

Selective Licensing In Medway – Member’s Item submitted by Councillor Curry

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Executive Summary

Medway Council values its private rented housing sector and wants to see it grow as a vibrant part of our economy by delivering high quality property and accommodation for all at affordable prices. This is in line with the Government aims to see a strong, healthy market in private housing offering security, stability and decency.

However, there are parts of this market, in specific areas of Medway, which do not achieve the standards we expect. Where landlords fail to deliver we have communities that are debilitated; families with children, young people starting out in life and the elderly, hoping for a safe and secure retirement, having to put up with sub-standard conditions.

The consequences of these poor standards are reflected in an increase of anti-social behaviour, crime, high levels of deprivation and low housing demand directly affecting the local economy. Where landlords fail deliver it is the responsibility of the local authority to step in and bring about change.

Already the Cabinet has looked in detail at this issue and on the 12th May adopted its Housing Enforcement and Licensing Policy. This reflects the powers the local authority has under the Housing and Planning Act 2016 to impose penalties and deal more robustly with criminal, rogue and irresponsible landlords.

The intention of this report is to refine further the way the Authority can control the standards of rented accommodation in specific areas of Medway where we know there are severe problems. Under the Housing Act (2004) local authorities have powers to introduce Selective Licensing for privately rented homes to address specific problems in localised areas. This process is known to bring about significant improvements in the quality of housing and the value of the housing market by imposing some basic conditions on landlords through a licensing process.

Local residents, landlords and tenants (and any other person likely to be affected by the Selective Licensing designation) must be consulted prior to the introduction of a licensing scheme. Landlords who rent out properties in an area that is subject to Selective Licensing are required to obtain a license from the local authority for each of their properties. In addition, once it is fully introduced, Selective Licensing can be managed on a cost neutral basis.

Selective Licensing does not apply to landlords of private rented properties who provide quality accommodation and care properly for their tenants. In addition, private rented properties do not include accommodation where the tenancy is granted by a non-profit registered provider of social housing or a profit-making registered provider of social housing (within the meaning of Part 2 of the Housing and Regeneration Act 2008).

The introduction of selective licensing requires the support from all parts of the Council and is just one of the measures that local authorities can use to fundamentally improve communities that are suffering from poor housing, high levels of deprivation, high levels of anti-social behaviour and high levels of crime.

Medway already has very effective teams working on all aspects of crime and anti-social behaviour in our communities. There are Medway wide schemes to improve our environment, our health and access to our essential services. Selective Licensing will sit alongside these to bring effective improvements for those in our most deprived communities.

Implementing Selective Licensing

Many of us, as Councillors, find it frustrating to help our ward members who are living in the worst of conditions because landlords are not fulfilling their basic responsibilities. Whilst we now have the authority to impose fines and conditions on rogue and irresponsible landlords who are breaking the law or specific regulations, Selective Licensing allows us to take a pro-active position. We would be **working in partnership** with landlords and tenants to bring about significant improvements in the most deprived areas of our community.

In this report we are seeking the recommendation of the Committee to introduce the principle of Selective Licensing into those area of Medway which have the highest levels of deprivation and other factors that indicate the worst standards of rented accommodation. In order to demonstrate the issues three Wards have been selected as Case Studies, and are shown in the Appendix 1 to this report. They demonstrate where the improvements can be effected and the same levels of deprivation have been identified in at least ten wards in Medway.

The Council is undertaking significant amounts of work to address these problems and progress is slow and steady. The introduction of Selective Licensing will complement this work and make it easier to bring about major improvements to the people's lives and the local economy of our most deprived communities.

To qualify for selective licensing, **one or more** of the following criteria should be met.

The area is one experiencing:

1. Low housing demand (or is likely to become so in such an area);
2. Significant and persistent problems caused by anti-social behaviour;
3. Poor property conditions;
4. High levels of migration;
5. High levels of deprivation;
6. High levels of crime.

The key criterion in this list is the one relating to levels of deprivation and this report highlights the areas of Medway where this is a serious problem. The three Wards selected as Case Studies, Chatham Central, Luton and Wayfield and River have been looked at in even greater detail (Appendix 1) and in fact fulfil all the criteria listed above.

Selective Licensing in Medway: Objectives and Challenges Ahead

The key **objective** of this report is to obtain the approval of this committee for the principle of Selective Licensing into Medway;

To improve the quality of private rented properties by working in partnership to set basic standards that residents can expect from landlords in terms of the quality of their accommodation

As a consequence of this we will achieve significant reductions to levels of crime and antisocial behaviour and major improvements to the economy of these deprived areas.

