have provided telephone lines, email addresses and two public meetings (which were attended by 7 people in total).</p>
Suggestion/comment from consultation	People shouldn't have to pay towards their care
Analysis/response	<p>People are already assessed to make contributions towards their care, in line with national policy. Whilst the decision to require people to make contributions is discretionary, there is a central government expectation that Councils will generate income in this way, and as such this expectation is built into funding calculations. If discretionary income is not collected by the Council, then this would place an additional burden on the wider population and adversely impact the quality of services.</p>
Suggestion/comment from consultation	It is not fair to increase the cap as some people will have made financial plans, based upon an assumption that this was the maximum amount they would need to pay per week.
Analysis/response	<p>The cap was set some years ago, and clearly the financial situation for Local Authorities has changed significantly. There is no "guarantee" attached to the cap, and it is not unreasonable that the Council would need to raise the cap over time. The fact that there haven't been regular increases could be perceived as a benefit to those who would be assessed as being able to make a greater contribution.</p>
Suggestion/comment from consultation	The figures used within the examples were incorrect
Analysis/response	<p>Unfortunately when the second consultation was undertaken, the examples provided were based on the previous examples, and therefore used the 2016/17 rates. The difference that this made was relatively minor, however, as a result of the error, further correspondence was sent to all people where this may have had an impact. Additionally people were provided with telephone numbers and email addresses to seek further clarification, and two public meetings were held.</p> <p><i>**examples used within the letter are shown below</i></p>
Suggestion/comment from consultation	The averages presented to Cabinet in May 2016 did not fully illustrate the scale of the impact for those who would be most affected by the changes
Analysis/response	Appendix 5 sets out the further clarification and illustrations

	of the smallest and the largest impacts, as well as averages.
Suggestion/comment from consultation	That those people who have saved all their lives are being asked to contribute the most, and this is unfair and penalises people for being financially prudent.
Analysis/response	Within the current financial assessment policy those who have a greater income or savings already make greater contributions; this is in line with the current national legislation and statutory guidance (Care Act 2014) and the previous statutory framework. If the policy is not implemented, the income would need to be sourced elsewhere, but this could not be sought from those people who have been assessed as not being able to afford to make a contribution, or who have been assessed as having to make a limited contribution towards the cost of their care and support, as the national guidance is clear that people must be left with an income of at least the “minimum income guarantee” level. Therefore given the extent of the cuts to local government funding, and the budget savings the Council needs to make, the money would need to come from either closing/ceasing services or raising income elsewhere.
Suggestion/comment from consultation	That the new policy potentially will encourage people to try and avoid having to make a contribution.
Analysis/response	This is already a potential risk, given that people are assessed on their ability to pay, based on income and capital. The Care Act 2014, the Care and Support Statutory Guidance and the Care and Support (Charging and Assessment of Resources) Regulations 2014 make provision regarding people who are identified as having “deprived” themselves of capital or income for the purposes of avoiding contributions towards the cost of their care and support.
Suggestion/comment from consultation	There were some people who confused the Care Act 2014 lifetime cap on care costs with the maximum weekly cap referred to in the Council’s proposals.
Analysis/response	Unfortunately Gateshead Council already referred to the maximum weekly charge as a “cap”, and so when this terminology was used by Central Government to refer to a different financial cap, there was the potential for some confusion. Officers have explained to consultees that the second stage of Care Act implementation was expected to be enacted in April 2016, but that in 2015, the Government announced it would be delayed until 2020. Late last year the Government announced that these reforms won’t be enacted, and that in 2018 there will be a Green Paper which will consult on a new model of funding and charging for Adult Social Care.
Suggestion/comment from consultation	That the proposals are unfair as there is a limit to the amount of care a person would have to pay within a care

	home, and that the policy goes against the Council's aim of encouraging people to stay in their own home.
Analysis/response	There is no cap on the amount someone who funds their own care home may have to pay, and national analysis evidences that people who are self-funding in care homes, pay significantly higher rates than those people who are funded on a Local Authority contract (. Therefore rather than create an unfair position, the policy seeks to make the position fairer. We do not feel the policy incentivises people not to remain in their own homes.
Suggestion/comment from consultation	Some people felt that the examples given were not sufficiently illustrative. It was also noted that the majority of examples referred to the person's capital, not their income.
Analysis/response	A variety of examples have been provided, although in order to ensure that consultation responses from the various stages of the consultation were relevant, there also had to be continuity of examples. In terms of the use of capital as opposed to income in the examples, this is because the significant majority of "self-funders" would be assessed as such as a result of their capital, not their income. However Members are advised that there may be some clients who are assessed as self-funding because of their income, not their capital.
Suggestion/comment from consultation	Some people felt that the reported amount of income generation was relatively small, and that given there were some individuals for whom there would be a significant financial impact, it wasn't worth impacting those people, for the amount of income this would generate.
Analysis/response	The amount of income generation/reduction in spend by the Council associated with the proposed policy fluctuates as the adult social care client base fluctuates (both in terms of the costs of individuals' care packages, and also the contributions different individuals may be assessed as being able to make). This is demonstrated by the fact that in 2016 the greatest anticipated increase was to circa £800 per week; when the same data was calculated in 2017, the greatest anticipated increase had risen to £2700 per week. As a result, the anticipated income generation/cost saving can go up or down significantly; for example the difference between the two figures shown above would generate an additional £100k per annum in cost savings. Additionally, if the income is not generated from the ASC charging policy, then as noted previously the money would need to come from either closing/ceasing services or raising income elsewhere.
Suggestion/comment from consultation	Some people suggested the Disability Related Expenditure allowance should be raised not lowered; alternatively it was suggested that the standard amount should be removed, and individual assessments applied. There was also a suggestion that the DRE should be "scrapped" and savings



	made elsewhere.
Analysis/response	<p>The Council is not required to provide a standard DRE, but chooses to do so, in order to avoid the assessment costs associated with calculating individual allowances. However, if someone feels the standard allowance is not sufficient, then they can request an individual DRE calculation.</p> <p>The scrapping of the DRE allowance is not an option, as the Care and Support Statutory Guidance states that where disability-related benefits are taken into account, the local authority should make an assessment and allow the person to keep enough benefit to pay for necessary disability-related expenditure to meet any needs which are not being met by the local authority. However, it should be noted that to scrap the DRE (were this allowed) would create <i>greater</i> savings for the Council.</p>
Suggestion/comment from consultation	That people should not be required to pay for specialist clothing.
Analysis/response	The information regarding the DRE proposal made reference to specialty clothing being something that someone may require as a result of their disability. By continuing to allow a standard DRE the Council is recognising that disabled people are likely to have higher costs (for items such as speciality clothing), and making an allowance for this.
Suggestion/comment from consultation	Everyone should have to contribute something, and query as to why Attendance Allowance isn't taken into consideration.
Analysis/response	Attendance allowance is taken into consideration as income, and everyone is assessed to see whether they can make a contribution towards their care and support. The Care and Support Statutory Guidance stipulates that everyone must be left with a minimum level of disposable income (Minimum Income Guarantee). If someone does not have income above this minimum amount, a Council cannot charge them for their care and support.
Suggestion/comment from consultation	<p>A number of consultees said that they felt the proposals were fair. Within this group were people (or their representatives) who would be affected by the proposals, including people who would be assessed to pay the full cost of their care, if the policy is implemented. In particular people noted that</p> <ul style="list-style-type: none"> <li>*bringing the policy in line with other LA areas was appropriate</li> <li>*rising current costs for everyone seemed fair</li> <li>*how much care is needed should determine cost</li> </ul>

	Some people felt that whilst it was reasonable for people to pay more, it should be limited (e.g by raising, but still maintaining a cap); this is addressed previously.
Suggestion/comment from consultation	Some people suggested that the impact of the charges should be mitigated, especially in respect of those people who would have to make the greatest contributions.
Analysis/response	Officers feel this is a reasonable suggestion, and therefore Cabinet have been asked to consider this proposal in line with the recommendation to agree the policy. Details of the proposed “tapering” arrangements are set out in Appendix 6.
Suggestion/comment from consultation	Some people felt that more notice was required to notify people of the changes.
Analysis/response	Unfortunately the timescales are largely dictated by the timescales of the political process and the financial year. However, the intention is that should Cabinet agree the policy in January, then people who are likely to be significantly impacted will receive a letter advising them of the fact that the policy has been agreed. They will then receive notification of the actual changes to their contributions, in April.

\*\*Examples used within the letter sent to all people who may be affected by the changes:

**An example of how calculating the adult's contribution towards the cost of care based on the number of carers required will affect the adult (Proposal 1):**

Mrs Grey is 45 years old and receives home care delivered by two carers. The actual cost of this care is £81.36 however the maximum cost Mrs Grey currently could be charged is £40.68 which is based on the cost for one carer.

Mrs Grey has been assessed as being able to contribute a maximum of £68.68 towards the cost of her care. However, she currently pays a contribution of £40.68 towards the cost of her care which is the cost of her care from one carer

If the proposal under consultation is implemented so her contribution is based on both of her carers, the maximum cost she could be charged is £81.36 (the cost of 2 carers). However, she will be required to pay a maximum of £68.68 towards the cost of her care which is the maximum amount she has been assessed as being able to contribute towards the cost of her care.

Mr Blue is 69 years old and receives home care delivered by two carers. The actual cost of his care is £162.72.

Mr Blue is assessed as having no disposable income to contribute towards the cost of his care.

If the proposal under consultation is implemented, Mr Blue will still pay no contribution towards the cost of his care due to having no disposable income to contribute.

**An example of how removing the cap on the maximum weekly amount an adult is required to pay towards their care will affect the adult (Proposal 2):**

Mrs Bates is 96 years old and receives home care each week costing £94.92.

Mrs Bates has capital in excess of £50,000 (over the upper threshold for local authority assistance) and is required to pay the full cost of her care subject to the current maximum weekly amount cap of £205.00 per week. She therefore pays £94.92 per week.

If the proposal under consultation is implemented, Mrs Bates will not be affected by the removal of the maximum charge because her care costs do not exceed this so she will continue to pay £94.92 per week.

Mrs Wright is 75 years old and receives care costing £406.80 per week.

Mrs Wright has capital in excess of £80,000 (over the upper threshold for local authority assistance) and is currently required to pay for the cost of her care up to the current maximum cap of £205.00 per week.

If the proposal under consultation is implemented, she will be required to pay £406.80 which is the full cost of her care with no cap in place.

**An example of how calculating the adult's contribution towards the cost of care based on the number of carers and removing the cap on the maximum weekly amount will affect the adult (Proposal 1 & 2 combined):**

Mrs Green is 77 years old and receives home care delivered by two carers. The cost of this care is £325.44 although would be capped to £162.72, the cost of 1 carer.

Mrs Green's capital is over the upper threshold for local authority assistance. She currently pays a contribution of £162.72 towards her care (capped at the cost of 1 carer).

If the proposal under consultation is implemented, Mrs Green would be required to pay £325.44, the full cost of her care for both her carers and without the maximum weekly cap applying.

Mr Smith is 53 years old and receives home care delivered by two carers. The cost of this care is £433.92.

Mr Smith has been assessed as being able to contribute a maximum of £31.25 towards the cost of his care.

Mr Smith is not affected by the changes and will continue to pay £31.25 per week.

If the proposal under consultation is implemented, Mr Smith will continue to contribute £31.25 towards the cost of his care.

**An example of how the reduction in the standard Disability Related Expenditure allowance will affect the adult (Proposal 3):**

Mrs Green is 91 years old and receives Home care each week costing £110.50.

