

**11 March 2019**

**Private Sector Housing**



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**Joint report of Lorraine O'Donnell, Director of Transformation and Partnerships and Ian Thompson, Corporate Director of Regeneration and Local Services**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide Members of the Economy and Enterprise Overview and Scrutiny Committee (E&E OSC) with an overview of the various initiatives, achievements and challenges in dealing with private sector housing in County Durham.

**Executive Summary**

- 2 The private rented sector is a growing and valuable part of the housing market, with many people choosing to live in private sector housing accommodation whilst others have no other available option.
- 3 The majority of private landlords operate good practices and are aware of their responsibilities, however a small number operate unsatisfactory management practices which can have a detrimental impact on tenants and communities.
- 4 Our aim is to ensure that problems associated with private sector housing are effectively resolved in a timely manner ensuring that risks to public safety are minimised and private properties are effectively managed by their owners.

**Recommendations**

- 5 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and the presentation.
- 6 That the Economy and Enterprise Overview and Scrutiny Committee continues to monitor the progress of the various activity undertaken with the private rented sector with a further progress report scheduled in the work programme for 2019/20.

## **Background**

- 7 Members will recall that at the E&E OSC held on the 26 February 2018 members received detail of the various projects and initiatives undertaken with the private housing sector and it was agreed at that meeting that the committee would include in their future work programme for 2018/19 a further progress update.
- 8 Subsequently when developing the future work programme, we included an overview of the 'Tackling Empty Properties' initiative at the September E&E OSC. A further update on this initiative is to be provided at the meeting on 11 March 2019 and it was therefore considered timely that members receive an update on the private rented housing sector.
- 9 Arrangements have been made for Shirley Janes, Housing Manager and Neil Laws, Public Health and Private Sector Housing Manager to attend the meeting on the 11 March 2019 and provide a presentation focusing on:
- Our collaborative approach
  - Private Rented Housing Sector Initiatives and Interventions
  - Achievements
  - Challenges and emerging Issues
  - Forward plan

A copy of the presentation is attached as Appendix 2.

## **Context**

- 10 Durham is a large and diverse area with different parts of the county having distinctive characteristics and needs and this is true of the housing sector as much as any part of the county's infrastructure.
- 11 According to the 2011 census, there are 223,803 occupied households in the county with 14% of them being in the private rented sector.
- 12 The census shows a significant growth in the private rented sector in the ten years between 2001 and 2011, with the number of private rented homes in the county rising by 78% from 15,825 to 28,142 households.

- 13 Apart from the concentration of private rented housing in Durham City serving its student population, private rented housing in County Durham tends to be concentrated in areas of relative deprivation, where the housing market is weak. Private rented property is often older types of housing, in poor condition and failing to meet the minimum condition standards.
- 14 Within County Durham we have over 750 Houses in Multiple Occupation which are regulated under the mandatory licensing scheme.
- 15 Private rented accommodation is a valuable and growing part of the housing market, providing flexibility for people who choose not to buy and can provide affordable housing for those who are unable to afford to purchase their own home. Whilst it is the tenure of choice for some, an increasing number of residents have no other available option than to rent in the private sector.
- 16 The majority of private landlords who operate in the county provide good quality accommodation and are aware of their responsibilities, however a small number operate poor management practices and allow tenants to live in unsatisfactory conditions. This can have a negative impact on the health and wellbeing of tenants, neighbours and the community.
- 17 There are significant issues with empty, abandoned and neglected dwellings in many areas across the county. Recent Council tax records indicate there are around 4,900 privately owned homes that have been empty for six months or more. A large proportion of these properties tend to be concentrated in areas of relative deprivation, where the housing market is weak.
- 18 Long term empty properties are often neglected or abandoned, which can be an attraction or anti-social behaviour, fly tipping and arson.

### **Our Collaborative Approach**

- 19 The Council's Housing Solutions Team and Environment, Health & Consumer Protection Services (EHCP) work together as part of a multi-agency approach to address issues relating to private sector housing and tackle empty properties, which are affecting our local communities.
- 20 Housing Solutions work pro-actively with internal Council services and external agencies to scope the issues and determine an action plan for the area.

- 21 Housing Solutions-Private Sector Housing team work proactively to encourage a more professional private rented sector in the county by improving the management practices of landlords and the quality of the accommodation they let.
- 22 The EHCP - Public Health & Private Sector Housing Team have a regulatory role for inspecting and licensing houses in multiple occupation as well as assessing house condition and overcrowding. Where necessary the team will take enforcement action to improve the private housing stock (which includes rental properties) to protect residents, tenants and local communities from risks to their public health and safety.
- 23 The Council takes a collaborative approach and will adopt an early intervention strategy which is risk based and intelligence led to ensure that available resources are effectively targeted at the highest priority properties and priority areas.

### **Initiatives and Interventions in the private rented housing sector**

- 24 The council delivers a range of interventions and initiatives alongside a variety of partner agencies to address poor standards in living accommodation as well as improve the current private rented sector housing offer available.
- 25 Our intervention strategy is implemented using a graduated approach and through positive engagement with landlords and tenants we seek to encourage and support a good quality private rented sector, with good quality accommodation, run by responsible landlords. When this partnership approach does not work effectively, there are other interventions that the authority needs to take.
- 26 The range of interventions includes:-
- Advice and information – is provided to landlords and tenants regarding their legal rights and responsibilities of renting property.
  - Tackling empty properties – working with property owners through engagement, encouragement and the provision of financial assistance.
  - Selective Licensing – currently there is one remaining designation which is Wembley, Easington Colliery. In these areas, a landlord has to obtain a licence from the council in order to rent out their property and all tenants must be referenced.