Evidence shows that there are many causes of deprivation in our communities. The Government summarises these causes in the English Indices of Deprivation 2019 technical report* and provides a set of relative measures of deprivation for small geographical areas (known as Lower-layer Super Output Areas) across England, based on seven different domains of deprivation:

- Income Deprivation
- Employment Deprivation
- Education, Skills and Training Deprivation
- Health Deprivation and Disability
- Crime
- Barriers to Housing and Services
- Living Environment Deprivation

Each of these domains is based on a basket of indicators and as far as is possible, each indicator is based on data from the most recent time point available.

(*Source: Ministry of Housing, Communities and Local Government: The English Indices of Deprivation 2019 - Technical report)

As of this year the indices for Medway showed significant areas of deprivation in a number of Wards. For example, Strood South, Strood North, Rochester West, Rainham North, Twydall, Gillingham North and Gillingham South. Pockets of these wards, along with the three Case Studies, are now in the most 10% deprived in the country**.

(Source: Consumer DATA Research Centre - maps.cdrc.ac.uk)**

We now know that the Coronavirus (COVID-19) crisis is leading to a major recession in the economy. We are all familiar with the implications of this for employment, levels of income and the stress this will place upon the most deprived areas of Medway.

If we are to bring about real improvements to these communities then we need to take action at all levels, and the Selective Licencing will be a powerful tool for Medway Council in this process.

Recommendation:

Based upon the information we now have on the levels of deprivation across the whole of Medway, the implications of the Coronavirus (COVID-19) crisis and the need to take action to support our most deprived communities it is recommended that;

“We explore the implementation of Selective Licensing in Medway, to be targeted at those areas where deprivation is at its highest. This will allow the Council to work in partnership with landlords over the provision of rented accommodation for those in our community who are most in need”

Appendix 1

Meeting the Criteria: Three Case Studies

Three Wards have been chosen to demonstrate how the criteria for the introduction of Selective Licensing are met. These are Luton and Wayfield, Chatham Central and River. In order to fulfil the requirement for selective licensing only one of the criteria needs to be met, however, in each case, the criteria, having been assessed in detail, are all met. The same is true for a large number of Wards across Medway.

It should be noted that the figures given were compiled before the Coronavirus (COVID-19) crisis.

Meeting the Criteria: Low Housing Demand

We can divide housing demand into two categories; demand for purchasing or for renting. The current figures for March 2020 show the following average house price sales* for Medway;

- Chatham - £246,220
- Gillingham - £272,163
- Rochester - £293,109

In contrast the average sales for Luton Road in Chatham are £164,552 and for Castle Road, Chatham £160,745.* The Ward Profiles show the average house prices for the three Wards in question as;

- Chatham Central - £190,000
- Luton and Wayfield – £197,000
- River - £232,000

House price figures of this type can always be subjected to more detailed analysis but it is clear that they reflect the very low demand for housing in these particular areas, compared Chatham and to Medway as a whole.

As for the rented sector, a fairly simple comparison between rented flats in Strood, Rochester and the Luton area of Chatham show average prices are much lower. For example, one bedroom studio flats in Luton Road are between £550-£650pcm, compared with Rochester at £650-850pcm and Strood £600-£800pcm.*

(*Figures act as a guide based upon values given by Zoopla)

Housing demand in the rented sector is also reflected in the level of turnover of tenancies. If the quality of the property is poor then turnover is always much higher and this is one of the most financially damaging problems for landlords.

In the UK the lowest levels of tenancy turnover can be found in Birmingham with an average of over 2 years followed by London with just under 2 years. Some of the highest levels are found in Cardiff and Leeds with averages around 1 year. (Figures from Gov.uk)

We do not have actual numbers for the turnover of rented properties for the three Wards in question but we know that there is much higher number of rented rooms

and flats than the average for Medway. Anecdotal evidence shows that turnover of tenants is under a year and for Houses in Multiple Occupancy the figures are even less.

The number of boarded up shops and retail premises is another indicator of low housing demand for an area and the problems on Chatham High Street are a clear indication of this. Further evidence of this type can be found along Luton Road.

It should be noted that the lack of hard evidence itself is a reflection on the condition of the housing.

Meeting the Criteria: A Significant and Persistent Problem Caused by

Anti-Social Behaviour

The total number of anti-social behaviour crimes reported in Kent and Medway has been rising.

In Kent the number of reported incidents is 34,700, and this number has increased by 13.8% when compared year-over-year, for the period of February 2019 - January 2020.*

(*Figures from Plumplot.co.uk)

In Medway the total figures for reported crimes and anti-social behaviour cases are combined, standing at 36,013 for the period September 2018-2019**.

(**Medway Ward Profiles)

Based upon the Ward profiles the numbers of reported crimes and anti-social behaviour cases for this period show that 27% of them occurred in the Chatham Central, River and Luton and Wayfield Wards.

Under any recording scheme this can be seen as a significant and persistent problem for Medway. (See Appendix 2 for raw data)

Chatham Central

Significant Problems

Between November 2016 and August 2019, there has been a total of 1449 incidents of ASB in Chatham Central.