Mrs Green has been assessed as having no disposable income to contribute towards the cost of her care.

If the proposal under consultation is implemented, even with the reduction in the DRE, Mrs Green continues to have no disposable income and therefore will have no contribution to make.

Mr Brown is 89 years old and receives home care each week costing £122.13.

Taking into account the standard DRE allowance of £20.60, Mr Brown currently has been assessed as able to contribute a maximum of £18.63 towards the cost of his care.

If the proposal under consultation is implemented, a standard DRE allowance of £15 would apply meaning that he will have to pay £24.23 towards the cost of his care (unless he can demonstrate additional DRE above this level)

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## **Analysis of Proposals**

The following information summarises the collective impact of the proposals for the people who receive Adult Social Care Services. It should be noted however, that this analysis represents a “snap shot”, as the client base for Adult Social Care changes on a regular basis, and therefore both the costs of peoples’ care packages and the financial circumstances of these individuals fluctuate and change, as the client base changes. This is explained in more detail in Appendix 4 as this issue arose throughout the consultation period.

### **Proposal 1 (charging for 2 carers)**

- There are currently 235 adults who have care delivered by 2 or more carers
- 142 of those adults currently contribute to the cost of their care
- 93 of these adults currently make no contribution to the cost of their care
- 15 of those adults contributing towards the cost of their care will be affected by charging for the number of carers required if Proposal 1 is implemented alone.
- Based on our current understanding of those adults’ finances, the increase would range between £1.51 and £94.92
- If Proposal 2 is also implemented, an additional 12 people will be affected

### **Proposal 2 (removal of the maximum charge cap)**

- There are 54 adults whose contribution is limited to the maximum charge of £205.00
- Based on our current understanding of those adults’ finances, if Proposal 2 alone is implemented, the increase for adults would range between £1.25 and £886.58 per week.
- There would be an increase of over £100 per week for 9 adults; over £300 per week for 4 adults; and over £800 per week for 2 adults.
- If proposal 1 is also implemented a total of 67 adults currently receiving services will be affected.
- Based on our current understanding of those adults’ finances, the increase would range between £5.18 and £2,743.40 per week.
- 16 adults will have an increase of £100 - £200 per week; 9 adults will have an increase between £200 - £400 per week; and a further 9 adults will have an increase of over £400 per week to pay for their care.

### **Proposal 3 (reduction in the Disability Related Expenditure allowance)**

The reduction in DRE would currently impact on approximately 858 clients who currently make some contribution towards the cost of their care. Whilst the proposal is to limit the standard amount of DRE, there remains provision in the policy for an individual assessment to be requested if there is evidence that the DRE is insufficient to cover the individual’s needs.

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## **Tapering proposal (mitigation for the most excessive indicative rises in charges)**

### **Background**

Given the scale of the potential rise in the maximum weekly charge for a small group of people who are impacted by the implementation of both proposals 1 and 2, and having given consideration to the comments made in this respect during the consultation, it is suggested that for a 1 year period the Council could mitigate the impact of the policy by tapering the removal of the maximum cap for those people who would be required to pay in excess of £500 per week towards the cost of their care. This gives those affected the opportunity to adjust to the changes to the charging regime more gradually than would otherwise be the case, and to make any necessary financial arrangements.

### **Proposal**

From April 2018 until April 2019, it is proposed that there be a “Max Charge cap” of £500.

It is proposed that from April 2019 this mitigation will end, and the policy as it stands would apply.

It is proposed that all service users seeking to have their care costs capped must undergo a full financial assessment (rather than a ‘light touch’ financial assessment) so that the Council is in a position to understand their financial circumstances and properly calculate what their maximum charge would be without the taper and at the next stage of the cap removal.

In order to ensure a fair and equitable approach to charging, it is proposed that the mitigation will apply to all current clients and any new clients during the period outlined.

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## COUNCIL MEETING

25 January 2018

### REVIEW OF THE COUNCIL'S CONSTITUTION

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**Sheena Ramsey, Chief Executive**

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#### **EXECUTIVE SUMMARY**

1. The purpose of the report is to seek approval of amendments to the Constitution.
2. The Chief Executive and Monitoring Officer are required to review the Constitution to ensure that its aims and principles are given full effect.
3. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

#### **RECOMMENDATION**

4. It is recommended that Council agrees the proposed changes to the Council's Constitution as set out in Appendix 2 of the attached report.

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**TITLE OF REPORT:** Review of the Council's Constitution

**REPORT OF:** Mike Barker, Strategic Director, Corporate Services and Governance

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### **Purpose of the Report**

1. This report asks the Cabinet to recommend the Council to approve a number of amendments to the Constitution.

### **Background**

2. The Chief Executive and Monitoring Officer are required to review the Constitution to ensure that its aims and principles are given full effect. A number of areas have been identified where some amendment is necessary.

### **Proposal**

3. It is proposed to amend the Constitution as set out in Appendix 2.

### **Recommendations**

4. It is recommended that the Cabinet ask the Council to agree the proposed changes to the Council's Constitution as set out in Appendix 2.

For the following reason:

To ensure that the Constitution remains fit for purpose and that its aims and principles are given effect.

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**CONTACT:** Mike Aynsley extension 2128

### Policy Context

1. The Council is required by law (Local Government Act 2000) to prepare and maintain a constitution. Article 16.01 of the Council's Constitution requires the Chief Executive and Monitoring Officer to review the Constitution to ensure that its aims and principles are given full effect.

### Background

2. A number of amendments have been drafted which will maintain the effective operation of the constitution, clarify certain aspects and keep it up to date.
3. The proposed amended sections of the constitution are set out in Appendix 2.

### Consultation

4. No external consultation has been carried out.

### Alternative Options

5. No alternative options were considered as the Local Government Act 2000 requires the Council to keep its constitution up to date.

### Implications of Recommended Option

#### 6. Resources

- a. **Financial Implications** - The Strategic Director, Corporate Resources confirms that there are no financial implications resulting from this report.
  - b. **Human Resources Implications** – There are no human resources implications arising from this report.
  - c. **Property Implications** – There are no property implications arising from this report.
7. **Risk Management Implication** - There are no risk management implications arising from the recommended option.
  8. **Equality and Diversity Implications** - There are no equality and diversity implications arising from the recommended option.
  9. **Crime and Disorder Implications** - There are no crime and disorder implications arising from the recommended option.
  10. **Health Implications** – There are no health implications arising from the recommended option.
  11. **Sustainability Implications** - There are no sustainability implications arising from the recommended option.
  12. **Human Rights Implications** - The Constitution already emphasises that the Council will promote equal opportunities in carrying out its functions

- 13. Area and Ward Implications** - There are no specific area and ward implications arising from the recommended option.
- 14. Background Information** - The current version of the Constitution.

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## PROPOSED AMENDMENTS TO THE CONSTITUTION

Page	Previous Wording	Amended Wording	Reason
28	<p><b>Article 11 – Health and Wellbeing Board</b></p> <p><b>11.02 Composition and Procedure</b></p> <p>a) Membership</p> <p>The Health and Wellbeing Board will consist of 19 members as follows:-</p> <p>N/A</p>	<p><b>Article 11 – Health and Wellbeing Board</b></p> <p><b>11.02 Composition and Procedure</b></p> <p>a) Membership</p> <p>The Health and Wellbeing Board will consist of 21 members as follows:-</p> <p>Add the following to the list of members:</p> <ul style="list-style-type: none"> <li>• Cabinet Member for Children and Young People</li> <li>• Chair of the Local Safeguarding Children Board and Adult Safeguarding Board.</li> </ul>	<p>To reflect the change in the remit of the Health and Wellbeing Board (see change to 11.03 below).</p>
29	<p><b>11.03 Role and Function</b></p> <p>The Health and Wellbeing Board will have the following roles and functions:-</p> <p>a) to lead on the production of the Joint Strategic Needs Assessment and Pharmaceutical Needs Assessment;</p> <p>b) to lead on the production of a Joint Health and Wellbeing Strategy;</p> <p>c) for the purpose of advancing the health and wellbeing of the residents in Gateshead, encourage integration in the provision of health or social care in its area;</p>	<p><b>11.03 Role and Function</b></p> <p>The Health and Wellbeing Board will have the following roles and functions:-</p> <p>a) to lead on the production of the Joint Strategic Needs Assessment and Pharmaceutical Needs Assessment;</p> <p>b) to lead on the production of a Joint Health and Wellbeing Strategy;</p> <p>c) for the purpose of advancing the health and wellbeing of children and adults in Gateshead, encourage integration in the provision of health, education and social</p>	

	<p>d) provide such advice, assistance or other support as the Health and Wellbeing Board considers appropriate for the purpose of encouraging the making of arrangements under Section 75 of the National Health Service Act 2006 in the provision of health and social care services;</p> <p>e) to encourage persons who arrange for the provision of any health-related services in its area to work closely with the Health and Wellbeing Board;</p> <p>f) to encourage persons who arrange for the provision of health and social care services in its area and persons who arrange for the provision of any health-related services in its area to work closely together;</p> <p>g) provide an opinion to the Council on whether the Council is complying with its duty to have regard to the Joint Strategic Needs Assessment and the Joint Health and Wellbeing Strategy; and</p> <p>h) to exercise any other function that the Council requires the Health and Wellbeing Board to undertake on behalf of the Council.</p>	<p>care in its area;</p> <p>d) provide such advice, assistance or other support as the Health and Wellbeing Board considers appropriate for the purpose of encouraging the making of arrangements under Section 75 of the National Health Service Act 2006 and the Children and Social Work Act 2017 in the provision of health and social care services;</p> <p>e) to encourage persons who arrange for the provision of any health-related services in its area to work closely with the Health and Wellbeing Board;</p> <p>f) to encourage persons who arrange for the provision of health, education and social care services in its area and persons who arrange for the provision of any health-related services in its area to work closely together;</p> <p>g) provide an opinion to the Council on whether the Council is complying with its duty to have regard to the Joint Strategic Needs Assessment and the Joint Health and Wellbeing Strategy;</p> <p>h) to exercise any other function that the Council requires the Health and Wellbeing Board to undertake on behalf of the Council; and</p> <p>i) to deliver better health and wellbeing outcomes for children and adults, and improve the quality of education and care as well as to ensure value for money.</p>	<p>children's wellbeing, as set out in section 10 of the Children Act 2004.</p>
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71	<p><b>Schedule 2 – Non Executive Functions Delegated to Managers</b></p> <p><b>Part 1 – Delegations to Individual Managers</b></p> <p><b>2. Strategic Director, Corporate Services and Governance</b></p> <p>(22) To enter into contracts (including framework agreements) for the supply of works, goods and services subject to the Contract Procedure Rules. This power may be further delegated to the Service Director, Legal, Democratic and Property Services or the Service Director, Litigation, Elections and Registrars.</p>	<p><b>Schedule 2 – Non Executive Functions Delegated to Managers</b></p> <p><b>Part 1 – Delegations to Individual Managers</b></p> <p><b>2. Strategic Director, Corporate Services and Governance</b></p> <p>(22) To enter into contracts (including framework agreements) for the supply of works, goods and services subject to the Contract Procedure Rules. This power may be further delegated to the Service Director, Legal and Democratic Services.</p>	To reflect current management structure.
90	<p><b>Schedule 5 – Executive Functions Delegated to Managers</b></p> <p><b>Part 1 – Delegations to Individual Managers</b></p> <p><b>2. Strategic Director, Communities and Environment</b></p> <p><b>Service Director, Economic and Housing Growth</b></p>	<p><b>Schedule 5 – Executive Functions Delegated to Managers</b></p> <p><b>Part 1 – Delegations to Individual Managers</b></p> <p><b>2. Strategic Director, Communities and Environment</b></p> <p><b>Service Director, Economic Development</b></p>	To reflect current title of this post.
94	<p><b>4. Strategic Director, Corporate Services and Governance</b></p> <p>(14) To enter into contracts including framework agreements for the supply of</p>	<p><b>4. Strategic Director, Corporate Services and Governance</b></p> <p>(14) To enter into contracts including framework agreements for the supply of</p>	To reflect the current management

