

# Draft Proposal to Designate a Selective Licensing Scheme

Private Sector Housing

Draft proposal for consultation 6<sup>th</sup> September  
2010 – 15<sup>th</sup> November 2010

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## 1. Introduction

Thanet is located to the north east of Kent in the South East of England. The South East is considered to be an affluent region and yet Margate Central and Cliftonville West wards are in the bottom 3% of the most deprived wards nationally and are the two most deprived wards in the South East of England (IMD).

Thanet was a popular holiday destination but has struggled to restructure its economy following the decline of this industry and this has led to serious deprivation challenges. Despite a wide range of actions and interventions in recent years, the area's ranking in deprivation compared to other areas of the country has declined significantly since 2004. This deprivation is manifested in numerous ways through high levels of worklessness and benefit dependency; a highly transitory population with an annual turn over of residents exceeding 30% and considerable inequalities in health with life expectancy significantly lower than elsewhere in the county.

One of the major challenges in Margate and Cliftonville West is the built environment. In Cliftonville West in particular the Victorian seaside properties are characterised by large terraced houses or guest houses and hotels, over several floors with small gardens. Since the decline in Thanet's tourism this type of property has lent itself to be used as small flats, and houses in multiple occupation, being too large for retention as a single household family home, with very few traditional guest houses or B&B's remaining. The increase in this type of accommodation at the lower end of the rental market has led to a change in the type and tenure of housing, and consequently a change in the demographic profile of the area.

With little opportunity for employment in recent years, these properties have become easily accessible housing for benefit dependent individuals and less attractive to home owners. As owner occupiers sell up and move out, market values have reduced over time and the large properties have become attractive investments for landlords to purchase and sub divide, creating additional flats and Houses in Multiple Occupation (HMOs).

Many single person benefit dependent households are transient and this has led to a high turnover of residents. A significant number of people move into the area from other parts of the country and outside of the UK, as well as constant movement between properties within the ward. There remains a core community of households who have pride in the area but the constant movement of the privately rented sector means it is difficult to maintain and develop any feeling of community and this contributes to the area scoring poorly on community cohesion indicators.

In 2005 the District Council declared the wards of Cliftonville West and Margate Central as a Neighbourhood Renewal Area (NRA). Despite considerable attention and financial support for the area progress on improving the deprivation indicators has been slow and in some cases has declined. Property values have slumped and levels of deprivation have continued to remain high. The area has many absentee landlords, high levels of privately rented accommodation which is often poorly managed and in poor condition,

and high numbers of empty properties. From a social perspective there are high levels of worklessness, poor health, high levels of crime and anti social behaviour and physical and social deprivation. It is not surprising that the area is perceived to be rundown and contributing negatively to the overall reputation of Thanet.

Despite all these issues the area of Cliftonville West continues to be a priority for Thanet Council, Kent County Council and East Coast Kent NHS. It is viewed as an area with considerable prospects for the future with determination from the community, public sector services and voluntary services to intervene and make a difference to the current profile of this ward.

The Margate Task Force, which is due to be launched in September 2010, draws together a co-ordinated and focussed multi-agency approach to tackling the high level of socio-economic problems in the area, characterised by a disproportionate concentration of vulnerable individuals and families.

The Task Force team structure will take the lead in co-ordinating integrated working around key priorities and adding significant capacity to existing work around community safety such as anti-social behaviour, tackling crime; supporting vulnerable individuals and families and housing. This intervention is underpinned by an agreed long-term strategy and neighbourhood plan, shaped and directed through community engagement, for addressing the significant issues faced in the Cliftonville West and Margate Central wards, alongside a comprehensive housing intervention plan.