Since November 2016, there has been a monthly average of 38 incidents of ASB in Chatham Central. In 2018/19 ASB made up 12.87% of the crime in Chatham Central, second only to violent and sexual offences which made up 43.19% of crime in the area.

A measure of the significance for Chatham Central is seen in the comparison of some basic figures for example:

Average number of cases per 1000 people

- Chatham Central - 162
- Cuxton - 69

Persistent Problems

Whilst we know that current data shows that instances of ASB has remained consistent in Chatham Central from November 2016 to December 2018, this is not something we should be complacent about. The implication is that the measures being taking are not addressing the persistent anti-social behaviour issues; adding selective licensing to our “toolbox” of measures will help.

River

Significant Problems

Between November 2016 and August 2019, there have been a total of 2759 incidents of ASB in River.

Since Nov 2016, there has been a monthly average of 73 incidents of ASB in River.

In 2018/19 ASB made up 16.11% of the crime in River, second only to violent and sexual offences which made up 34.03% of crime in the area.

A measure of the significance of these figures for River is seen in the comparison of some basic figures for example:

Average number of cases per 1000 people

- River - 435
- Princes Park - 70

Persistent Problems

Data shows that instances of ASB has remained consistent in River from 2016 to 2019. As we have seen in Chatham Central there have been no significant improvements for River Ward and this means that additional measures, such as Selective Licencing are necessary.

Luton and Wayfield

Significant Problems

Between November 2016 and August 2019, there have been a total of 1097 incidents of ASB in Luton & Wayfield, which equates to an average of 32 incidents per month up to the present.

In 2018/19 ASB made up 12.82% of the crime in Luton & Wayfield, second only to violent and sexual offences which made up 45.31% of crime in the area.

A measure of the significance for Luton and Wayfield is seen in the comparison of some basic figures for example:

Average number of cases per 1000 people

- Luton and Wayfield - 132
- Rainham Central – 63

Persistent Problems

ASB in Luton & Wayfield remains a challenge, but levels have been decreasing since the introduction of special measures at the end of 2019.

This reflects the hard work of the teams involved and the need for greater resources to those areas where persistent problems occur. The introduction of Selective Licencing will bring about significant improvements.

Meeting the Criteria: Poor Property Conditions

This is a difficult criteria for which to provide objective figures. We know that the quality and basic condition of properties is dependent upon the investment that owners and landlords are willing to make. However, it is also dependent upon the behaviour of tenants and how they treat their homes.

The Government guidance on this says that visual inspections of the exterior of properties should be made and then used as a guide to poor property condition within. A visual inspection of the three Wards this shows us that there are clear problems in certain roads, all within the three wards being considered.

There are other measures that can be looked as well:

- The levels of disposable income of both landlords and tenants affects how well they can maintain their properties
- The numbers of calls to council services, such as environmental health, adult social care etc.
- The amount of fly tipping and calls to the Community Wardens

In addition, there is the need to look at other data such as the numbers of children on free school meals, the numbers of people with income support and help with Council Tax payments and the numbers visiting local food banks.

By collating and comparing this type of information we can build a picture of those roads with poor property conditions.

Meeting the Criteria: High Levels of Migration

Migration is a measure of the movement of people in and out of a community. For example, Government guidance tells us that a population increase of around 15% or more over a 12 month period is indicative that the area has, or is, experiencing a high level of inward migration.

The latest report from Medway Council Migration 2018 (published July 2019) indicates that the population growth is currently falling:

“Natural growth remains Medway’s main source of growth, however significant outward migration from Medway - most notably to parts of Kent - has reduced the overall level of growth in recent years.”

In 2018, 13,587 people moved out of Medway, which exceeded the inflow of 12,392. This resulted in a net loss of 1,195 residents via migration flows within the UK.

However, the significant numbers of new housing units being built across Medway will affect these figures over coming years and will lead to significant increases in population.

Locally, migration in the three Wards will be associated with the high turnover in the private rented sector. There are high levels of private rented properties in the three Wards and anecdotal evidence shows that the turnover of tenancies is higher than average. This suggests a higher than average levels of migration of the population.

Further research is needed, however, into this particular criterion for the selective licensing process.

Meeting the Criteria: High Levels of Deprivation

The English Indices of Deprivation 2019 (IoD2019) report, produced by the Ministry of Housing, Communities and Local Government, 26th September 2019 states that;

“People may be considered to be living in poverty if they lack the financial resources to meet their needs, whereas people can be regarded as deprived if they lack any kind of resources, not just income.”

This report also provides detailed definitions of the measure of deprivation used by the Government based upon the following seven distinct domains of deprivation which, when combined and appropriately weighted, form the Index of Multiple Deprivation for 2019.

