

TITLE OF REPORT: Private Landlord Registration Scheme – Update

Purpose of the Report

1. To update members on the progress of Selective Landlord Licensing (SLL) and the potential proposals from the Government to introduce compulsory landlord registration.

Background

2. 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 in the country. This followed extensive political campaigning to introduce SLL as a tool to tackle problems associated with concentrations of privately rented homes. The successful implementation of licensing schemes in Gateshead has been proven to improve landlord management and to reduce or stabilise problems such as anti-social behaviour (ASB) and crime, and to have a beneficial impact on other indicators of low housing demand. This has included a reduction in the requirement for tenants to have cause for complaint about their homes, reduction in turnover of residents, and a reduction in the number of empty properties.
3. Since the first scheme, a further seven schemes have been introduced, each lasting five years: Chopwell River Streets in 2010, Central Bensham Phase 1 in 2012, Swalwell in 2013, Central Bensham Redesignated Area in 2018, Avenues Phase 1 in 2018, Avenues Phase 2 in 2019 and Avenues Phase 3 in 2020. There are four current schemes in place, covering approximately 1,500 homes.
4. In-line with the Council's Thrive agenda, the proactive engagement with residents within SLL areas has brought to light other issues including social, economic, health and wellbeing concerns which without SLL, would not have been identified. The financial contribution that schemes make from landlord licence fees has allowed intensive work with residents within these areas, with improved outcomes for them and improved confidence in their neighbourhood.
5. Recent schemes have included a dedicated proactive partnership approach with Northumbria Police via 'Operation Vienna'. Co-location working arrangements within the Civic Centre with information sharing and a joint approach to tackling ASB and crime in licensing areas has led to the uncovering of organised crime gang activity, tenant exploitation, sex work and drug related issues. Tackling these issues to improve community safety contributes to the Council's Health and Wellbeing Strategy. This approach by Gateshead Council and Northumbria Police within SLL schemes has recently been commended by a recent independent government review paper.

6. The schemes are designed and implemented by the Council's Private Sector Housing team. The team works across the borough and fulfils the part of the Council's role of 'the Local Housing Authority', of being responsible for detecting, inspecting, and taking action in respect of poor housing standards and a range of other housing related offences.
7. The private rented sector in Gateshead has grown from 6% of the borough's homes in 2010 to 25% of the boroughs housing stock in 2021. Whilst there are many well managed privately rented homes in the borough, the team continues to identify across the borough dangerous housing and the poor practices by landlords that cause people to be concerned about private renting. These issues include landlords simply not being aware of their obligations and failing to invest in property condition, through to the deliberate exploitation of those that have no other housing choice. Proactive work outside of SLL scheme areas is not often possible due to a lack of resources. The team have detected that some landlords whose portfolio extends inside and outside of scheme areas, manage their properties outside of scheme areas to a lower standard than those inside, demonstrating the positive impact SLL has on landlord conduct.

Progress and new developments

8. At the meeting on 11 October 2022, the Council's Cabinet approved the following:
 - i. A proposal for an evidence led assessment of potential areas of the borough that would benefit from Selective Landlord Licensing. A consultant has since been appointed to progress this, and we are taking steps to gain up to date information on stock condition to support this work.
 - ii. The proposal to consider at a future Cabinet meeting, details of the proposed areas and to receive and consider at that time a proposed programme of SLL scheme implementation, subject to statutory public consultation.
 - iii. The tasks and milestones agreed by Cabinet are attached at Appendix A.
9. The impact of Selective Licensing in London has been the subject of research funded by the National Institute for Health Research (NIHR) School for Public Health Research (SPHR) and published in the British Medical Journal <https://bit.ly/Impactofselectivelicensingschemes>
10. The research found promising evidence of reductions in adverse mental health issues in the licensing areas, including a lower proportion of the local population reporting depression, antidepressant use and a significant reduction in Antisocial Behaviour. The report concluded that a national evaluation of Selective Licensing is feasible and necessary.
11. In Gateshead, there are currently four live Selective Landlord Licensing Schemes. The re-designation of Central Bensham commenced on 30/4/2018, followed by the Avenues, which was introduced over 3 phases commencing on the following dates 30/10/2018, 30/10/2019 and 30/04/2020. Since these schemes started there have been 1,161 property inspections carried out. 984 properties have been improved by the removal of

Category 1 and 2 hazards, with only 66 properties being found to be free from hazards to the health or safety of the tenant, and in need of no remedial works. Intelligence is used to prioritise inspections; 178 inspections were unannounced and carried out at properties where the property owners had failed to apply for licenses. The team have received 461 complaints in relation to antisocial behaviour and noise within the licensing areas, and there are currently 21 open complaints. In 2022, the team have facilitated 19 bespoke training courses via Microsoft Teams with 434 attendees. Landlords have received training in a range of topics that help them to develop and improve their management practices and to ensure the homes they provide are safe. The team has issued 64 financial penalties to landlords for failing to comply with their obligations, and served 24 Improvement Notices in respect of unsafe housing. ASB enforcement action has been taken in respect of 14 tenants who have caused ASB to neighbours.

12. Outside of Selective Landlord Licensing, the Government has been considering a package of additional measures to drive up standards and confidence of tenants in the private rented sector. In June 2022 these were published in the white paper 'A Fairer Private Rented Sector'. These include;
 - a. Extending the Decent Homes Standard to include the private rented sector;
 - b. The abolition of 'no-fault' evictions and the ability of Councils to issue financial penalties to landlords for offences relating to a new tenancy system;
 - c. Expansion of Rent Repayment Orders to cover landlords failure to provide non-decent homes;
 - d. Provision of an Ombudsman covering all landlords (not just letting agents) to allow tenants to raise issues previously excluded such as landlord conduct, lack of repairs and housing conditions, with a new power for Councils to take action against landlords that fail to join;
 - e. Creation of a Landlord Portal for tenants and Councils to use to view landlord information such as rented addresses, Decent Homes compliance and with a new responsibility on Councils to take enforcement action against landlords that fail to register their information;
 - f. Mandatory entry of all eligible housing offences on the Rogue Landlord Database to enable Councils to learn about landlords track record in other localities; and
 - g. Minimum fines for serious offences to reduce the arbitrary reductions of fines by the First-tier Tribunal.'
13. The Landlord Portal could enable us to have far greater knowledge about the ownership of the estimated 22,000 private rented properties in Gateshead outside of our Selective Licensing Areas, and should it be designed in such a way that registration on such a portal is linked with an 'ability to let', it could help tenants to make informed choices about their rented home. A simple registration scheme that only requires landlords to register (and which omits any information about standards, compliance, track record, enforcement action, or safety certification in place), does not give us any greater powers, or resources to deal with rogue landlords.

14. A number of consultation events relating to the above were held in 2022 by DLUHC, but changes to the Government have delayed the publication of their proposals. At the time of writing, an update is anticipated and members of the committee will be briefed on any update at the meeting.

Next Steps

15. Staff in the Private Sector Housing team will take forward the tasks and milestones agreed by Cabinet, and will bring a further report to OSC on progress later in the year.

Recommendations:

16. The Housing, Environment and Healthier Communities OSC is asked to note the progress to date and arrangements for future progress updates.

Contact: Peter Wright, extension 3910