94	<p>works, goods and services subject to the Contract Procedure Rules. This power may be further delegated to the Service Director, Legal, Democratic and Property Services or the Service Director, Litigation Elections and Registrars.</p> <p><b>Service Director, Legal, Democratic and Property Services</b></p> <p>(1) To agree terms for the acquisition of land and property (for which there is budgetary provision) or for the disposal of land and property (including legal estates and interests) to secure compliance with the Council's policies up to a value of £100,000 in each case, or up to a value of £250,000 following consultation with the Strategic Director, Corporate Resources.</p> <p>(2) To deal with applications for easements and way leaves affecting Council owned premises not materially affecting the use to which they are or might be put, where the full value of the consideration does not exceed £10,000.</p> <p>(3) To agree terms for the granting or acceptance of any tenancy not exceeding twenty five years, and any occupational licence other than any housing accommodation and garages used for domestic purposes, at a rent not exceeding £75,000 per annum exclusive of rates in each case.</p>	<p>works, goods and services subject to the Contract Procedure Rules. This power may be further delegated to the Service Director, Legal and Democratic Services.</p> <p>Transfer these delegations to the Strategic Director, Corporate Services and Governance and renumber them accordingly.</p> <p>In addition, amend delegation (1) to read:</p> <p>(1) To acquire or dispose of land and/or property by sale, lease, licence or any other legal estate or interest, and to incur any necessary expenditure for those purposes [ where any disposal represents best consideration ] subject to prior consultation with:</p> <ul style="list-style-type: none"> <li>• the Leader and Deputy Leader of the Council;</li> <li>• any relevant portfolio holder;</li> <li>• any affected ward councillor; and</li> <li>• the Strategic Director, Corporate Resources.</li> </ul>	<p>structure.</p> <p>To reflect the current management structure.</p> <p>To make the process more effective, efficient and responsive</p>
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	<p>(4) To settle the amount of any claim for compensation not exceeding £3,000 properly payable, arising for the laying of sewers.</p> <p>(5) To agree the leasehold disposal of sites for electricity sub-stations, gas governor kiosks, telecommunications switching facilities and all other apparatus required by public utility companies where the capital value of the site does not exceed £5,000.</p> <p>(6) To accept offers for the acquisition, lease etc., of surplus property and to authorise such measures as are considered necessary to ensure the protection of property.</p> <p>(7) To settle the amount of any claim for compensation not exceeding £10,000 property payable in respect of depreciation to the value of the property as a result of the use of public works under the provisions of Part 1 of the Land Conservation Act 1973.</p> <p>(8) To negotiate and agree, in consultation with the Strategic Director, Corporate Resources, the rating assessment and valuation of all Council owned property.</p> <p>(9) To demolish a Council asset where a surplus declaration has been approved by the Cabinet and where budgetary</p>		
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97	<p>provision exists.</p> <p>(10) To manage the Council's non-operational property and carry out functions that do not involve a new letting, sub-letting or lease renewal; to include all decisions relating to, rent reviews, assignments, landlord's consents, lease surrenders, terminations and other interests in land.</p> <p>(11) To approve all leases granted in accordance with agreed parameters, fees and charges and external funding conditions for space within Council business centres.</p> <p><b>Part 2 – General Delegations to Managers</b></p> <p><b>2. Land and Buildings</b></p> <p>A manager in consultation with the Service Director, Facilities Management, Leisure and Transport Services:</p> <p>(a) Manage land and buildings under his/her control, provided that in the case of non-residential property, the Service Director, Legal, Democratic and Property Services must be consulted on any proposal to create a lease, licence or other interest in a property.</p>	<p><b>Part 2 – General Delegations to Managers</b></p> <p><b>2. Land and Buildings</b></p> <p>A manager in consultation with the Service Director, Trading and Facilities Management:</p> <p>(a) Manage land and buildings under his/her control, provided that in the case of non-residential property, the Strategic Director, Corporate Services and Governance must be consulted on any proposal to create a lease, licence or other interest in a property.</p>	<p>To reflect the current management structure</p>
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167	<p><b>Contract Procedure Rules</b></p> <p><b>13. Invitation and Opening of offers for the purchase of Council Land or Buildings</b></p> <p>13.3 All electronic tenders and all envelopes containing offers for the same property received by the appointed time will be opened together by a representative of the Service Director, Legal, Democratic and Property Services and a representative of the Chief Executive.</p>	<p><b>Contract Procedure Rules</b></p> <p><b>13. Invitation and Opening of offers for the purchase of Council Land or Buildings</b></p> <p>13.3 All electronic tenders and all envelopes containing offers for the same property received by the appointed time will be opened together by a representative of the Strategic Director, Corporate Services and Governance and a representative of the Chief Executive.</p>	To reflect the current management structure.
167	<p><b>14. Common Seal of the Council</b></p> <p>14.1 The Common Seal of the Council will be kept in a safe place in the custody of the Strategic Director, Corporate Services and Governance. A decision of the Council, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Strategic Director, Corporate Services and Governance should be sealed. The affixing of the Common Seal will be attested by the Mayor or Deputy Mayor and by the Chief Executive, or Strategic Director, Corporate Services and Governance or Service Director, Legal, Democratic and Property Services or Service Director, Litigation, Elections and</p>	<p><b>14. Common Seal of the Council</b></p> <p>14.1 The Common Seal of the Council will be kept in a safe place in the custody of the Strategic Director, Corporate Services and Governance. A decision of the Council, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Strategic Director, Corporate Services and Governance should be sealed. The affixing of the Common Seal will be attested by the Mayor or Deputy Mayor and by the Chief Executive, or Strategic Director, Corporate Services and Governance or Service Director, Legal and Democratic Services.</p>	To reflect the current management structure.

	Registrars.		
250	<b>Protocol – Parliamentary Candidates</b>  8. Enquiries about matters relating to the election should be directed to the Service Director, Litigation, Elections and Registrars or the Election Office. The Election Office will supply a list of candidates and election agents as soon as it is available.	<b>Protocol – Parliamentary Candidates</b>  8. Enquiries about matters relating to the election should be directed to the Service Director, Legal and Democratic Services or the Election Office. The Election Office will supply a list of candidates and election agents as soon as it is available.	To reflect the current management structure
258	<b>Part 7 – Management Structure</b>  N/A	<b>Part 7 – Management Structure</b>  Amend Part 7 to reflect the current management structure.	To reflect changes in the management structure since the last review of the constitution.





## COUNCIL MEETING

25 January 2018

### HOUSING REVENUE ACCOUNT AND HOUSING CAPITAL PROGRAMME

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**Sheena Ramsey, Chief Executive**

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#### EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval of the Housing Revenue Account (HRA) budget for 2018/19, the proposed rent changes, the proposals for fees and charges and the proposed Housing Capital Programme for the next five years.
2. The Council has a duty to prevent a debit balance on the HRA. A detailed review of fees and charges is carried out each year to ensure the HRA recovers the full costs associated with providing services to tenants. The Housing Capital Programme is a rolling programme and is funded from revenue raised from rents.
3. Considering the HRA and Housing Capital Programme together allows the Council to consider the choices necessary to maintain and enhance housing stock in the future.
4. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

#### RECOMMENDATION

5. It is recommended that Council:
  - (i) Approves the Housing Revenue Account, as set out in Appendix 2 of the attached report, including The Gateshead Housing Company management fee, the repairs and maintenance budget and savings as detailed in Appendix 3 of the attached report.
  - (ii) Approves the weekly rent reduction of 1% from 1 April 2018
  - (iii) Approves the fees and charges schedule as detailed in Appendix 4 of the attached report.
  - (iv) Approves the Housing Capital Programme for the five years 2018/19 to 2022/23 as set out in Appendix 5 of the attached report.

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**TITLE OF REPORT:** Housing Revenue Account and Housing Capital Programme

**REPORT OF:** **Darren Collins, Strategic Director, Corporate Resources**  
**Paul Dowling, Strategic Director, Communities and Environment**

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### **Purpose of the Report**

1. Cabinet is asked to recommend that Council approve;
  - the Housing Revenue Account (HRA) budget for 2018/19, including proposed savings.
  - the proposed rent changes from 1 April 2018, in line with Government's policy on rent setting.
  - the detailed proposals for fees and charges.
  - the proposed Housing Capital Programme for the next five years (2018/19 to 2022/23).

### **Background**

2. The Local Government and Housing Act 1989 (Part VI) states that the Council has a duty to prevent a debit balance on the Housing Revenue Account.
3. Historically the Council has followed Government formula and guidelines to set the rent level. In July 2015 the Government announced that rents in social housing would be reduced by 1% a year for 4 years of which 2018/19 is the third year. This applies to both social and affordable tenancies.
4. A detailed review of fees and charges is carried out each year to ensure the HRA recovers the full costs associated with providing services to tenants.
5. The Housing Capital Programme is a rolling programme and is funded from revenue raised from rents. The detail of the proposed programme for the next five years is included in this report. Considering the HRA and the Housing Capital Programme together allows the Council to consider the choices necessary to maintain and enhance housing stock in the future.
6. Along with the changes to the rent setting guidelines, welfare reform continues to be one of the most significant risks to the HRA in terms of sustainability with Universal Credit being rolled out to anyone making a new claim in Gateshead from October 2017. The roll out is in stages and will be complete by September 2018

## Proposals

7. The proposed Housing Revenue Account for 2018/19 is set out in Appendix 2 which includes;
- As prescribed by Government a decrease in the average weekly rent of 1% for all housing tenancies as at 8th July 2015.
  - Savings totalling £0.980m in 2018/19 (Appendix 3)
  - A Management Fee of £11.827m for The Gateshead Housing Company to carry out its functions on behalf of the Council, including savings of £0.1m.
  - A repairs and maintenance budget of £22.587m, including savings of £0.4m.
  - The following proposals for fees and charges (details set out in Appendix 4);
    - Efficiency savings in the Concierge Service, Furniture Service admin costs and Angel Court communal areas are all passed onto tenants.
    - The new District Energy Scheme will reduce charges in East Street Flats and minimise increases at Warwick Court
    - Utility costs for Sheltered Accommodation have been reduced or minimised where applicable.
    - The maximum increase of 3% (CPI at Sept 2017) has only been applied to a limited number of low usage service charges.
    - No increases are proposed in relation to the gardening scheme, old furniture scheme, concessionary TV licences and kitchen appliances. This is as a result of either the prices being set nationally, an increase having a detrimental increase on demand, there being a fixed charge applied or continuing full cost recovery where applicable.
    - The care call fees and charges are unchanged but it should be noted that the model for charging and the subsidy of the service is currently being reviewed as part of the Council's budget proposals for 2017/18. The changes to these charges will be included in the fees and charges report will be presented to Cabinet in February 2018.
    - This is the third year of the five year stepped changes to achieve full cost recovery in relation to multi storey flats charges, various sheltered scheme charges, communal areas charges and Angel Court salaried employees as agreed by Cabinet in February 2016.