They are;

- Income (22.5%)
- Employment (22.5%)
- Health Deprivation and Disability (13.5%)
- Education, Skills Training (13.5%)
- Crime (9.3%)
- Barriers to Housing and Services (9.3%)
- Living Environment (9.3%)

Lower Layer Super Output Areas (LSOA) are a geographic hierarchy designed to improve the reporting of small area statistics in England and Wales. Effectively, they can be described as neighbourhoods and there are several in each of the three Wards.

Luton and Wayfield has a particularly high number of LSOA which are deprived.

Chatham Central

LSOA Medway 015B

In 2019, the LSOA is ranked 1,727 out of 32,844 LSOAs in England; where 1 is the most deprived, and is among the 10% most deprived neighbourhoods in the country.

LSOA Medway 027A (Maidstone Rd Rec)

In 2019, the LSOA is ranked 5249 out of 32,844 LSOAs in England; where 1 is the most deprived, and is among the 20% most deprived neighbourhoods in the country.

LSOA Medway 022B

In 2019, the LSOA is ranked 1,534 out of 32,844 LSOAs in England; where 1 is the most deprived, and is among the 10% most deprived neighbourhoods in the country.

River

LSOA Medway 015D

In 2019, the LSOA is ranked 6,424 out of 32,844 LSOAs in England; where 1 is the most deprived, and is among the 20% most deprived neighbourhoods in the country.

LSOA Medway 015E

In 2019, the LSOA is ranked 144 out of 32,844 LSOAs in England; where 1 is the most deprived, and is among the 10% most deprived neighbourhoods in the country.

Luton and Wayfield

LSOA Medway 020B (Henry St)

This neighbourhood is ranked 1279 out of 32844, and is among the 10% most deprived neighbourhoods in the country as of 2019.

LSOA Medway 020D (Luton Road)

This neighbourhood is ranked 1428 out of 32844, and is among the 10% most deprived neighbourhoods in the country as of 2019.

LSOA Medway 022D (Victory Academy)

This neighbourhood is ranked 2701 out of 32844, and is among the 10% most deprived neighbourhoods in the country as of 2019.

LSOA Medway 020A (Upper Luton)

This neighbourhood is ranked 3365 out of 32844, and is among the 20% most deprived neighbourhoods in the country as of 2019.

LSOA Medway 020C (Luton High Street)

This neighbourhood is ranked 4508 out of 32844, and is among the 20% most deprived neighbourhoods in the country as of 2019.

LSOA Medway 027C (Fort Luton)

This neighbourhood is ranked 6094 out of 32844, and is among the 20% most deprived neighbourhoods in the country as of 2019.

LSOA Medway 027D (Alamein Ave)

This neighbourhood is ranked 9592 out of 32844, and is among the 30% most deprived neighbourhoods in the country as of 2019.

LSOA Medway 027B (Crestway)

This neighbourhood is ranked 14919 out of 32844, and is among the 50% most deprived neighbourhoods in the country as of 2019.

Meeting the Criteria: High Levels of Crime

The figures for anti-social behaviour and crime should be looked at as a whole. They show clearly that there are serious problems within the three Wards and that these problems can be located within specific parts of the Wards.

Although they are being addressed in a variety of ways the use of selective licensing will bring about long term improvements for the whole community.

Reported crime is always less than actual crime and in high crime areas reporting of crime is affected by the social situation of residents. Either they can become apathetic towards persistent offending or they are live in fear of those committing the crimes. For example, drug related crimes go unreported because the sale and the taking of drugs becomes embedded within the community as a fact of life.

Nevertheless, the figures for the three Wards are comparatively high for Medway and it is possible to determine trends as to where the most problematic areas are. Appendix 2 of this reported shows maps of the three Wards indicating the crime "hotspots" and the roads for these are listed below.

Chatham Central

In 2019 a total of 2919 crimes were reported in Chatham Central, with a monthly average of 247 crimes reported. This is compared to 3,382 in 2018 and 2952 in 2017. These figures indicate a persistent and significant problem.

Key areas highlighted are;

Castle Road, Shipwright's Avenue, Joiners Crescent, Blockmakers Court, Symons Avenue, Glencoe Road, Sturla Road, Melbourne Road, Newnham Street, Herman Terrace, Ordnance Terrace, Charles Street, Perry Street, Cranleigh Gardens, Atlanta Court, Corkwell Street, Charles Street, Park Crescent, Chatham Grove.

River

In 2019 a total of 5152 crimes were reported in River with a monthly average of 430 crimes reported. Previous years' figures indicate a slight rise in crime occurring: in 2018 there were 4909 crimes reported and 2017 had 4501 crimes reported.

