

Management Committee

19th September 2017

Addressing issues affecting the residents of Melcombe Regis

For Decision

Briefholder

Cllr Gill Taylor

Senior Leadership Team Contact:

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Report Author:

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Statutory Authority

Housing Act 2004

Purpose of Report

- 1 a) To advise the committee of work undertaken through the Melcombe Regis Board (MRB) to evidence issues confronting residents of Melcombe Regis.

b) To further advise of the Board's proposed objectives for the ward, designed to address those issues, and their assessment of options available to deliver the objectives.

c) Finally, to consider the Board's recommendation that a selective licensing scheme should be proposed for the ward.

Recommendations

- 2 a) The Committee endorse the five objectives for the ward proposed by the MRB.

b) The Head of Housing be authorised to progress work necessary to develop a discretionary licensing scheme for the Melcombe Regis ward in accordance with Section 80 of the Housing Act 2004, designed to deliver the agreed objectives for its residents.

c) The Head of Housing be requested to present to a future Management Committee a fully costed, risk assessed proposal for the licensing of privately rented housing within Melcombe Regis, this proposal to have

been reviewed by the Policy Committee prior to the Management Committee agreeing to the commencement of any formal consultation exercise.

Reason for Decision

- 3 The Housing Act 2004 provides the borough council, as the Housing Authority, with the power to determine discretionary licensing schemes covering the private rented sector. The council is obligated to meet specific criteria and to follow agreed procedures prior to implementation. Members are invited to authorise the work of developing a licensing scheme for the Melcombe Regis ward.

Background and Reason Decision Needed

- 4 In April 2016 the MRB was established in recognition of the serious issues facing the ward and an acceptance that no individual agency or group could achieve the impact needed. The MRB has recognised the great work being done already by the Team Around Melcombe Regis, community and voluntary groups; health providers; police and local councils but exists to provide some strategic leadership to the delivery of improved living conditions for residents. A key role of the MRB is to bring agencies together, often at senior level; to understand the complex relationships between the factors affecting health and well-being; help give direction; remove obstacles and enable change.

Representation on the MRB includes;

Dorset Councils Partnership
Dorset Police
Dorset & Wiltshire Fire & Rescue
Weymouth College
Public Health Dorset
Dorset County Council
Dorset Police & Crime Commissioner
Dorset Clinical Commissioning Group
Team Around Melcombe Regis, and
Aster Housing

5. The MRB's vision for Melcombe Regis is a 'safe, healthy and great place to live and work', with the following six priority themes adopted in development of its Strategic Plan:
 - Housing – residents live in good quality housing which is affordable
 - Community - a strong, integrated community with ready access to opportunities and services
 - Environment – a restored sense of pride
 - Health - everyone can lead healthier lives and support is provided for those in greatest need
 - Employment - more jobs for local people and barriers to education, training and employment challenged and removed
 - Crime - crime and anti-social behaviour is reduced and people feel safe.

The MRB's Strategic Plan is attached as Appendix 1 to this report.

6. The MRB expressed a desire to explore the options for a private sector housing initiative in the Melcombe Regis ward and the Management Committee supported expenditure on data analysis work at its meeting of 8 November 2016. An evidence pack was duly produced which identified issues within the ward and provided the MRB with an opportunity to consider the key objectives which any initiative should seek to deliver.
7. A summary of the findings within the evidence pack is presented below with the full evidence pack attached as Appendix II.