8. Allocation of resources from the HRA to support a Capital Programme for the next five years (2018/19 to 2022/23) is set out at Appendix 5, these proposals include;
- A Housing Capital Programme totalling £90.665m over five years of which £28.280m relates to 2018/19 which would require the use of £6.3m of HRA capital receipts and £2.6m of external funding. The Capital Programme will be kept under regular review by Cabinet to ensure that investment plans remain affordable.

## **Recommendations**

9. Cabinet is asked to recommend to Council:
- (i) The Housing Revenue Account as set out in Appendix 2, including The Gateshead Housing Company management fee, the repairs and maintenance budget and savings as detailed in Appendix 3.
  - (ii) The weekly rent reduction of 1% from 1 April 2018.
  - (iii) The fees and charges schedule as detailed in Appendix 4.
  - (iv) The Housing Capital Programme for the five years 2018/19 to 2022/23 as set out in Appendix 5.

For the following reasons:

- (i) To set a Housing Revenue Account for 2018/19 that is not in debit as required under the Local Government and Housing Act 1989 (Part VI).
- (ii) To realise the Council's policies and objectives in relation to Housing Strategy in order to maintain and enhance Council Housing provision in Gateshead.

**THE HOUSING REVENUE ACCOUNT (HRA) AND HOUSING CAPITAL PROGRAMME**

**Policy Context**

1. The proposals are consistent with Vision 2030 and the Council Plan, and in particular support “Sustainable Gateshead”.

**Review of HRA Budget**

2. In order to facilitate decision making and strategically plan for Housing in the future the Council continually updates its 30 year HRA Business plan considering the long term future of the housing stock alongside the short term plans. The plan includes all known income and expenditure information alongside a number of key assumptions in relation to the anticipated levels of voids, right to buy sales and inflation. It also includes plans for borrowing and repaying debt in the future, paying particular attention to the £70m worth of loans maturing in the next five years.
3. The variances between the estimated and expected 2017/18 figures (Appendix 2) relate to increased void rent loss, additional capital investment and reduced cost of borrowing due to loans being refinanced at lower interest rates. In addition the use of budgeted contingency expenditure was lower than anticipated.
4. The main variances in relation to the 2017/18 and 2018/19 budgets (also Appendix 2) are a reduction to the management fee paid to TGHC and the supervision and management costs delivered by the Council, a decrease to the estimated cost of borrowing, and an increase in non-dwelling income. Capital expenditure funded from the HRA is greater than the previous year as per the 5 year capital programme agreed in 2017/18.
5. A minimum balance for the HRA of £3m was approved by Council in February 2012. It is projected that the HRA reserve will stand at £28.916m as at the end of March 2018. The business plan is currently projecting that the minimum balance will be reached by 2024/25.

**Proposed Savings**

6. In the last two years savings of £5.2m have been achieved. Savings totalling £0.980m have been identified as a result of the 2018/19 budget setting process, including a target of £0.5m allocated to TGHC. Details are provided in Appendix 3. TGHC have also minimised requests to increase the Management Fee and Repairs and Maintenance costs by meeting budget pressures and additional resource requirements from current budgets. These include funding the additional resources required to meet the demands of Universal Credit from current budget allocations (£0.276m)

## **Proposed Rent Changes**

7. On 8 July 2015 the Chancellor announced that rents in social housing would be reduced by 1% a year for 4 years resulting in a 12% reduction in average rents by 2020, 2018/19 is the third year of this policy. The Government have recently announced that from April 2020 the policy will revert back to the original policy of CPI +1%. The 2015 policy applies to all tenancies in place prior to this date and any subsequent tenancies awarded.
8. Applying the rent setting policy decreases the rents on social tenancies by the required 1%, resulting in an average reduction of £0.82 from £79.01 to £78.19 per week over 50 weeks.
9. In 2016/17 the Council acquired 11 properties from a private landlord at St Mary's Green, Whickham, as agreed by Cabinet on 11 October 2016. At this time the rents were set as affordable rent (80% of market rent). These tenancies must also receive the 1% reduction specified by the rent setting policy. This results in an average reduction of £0.97 from £97.10 to £96.13 per week over 50 weeks
10. At present Gateshead has two rent-free weeks at Christmas to help customers meet seasonal costs whilst avoiding falling into rent arrears. This arrangement will continue until the full implementation of Universal Credit, which is planned for September 2018. Prior to this tenant consultation will be undertaken on whether 52 week or monthly charging would be beneficial to tenants. If the average rent were to be paid over 52 weeks it would be £75.18 per week rather than £78.19 or alternatively a monthly rent would be £325.77 per month rather than £329.21. Any proposed changes would be brought to a future meeting of Cabinet for approval.
11. The proposed rent reductions and changes to fees and charges result in an overall reduction in costs to 18,042 tenants, or 93% of the total number of Council House tenants. This does not take into consideration any changes to Care Call charges that are included in the Council's fees and charges review.

## **Fees and Charges**

12. There are both mandatory and discretionary fees and charges in the HRA. Mandatory charges include energy costs and services, sheltered scheme officers, caretaking, cleaning and concierge. Discretionary include leased furniture packages, gardening and garages. Out of the 19,344 live dwellings, approximately 5,987 tenants are liable for mandatory service charges and 1,922 tenants take up discretionary services. The 5,987 tenants liable for mandatory service charges include 2,131 that are liable for Care Call charges as a condition of tenancy, this may change following the service review being undertaken by Care, Wellbeing and Learning.
13. A total of 58% of Council tenants receive Housing Benefit and a number of the Council charges for services are eligible for housing benefit; these are primarily services associated with buildings and cover charges such as cleaning, concierge, caretaking and part of the Sheltered Scheme Wardens. The majority of the proposed increases are either eligible for Housing Benefit or are a discretionary charge.
14. Guidance from Central Government is that fees and charges should be recovered in full where applicable. This is to protect other tenants from essentially contributing to

costs that they are not responsible for. Where possible the proposed inflationary increases detailed in Appendix 4 recover the full cost of charges.

15. In February 2016 Cabinet agreed to implement stepped increases for a number of charges to allow full cost recovery to be achieved over a period of five years whilst minimising impact on tenants. The third year of the stepped increases has been applied for 2018/19 where applicable. There are a number of areas where full cost recovery has been implemented in 2018/19 as a result of savings. In those areas where full cost recovery will not be implemented in 2018/19 the stepped charges have been profiled to take account of updated savings and costs to achieve full cost recovery by 1 April 2020. This is detailed in Appendix 4.
16. The council is introducing its District Energy Scheme (DES) into Warwick Court and East Street Flats from early 2018. This will relieve fuel pressure on tenants, as the proposed charging schedule is 10% lower than current commercial tariffs. East Street Flats tenants will immediately benefit from reduced charges and Warwick Court will see the gap between current charges & full cost recovery reduced.
17. The proposed fees and charges include the Care Call service which is the responsibility of Care, Wellbeing and Learning. The Council's agreed savings proposals for 2017/18 included an option to review the care call charging model and the level of subsidy for the service provided by the Councils General Fund. This review will change the charges included in Appendix 4 and will be brought to Cabinet in February 2018.

### **Housing Capital Programme 2018/19 to 2022/23**

18. Capital investment within the HRA is funded from the Major Repairs Reserve through a combination of the depreciation charged each year to the HRA and using additional voluntary HRA revenue contributions where possible to maximise the level of planned investment in the stock. The depreciation charge is met from rental income in the HRA, meaning that investment in the Housing Capital Programme is effectively funded via the rental income that is generated.
19. The following principles continue to be applied to assist in prioritising capital investment within the HRA:
  - Health and safety, safeguarding and statutory requirements;
  - Investing in identified decent homes improvements, including window replacement; and
  - Improving the sustainability and energy efficiency of the housing stock;
20. Based on the existing HRA Business Plan, it is estimated that £81.8m of the £90.665m funding requirement will be available from within the Major Repairs Reserve to support capital investment within the HRA over the next five years which will be supplemented using external funding and HRA capital receipts.
21. Opportunities continue to be explored to attract external funding, such as ERDF or ECO funding, to undertake additional stock improvements and energy efficiency improvements with the proposed programme attracting £1.8m of ERDF funding.



22. The Council has also been awarded £0.7m of HCA funding, as part of the Care and Support Specialised Housing Fund, towards a proposed Assisted Living scheme facilitating the development of an additional 15 units.
23. The planned investment in the Housing Capital Programme is flexible and is subject to ongoing review which is informed by the outputs from detailed stock condition surveys. At this stage it is envisaged that over the next five years the investment will include:
- Over £60m of investment in undertaking estate based major works in accordance with the Decent Homes standard, including the replacement of kitchens, bathrooms and electrical improvements in addition to a £4.5m boiler replacement programme and £3.7m to continue window replacement programme and door entry system upgrades;
  - Over £13.6m of investment in general stock improvements, including the renewal/refurbishment of lifts, communal electrics and investment in external insulation to improve thermal efficiency of existing dwellings as well as the continuing provision of major and minor adaptation works to dwellings;
  - Over £13m of investment in exceptional extensive works, including £5.3m, towards the part ERDF funded HEIGHTS energy efficiency scheme at Harlow Green and Regent Court, with a further £3.3m to replace the façade and windows at Regent Court;
  - Over £3.7m of investment in the new build programme including £2.5m for the Winlaton Assisted Living Scheme and £1.2m for the planned scheme at Seymour Street.
24. The Council continues to explore new build opportunities to develop new build dwellings within the HRA.
25. The proposed Housing Capital Programme for the period from 2018/19 to 2022/23 is set out in Appendix 5. The future allocations will continue to be reviewed regularly to reflect the progress on committed projects and the availability of resources within the HRA to support capital investment.

### **Next Steps**

26. The 30 year business plan will continue to take into account factors mentioned in this report such as income from rents, decisions regarding repayment of debt, the Housing Capital Programme provision, a minimum HRA reserve of £3m and the impact of welfare reform on rent collection.
27. The Council will continue to monitor Government guidance and announcements to ensure that all initiatives are considered, with particular reference to the potential to increase borrowing capacity for those Authorities that have reached their debt cap.

### **Consultation**

28. Consultation has taken place with the Leader and Deputy Leader and Cabinet Members for Housing and The Gateshead Housing Company.

## **Alternative Options**

29. There are no alternative options proposed.

## **Implications of Recommended Option**

### **30. Resources**

- a) **Financial Implications** – The Strategic Director, Corporate Resources, confirms that the financial implications are reflected in Appendices 1, 2, 3, 4 and 5.
- b) **Human Resources Implications** – Nil.
- c) **Property Implications** – Capital investment in HRA assets helps to improve the overall sustainability of the HRA and supports the delivery of Council Plan priority outcomes. The property implications of individual schemes will be considered and reported separately.

31. **Risk Management Implications** – The added risks arising from self-financing and welfare reform means that the Council must continue to manage and maintain its housing stock from the rents collected. The 30 year HRA business plan is being updated to enable this to be monitored and to ensure that decisions are made, where appropriate, to ensure the housing stock is maintained in the future.
32. **Equality and Diversity Implications** – Nil
33. **Crime and Disorder Implications** – Nil
34. **Health Implications** – Nil
35. **Sustainability Implications** – The report contains a number of measures, which will help deliver a more Sustainable Gateshead and ensure sustainable use of the Council's resources in delivering corporate priorities.
36. **Human Rights Implications** – Nil
37. **Area and Ward Implications** – All wards will be affected by the proposals in this report.