In 2019 crime was primarily focused around;

Chatham High Street (near Medway Street, Manor Road, Best Street, Pentagon Centre, Halfords, Rhode Street, Solomons Road, Meeting House Lane,

Meadowbank Road, Chelmar Road, Carpeaux Close, Central Theatre, High Street, New Road).¹

Luton and Wayfield

In 2019 a total of 2099 crimes were reported in Luton and Wayfield, with an average of 176 per month. Previous years were slightly higher; 2018 a total of 2248 and 2017 a total of 3825.

Luton and Wayfield experiences high levels of crime in concentrated areas, especially Luton. In 2019, crime was primarily focused around;

Luton Road and Luton high Street (Luton Road, Henry Street, Reform Road, Castle Road, Upper Luton Road, Albany Road, Alexander Road, First Avenue, Pheasant Road, Luton High Street, Nelson Terrace), Wayfield Road (Malta Avenue, Cherbourg Crescent, Churchill Avenue, Frost Crescent,), and Street End Road.²

Conclusions

To qualify for selective licensing, one or more of these criteria should be met.

Following the point by point analysis of the criteria for applying Selective Licencing the following summary shows that for the three Wards in these case studies the majority, if not all, have been met.

The area is one experiencing:

1. Low housing demand (or is likely to become so in such an area);

This criteria is being met at present

2. Significant and persistent problems caused by anti-social behaviour;

This criteria is being met at present

3. Poor property conditions;

This criteria is difficult to assess objectively but appears to be met and further research will show this

4. High levels of migration;

The population of the area is in flux, indicated by the condition of properties and the high levels of turnover in the rented properties. It is highly likely this criteria is being met.

5. High levels of deprivation;

This criteria is being met at present

6. High levels of crime;

This criteria is being met at present

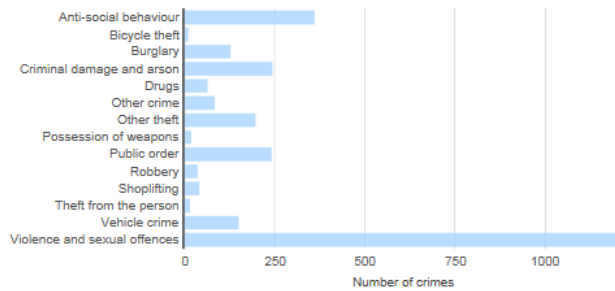
Appendix 2

Background Data for the three Case Studies

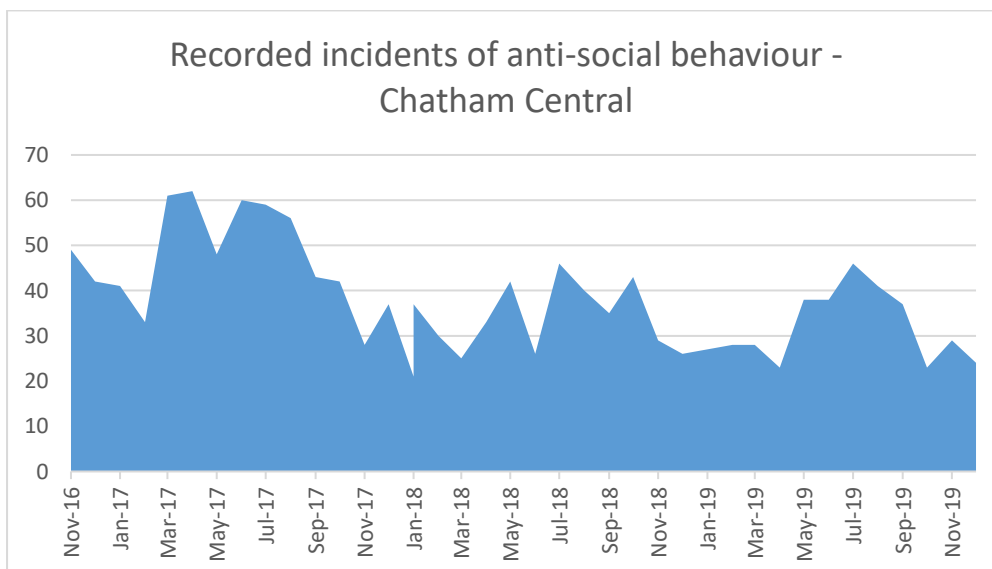
A. Data on Crime and Anti-Social Behaviour for the three Wards

Chatham Central

Comparison of crime types in this area between December 2018 and November 2019

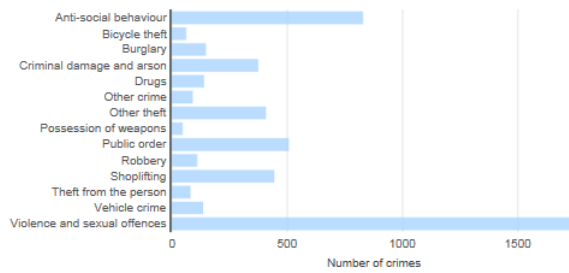


Crime type	Total	Percentage
Anti-social behaviour	361	12.87%
Bicycle theft	11	0.39%
Burglary	128	4.56%
Criminal damage and arson	244	8.70%
Drugs	64	2.28%
Other crime	84	2.99%
Other theft	197	7.02%
Possession of weapons	19	0.68%
Public order	242	8.62%
Robbery	37	1.32%
Shoplifting	41	1.46%
Theft from the person	16	0.57%
Vehicle crime	150	5.35%
Violence and sexual offences	1212	43.19%