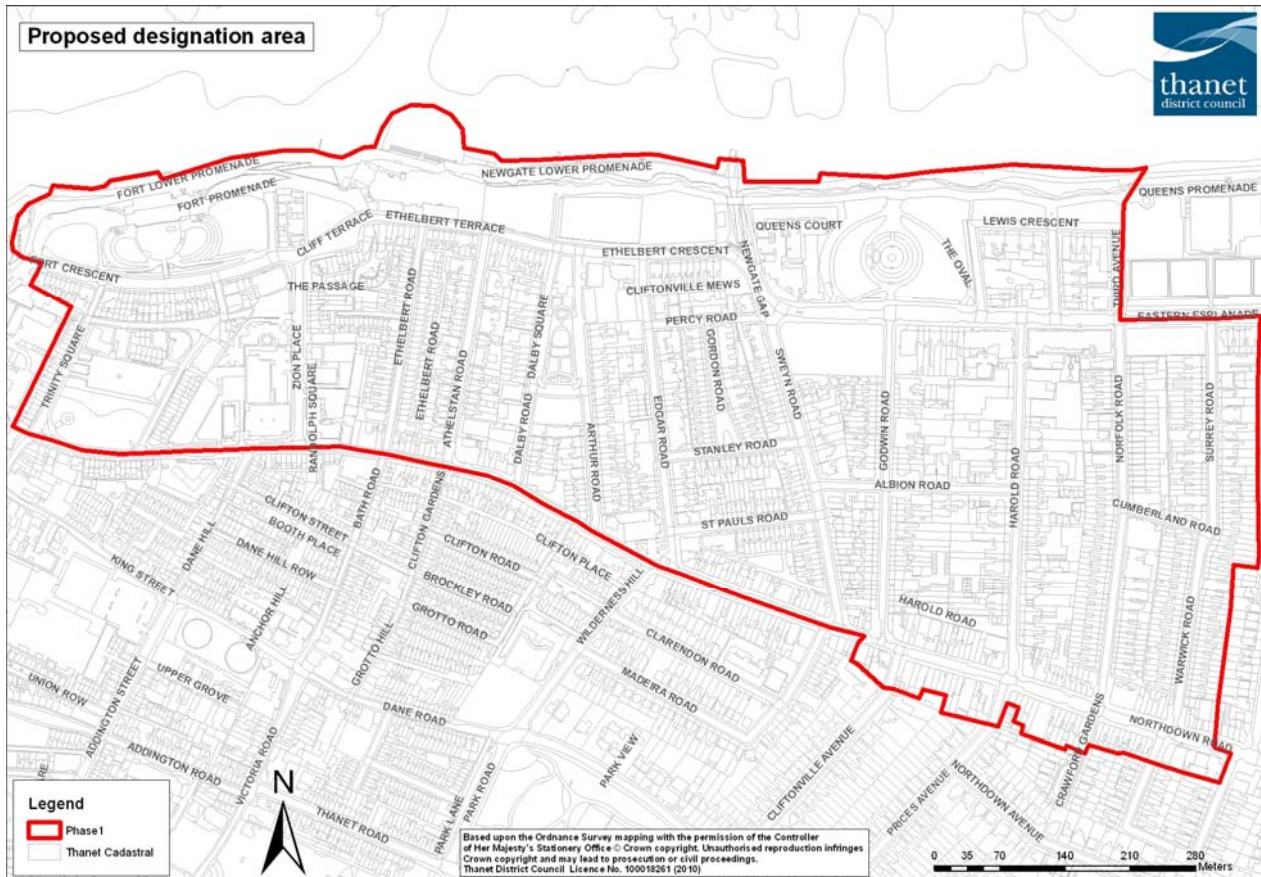
It is proposed that a selective licensing scheme is introduced in specified areas of Cliftonville West and Margate Central. This approach is fully supported compliments the range of activities and action plans in place to achieve the vision for the two wards.

It is essential that the community are engaged with this proposal and have the opportunity to make comment. This document sets out the detail behind the proposal and the reasons why making a designation will enhance the existing activity and welcomes any views or comments. Section 6 provides details on how to make representation.

Following the 10 week consultation period, a final report will be submitted to Thanet District Council's cabinet meeting in December for a decision on whether to proceed with the designation.

## 2. The Proposal

It is proposed that Thanet District Council designate the area outlined in red on the map below as a selective licensing area.



The designation will be used to tackle anti-social behaviour in the area and to assist in improving the quality and the management of rented accommodation.

Every privately rented flat, house or room (unless already licensed as a HMO under the existing mandatory scheme) will require a licence to operate in the area and landlords will be responsible for making an application to the Council.

It is proposed that the selective licensing scheme will be declared in December 2010 and will become operative in April 2011. The designation will last for 5 years until December 2015.