## **Background Information**

Rent Standard Guidance April 2016

The Housing Revenue Account Self Financing Determinations February 2012.

## Housing Revenue Account - Income and Expenditure Account

	Budget	Projection	Budget
	2017/18	2017/18	2018/19
	£'000	£'000	£'000
<b>Income</b>			
Dwelling rents (gross)	(74,729)	(74,329)	(72,879)
Non-dwelling rents (gross)	(1,341)	(1,354)	(1,375)
Charges for services and facilities	(3,541)	(3,456)	(3,544)
Leaseholders charges	(305)	(379)	(305)
Contribution towards expenditure	(855)	(870)	(1,000)
HRA investment income	(110)	(150)	(130)
Gain on Sales of Assets			
	<u>(80,881)</u>	<u>(80,539)</u>	<u>(79,233)</u>
<b>Expenditure</b>			
Supervision and Management	27,076	24,014	24,912
Repairs and Maintenance	18,647	18,633	20,633
Interest on borrowing	15,159	14,878	15,053
Capital Programme Funding	19,250	20,774	21,572
Increased provision for bad debt	600	600	720
Amortised premiums and discounts	13	13	11
Debt management expenses	70	70	70
Impairment of Fixed Assets			
	<u>80,815</u>	<u>78,982</u>	<u>82,972</u>
<b>Net Operating Cost</b>	<b>(66)</b>	<b>(1,556)</b>	<b>3,738</b>

## HRA Saving Proposals 2018/19

**Housing Revenue Account - Savings**

	<b>Budget 2018/19 £'000</b>
<b>TGHC</b>	
Management & Supervision	100
Repairs & Maintenance	400
	<hr/> 500
<b>Others</b>	
Remove transitional grant for Sheltered Support services	48
External Income	145
Savings in borrowing costs	106
Central Establishment & other associated costs	180
	<hr/> 480
<b>Total Savings</b>	<hr/> <b>980</b>

Housing Revenue Account, Fees and Charges 2018/19 Proposals					
				3% CPI at Sept 2017	
Ref	SERVICES	VAT	CURRENT CHARGE 2017/18	PROPOSED CHARGE 2018/19	Movement
			£ per Week	£ per Week	£ per Week
	<b>WARWICK COURT MULTI STOREY</b>				
	<u>Gas Heating</u>				
1	Bed-sit	O/S	3.38	3.62	0.24
2	One Bed Flat	O/S	5.00	5.35	0.35
	<u>Repairs &amp; Maintenance of Communal Areas</u>				
3&4	Bed-sit & One Bed Flat	O/S	3.80	4.39	0.59
	<b>EAST ST FLATS</b>				
	<u>Gas Heating &amp; Hot Water</u>				
5	Bed-sit	O/S	4.55	4.39	-0.16
6	One Bed Flat	O/S	6.98	6.73	-0.25
7	Two Bed Flat	O/S	8.80	8.49	-0.31
8	Three Bed Flat	O/S	10.92	10.54	-0.38
	<b>ANGEL COURT EXTRA CARE SCHEME</b>				
9	Gas & Electric	O/S	10.94	13.90	2.96
	<u>Communal Facilities</u>				
10	Maintenance of Communal Areas - Flats	O/S	12.31	13.12	0.81
11	Maintenance of Communal Areas - Bungalows	O/S	1.94	2.07	0.13
12	Furnishings and laundry - Flats	O/S	7.54	5.66	-1.88
13	Furnishings and laundry - Bungalows	O/S	1.57	1.18	-0.39
14	Scheme manager	O/S	12.46	10.92	-1.54
15	Cleaning of corridors and windows	O/S	6.61	6.99	0.38
16	Provision of domestic home support	O/S	8.71	8.71	0.00
	<b>SHELTERED ACCOMMODATION</b>				
	<u>Gas Heating</u>				
18	Flat	O/S	10.72	9.40	-1.32
19	Sheltered Scheme Officer Properties	O/S	12.38	11.25	-1.13
20	Communal Areas	O/S	1.56	1.56	0.00
	<u>Electricity</u>				
21	Flat	O/S	3.96	4.02	0.06
22	Sheltered Scheme Officer Properties	O/S	7.42	8.46	1.04
23	Communal Areas	O/S	3.00	3.70	0.70
	<u>Repairs &amp; Maintenance of Communal Areas (contained units only)</u>				
24		O/S	2.28	2.48	0.20
	<u>Cleaning</u>				
25	Cleaning (communal areas for contained units only)	O/S	4.95	5.41	0.46
26	Cleaning (communal lounge for separate units only)	O/S	0.71	0.71	0.00
	<u>Sheltered Scheme Officers</u>				
27/28	Sheltered Scheme Officer	O/S	12.09	12.64	0.55
29	Mobile Sheltered Scheme Officer	O/S	1.33	2.89	1.56
30	Concessionary TV Licence (£7.50 p.a per room)	E	0.15	0.15	0.00

## Housing Revenue Account, Fees and Charges 2018/19 Proposals

3% CPI at Sept 2017					
Ref	SERVICES	VAT	CURRENT CHARGE 2017/18	PROPOSED CHARGE 2018/19	Movement
			£ per Week	£ per Week	£ per Week
31	<b>LOW RISE BLOCKS</b> Communal Areas - Cleaning	O/S	1.17	1.42	0.25
32	<b>MID RISE BLOCKS</b> Communal Areas - Cleaning	O/S	2.88	3.53	0.65
33	<b>MULTI STOREY FLATS</b> Concierge & cleaning	O/S	13.19	11.19	-2.00
34	Caretaking & cleaning	O/S	7.44	7.68	0.24
35	<b>REGENT COURT</b> Maintenance of fire safety system	O/S	0.38	0.39	0.01
36	<b>DISPERSED HOMELESS UNITS</b> <u>Heat &amp; light</u> Sharing Bed-sit (each)	O/S	Charges set in-line with LHA Rates		
37	Two Bed Flat	O/S			
38	Three Bed Flat	O/S			
39	<u>Furnishings</u> Sharing Bed-sit (each)	O/S			
40	Two Bed Flat	O/S			
41	Three Bed Flat	O/S			
42	Warden	O/S			
43	Laundry	O/S			
44	Cleaning	O/S			
45	<b>OUTSIDE USE OF COMMUNAL LOUNGES</b> Up to 1 hour	E	7.14	7.35	0.21
46	Up to 2 hours	E	13.13	13.52	0.39
47	1 Session (2 - 4 hours)	E	20.23	20.84	0.61
48	2 Sessions	E	37.19	38.30	1.12
49	3 Sessions	E	51.56	53.11	1.55
50	<b>USE OF GUEST ROOMS AT SHELTERED ACCOMMODATION</b> <u>No en-suite amenities</u> Single (charge per night)	S	7.30	7.52	0.22
51	Couple (charge per night)	S	8.31	8.56	0.25
52	<u>Partial en-suite</u> Single (charge per night)	S	9.05	9.32	0.27
53	Couple (charge per night)	S	9.57	9.86	0.29
54	<u>Full en-suite</u> Single (charge per night)	S	10.31	10.62	0.31
55	Couple (charge per night)	S	11.36	11.70	0.34

## Housing Revenue Account, Fees and Charges 2018/19 Proposals

				3% CPI at Sept 2017	
Ref	SERVICES	VAT	CURRENT CHARGE 2017/18	PROPOSED CHARGE 2018/19	Movement
			£ per Week	£ per Week	£ per Week
	<b>KITCHEN APPLIANCES</b>				
56	Portobello	S	0.41	0.41	0.00
57	Cranesville	S	2.71	2.71	0.00
58	Millbrook	S	1.70	1.70	0.00
59	Norfolk Place	S	2.71	2.71	0.00
60	Hallgarth	S	1.70	1.70	0.00
	<b>FURNITURE CHARGES</b>				
	<b>a) Up to April 2010</b>				
61	Bed Sit (package)	O/S	7.22	7.22	0.00
62	One Bed Flat (Package)	O/S	13.14	13.14	0.00
63	Two Bed Flat (Package)	O/S	19.57	19.57	0.00
64	Three Bed House (Package)	O/S	26.14	26.14	0.00
	<b>b) New tenants from April 2010 onwards</b>				
65	Mini Package	E	9.94	10.14	0.20
66	Package Option 1	E	18.24	18.60	0.36
67	Package Option 2	E	25.86	26.38	0.52
68	Package Option 3	E	33.47	34.14	0.67
69	Package Option 4	E	41.05	41.87	0.82
70	Admin Charge	E	2.64	2.14	-0.50
	<b>GARAGES</b>				
71	Brick Garages (Council)	O/S	5.32	5.40	0.08
72	Brick Garages (Private)	S	8.97	9.10	0.13
73	Commercial Use	S	11.73	11.91	0.18
74	Commercial Storage	S	19.61	19.90	0.29
75	Parking Bays	S	20.95	21.26	0.31
76	<b>DIGITAL AERIAL PROVISION</b>	S	0.17	0.22	0.05
	<b>CARE ALARMS, LIFELINES / DISPERSED ALARMS</b>				
77	52 week charge	S*	4.39	Optional Charge tbc	
77 a	50 week charge	S*	4.57		
78	Mortgage questionnaire	S	78.93	81.30	2.37
79	Rent reference	S	39.49	40.68	1.18
80	<b>GARDENING SCHEME</b>	S	6.05	6.05	0.00
81	<b>Communal TV Licence</b>	S	0.07	0.07	0.00

**Charges are 50 week charge unless otherwise stated**

\* Where installation of alarm is requested by tenant VAT is standard rated. If alarm is already built into property and part of rent or is part of care package VAT is outside the scope.

Tenants with disabilities VAT is zero-rated.

## Capital Programme 2018/19 to 2022/23

Project	18/19 (£'000)	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)	(£'000)
<b>Improvement Works</b>						
Lift Replacement/Refurbishment	500	500	500	500	500	2,500
Replacement of Communal Electrics	250	250	250	250	250	1,250
External Wall Insulation (Non-Traditional)	519	0	0	0	0	519
T-Fall Insulation	100	20	0	0	0	120
Warden Call Renewal	250	250	250	250	250	1,250
Timber Replacements	100	100	100	100	100	500
Aids and Adaptations	1,500	1,500	1,500	1,500	1,500	7,500
Multi Storey Improvements	36	0	0	0	0	36
<b>Total Improvement Works</b>	<b>3,255</b>	<b>2,620</b>	<b>2,600</b>	<b>2,600</b>	<b>2,600</b>	<b>13,675</b>
<b>Exceptional Extensive Works</b>						
Equality Act Works – Multi Storey Flats	485	190	190	190	195	1,250
Equality Act Works – Communal Lounges	50	50	050	50	50	250
Fire Safety Works - General	100	100	100	100	100	500
Fire Safety Works – Smoke Detection	400	0	0	0	0	400
Tower Block Energy Efficiency Improvements - HEIGHTS	5,340	0	0	0	0	5,340
Regent Court Improvement Works	3,300	0	0	0	0	3,300
Multi Storey Service	200	450	450	450	450	2,000
<b>Total Exceptional Extensive Works</b>	<b>9,875</b>	<b>790</b>	<b>790</b>	<b>790</b>	<b>795</b>	<b>13,040</b>
<b>Catch Up Works and Major Future Works</b>						
Decent Homes - Investment Programme	6,750	7,000	7,500	8,000	8,000	37,250
Stock Condition Surveys and Scheme Design	400	400	400	400	400	2,000
Back Boiler Renewal and Replacements	1,000	1,000	1,000	750	750	4,500
Programme Management	550	550	550	550	550	2,750
Strategic Maintenance	2,000	2,000	2,000	2,000	2,000	10,000
Window Replacement and Door Entry System Upgrade	700	750	750	750	750	3,700
<b>Total Catch Up Works and Major Future Works</b>	<b>11,400</b>	<b>11,700</b>	<b>12,200</b>	<b>12,450</b>	<b>12,450</b>	<b>60,200</b>
<b>Estate Works</b>						
Estate Regeneration	0	0	0	0	0	0
New Build – Winlaton Assisted Living	2,550	0	0	0	0	2,550
New Build – Seymour Street	1,200	0	0	0	0	1,200
<b>Total Estate Works</b>	<b>3,750</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,750</b>
<b>Total Planned HRA Investment</b>	<b>28,280</b>	<b>15,110</b>	<b>15,590</b>	<b>15,840</b>	<b>15,845</b>	<b>90,665</b>
Major Repairs Reserve Contribution	(21,572)	(15,110)	(14,790)	(14,490)	(15,845)	(81,807)
External Grant Funding	(2,550)	0	0	0	0	(2,550)
HRA Capital Receipts	(4,158)	0	0	0	0	(4,158)
Potential Future HRA Capital Receipts	0	0	(800)	(1,350)	0	(2,150)
<b>Total Planned HRA Funding</b>	<b>(28,280)</b>	<b>(15,110)</b>	<b>(15,590)</b>	<b>(15,840)</b>	<b>(15,845)</b>	<b>(90,665)</b>