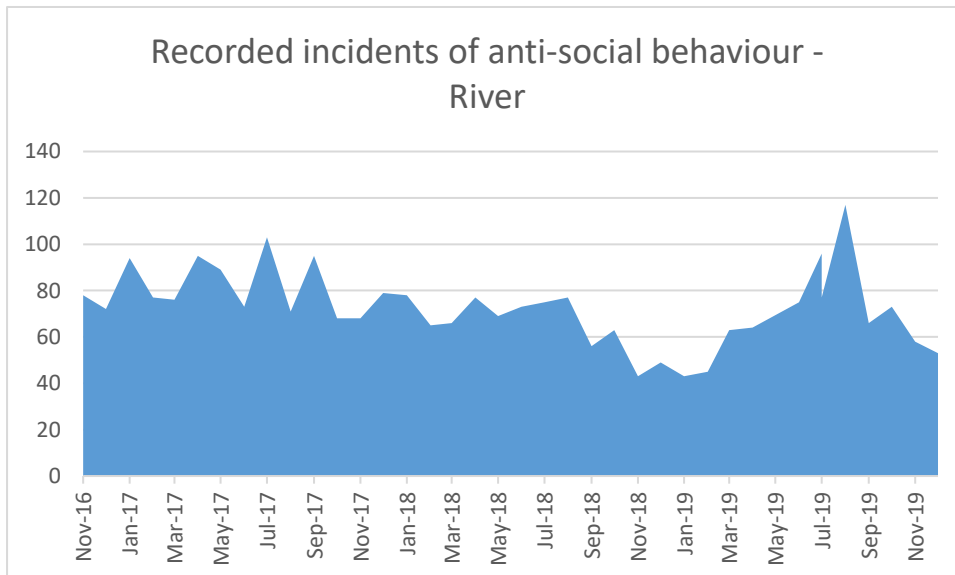


River

Comparison of crime types in this area between January 2019 and December 2019

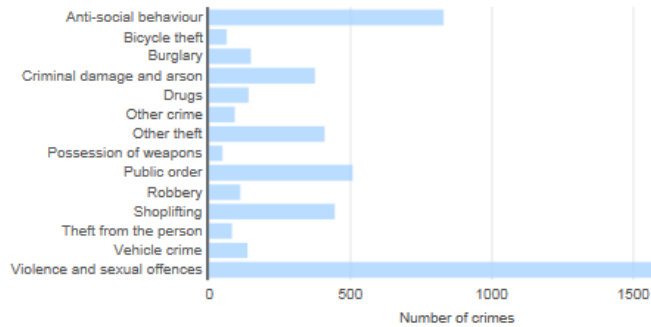


Crime type	Total	Percentage
Anti-social behaviour	830	16.11%
Bicycle theft	64	1.24%
Burglary	150	2.91%
Criminal damage and arson	376	7.30%
Drugs	141	2.74%
Other crime	92	1.79%
Other theft	410	7.96%
Possession of weapons	49	0.95%
Public order	509	9.88%
Robbery	112	2.17%
Shoplifting	446	8.66%
Theft from the person	83	1.61%
Vehicle crime	137	2.66%
Violence and sexual offences	1753	34.03%