1. Summary of findings

- Melcombe Regis is one of 15 wards in the borough council area. It is often split into four Lower Super Output Areas (LSOAs) for survey purposes. Town Centre: Park District; Carlton Road and Lodmoor Hill.
- The ward's population (6,068) has risen by approx. 10% since 2001, which is a larger increase than the borough generally (2%) or across the county (8%). It is the 14th most populous ward in Dorset.
- The Melcombe Regis ward constitutes approx. 12.4% of the residential accommodation in the WPBC area.
- There is a relatively low level of owner occupation (43.5%) and a high level of privately rented property (46.2%)
- There is limited publicly rented property (8.6%) but a high level of usage of the PRS by various statutory agencies housing a range of client groups.
- The ward comprises a higher proportion of flats (purpose built and converted) than found in the rest of the borough, Dorset or nationally.
- The proportion of 'household spaces with no usual resident' is higher in the Town Centre and Park District than in other areas of the borough.
- The ward contains 30 of the licensable HMOs in the borough (60%)
- There is a high proportion (86%) of three storey (or more) properties in the Town Centre LSOA, while 38% of the properties in the adjacent Park District area are three storeys or more.
- There is a significant number of properties in the ward that have been converted to flats.
- Property with central heating in the ward is less prevalent than in the rest of the borough (90.8% compared to 97.2%)
- Approx. one in six households in the ward could be considered to be 'overcrowded'
- The proportion of pensioners living alone in the ward is higher than in the rest of the borough.
- The number of complaints relating to housing conditions is proportionally high for the ward; approx. a third of all enquiries, relating to an eighth of the borough's stock.
- The proportion of households considered to be in 'fuel poverty' is higher in the Park District and Town Centre LSOAs than the rest of the borough and the county.
- House prices in the ward are consistent with borough-wide prices for similar property, although house prices in the borough tend to be lower than the county average.
- Rental prices for one bedroom properties are lower in the ward than for the borough generally, but similar for two bedroom properties.
- A range of statutory agencies use PRS property in the ward to accommodate households. The WPBC Housing service accommodated 71 of 109 homeless households in the ward in 2016/17, with DCC currently accommodating 120 residents in the ward.
- Approx. 24% of applicants to the Housing Register currently reside in the ward, of which 74% (234) require one bed accommodation.
- The age profile for the ward is lower (42 yrs) than for the borough (44 yrs) but higher than that nationally (39 yrs)

- The ward has a higher proportion of 20 – 39 year old residents than the borough generally, Dorset or nationally.
- Within the 25-39 age bracket there are 57% males, a demographic not reflected across the borough but typical of similar seaside towns.
- There has been an increase in the number of children in the ward in recent years.
- The proportion of BME residents (11.3%) in the ward is higher than for the borough generally (5.1%) but lower than nationally (19.5%).
- The increase in BME groups between 2001 and 2011 (9.8%) reflects an increase in residents from Accession EU countries in 2004 and 2007.
- Average household income is assessed to be lower in the ward than for the borough generally or nationally.
- Approx. one in six residents in the ward receive Employment Support Allowance (ESA) indicating they are unable to work due to illness or disability. This is a higher proportion than for the borough generally.
- The proportion of low income pensioners in the ward in receipt of Pension Credit has decreased from 24% in 2009 to 19% in 2015. However this remains above borough-wide, county and national levels.
- Approx. 29% of the borough's Housing Benefit recipients reside in the ward.
- Half of the properties occupied by three or more HB recipients are within the ward, which may reflect the proportion of shared accommodation in the ward.
- Three of the LSOAs in the ward are considered to be in the top ten most deprived in the county and top 20% nationally.
- Melcombe Regis has a higher level of recorded ASB than any other ward in Dorset
- Total crime in the ward is recorded as 528.2 /1000 population compared to 122.6 for the borough and 103.7 for Dorset.
- Recorded total crime in the ward has increased by 46% between 2014 and 2016.
- Between 2014 and 2016 there were just under 1,600 criminal incidents across the county where the suspect lived in Melcombe Regis
- A high proportion of the crime including ASB (approx. 70%) occurs in the Town Centre where the night time economy is located.
- 84% of all anti-social behavioural incidents that occur in the ward are nuisance related; this figure is 10% higher than the proportion in Weymouth & Portland and Dorset as a whole, where nuisance incidents are recorded as 75%.
- Approx. 25% of residents in the ward have a limiting long term illness, compared to 22% across the borough and 20% for the county.
- Life expectancy at birth is lower in the ward than for the borough generally, Dorset or nationally.

