

# Selective Licensing in County Durham

Economy and Enterprise Overview and Scrutiny Committee

22 April 2024

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# Agenda

1. Background and current position
2. Enforcement
3. Anti-social behaviour
4. Challenges and Next Steps

## **Objective/Purpose:**

- To provide information on the current position of selective licensing within County Durham.
- To respond to queries members may have regarding selective licensing.

# 1. Background and current position

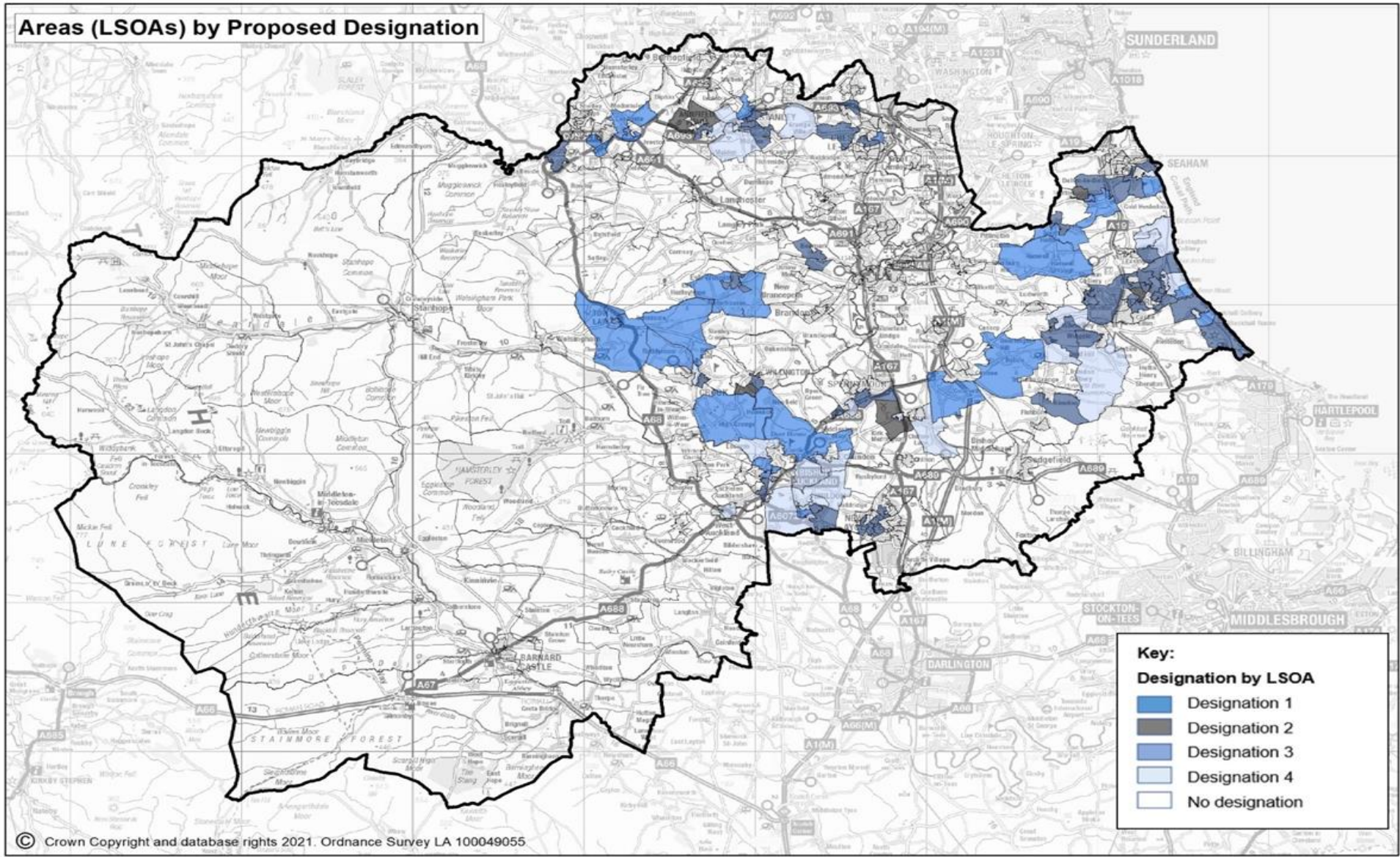
Selective licensing gives certain powers to a local authority to regulate landlords and managing agents of private rented property but only in designated areas. These areas must meet certain criteria, set out by legislation, regarding low demand for housing, anti-social behaviour, and/or deprivation.