- Financial Assistance – A suite of loan products is available to help landlords improve their properties. Interest free loans are available to property owners to bring empty properties back into use and ‘move in’ incentive grants are available to people who purchase a long-term empty property to live in themselves. All loans are registered as a secure charge against the property and owner occupiers who receive a move in grant must remain living in the property for five years or repay the council in full.
- Accreditation – In 2015 the private landlord accreditation scheme was launched countywide. The scheme is voluntary and for landlords to be a member they must operate to a code of practice, which includes property condition; management practices; and the good character of the landlord.
- Area based Initiatives – resolving issues in specific areas through a targeted multi-agency approach. This work has had a positive impact on returning properties to use; engaging with landlords; and increasing the membership of the accreditation scheme.
- Mandatory Licensing of Houses in Multiple Occupation (HMOs) – was initially introduced in 2006 and over 450 have been licensed by the Council. Since October 2018, the legislation has been extended and now covers an additional 300 HMOs within the licensing regime.
- Assured Housing scheme for HMOs – The scheme is a voluntary code for student landlords that covers all accommodation in Durham and aims to improve the quality of privately rented student housing and provide a level of assurance for students seeking accommodation.
- Housing Health & Safety Rating System (HHSRS) is a risk assessment tool used to assess potential risks to the health and safety of occupants and their visitors in residential properties focusing on the hazards that are present in housing. Tackling these hazards will make housing healthier and safer to live in.
- Public Health & Private Sector Housing enforcement- The Council has a variety of statutory duties and powers it can use both for private rented housing as well as owner occupied to deal with poor housing conditions, defective buildings and empty properties.

- Community Action Team (CAT) - The CAT co-ordinate area based actions with key council services and partners to deal proactively with local housing and environmental issues. The CAT initiative is normally delivered over an eight to ten week rolling programme in 4-6 targeted areas within the County every year and will work with the local community to ensure that owners, occupiers / tenants and landlords to take responsibility for their properties.
- The Housing and Planning Act 2016 introduced provisions for private landlords and lettings agents with the introduction of a range of sanctions:
  - Rent Repayment Orders
  - Civil penalties
  - Tenancy deposit data sharing
  - Banning Orders
  - A Rogue landlord database

### **Key Achievements 2018/2019:**

- Tackling Empty Properties protocol developed to assist multi agency working and escalate actions in priority areas/properties was implemented in 2018 and enables partners to develop a problem solving approach using their relevant powers as well as innovative solutions to protect the public and bring empty properties back into use.
- Officer working group established to address some of the most complex to deal with empty homes.
- Over 700 long-term empty homes have been brought back into occupation since April 2014. Empty Homes brought back into use for this financial year to date is 171.
- Extended licensing HMO regime introduced in October 2018 – extended scope of licensing regime to an additional 300 HMOs.
- Officer Working group established to consider development of Town and Village Centre Initiatives.
- Community Action Team have delivered 4 area based programmes of work Ferryhill/Deanbank and Easington Colliery (former selective licensing areas), Willington and Woodhouse Close.

### **Challenges and emerging issues:**

- 27 The private rented sector has been the focus and subject of many legislative changes in the last three years. Along with rising costs through taxation changes, negative equity, changes in mortgage lending, banning of tenant fees, 100% council tax charges and the introduction of universal credit many landlords are experiencing difficult times.

28 In 2019/20 more changes are set to be implemented with much of the detail still to be confirmed, however initial proposals will cover:

- Homes (Fitness for Human Habitation) Act
- Letting Agent Fees
- Landlords to Join Redress Scheme
- Compulsory Electrical Checks

### **Forward Plan:**

29 Development of the Council's Private Sector Housing Policy

30 Development of a revised Empty Homes policy including:

- Annual target of 200 empty homes brought back into use

31 County Durham Selective Licensing Appraisal

32 Community Action Team Programme – CAT programme for 2019 will focus on Cockton Hill Road, Grange Villa, Crook Central and Eldon.

33 Development future action programme for Town and Village Centres.

### **Conclusion**

34 Members of the Economy and Enterprise Overview and Scrutiny Committee will be aware of the multi-agency approach used to tackle issues with private sector housing and empty properties in the county, detail of achievements made, challenges and emerging issues and proposals for the future.

35 The committee will continue to monitor the impact of the multi-agency approach and the various initiatives and interventions in the private rented housing sector with a further progress report included in the committee's work programme for 2019/20.

### **Background papers: None**

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## **Appendix 1: Implications**

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### **Legal Implications**

Not applicable

### **Finance**

Not applicable

### **Consultation**

Not applicable

### **Equality and Diversity / Public Sector Equality Duty**

Not applicable

### **Human Rights**

Not applicable

### **Crime and Disorder**

Not applicable

### **Staffing**

Not applicable

### **Accommodation**

Not applicable

### **Risk**

Not applicable

### **Procurement**

Not applicable