8. Following a review of the 'evidence pack', the MRB agreed that the key issues affecting life in the Melcombe Regis ward were:

- i) Crime
- ii) ASB
- iii) Deprivation, and
- iv) Housing conditions

In response to those issues, the MRB proposed the following objectives:

- 1. To contribute to crime reduction and address criminal behaviour affecting residents of Melcombe Regis**
- 2. To reduce anti-social behaviour incidents associated with residents of Melcombe Regis.**
- 3. To improve resident satisfaction within their home.**
- 4. To improve housing conditions in the Private Rented Sector**
- 5. To improve the proportion of successful tenancies within the Private Rented Sector.**

Members are invited to endorse the objectives proposed.

9. A working party was set the task of assessing the potential for a range of 'housing-based interventions' to contribute to meeting the objectives. The working party consisted of nine members from the council's Housing Options and Housing Improvement teams; Dorset Police; Public Health Dorset; Dorset CC; and the Briefholder for Housing.
10. The Housing Act 2004 provides a range of duties and powers for local council intervention in the Private Rented Sector (PRS). Part 2 of the act deals with both mandatory and discretionary licensing of HMOs while Part 3 provides powers for discretionary licensing of the wider PRS. In addition, councils often develop local initiatives to deal with specific issues in their areas, e.g., accreditation schemes, grants and loans etc. The act requires that before making a discretionary licensing designation, a local authority must consider whether there are any other courses of action, including local initiatives, that might provide an effective method of dealing with the problem or problems in question. Government guidance has been produced to guide local authorities in assessing discretionary licensing as an option (see background paper No 7.).
11. The range of options available to the borough council as the Housing Authority, to address the issues identified in Melcombe Regis, were considered to be:
 1. No specific housing-based intervention. Agencies respond to complaints only
 2. Targeted promotion of the council's loan scheme and other assistance.
 3. Voluntary accreditation scheme / promotion of existing Landlords' Forum.
 4. Targeted use of Management Orders (Housing Act 2004)
 5. Await introduction of the revised mandatory licensing of HMOs
 6. Introduce additional licensing scheme
 7. Introduce selective licensing scheme(Note: options could be considered on a borough or ward basis)
12. Certain intervention options require criteria to be met determined either through regulation, government guidance, or simply to comply with accepted good practice, while others are purely locally determined. The criteria relevant to each option are detailed in Appendix III.
13. The MRB's working party considered the likely impact of each option on the five objectives proposed for the ward. The outcome from the assessment process was that formal intervention would most probably be required to deliver the objectives identified as being appropriate. The option considered most likely to deliver the objectives required was the introduction of a selective licensing scheme for the PRS. The options appraisal scoring of the group is attached as Appendix IV.
12. In recommending to the borough council that the option of selective licensing should be pursued, the group were mindful of the government's proposals to extend the range of HMOs that would require licensing under

the mandatory licensing provisions of the Housing Act 2004. The proposals which were initially timetabled for implementation in October 2017 will require licensing of many HMOs that do not currently have to be licensed and will potentially have a positive impact on the ward. There will however, also be considerable resource implications for the authority. It would clearly not be desirable to introduce a discretionary licensing scheme at the same time as a revised mandatory licensing scheme. The latest advice is that implementation of the proposed revisions to the mandatory scheme will be delayed, with April 2018 being the latest target date advised, but without any form of official confirmation.

14. **Selective licensing: criteria for adoption; procedures; considerations and obligations.**

The principal legislation governing the introduction of discretionary licensing schemes is The Housing Act 2004. Section 80 of the act provides the power to determine an area for selective licensing and sets out the criteria which must be met for such a determination to be made. Additional criteria and conditions are provided by the Selective Licensing of Houses (Additional Conditions) (England) Order 2015.