# Key details

- Approved by Secretary of State on 30 November 2021
- In force 1 April 2022 lasts for five years
- Covers 42% of the private rented stock 28,500 properties
- Covers 103 of County Durham's 324 Lower Super Output Areas.
- There are 4 designations:
  - (i) ASB
  - (ii) Deprivation
  - (iii) Low Demand
  - (iv) Areas that satisfy all 3 criteria



# Areas (LSOAs) by Proposed Designation



# Licensing so far (as of 27 March 2024)

- 13,124 Applications received
- 11,821 Licences issued (41% of assumed PRS in designated areas)
- £5.72 million received (with a further £590,000 due in second part payments once the draft licence is sent).
- Ringfenced to selective licensing activities
- 3000+ inspections carried out
- Enforcement Action underway
  - Prosecutions secured
  - Improvement Notices for Disrepair
  - PACE interviews being conducted (no application or non-compliance with Improvement Notices/ Licence Conditions)



# 2. Enforcement



# Enforcement Powers – Durham County Council

## Housing Act 2004

### Part 1 powers:

- Duty to take action where Category 1 hazards are found
- Discretionary Power to take action where Category 2 Hazards are found
- Formal options include Improvement Notices, Prohibition Orders, Emergency Action (Category 1 Hazards only)
- Always has to be the most appropriate course of action
- Try and work informally with landlords to get disrepair addressed before moving to formal action
- If formal action required must serve Notice of Entry before using formal enforcement options above

# Enforcement Powers – Durham County Council

## Housing Act 2004

Part 3 powers:

- Section 95 – enforcement when no licence or non-compliance with licence conditions

Housing Action Team in Community Protection have same powers in non-licensing areas and administer the Mandatory HMO licensing scheme (Part 2 of the Act).

Within selective licensing, there are 36 staff working across applications, compliance and enforcement, including Team Leaders and Business Support staff

- 18 Applications
- 18 Enforcement and Compliance

# Penalties

- Prosecution (unlimited fine) or a civil penalty of up to £30,000
- Management Order
- Rent Repayment Order
- Banning Order
- Entry on Rogue Landlord Database
- No S21 Notice (no fault eviction)



# Selective licensing enforcement so far (as of 27 March 2024)

- 3000+ Inspections carried out
- 350+ follow up formal inspections for remedial work which have led to:
  - 81 Improvement Notices
  - 2 Emergency Remedial Actions
  - 2 Prohibition Orders
  - 2 Prosecutions concluded
  - 41 case files prepared, that may progress to prosecution/ civil penalties.
- 1 licence revoked after landlord found to be not “fit and proper”.
- 15% of all compliance inspections to date were found to be unsatisfactory.



# 3. Anti-social behaviour

# Anti-social behaviour

- Can ask landlord to formally intervene where there are confirmed cases of ASB **AND** enforcement action is being taken by ASB or Nuisance Action Team Officers.
- We can't ask landlords to intervene if no confirmed cases, as ultimately ends up in court should possession notices be served. Needs to be evidenced.
- Appointed ASB co-ordinator to liaise with and educate tenants and landlords.
- Lead on enforcement of ASB licence conditions.

# 4. Challenges and Next Steps

# Challenges

- Application numbers were lower than anticipated in 2023 but are on the rise in 2024, with approximately 400 applications being received per month.
- All evidence to date (verified tenures) shows the PRS is larger than we modelled, when you consider net empties and movement between owner occupier and PRS.
- No national register of landlords.
- Enforcement cases take time and effort to conclude, so an application from landlord is always preferable.
- A new financial penalty has been brought in as a result of an Upper Tribunal Decision in 2023.
- Renters Reform Bill proposals – property portal and interaction with selective licensing.



# Next Steps

- Continuing identification of properties without a licence using various sources of data including Council Tax, Housing Benefit, and Tenancy Deposit data. Recent fire service data will also assist.
- Intensive analysis of the areas with the least applications against modelling, including Esh Winning, Pelton Fell and Trimdon South.
- Landlords written to advise that they need to apply for a licence to avoid enforcement action.
- Delivery Plan - Enforcement and Compliance teams working through all LSOAs in first 3 years of the scheme – targeted and intelligence driven.
- Review data in years 4 and 5 to consider areas that may be included in extension of the scheme

**Any Questions?**