Initially it is expected that compliant landlords will apply for a licence shortly after the designation, however it will be necessary to introduce a comprehensive enforcement programme to capture un-licensed properties. Enforcement will be carried out on a phased approach starting in the worst streets for levels of anti social behaviour. This will be combined with a targeted approach for individual properties identified on a priority basis through the Margate Task Force and through the Housing Intervention programme.

### 3. What is a Selective Licensing scheme?

Selective licensing is a regulatory tool provided by the Housing Act 2004 (the Act). Section 80 of the Act allows local housing authorities to designate areas suffering from either significant and persistent anti-social behaviour and/or low housing demand.

By making the designation, all privately rented accommodation in the designated area will require a licence. Owners of rented properties will be required to make an application to the Council for a licence and will need to nominate either the manager or the owner to be the licence holder.

Landlords who own more than one property within the designated area will need to apply for a licence for each of the units of accommodation they rent out. The licence is valid for up to 5 years and will contain a series of conditions that the licence holder will be required to comply with. These conditions will include items relating to the management of the property, fire safety and anti-social behaviour. There will also be a requirement that landlords provide references for tenants that move on from their properties.

The Housing Regeneration Team will be responsible for ensuring compliance with the designation and will be supported by the Margate Task Force. Where a breach of licence conditions is identified the licence holder may be prosecuted with a fine of up to £5,000 per breach. Failing to apply for a licence could lead to prosecution and a fine of up to £20,000.

The Housing Regeneration Team will be carrying out a programme of pro-active inspection and is expected to take a zero tolerance approach where un-licensed properties or breaches of conditions are found. They will also be assessing the physical condition of the property and will be able to take enforcement action against the licence holder to reduce any hazards that are found and make any improvements that are necessary.

Although the penalties to non-compliant landlords can be high the aim of the scheme is to deal with the anti-social behaviour of some tenants. In order to tackle this it will be necessary to support landlords in dealing with anti-social tenants. The Housing Regeneration Team will be looking at ways in which to best deliver this support through the Margate Task Force and other partner organisations.

There will be a charge for the licence and this will be £525 per licence. If the designation is agreed in December 2010 then designation will become operative in April 2011. Between January and April 2011 it will be possible to make an application and it is proposed that there will be a discount for those that submit an application before the operative date. It is also proposed that landlords who are accredited with the Kent Landlord Accreditation Scheme will also benefit from a discount. Further information will be supplied in January should the designation be successful.

## 4. Why do we need a Selective Licensing Scheme

Although both the wards of Cliftonville West and Margate Central have issues relating to anti social behaviour, it would not be feasible to declare the whole area as part of the designation due to staff resource implications. The focus for this designation is, in the main, focused on the part of the ward of Cliftonville West due to the higher proportion of residential accommodation and the link between anti social behaviour and rented accommodation. If the designation is successful it may be that further designations are considered in the future.

### 4.1 Anti-social behaviour

Anti social behaviour is a concern within the ward and forms the main reason for this proposal.

The area suffers from a number of fires both deliberate and accidental each year. The Fire Service attended 215 deliberate fires in 2009/2010 across Thanet and this is one of the highest levels in Kent. However, the ward of Cliftonville West has the highest number of call outs for deliberate dwelling fires experiencing 13 last year. As a result of these fires 2 people suffered serious injuries and 9 had to be rescued from their homes.

Thanet's average incident rate for fire is 4.3 fires per 1,000 population. The rate in Cliftonville West is double that rate at 10.2 fires per 1,000 population and is the highest rate across all the wards in Thanet.

Crime is also a significant problem in Cliftonville West and Margate Central. These two wards have some of the worst crime rates in Kent with a combined crime rate of 247.3 per 1000 population; the average for Kent is 71.3 per 1000 population

Cliftonville West had 386 reported violent crimes compared to the ward average of 133 in Thanet. This is almost three times the average.

Burglary linked to local problematic drug users, accounts for 153 crimes a year in Cliftonville West alone against a Thanet ward average of 33.

Within the two wards (Cliftonville West and Margate Central), the Youth Offending Service has 87 customers annually. This represents 17% of the Thanet total. Cliftonville West is the worst ward for youth offending in Kent accounting for 15% of youth crime in Thanet.