## COUNCIL MEETING

25 January 2018

### CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2017/18 – THIRD QUARTER REVIEW

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**Sheena Ramsey, Chief Executive**

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#### EXECUTIVE SUMMARY

1. The purpose of this report is to inform of the latest position on the 2017/18 capital programme and Prudential Indicators at the end of the third quarter to 31 December 2018. The report also informs of reasons for the variances from the approved programme and details of the proposed financing of the capital programme. The report also considers the impact of CIPFA's Prudential Code on the capital programme and the monitoring of performance against the statutory Prudential Indicators.
2. The original budget for the capital programme for 2017/18, as agreed by Council on 23 February 2017, totalled £95.209m, this was then revised to £96.114m at the first quarter, and revised further to £91.357m at the second quarter review. The third quarter review now projects the year-end expenditure to be £89.866m.
3. CIPFA's Prudential Code advises the regular monitoring of performance against the prudential indicators which regulate borrowing and investment. Targets and limits for the prudential indicators for 2017/18 were agreed by Council on 23 February 2017 and borrowing and investment levels have remained within these limits.
4. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

#### RECOMMENDATION

5. It is recommended that Council:
  - (i) Agrees that all variations to the 2017/18 Capital Programme, as detailed in Appendix 2 of the attached report, as the revised programme.
  - (ii) Approves the financing of the revised programme.
  - (iii) Confirms that the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2017/18 have been breached.

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**TITLE OF REPORT:** Capital Programme and Prudential Indicators 2017/18  
 – Third Quarter Review

**REPORT OF:** Darren Collins, Strategic Director, Corporate Resources

## Purpose of the Report

1. This report sets out the latest position on the 2017/18 capital programme and Prudential Indicators at the end of the third quarter to 31 December 2017. The report assesses reasons for the variances from the approved programme and details the proposed financing of the capital programme. In addition the report considers the impact of CIPFA's Prudential Code on the capital programme and the monitoring of performance against the statutory Prudential Indicators.

## Background

2. The original budget for the capital programme for 2017/18, as agreed by Council on 23 February 2017, totalled £95.209m, which was revised to £96.114m at the first quarter, and revised further to £91.357m at the second quarter. The third quarter review now projects the year-end expenditure to be £89.866m.
3. The proposed decrease to the capital programme at the third quarter comprises of the following movements:

	£m
Additional capital expenditure	2.529
Reduced project cost	(0.017)
Re-profiling of capital expenditure to future years	(4.003)
<b>Total Variance</b>	<b>(1.491)</b>

4. The proposed £2.429m increase primarily relates to the Non-Operational Portfolio budget, and includes the acquisitions of Langford House and Kent House and the Tyne Bridge Tower Site. The strategic acquisition of these properties was approved by Cabinet in July 2017 to complement the regeneration of the urban core.
5. Planned investment of £4.003m has slipped to 2018/19 on a number of schemes. This includes:
  - Quays - £1.210m: to reflect the latest cash flow projections and the masterplan programme received from the developer.
  - Street Lighting Column Replacement and Street Lighting Phase 3 LED Lanterns Replacement - £0.642m: these schemes are to run in conjunction in 2018/19, as outstanding LEDs are on columns due to be replaced in 2018/19.
  - Housing JV Brandling - £0.350m: discussions on the purchase of the Brandling site have been suspended until 2018/19.
  - Technology Plan: Infrastructure - £0.314m: delays from external suppliers have affected the starting of a number of projects.

- School Condition Investment - £0.436m: additional requirements arising from asbestos removal and the requirement to carrying out works during school holidays.

## Proposal

6. The report identifies planned capital expenditure of £89.866m for the 2017/18 financial year. The expected resources required to fund the 2017/18 capital programme are as follows:

	£m
Prudential Borrowing	35.611
Capital Grants and Contributions	23.653
Major Repairs Reserve (HRA)	21.724
Right to Buy Receipts (HRA)	6.878
Capital Receipts	2.000
<b>Total Capital Programme</b>	<b><u>89.866</u></b>

7. CIPFA's Prudential Code advises the regular monitoring of performance against the prudential indicators which regulate borrowing and investment. Targets and limits for the prudential indicators for 2017/18 were agreed at Council on 23 February 2017 and borrowing and investment levels have remained within these limits.

## Recommendations

8. Cabinet is asked to:

- Recommend to Council that all variations to the 2017/18 Capital Programme as detailed in Appendix 2 are agreed as the revised programme.
- Recommend to Council the financing of the revised programme.
- Confirm to Council that the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2017/18 have been breached.

For the following reasons:

- To ensure the optimum use of the Council's capital resources in 2017/18.
- To accommodate changes to the Council's in-year capital expenditure plans.
- To ensure performance has been assessed against the approved Prudential Limits.

### Policy Context

1. The proposals within this report are consistent with the objectives contained within the Council's corporate Capital Strategy and will contribute to achieving the objectives and priority outcomes set out in Vision 2030 and the Council Plan.

### Background

2. The original budget for the capital programme for 2017/18, as agreed by Council on 23 February 2017, totalled £95.209m. This was revised to £96.114m at the end of the first quarter, and revised further to £91.357m at the second quarter.
3. The projected year-end expenditure is £89.866m at the end of the third quarter.
4. The £1.491m variance is due to a combination of additional capital expenditure and a re-profiling of existing schemes to future years. All variations in the programme during the third quarter are detailed in Appendix 2.
5. Appendix 3 summarises the original budget and actual year end payments by Corporate Priority. The budget, projected year end payments and comments on the progress of each scheme are detailed in Appendix 4.
6. The Prudential Code sets out a range of Prudential Indicators that were agreed by the Council on 23 February 2017. Performance against the indicators for 2017/18 is set out in Appendix 5.

### Consultation

7. The Leader of the Council has been consulted on this report.

### Alternative Options

8. The proposed financing arrangements are the best available in order to ensure the optimum use of the Council's capital resources in 2017/18.

### Implications of Recommended Option

9. **Resources:**
  - a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the financial implications are as set out in the report.
  - b) **Human Resources Implications** – There are no human resources implications arising from this report.
  - c) **Property Implications** - There are no direct property implications arising from this report. Capital investment optimises the use of property assets to support the delivery of corporate priorities. The property implications of individual schemes will be considered and reported separately.

10. **Risk Management Implication** - Risks are assessed as part of the process of monitoring the programme and in respect of treasury management. The Cabinet will continue to receive quarterly reports for recommendation of any issues to Council, together with any necessary action to ensure expenditure is managed within available resources.
11. **Equality and Diversity Implications** - There are no equality and diversity implications arising from this report.
12. **Crime and Disorder Implications** - There are no direct crime and disorder implications arising from this report.
13. **Health Implications** - There are no health implications arising from this report.
14. **Sustainability Implications** - The works will help to make the environment more attractive and reduce health and safety hazards.
15. **Human Rights Implications** - There are no direct human rights implications arising from this report.
16. **Area and Ward Implications** - Capital schemes will provide improvements in wards across the borough.
17. **Background Information**
  - i. Report for Cabinet, 21 February 2017 (Council 23 February 2017) - Capital Programme 2017/18 to 2021/22.
  - ii. Report for Cabinet, 18 July 2017 – Capital Programme and Prudential Indicators 2017/18 – First Quarter Review.
  - iii. Report for Cabinet, 21 November 2017 – Capital Programme and Prudential Indicators 2017/18 – Second Quarter Review.

Reason for Movement	Portfolio	Group	Project Title	Variance (£'000)
<b>INCREASES</b>				
Other Increases	Resources, Management and Reputation	CS&G	Non Operational Portfolio	2,279
	Children and Young People	CWL	Energy Network Extension - Gateshead Leisure Centre	150
	Housing	HRA	New Build - Winlaton Assisted Living	100
<b>TOTAL INCREASES</b>				<b>2,529</b>

Reason for Movement	Portfolio	Group	Project Title	Variance (£'000)
<b>REDUCTIONS</b>				
Other Reductions	Communities and Volunteering	CRS	Secondary Disinfection Systems in Leisure Pools	(17)
<b>Total Other Reductions</b>				<b>(17)</b>
Re-profiling to Future Years	Communities and Volunteering	CRS	Library Service Review	(170)
	Children and Young People	CWL	School Condition Investment	(436)
	Environment and Transport	CAE	Energy Network Extension - Trinity Square	(300)
	Environment and Transport	CAE	Team Valley Flood Alleviation	(15)
	Environment and Transport	CAE	Gateshead Millennium Bridge Strategic Maintenance	(43)
	Environment and Transport	CAE	Street Lighting Column Replacement	(500)
	Environment and Transport	CAE	Street Lighting LED Replacement - Phase 4	(185)
	Environment and Transport	CAE	Street Lighting Phase 3 LED Lanterns	(142)
	Housing	CAE	Housing JV - Brandling	(350)
	Resources, Management and Reputation	CAE	Civic Centre Workspace Strategy	(150)
	Resources, Management and Reputation	CAE	ADZ Investment - Gateshead Quays	(1,210)
	Resources, Management and Reputation	CAE	Metrogreen	(110)
	Resources, Management and Reputation	CAE	Coatsworth Road Regeneration - THI	(28)
	Resources, Management and Reputation	CRS	Technology Plan: Infrastructure	(314)
	Resources, Management and Reputation	CRS	Technology Plan: Transformation Through Technology	(50)
<b>Total Re-profiling to Future Years</b>				<b>(4,003)</b>
<b>TOTAL REDUCTIONS</b>				<b>(4,020)</b>
<b>TOTAL VARIANCE</b>				<b>(1,491)</b>