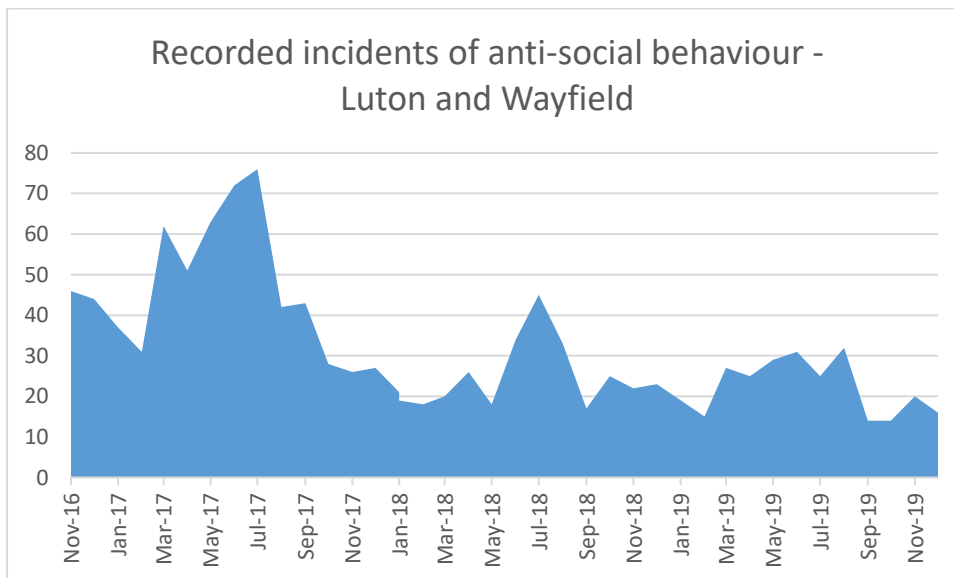


Luton and Wayfield

Comparison of crime types in this area between January 2019 and December 2019



Crime type	Total	Percentage
Anti-social behaviour	830	16.11%
Bicycle theft	64	1.24%
Burglary	150	2.91%
Criminal damage and arson	376	7.30%
Drugs	141	2.74%
Other crime	92	1.79%
Other theft	410	7.96%
Possession of weapons	49	0.95%
Public order	509	9.88%
Robbery	112	2.17%
Shoplifting	446	8.66%
Theft from the person	83	1.61%
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Violence and sexual offences	1753	34.03%



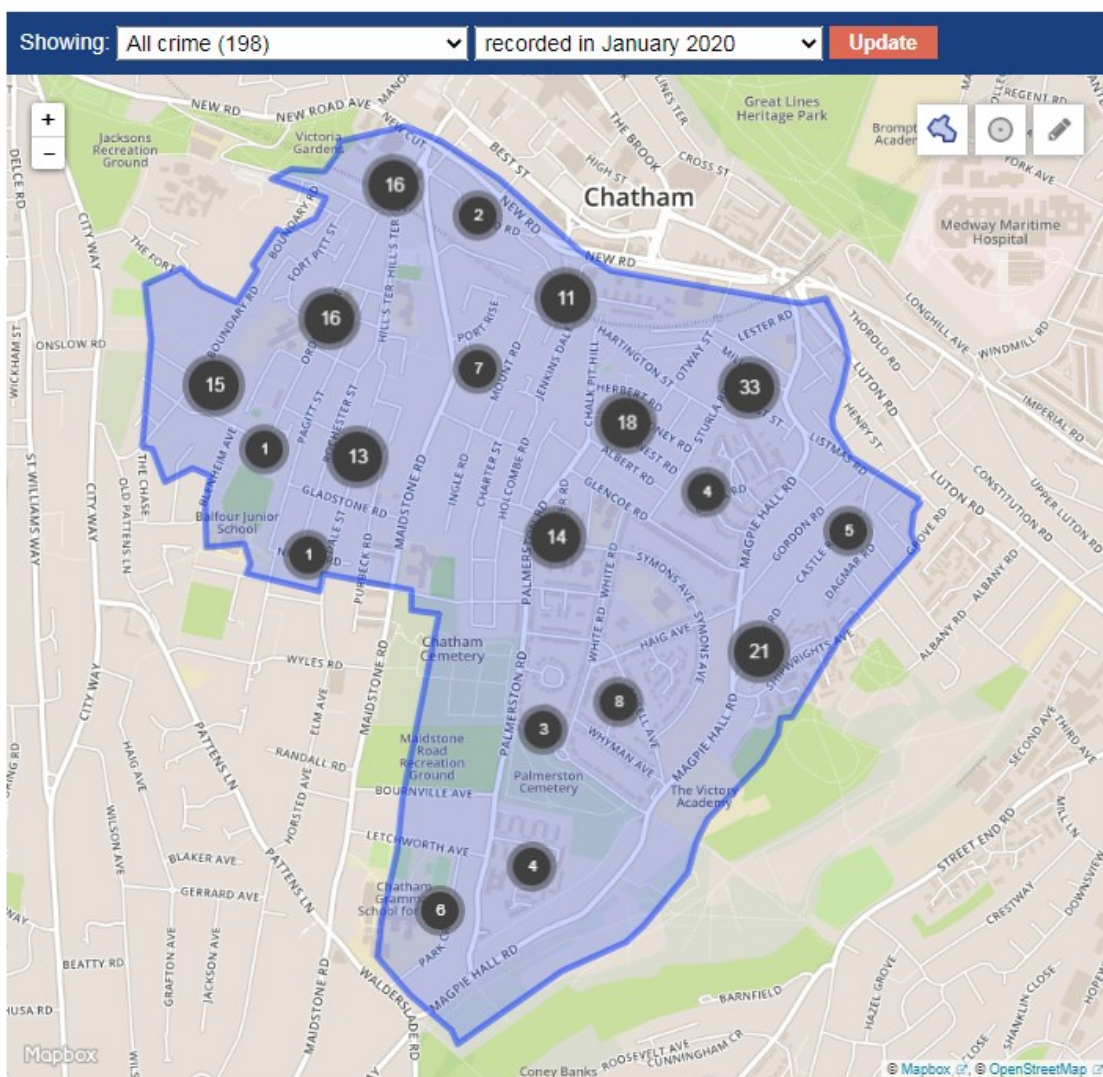
B. Maps of high crime areas for the three Wards