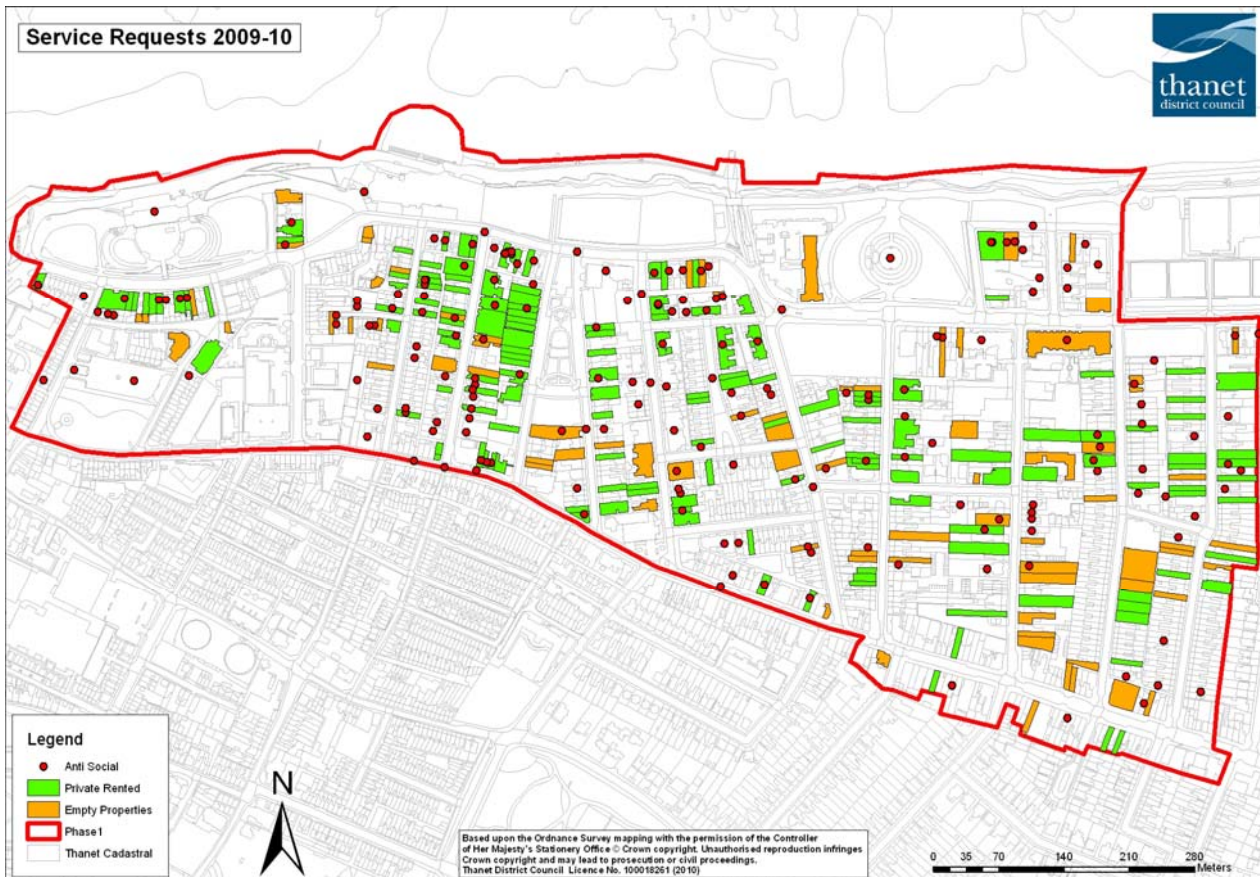
Approximately 15% of KCC's children's social work cases in Thanet are found in these two wards. This includes a disproportionate number requiring statutory intervention.

745 of Incapacity Benefit claims were for mental health and behavioural disorders from a total of 1390 in the area (53.7%).

Approximately 34% of all GP referrals in Thanet to secondary mental health services emanate from these two wards.

From July 01 2009 - July 01 2010 a total of 188 fixed penalty notices were issued for littering and dog fouling across the district. 14% of those notices were served within Cliftonville West.