15. The criteria for designating an area for selective licensing are;

1. **Low housing demand.** House prices in the ward are consistent with borough-wide prices although lower than prices across the county. Rental prices are consistent with borough-wide prices for two bed properties but lower for one bed property, or,
2. **A significant and persistent problem caused by ASB.** There is considerable evidence of ASB in the ward with some evidence linking the issue to local residencies, or,
3. **A high proportion of property in the private rented sector** and,
 - a) **Poor property condition.** Privately rented property accounts for 42.6% of the stock compared to 19% nationally. The level of complaints to the council regarding housing conditions would support the need for a proactive inspection programme linked to a licensing scheme, or,
 - b) **High levels of migration.** While there is some evidence of a transient population in the ward there has not been a substantial change in the population sufficient to meet this criteria, or,
 - c) **High levels of deprivation.** Three of the LSOAs in the ward are considered to be in the top ten most deprived in the county and top 20% nationally, or,
 - d) **High levels of crime.** Total crime in the ward is recorded as 528.2 /1000 population compared to 122.6 for the borough and 103.7 for Dorset. Recorded total crime in the ward has increased by 46% between 2014 and 2016.

16. The evidence pack would suggest that the criteria for a selective licensing scheme are met in Melcombe Regis in that it has a **high proportion of property in the private rented sector** with concerns for the **condition of that property; the level of deprivation, and crime** recorded in the ward. There is also evidence of **significant and persistent ASB** within the ward linked to local residences.

17. If the council are content that the ward meets the criteria for licensing, it must then consider if licensing is likely to achieve the objectives it has set for the ward. The MRB have proposed five objectives relating to crime, ASB, deprivation and housing conditions based on the evidence pack which are all consistent with the criteria for licensing. The options appraisal process would indicate that selective licensing should have a reasonable impact on each of the objectives, although it is recognised that licensing will need to be part of a coordinated multi-agency approach to be successful.
18. Sec 81 of the Act requires that *'the authority must ensure that any exercise of the power to introduce a licensing scheme is consistent with the authority's overall housing strategy. The authority must also seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour, both –*
(a) as regards combining licensing under this Part with other courses of action available to them, and
(b) as regards combining such licensing with measures taken by other persons.'

Furthermore, *'the authority must not make a particular designation under section 80 unless –*
(a) they have considered whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of achieving the objective or objectives that the designation would be intended to achieve, and
(b) they consider that making the designation will significantly assist them to achieve the objective or objectives (whether or not they take any other course of action as well).'

19. Members will be aware of a number of initiatives targeted at the ward over the years with varied success associated with each. The evidence pack would indicate that despite those initiatives, issues remain that could justify formal intervention by the council and its partners.
20. In considering the merits of selective licensing as a means of intervention by the council, it is necessary to consider the perceived benefits of selective licensing which are often purported to be:
- An overall improvement in housing conditions across the PRS
 - A drive towards better more effectively managed properties in the PRS
 - A means to tackle poor management practices and drive out rogue landlords
 - The potential for improved tenant / landlord relationships
 - The potential for improved communications between landlords and the council
 - A mechanism for landlords to be better able to access good advice and support
 - A means to reduce incidence of tenant exploitation and protect the tenancies of vulnerable groups
 - A means to reduce incidence of harassment and unlawful eviction
 - A means to reduce overcrowding of property

- An overall reduction in the turnover in tenancies leading to more settled communities
- A means to reduce the incidence of ASB
- Increased consistency in standards applied across the sector
- A positive impact on property values / rental yields and housing demand
- A drive towards reduced health inequalities
- A drive towards improved social and economic conditions in the area
- Potential for reduced environmental crime costs, such as street cleaning, tackling fly-tipping,
- Improved knowledge of the private rented sector available to the council to enable targeting of services.

These benefits are delivered by

- A requirement that landlords meet a 'fit and proper persons' test
- Requiring and promoting good and fair management of tenancy relations
- Providing support for landlords to tackle anti-social behaviour effectively
- Improving housing management standards generally
- Protecting vulnerable tenants from the worst housing conditions and from irresponsible landlords
- Supporting landlords to improve the worst properties by helping them to achieve decent minimum standards in housing conditions and management
- Securing strategic knowledge to support the local authority in targeting health and safety inspections and initiatives
- Partner agencies actively supporting and contributing to the licensing process and adopting complimentary initiatives across the ward.