**APPENDIX 3**

Portfolio	Approved Budget 2017/18	Revised Forecast Q3 31 December 2017	Variance	Actual Spend at 31 December 2017
<b>COMMUNITIES</b>				
Communities and Volunteering	901	901	0	216
Culture, Sport and Leisure	864	677	(187)	612
<b>Total Communities</b>	<b>1,765</b>	<b>1,578</b>	<b>(187)</b>	<b>828</b>
<b>PEOPLE</b>				
Children and Young People	7,839	7,553	(286)	4,809
Health and Wellbeing	4,425	4,425	0	746
<b>Total People</b>	<b>12,264</b>	<b>11,978</b>	<b>(286)</b>	<b>5,555</b>
<b>PLACE AND ECONOMY</b>				
Economy	1,036	1,036	0	676
Environment and Transport	20,731	19,546	(1,185)	11,030
Housing	35,572	35,322	(250)	16,890
<b>Total Place and Economy</b>	<b>57,339</b>	<b>55,904</b>	<b>(1,435)</b>	<b>28,596</b>
<b>RESOURCES, MANAGEMENT AND REPUTATION</b>				
Resources, Management and Reputation	19,989	20,406	417	7,393
<b>Total Resources, Management and Reputation</b>	<b>19,989</b>	<b>20,406</b>	<b>417</b>	<b>7,393</b>
<b>Total Capital Investment</b>	<b>91,357</b>	<b>89,866</b>	<b>(1,491)</b>	<b>42,372</b>

Portfolio	Group	Project Title	Approved 2017/18 Allocation £'000	Revised Q3 Allocation £'000	Comments
COMMUNITIES					
Communities and Volunteering	CAE	Bereavement Services	391	391	
	CAE	Birtley Cemetery Extension	140	140	
	CAE	Public Realm Improvement	70	70	
	CAE	Replacement Bins	167	167	
	CAE	Saltwell Cemetery Extension	60	60	
	CAE	Trade Waste Service Expansion	73	73	
	Total Communities and Volunteering		901	901	
Culture, Sport and Leisure	CAE	Blaydon Leisure Centre Outdoor Sports Provision	20	20	Re-profiling from 2017/18 to 18/19 (Borrowing)
	CAE	Gateshead Leisure Centre - Clip n Climb and Soft Play	515	515	
	CAE	Library Service Review	200	30	
	CAE	GRP Public Art - Birtley	14	14	
	CAE	Professional kitchen at St Mary's Heritage Centre	15	15	Other Reductions (Borrowing)
	CAE	Secondary Disinfection Systems in Leisure Pools	100	83	
	Total Culture, Sport and Leisure		864	677	
PEOPLE					
Children and Young People	CWL	Additional Childcare Provision	455	455	Re-profiling from 2017/18 to 18/19 (External Funding) Other Increases (External Funding)
	CWL	Ravensworth Terrace Primary School	3,038	3,038	
	CWL	School Capacity Improvements	2,025	2,025	
	CWL	School Condition Investment	1,645	1,209	
	CWL	Schools Devolved Formula Funding	250	400	
	CWL	Schools Gateway Investment	426	426	
	Total Children and Young People		7,839	7,553	
Health and Wellbeing	CAE	Falls Prevention	100	100	
	CS&G	Prince Consort Road Redevelopment	2,500	2,500	
	CWL	Disabled Facilities Grants (DFGs)	1,750	1,750	
	CWL	Telecare Equipment	75	75	
	Total Health and Wellbeing		4,425	4,425	
PLACE AND ECONOMY					
Economy	CAE	Land of Oak and Iron	301	301	
	CRS	Broadband Delivery UK	235	235	
	CRS	Digital Gateshead	500	500	
	Total Economy		1,036	1,036	

Portfolio	Group	Project Title	Approved 2017/18 Allocation £'000	Revised Q3 Allocation £'000	Comments
Environment and Transport	CAE	Battery Storage System	1,575	1,575	
	CAE	Bus Based Major Transport Scheme	0	0	
	CAE	Chase Park Restoration	657	657	
	CAE	Cycle City Ambition Fund - Hill Street	710	710	
	CAE	Energy Network Extension - Gateshead Leisure Centre	3,198	3,198	
	CAE	Energy Network Extension - Trinity Square	300	0	Re-profiling from 2017/18 to 18/19 (Borrowing)
	CAE	Flood Alleviation Investment	414	414	
	CAE	Gateshead Millennium Bridge Strategic Maintenance	98	55	Re-profiling from 2017/18 to 18/19 (Borrowing)
	CAE	Gateshead Town Centre District Energy Network	3,200	3,200	
	CAE	Heworth Roundabout Upgrade	1,000	1,000	
	CAE	Local Transport Plan - Integrated Transport	1,746	1,746	
	CAE	Local Transport Plan - Planned Maintenance	4,019	4,019	
	CAE	Salix Energy Efficiency Works	250	250	
	CAE	Street Lighting Column Replacement	1,750	1,250	Re-profiling from 2017/18 to 18/19 (Borrowing)
	CAE	Street Lighting LED Replacement - Phase 4	200	15	Re-profiling from 2017/18 to 18/19 (Borrowing)
	CAE	Street Lighting Phase 3 LED Lanterns	284	142	Re-profiling from 2017/18 to 18/19 (Borrowing)
	CAE	Team Valley Flood Alleviation	30	15	Re-profiling from 2017/18 to 18/19 (Borrowing)
	CAE	Traffic Signal Renewal - Borough Wide	500	500	
	CAE	Vehicle Restraint System - Felling Bypass	800	800	
	<b>Total Environment and Transport</b>		<b>20,731</b>	<b>19,546</b>	
Housing	CAE	Empty Property Programme 2015/18	100	100	
	CAE	Housing JV - Brandling	350	0	Re-profiling from 2017/18 to 2018/19 (Borrowing)
	CAE	Keelman Homes - Affordable Housing Development	2,800	2,800	
	CAE	Loan to Gateshead Trading Company	1,070	1,070	
	CAE	Loan to Keelman Homes - Bleach Green Affordable Housing	0	0	
	HRA	Aids and Adaptations	1,500	1,500	
	HRA	Back Boiler Renewal and Replacement	1,145	1,145	
	HRA	Decent Homes – Backlog/Ad-hoc Works	300	300	
	HRA	Decent Homes - Investment Programme	7,575	7,575	
	HRA	Door Entry System Upgrades	250	250	
	HRA	Equality Act Works	337	337	
	HRA	Estate Regeneration	1,500	1,500	
	HRA	External Wall Insulation Works to Non-Traditional Properties	210	210	
	HRA	Fire Safety Works - General	150	150	

Portfolio	Group	Project Title	Approved 2017/18 Allocation £'000	Revised Q3 Allocation £'000	Comments
Page 37	HRA	Lift Replacement / Refurbishment	770	770	Other Increases (External Funding)
	HRA	New Build - Assisted Living	250	350	
	HRA	Programme Management	1,000	1,000	
	HRA	Regent Court Improvement Works	2,000	2,000	
	HRA	Replacement of Communal Electrics	250	250	
	HRA	Risers (Services)	0	0	
	HRA	Strategic Maintenance	2,000	2,000	
	HRA	T-Fall Insulation	150	150	
	HRA	Timber Replacements	100	100	
	HRA	Tower Block Energy Efficiency Improvements	1,465	1,465	
	HRA	HEIGHTS	8,900	8,900	Other Reductions (External Funding)
	HRA	Warden Call	250	250	
	HRA	Stock Condition Surveys	400	400	
	HRA	Window Replacement	750	730	
	HRA	CCTV - Harlow Green Multis	0	20	Other Increases (External Funding)
	Total Housing			35,572	35,322
RESOURCES, MANAGEMENT AND REPUTATION					
Resources, Management and Reputation	CAE	ADZ Investment – BBQ Emerging Technology Centre	5,452	5,452	Re-profiled from 2017/18 to 2018/19 (Borrowing/External Funding)
	CAE	ADZ Investment – BBQ Office Development	680	680	
	CAE	ADZ Investment - Gateshead Quays	1,950	740	
	CAE	Civic Centre Workspace Strategy	400	250	
	CAE	Coatsworth Road Regeneration - THI	847	819	
	CAE	Development Site Preparation Works	750	750	
	CAE	Follingsby	0	0	
	CAE	Health & Safety	540	540	
	CAE	Major Projects - Project Management Costs	240	240	
	CAE	Metrogreen	350	240	
	CAE	Replacement of Fleet and Horticultural Equipment	3,040	3,040	
	CAE	Strategic Maintenance	1,095	1,095	
	CAE	Urban Core - Exemplar Neighbourhood	400	400	
	CRS	Technology Plan: Infrastructure	2,790	2,476	
	CRS	Technology Plan: Transformation Through Technology	905	855	
	CS&G	Non Operational Portfolio - Strategic Investment Plan	300	2,579	
	CS&G	Registrars Internal and External Public Spaces	250	250	

Portfolio	Group	Project Title	Approved 2017/18 Allocation £'000	Revised Q3 Allocation £'000	Comments
	Total Resources, Management and Reputation		19,989	20,406	
Total Capital Investment			91,357	89,866	

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**PRUDENTIAL INDICATORS 2017/18**

The 2017/18 Prudential Indicators were agreed by Council on 23 February 2017 (column 1). This is now compared with the 2017/18 actual position as at the end of the third quarter, 31 December 2017 (column 2).

Certain Treasury Management indicators must be monitored throughout the year on a regular basis in order to avoid breaching agreed limits. The capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and none of the other approved Prudential Indicators set for 2017/18 have been breached.

<b><i>Capital Expenditure</i></b>		
	2017/18 £000 Reported Indicator	2017/18 £000 Projection for the Year at Q3
Non-HRA	65,869	58,514
HRA	29,340	31,352
<b>Total</b>	<b>95,209</b>	<b>89,866</b>
To reflect the reported capital monitoring agreed by Council during the year		

<b><i>Ratio of Financing Costs to Net Revenue Stream</i></b>		
	2017/18 Reported Indicator	2017/18 Projection for the Year at Q3
Non-HRA	14.89%	N/A
HRA	42.53%	N/A

<b><i>Capital Financing Requirement</i></b>		
	2017/18 £000 Reported Indicator	2017/18 £000 Projection for the Year at Q3
Non-HRA	340,885	328,642
HRA	345,505	345,505

<b>Authorised Limit for External Debt</b>	
	2017/18 £000 Reported Indicator
Borrowing	825,000
Other Long Term Liabilities	0
<b>Total</b>	<b>825,000</b>
Maximum YTD 31/12/2017 <b>£655.189m</b>	

<b>Operational Boundary for External Debt</b>	
	2017/18 £000 Reported Indicator
Borrowing	800,000
Other Long Term Liabilities	0
<b>Total</b>	<b>800,000</b>
Maximum YTD 31/12/2017 <b>£655.189m.</b>	

The Council's actual external debt at 31 December 2017 was £645.723m. It should be noted that actual external debt is not directly comparable to the Authorised Limit and Operational Boundary, since the actual external debt reflects the position at one point in time.

### ***Estimated Incremental Impact on Council Tax and Housing Rents***

This indicator is set at the time the Council's budget is set. Therefore, there is no requirement for this Indicator to be monitored on a quarterly or annual basis.

### ***Adherence to CIPFA code on Treasury Management***

The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.



<b>UPPER LIMIT ON FIXED AND VARIABLE INTEREST RATES EXPOSURES</b>		
Range	2017/18 £000 Reported Indicator	2017/18 £000 YTD Position
Fixed Rate	652,940 424,015	Act 513,910 max 521,925 min 499,731
Variable	160,751 (15,000)	Act 31,000 max 44,000 min 19,000
All within agreed limits. (Max and Min YTD.)		