As indicated by some of the statistics shown above the area of Cliftonville West suffers from a significant problem of anti social behaviour. The map below indicates the levels of service requests received by Thanet DC in 2009/10 relating to antisocial behaviour and privately rented properties. It also plots known empty properties.



The map shows that across the area there are a number of properties that are linked to anti social behaviour. This only shows the level of activity by Thanet DC and does not show the calls and activity relating to crime and disorder and therefore the map should be read in conjunction with the general statistics already provided.

In order to qualify for a selective licensing scheme there must be evidence of a link between the housing and a significant and persistent problem of anti social behaviour. The data and map clearly show that this is the case, however there is data missing on exactly how many properties are privately rented. As information becomes available this map will be updated.

Based on the available data that has been mapped, there are clear hotspot areas. The 'hotspots' will form the basis of a prioritisation for the enforcement programme but it is considered appropriate to designate this whole area to ensure a comprehensive approach is taken to deal with the issues.



By designating the whole area detailed in the map above the risk of problems migrating to other wards is reduced. The nature of the housing stock in this area is so unique that it is unlikely that other wards will be affected in the same way. So far, of those authorities that already have a selective licensing scheme, there appears to be no evidence that the problems migrate to other areas. The aim of the scheme is to tackle the root cause of the anti social behaviour rather than moving it from property to property. Evaluation of the scheme will form an important part of this project and this will include an impact assessment on surrounding areas.

## 4.2 Housing Tenure

One of the main distinguishing features of this area and arguably at the heart of the problem is the over-supply of mainly substandard private rented accommodation. In October 2009, the Housing Regeneration Team at Thanet District Council began a proactive programme of inspection called 'Your Home, Your Health'. This programme involved the systematic inspection of all properties in the area, one street at a time. This programme is currently on going and has provided valuable data on the properties in the area. So far the data collected has identified that in some streets more than 80% of the properties are privately rented. The average for privately rented property in Thanet is 28.5% which is still very high compared to a national average of 13%. This is a symptom of the current housing market and the high levels of people on means tested benefits that are unable to access the housing market. Despite the house prices having recently reduced and the value of property in Cliftonville West being particularly low, the area is more attractive to investment landlords with a demand for low rent accommodation rather than owner occupiers.

45% of properties are in single-occupation and this is largely due to the number of small flats and HMOs. 58% of properties are flats compared to the Kent average of 16% and 30 properties in the area already have a mandatory HMO licence. The level of home ownership has reduced significantly with some streets only showing around 10% of properties being owner occupied and this figure appears to be falling. This type of accommodation has an impact on the diversity of the community with less family accommodation available which in turn leads to over occupation and overcrowding.

In addition to the high levels of rented accommodation and low levels of owner occupied properties there are high levels of empty properties. Up to 20% of units are empty in some streets and in some cases whole buildings that have been converted into a number of flats are empty and boarded up.

## 4.3 Housing Condition

Figures provided by the Building Research Establishment (BRE) show that between 58- and 85% of properties within Cliftonville West have at least one category one hazard as assessed under the Housing Health and Safety Rating system. This is an indicator of substandard accommodation that does not meet the decent homes standard. Following a stock condition survey for the whole of Thanet in 2008, it is likely that properties will contain disrepair issues that will lead to a risk of exposure to the cold through inadequate heating and insulation, and an increased risk of fire, falls, and crime. This is

further supported by the data mentioned in 4.1 which details the level of crime and incidents of fire.

#### **4.4 Population**

The population in the area is particularly transient with a 34% annual 'churn'. Work through the 'Your Home, Your Health' project has highlighted that more than 80% of residents in the survey area are not originally from Thanet. Around 21% are from elsewhere in Kent, 43% are from elsewhere in the UK and 19% are from outside of the UK.

The transient nature of the residents makes it extremely difficult to understand the needs of the residents in the area and to make a lasting impact by tailoring services to meet those needs.

The average life expectancy in Margate Central is 72.7 years (2004 -2008 pooled data) - 17 years shorter than the best in Kent. Life expectancy at birth for males in Cliftonville West is 69.2 years, almost 18½ years below the best county average. Key killers for this population are circulatory disease (highest mortality rates in Thanet) and all cancers.