Chatham Central

The Kent Police crime map for Chatham Central (January 2020) shows that crime is heavily concentrated in the areas shown below. January 2020 is indicative of other months and years, which can be explored here: <https://www.police.uk/kent/1/crime/>

Map showing main area of crime with the Chatham Central Ward

Castle Road, Shipwright's Avenue, Joiners Crescent, Blockmakers Court, Symons Avenue, Glencoe Road, Sturla Road, Melbourne Road, Newnham Street, Herman Terrace, Ordnance Terrace, Charles Street, Perry Street, Cranleigh Gardens, Atlanta Court, Corkwell Street, Charles Street, Park Crescent, Chatham Grove.

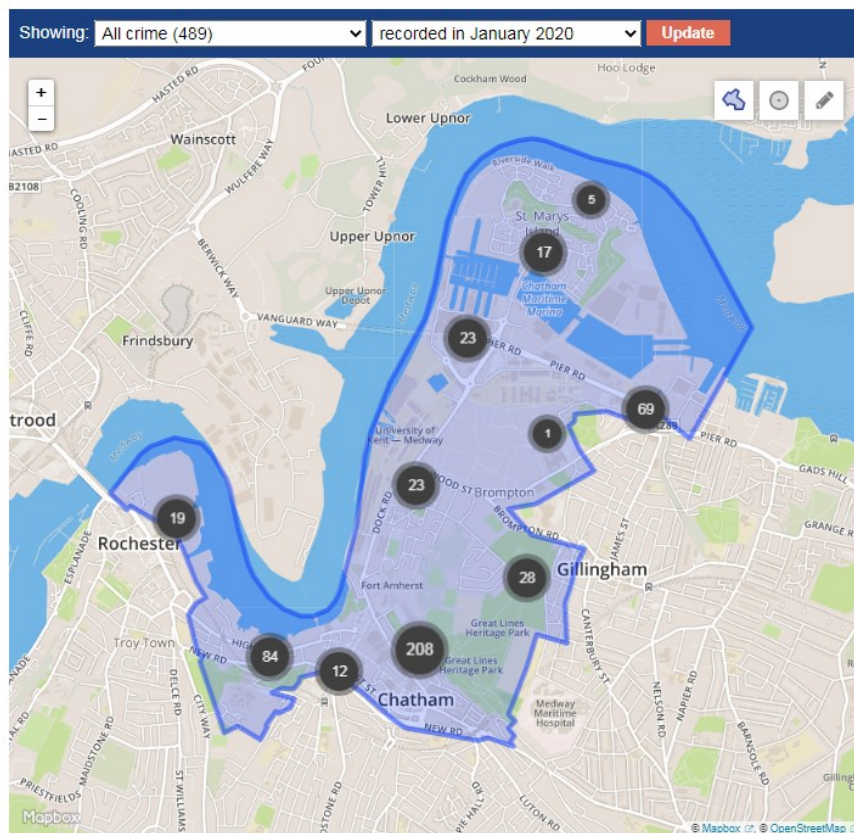


River

The Kent Police crime map for River (January 2020) shows that crime is heavily concentrated in the areas shown below. January 2020 is indicative of other months and years, which can be explored here: <https://www.police.uk/kent/13/crime/>

Map showing the main areas of crime in the River Ward

River experiences high levels of crime. In 2019 crime was primarily focused around Chatham High Street (near Medway Street, Manor Road, Best Street, Pentagon Centre, Halfords, Rhode Street, Solomons Road, Meeting House Lane, Meadowbank Road, Chelmar Road, Carpeaux Close, Central Theatre – High Street, New Road).³



Luton and Wayfield

The Kent Police crime map for Luton & Wayfield (January 2020) shows that crime is heavily concentrated in the areas shown below. January 2020 is indicative of other months and years, which can be explored here: <https://www.police.uk/kent/7/crime/>

Map showing main areas of crime with the Luton and Wayfield Ward

Luton and Wayfield experiences high levels of crime in concentrated areas, especially Luton. In 2019, crime was primarily focused around Luton Road and Luton high Street (Luton Road, Henry Street, Reform Road, Castle Road, Upper Luton Road, Albany Road, Alexander Road, First Avenue, Pheasant Road, Luton High Street, Nelson Terrace), Wayfield Road (Malta Avenue, Cherbourg Crescent, Churchill Avenue, Frost Crescent,), and Street End Road.⁴