<b>Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing</b>				
	2017/18 £000 Reported Indicator		2017/18 £000 Actual Position	
	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Actual Percentage</b>	<b>Maximum YTD</b>
Under 12 months	25%	0%	3.69%	9.17%
12 months to 24 months	25%	0%	3.24%	5.48%
24 months to 5 years	50%	0%	18.59%	20.84%
5 years to 10 years	50%	0%	7.97%	8.61%
10 years to 20 years	50%	0%	12.35%	14.71%
20 years to 30 years	50%	0%	1.21%	1.25%
30 years to 40 years	50%	0%	17.02%	17.30%
40 years to 50 years	60%	0%	29.44%	28.17%
50 years and above	30%	0%	0.00%	3.55%
All within agreed limits.				

On 8 March 2007, Council agreed to the placing of investments for periods of longer than 364 days in order to maximise investment income before forecasted cuts in interest rates. An upper limit was set and agreed as a new Prudential Indicator.

<b>Upper Limit on amounts invested beyond 364 days</b>			
	2017/18 £000 Reported Indicator	2017/18 £000 Actual Position	2017/18 £000 Maximum YTD
Investments	<b>15,000</b>	<b>5,000</b>	<b>5,000</b>

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# COUNCIL MEETING

25 January 2018

## GATESHEAD COUNCIL

### REPORT FROM THE CABINET

#### 1. PURPOSE OF THE REPORT

This is the report from the Cabinet. Its purpose is to report on issues for the period November 2017 to January 2018.

#### PROGRESS ON KEY ISSUES

#### 2. PEOPLE

##### *Children and Young People*

##### Bensham Grove Nursery School

Ofsted conducted a short inspection of this school on 8 November 2017 and reconfirmed the school's rating of outstanding.

The Inspector commented that the outstanding quality of education in the school has been maintained since the last inspection in November 2013. A new Head Teacher was appointed in September 2017 and it was noted that there is unwavering support from staff, who appreciated the Head's willingness to listen to their opinions and develop their expertise.

Key findings included:

- Leaders have adapted the curriculum to suit the changing needs of the different children who have joined the school in recent years.
- A notable strength of the school's provision is the development of effective learning skills which transfer to all aspects of children's lives.
- Excellent relationships between children and adults are rooted in the fact that staff know each child exceptionally well.
- Recognition that the school has identified areas of improvement in terms of developing the children's writing skills.
- Parents value the regular, informal, daily communication they receive from staff.
- Governors have recognised it is necessary to develop the leadership skills of all staff.

The Inspector did propose that Leaders and those responsible for governance should ensure that children, particularly those with typical or better starting points for their age, make substantial progress in writing and that governors keep a check on this through more precise targets in the school development plan.

##### Primary and Special School Ratings

The position of Gateshead's primary and special schools continues to be very strong in relation to Ofsted inspection outcomes. The vast majority of primary, nursery and special schools have decided not to become academies and remain directly within the Gateshead family. The figures are impressive:

- Of 74 Primary, Junior, Infant, Nursery and Special Schools, 29 are graded outstanding (39%) and 69 are graded Good or Outstanding (93%)

By the end of primary school Gateshead school's recorded the following SAT results for the academic year 16/17:

- 81% of children reached the expected standard in Writing at the end of Year 6. Gateshead LA ranks 10<sup>th</sup> in this measure. (There are 152 LAs.)
- 76% of children reached the expected standard in Reading at the end of Year 6. Gateshead LA ranks 17<sup>th</sup> in this measure.
- 79% of children reached the expected standard in Writing at the end of Year 6. Gateshead LA ranks 26<sup>th</sup> in this measure.
- 67% of children reached the expected standard in all of Reading, Writing and Maths at the end of Year 6. Gateshead LA ranks 15<sup>th</sup> in this measure.

#### Mental Health Support in Schools

The Council has been successful in a bid to deliver the Anna Freud Foundation (AFF) mental health in schools programme.

The programme was successfully piloted in 2015/16 in 255 schools and children and young people's mental health services across 27 Clinical Commissioning Groups in England and was independently evaluated by Ecorys.

Funded by the Department for Education, it is in its second phase with the AFF delivering the programme in a further 20 areas, including Gateshead. The initiative aims to improve partnership working between Education and Children and Young People's Mental Health Services (CYPMHS), bringing together mental health leads in schools and colleges and CYPMHS to embed long term collaboration and integrated working.

It is anticipated that the first of two workshops will be delivered in May 2018 and 42 schools have expressed their desire to participate including primary, secondary, special schools, the pupil referral unit and Gateshead College.

#### ***Adult Social Care***

##### Delayed Transfers of Care – Improved Better Care Fund

The Government has previously written to all councils expressing the urgency of the need to reduce delayed transfers of care before winter, challenging entrenched poor performance by conducting a review of all Improved Better Care Fund (iBCF) allocated announced at the Spring Budget.

The Council received a joint letter from the Secretaries of State for Health and Communities and Local Government, dated 5 December 2017, confirming there will be no impact on Gateshead's additional iBCF allocation in 2018/19, as a result of Gateshead's improved performance (as reported to November's Council Meeting).

##### North East Care Awards

The Council had cause to celebrate after its employees were successful in a number of categories at the North East Care Awards. The awards celebrate excellence across the social care sector in the region and recognise and celebrate the contribution of

outstanding teams and individuals. The awards also bring together the statutory, independent and voluntary sectors.

Lisa Elliot, Enterprise Coordinator, won the Care Innovator Award for creating 'All Sortz', an enterprise run by people with learning disabilities which recycles and regenerates disused furniture. These items are then sold and the money re-invested into All Sortz. The judges stated Lisa was a worthy winner, as she "showed her passion and dedication for supporting people to live a meaningful life" and had "excellent enthusiasm" for making a difference."

The Frontline Leaders Award was won by Audrey Nisbets, an assistant manager at Shadon House. The judges deemed her an outstanding finalist, stating: "Audrey is committed and passionate about working with people who have dementia and works to help rehabilitate people to go back to their own homes. A very worthy winner".

The Putting People First/Personalisation Award was won by the Rapid Response domiciliary care service, which provides an immediate response to vulnerable people in their own homes, assessing and stabilising them to prevent unnecessary admissions to hospital or residential care. The judges selected the service as winners of this award as they were impressed by the "rapid response in crisis situations (providing) care unique to individuals and their circumstances, while preventing admission to care or hospital. Their commitment and hard work is evident".

Lynne Shaw, from Gateshead Health NHS Foundation Trust and the Eastwood Promoting Independence Centre won the Good Nurse Award. Lynne, is a Nurse Consultant providing care to older people in the Eastwood Promoting Independence Centre. The judges were clearly impressed by Lynne, admiring the fact that she "works to build on the success of Gateshead for people living in care homes, helping to transform services to improve the well-being of older people by improving the skills of staff. She truly is an outstanding nurse".

### PRIME

The PRIME enablement service commenced in November 2016, serving to enable vulnerable adults in Gateshead to optimise their confidence, daily living skills and overall functioning to continue living independently within their own homes.

The service is pivotal to the Council's aim in minimising the numbers of individuals being inappropriately admitted to residential/nursing care settings and on to hospital wards, as well as minimising the quantity of domiciliary care support that is provided/commissioned by the Council.

PRIME has achieved some outstanding success since the service's inception, with other 1200 people supported by the service in the last 12 months. A recent example of the creativity exhibited by PRIME workers is the support given to a 42 year old female service user who has multiple sclerosis. The lady's condition was adversely affecting her mobility causing restricted access to her local community and social isolation. With an appreciation that the lady used an electric wheelchair, the worker contacted Go Ahead North East and secured agreement with them to gain access to one of their buses whereby the lady, supported by staff, could practice manoeuvring on and off the bus until she was confident she could complete the task independently. The lady is now able to use the local bus service to travel independently into Gateshead for her

shopping and to meet friends. This small achievement has improved the lady's mobility, confidence and self-esteem.

### **3. PLACE AND ECONOMY**

#### ***Environment and Transport***

##### District Energy Scheme ADE Award

For the Gateshead District Energy Scheme, the Council won the Visionary Project Award at the Association for Decentralised Energy (ADE) 50th anniversary awards ceremony at the Science Museum in London, on 19th October 2017. The special award received the most entries out of any category at the event, and highlighted projects that look forward and dramatically change the vision of the energy industry for the future.

The Gateshead scheme was judged to be a “truly visionary” project, being unique in the country, combining both heat and electricity networks to local customers, as well as peak power generation to help balance the National Grid from both battery storage, combined heat and power and heat storage.

##### Heritage at Risk 2017

Historic England published the annual heritage at risk register in Autumn 2017. There are 299 sites included on the register in the North East region, a decrease of 1 from 2016. In Gateshead there are 6 buildings and structures, 2 places of worship, 2 archaeological sites, and 1 conservation area. In addition there are two joint entries – Newburn Ford battlefield (with Newcastle City Council) and Bowes Railway (with Sunderland City Council). This is an increase of 1 entry from 2016. The full list reads as:

- Winlaton Mill Ironworks
- Dunston Staiths
- Ravensworth Castle (Nash House)
- Ravensworth Castle
- Gibside Hall
- Whinfield Coking Ovens
- Church of St Paul, Blaydon
- Church of St Chad, Rawling Road, Bensham
- Coal mining remains at Dunston Hill
- Site of Ravensworth Coal Mill
- Ravensworth Conservation Area
- Newburn Ford Battlefield (Shared with Newcastle)
- Bowes Railway (Shared with Sunderland)

##### Sunderland Road Link

The Council has been successful in its bid to the National Productivity Investment Fund for construction of the Sunderland Road Link. This will allow replacement of the subway linking the south end of Gateshead High Street with Sunderland Road with a new pedestrian, cycle and bus link. It will improve access to Gateshead town centre for existing residents and those living in the new housing to be built at Chandless. Preliminary work will start this year, with completion during 2019/20.

### Environmental Enforcement

On 19 December 2017 Cabinet approved a proposal to establish an in-house on street environmental enforcement service. Delivery of this service will encompass provision of a team of on-street Environmental Enforcement Officers, complementary back office staff and associated IT support.

The state of the environment has been identified as a major concern in recent public surveys and it is considered that an in house team with on street patrols will act as a deterrent as well as directly addressing current environmental concerns.

It is anticipated that enforcement will commence in Summer 2018. The team will initially concentrate on dog fouling and littering concerns in public places. Members are being asked to provide detail of their particular concerns in terms of location and time of day. We will endeavour to deploy resources to address these concerns as an initial priority of the new function delivery.

### Clean Bus Technology

In November, the Council submitted a bid for just over £1.5 million from the Government's Clean Bus Technology Fund. If successful, the project will involve the fitting of improved exhaust technology to 79 vehicles operating 9 routes in Gateshead. This technology will reduce the exhaust emissions of older buses down to the levels of the newest diesel buses (Euro VI). This will help to improve air quality across the Borough, but with a particular focus on the Nitrogen Dioxide exceedances identified by DEFRA.

## ***Economy***

### Gateshead Goes Local Community Led Local Development

Following an application for funding, £2.2m of European funding has now been secured covering a five year period to March 2022. This will allow the Local Action Group (mix of residents and public, private and third sector partners) to part fund projects costing mainly between £20k - £200k to support employment and enterprise initiatives.

Gateshead Council has agreed to be the Accountable Body for the project and will transfer aid directly to projects. It is proposed that the Service Director Economic Development be given delegated authority to award grants following approve by the LAG.

Gateshead Goes Local launched on 17 January 2018 with an open call for projects via an expression of interest.

## **4. CONCLUSION**

The Council is asked to note this report.

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