The area also has high levels of people in receipt of benefits. 39% of people are in receipt of at least one benefit which is the worst in Kent. 9.4% are in receipt of Disability Living Allowance and 18.5% receive Incapacity Benefit this is the second worst in Kent the first being Margate Central.

#### **4.5 Current Activity**

Given the data collected, it is considered appropriate that a selective licensing designation should be considered. However, it is important to ensure that this scheme compliments existing projects and activity.

In 2005 Cliftonville west was declared as a renewal area. Additional resource was directed to the area in the form of a small team dedicated to responding to issues in the area and administering small grants to improve the frontage of the properties. The work of this team has identified the need for a much larger more integrated approach which has led to the development of the Margate Task Force. The area also benefited from investment from the Safer, Stronger Communities Fund (SSCF) which helped deliver projects for the community.

These have all had a positive impact on the area but have not directly tackled the internal conditions of the properties or dealt with continued anti social behaviour issues. Although the Council has always responded to complaints relating to housing condition and anti social behaviour this only deals with a small proportion of the problems leaving the remaining area largely un-regulated.

In 2007 the Council also led on a multi agency enforcement approach called 'Operation Cleansweep'. Again this is a continuing programme of activity and is a highly successful model for enforcement. There have been a number of successes through the scheme and this approach will continue to have an important role in the enforcement and delivery of selective licensing.

In 2009 the Council introduced a proactive property inspection programme called 'Your Home Your Health'. There are two main aims to this approach. The first is as a multi agency referral form to assist residents in accessing a number of services that they may not normally be aware of. These services range from finding a dentist or a doctor, quitting smoking and healthy living advice, to benefit advice and debt management, to accessing community groups and befriending services. The second aim is to collect information about the properties, the tenure, and the population. So far this has provided some useful information to allow us to direct services appropriately. 'Your Home, Your Health' runs in partnership with the NHS and services across Kent County Council and Thanet DC and has successfully linked a number of residents to services that have improved their health safety and welfare.

It is intended that selective licensing will support the activity that is currently being undertaken but also bridge the gap that has been identified by dealing with the problems associated with rented accommodation and anti social behaviour.

## 5. What are the benefits of having a designation

It is the intention of the Council to designate specified areas of Cliftonville West and Margate Central as a selective licensing scheme. Although a selective licensing scheme provides the council with the powers to regulate the private rented sector it is the intention to work with landlords to reduce anti social behaviour and improve housing conditions. It is expected that introducing such a scheme will have a number of benefits to the community, landlords, tenants and owners, both directly and indirectly.

Expected benefits include:

- Reduce levels of anti social behaviour
- Improved management and condition of privately rented accommodation
- Support for landlords in dealing with anti social tenants
- Education for tenants in their responsibilities to behave in a tenant like manner
- Education for tenants to ensure they only live in properties that meet a minimum standard
- Promotion of the landlord accreditation and the aspiration to let property to a higher standard and to act in a professional manner with well written tenancy agreements, inventories and protected deposits
- Encouragement of landlords not to take tenants with a poor reference
- Development of a tenant referencing system to enable landlords to make informed decisions when letting property
- Improvement of the image and desirability of the area
- Encouragement in the market to increase rents and values of property in the area

- Encouraging a change to the tenure mix of the area

Selective licensing has been successfully implemented in a number of areas across the country. Middlesbrough was one of the first and has reported positive results following the first 18 months of the scheme. In particular, there has been evidence that as a result of the intervention, anti social behaviour has decreased and the level of privately rented accommodation has also decreased. There has also been a slight increase in property value despite the current housing market being slow. The London Borough of Newham has also introduced a scheme that is analogous to the proposal for Cliftonville West in that there is high anti social behaviour but being in the south east of England where housing demand is considered high. The Newham scheme became operative on the 1<sup>st</sup> March 2010 and Newham have already started to see a clear reduction in anti social behaviour, in particular environmental crime. The scheme has received support from professional landlords who have commented that it has had a positive impact on their business.

Thanet DC is fortunate that it has a positive relationship with a number of authorities that have already been through this process and can share best practice. There is also support from Local Government Regulation to guide the council through the designation.