21. However, as with any initiative there are also perceived risks and consequences that need regard, namely;

- Landlord organisations opposed to their members being required to fund improvements in community and social conditions.
- Displacement of irresponsible landlords to other areas within the borough.
- Good landlords boycotting the area
- Risk of increased rents if landlords pass on costs of improvements directly to tenants
- Licensing leads to a negative impact on the housing market
- The proposed fee is challenged or is insufficient to cover the cost of the scheme
- Failure to link licensing with other initiatives to address the full range of issues affecting the ward
- Risk of focusing on enforcement rather than on changing behaviour for both landlords and tenants
- Proposed licence conditions are not clear or enforceable
- Vulnerable individuals being unable to access housing in the area
- Inadequate resources (financial and personnel) available to deliver scheme, and potentially
- Confusion created by implementation coinciding with revisions to the mandatory licensing of HMOs.

22. Any scheme designated will last for up to 5 years and will require landlords or their agents to apply for a licence, for which the council will charge a fee.

The licence holder is required to be a 'fit and proper person' and there will be a set of mandatory conditions attached to the licences which can be supplemented by further locally determined discretionary conditions. The council will be under an obligation to periodically review the scheme and to revoke, vary or renew it as appropriate.

23. Should members be supportive of pursuing a selective licensing scheme, it will be necessary to draft a fully costed proposal, having secured the support, cooperation and commitment of a range of key partners, most notably the Police, DCC Social Care, local housing associations, residents and ideally landlord organisations operating locally. The draft proposal will need to clearly articulate the aims and objectives to be met; the linkages to other initiatives led by the partner agencies; define the area covered, and the criteria for licensing; detail the proposed license conditions, fees, and rights of appeal. A risk assessment and Equalities Impact Assessment will need to be conducted for members to consider prior to agreeing to publish the proposal for formal consultation. There is a statutory 10 week consultation period which must be conducted before the council can confirm the scheme, and the consultation outcome must be published.
24. There is not sufficient resource within the council's housing team to conduct this exercise so members are asked to support the commissioning of additional resource from the budget already set aside for this initiative.
25. Should a draft scheme be approved following consultation, it will be necessary for the council to confirm the scheme which will become operative no sooner than 3 months after confirmation. The council are obliged to publish a notice of designation within 7 days of confirmation and to notify all consultees of the designation within 2 weeks.

26 **Implications**

Corporate Plan	This initiative will support Corporate Plan aims relating to Economy; Communities; and Environment.
Financial	A fully costed proposal will be required prior to consultation. £20k funding for this work was approved by the committee 8 th Nov 2016.
Equalities	A full EqIA will need to accompany any proposed scheme
Environmental	Any proposal will need to identify potential positive environmental impact
Economic Development	Any proposal will need to identify potential economic impact on the Housing market and residents generally.
Risk Management (including Health & Safety)	A full risk assessment will need to accompany any proposed scheme
Human Resources	A fully costed proposal will be required prior to consultation

Consultation and Engagement Any proposal agreed by the committee will be subject to a statutory 10 week consultation period.

Appendices

- I. Melcombe Regis Board Strategic Plan 2017-21
- II. The Evidence pack.
- III Housing based Interventions – Options
- IV Option Appraisal: Scoring of options

Background Papers

1. Report to the Management Committee 8th November 2016.
2. Report to the Melcombe Regis Board 24th July 2017
3. Report to the Melcombe Regis Board 15th May 2017
4. Report to the Melcombe Regis Board 30th March 2017
5. Report to the Melcombe Regis Board 10th June 2016
6. The Melcombe Regis Strategic Plan
7. DCLG Guide for local authorities. Selective Licensing in the Private Rented sector.
www.gov.uk/government/uploads/system/uploads/attachment_data/file/418551/150327_Guidance_on_selective_licensing_applications_FINAL_updated_isbn.pdf
8. Selective Licensing of Houses (Additional Conditions)(England) Order 2015

Footnote

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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