It is expected that this scheme, working along side other intervention projects in the area, will have a significant impact on anti social behaviour issues and consequently the housing tenure of the area.

## 6. How do I make comments on this proposal

**For general enquiries about this consultation please contact:**

[Hannah.Thorpe@thanet.gov.uk](mailto:Hannah.Thorpe@thanet.gov.uk)

**To make any comments or observations about this proposal please send these to:**

Selective licensing Consultation

Thanet District Council

Freepost SEA 8273

Or you can leave comments on line at:

[www.thanet.gov.uk](http://www.thanet.gov.uk)

Consultation will be taking place using the following methods:

- Direct mail to landlords and residents.
- Direct mail to local community groups (this includes a number of harder to reach groups).
- Press release to local media/press.
- Posters – some translated into other languages – work with Migrant helpline.
- Article in Thanet Matters/Your Say.
- Information on TDC website (link from the front page).

Groups to be consulted include:

**Landlords, Letting Agents/Estate Agents**

Direct mail – all landlords/agents will be sent a letter explaining what the proposal is and how it will affect them as landlords.

As part of the mail out, a feedback form will be included providing landlords with an opportunity to give their views on the proposal.

The letter will also advertise details of a drop in session to be held during in the evening. The drop in sessions will be informal so landlords can call in at any time. The sessions will be held so that landlords can find out more about the proposal, ask any questions and provide any comments/feedback. TDC Private Sector Housing Staff will be on hand to answer any questions.

Landlords' board/forum will be advised of the consultation and will be invited to comment. If a meeting of the board/forum is held during the consultation period then the consultation will be added to the agenda and/or Housing Officers will attend to promote this.

**Tenants and residents in Cliftonville West**

Mail drop - All properties in Cliftonville West will be mail dropped a flyer about the scheme. The flyer will explain what the scheme is and what it means for tenants/residents.

On the reverse of the flyer there will be a short tear off survey/feedback form to give tenants the chance to provide any comments on the proposal.

The flyer will also advertise details of a number of road show dates which will be held throughout the consultation period at a number of venues in Cliftonville West. The road show will be held during the daytime and some evenings to ensure those who work are also able to attend.

The road show sessions will be informal so tenants can call in at any time. The sessions will be held so that tenants can find out more about the scheme, ask any questions and provide any further comments. TDC Housing Regeneration Staff will be on hand to answer any questions.

**Ward Councillors for Cliftonville West**

Ward Councillors will be contacted (by letter/e-mail) ahead of a general mail out to all councillors. This letter will provide details of the proposal as well providing the full consultation plans for the area. They will be asked to provide any feedback/comments about the proposal.

**Stakeholders/partners/community groups in Cliftonville West**

Community groups will be contacted (by letter/e-mail) with details of the proposal. They will be advised of the road show dates and will be asked to promote the consultation to their members. A few copies of the flyer (going out to tenants) will be included within the letter and they will be invited to provide any comments or feedback.

Where relevant TDC officers may wish to visit any well attended community group meetings/forums/PACT panels throughout the consultation period to promote the scheme.

The consultation will need to be flagged up to Margate Renewal Partnership and also to the 'This is Margate' group to ensure that they are aware of the consultation.

Shelter, NLA and CAB will also be consulted.

**Relevant TDC Staff**

An e-mail will be sent to relevant TDC staff to advise them of the proposal. For any teams who may experience a significant impact from the proposal (e.g. Community Safety) a meeting should be set up to

discuss the implications and to provide an opportunity for council officers to provide suggestions and feedback on the proposal.

**All residents in Cliftonville West**

A press release will be issued to local media/press to promote the consultation, including the dates and venues of the road show.

Posters will be placed around Cliftonville West advertising the consultation. The posters will be translated into Czech/Slovak and placed in public spaces, as well as asking some local venues (cafes/pubs/community centres) to display them.

Information will be available on the council website so any people with internet access will be able to find out more about the proposal as well as completing an online comments/feedback form. (Completed in SNAP).

The road show will be held in public open spaces so any member of the public will be able to find out more about the proposal and will have the opportunity to ask questions or to provide comments.

**All TDC councillors**

A letter/e-mail will go to all TDC Councillors to advise them of the proposal for Cliftonville West.

