

## **DURHAM COUNTY COUNCIL**

### **ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

At a Special Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 1A-1B, County Hall, Durham** on **Monday 11 March 2019 at 9.30 am**

#### **Present:**

**Councillor A Batey (Chairman)**

#### **Members of the Committee:**

Councillors E Adam, J Atkinson, M Clarke, R Crute, S Dunn, T Henderson, P Howell, S Iveson, R Manchester, A Patterson and E Scott

#### **Co-opted Members:**

Mr G Binney and Mrs R Morris

#### **Also Present:**

Councillors J Turnbull, J Charlton, M Wilkes and J Clare

### **1 Apologies for Absence**

Apologies for absence were received from Councillors D Hall, P Jopling, J Maitland, A Reed, P Sexton and M Wilson and C Hampson and C Wilson from the Safer and Stronger Overview and Scrutiny Committee.

### **2 Substitute Members**

No notification of Substitute Members had been received.

### **3 Declarations of Interest**

Councillors P Howell and M Wilkes declared an interest in Item 6, Private Sector Housing, as private landlords.

### **4 Items from Co-opted Members or Interested Parties**

There were no items from Co-opted Members or Interested Parties.

## 5 Local Industrial Strategy

The Chairman introduced the Regeneration Policy Team Leader, Glenn Martin and the Innovation and Business Growth Director, Business Durham, Catherine Johns who were in attendance to give an update on progress in relation to the Local Industrial Strategy (for copy see file of minutes).

The Regeneration Policy Team Leader reminded Members he had attended Committee around a year ago to give an update as regards the position in terms of the Government White Paper in relation to the Industrial Strategy and Local Industrial Strategies (LIS). Councillors were referred to a slide setting out the UK Gross Domestic Product (GDP) per hour worked from 2016 against those of other G7 countries, being fifth of those seven countries.

The Committee were reminded of the five Productivity Foundations: Ideas; People; Infrastructure; Business Environment; and Places. The Regeneration Policy Team Leader added that there were also a number of Grand Challenges, namely: Artificial Intelligence (AI) and the Data Economy; the Future of Mobility; Clean Growth; and the Ageing Society. Members were reminded of Sector Deals, with the current areas being: aerospace; AI; automotive; construction; creative; life sciences; nuclear; and rail. The Regeneration Policy Team Leader noted that other sectors deals were in the pipeline, noting one sector which was keen to secure a deal, yet had not secured a deal, was the steel industry. It was noted that in terms of the automotive deal, it was explained that the car manufacturer Nissan had not been mentioned.

Councillors were reminded of Local Enterprise Partnerships (LEPs), including the North East's (NELEP), role in terms of the LIS, that: "Local Enterprise Partnerships will adopt a single mission; to promote productivity by delivering Local Industrial Strategies". It was added that within the Government Policy Prospectus published in October 2018, it had been set out there would be waves in terms of LISs, with wave one including: Manchester, the West Midlands; the Cambridge to Oxford Corridor and Buckinghamshire. Members noted that wave two would include the NELEP, the Tees Valley LEP and four other LEP and Combined Authority (CA) areas. It was explained that it was envisaged by Government that the LIS would be in place by the end of 2019.

The Regeneration Policy Team Leader explained that guidance in relation to the North East was to: increase productivity; set out the spatial impacts of national policy; and also assumed LEP and Mayoral CAs had the same geographies, which was not the case and was also not the case for several areas elsewhere in the country. It was reiterated that Government saw LEPs as being the lead in terms of LISs and as the Vice-Chair of the County Durham Economic Partnerships (CDEP) sat on the NELEP LIS Evidence Forum there was the opportunity for County Durham to feed into the LIS process. Councillors were reminded of the launch of the NELEP's Strategy Economic Plan (SEP) and noted that the LIS would be aligned to this, however, the LIS would have a sharper focus on productivity and look to pick up on one or two of the grand challenges previously mentioned.

Members were informed that the LISs would be developed with Government, with a standard branding and be published by Government.

The Regeneration Policy Team Leader explained that one element yet to be understood was that of the Shared Prosperity Fund (SPF), which would replace EU funding following Brexit. The Officer added that it was envisaged that it would be linked to the LIS being in place and having projects identified. It was noted that a key challenge would be in each LEP retaining their distinctness.

Councillors were asked to note how delivery would be influenced, with engagement through the NELEP Boards, the North East Combined Authority (NECA), consultations and Officer engagement. It was added that there would be continued lobbying via: Civil Servants; the Industrial Communities Alliance; the County Council's Network; the Chief Economic Development Officers' Society; and other various groups and networks.

The Regeneration Policy Team Leader noted the issues in terms of the LIS and the SEP, with the NELEP seeing the focus of the SEP to be on productivity. It was added there was also issues in terms of resources once a LIS was in place, and that while there had not been a great deal of progress since last year, there was the additional guidance and information in terms of sector deals.

The Chairman thanked the Officer and asked Members for their comments and questions.

Councillor R Crute noted he had hoped for more in terms of the extent of ambitions of the LIS, with Government simply stating "good jobs" whereas the SEP noted "more and better jobs". He added that given the history, transport, University and technology in our County he would have assumed "the bar would have been set very high" and be linked to the issues of skills and transport. The Regeneration Policy Team Leader noted he agreed, however, with national employment being around 75 percent, he felt Government was complacent in terms of creating more jobs as such. He added there was the additional challenge in the North East in relation to issues such as ill health and those in receipt of benefits. The Regeneration Policy Team Leader noted this was a message that was continued in terms of lobbying to raise the bar higher in relation to jobs. Councillor R Crute noted the 75 percent employment, however, he reminded Members that the Committee had previously remarked that those jobs were not all quality jobs and that there was a need to create those quality jobs to allow people the freedom and confidence to spend.

The Innovation and Business Growth Director noted a key performance indicator for Business Durham was how many jobs were at a level greater than the average level and was important in relation to directing resources. She added the focus of the LIS being productivity was essential and those grand challenges intersected with many high value sectors.

Councillor E Adam noted he agreed with Councillor R Crute and suggested that the lack of progress nationally had been as a consequence of Brexit. He added his concerns was with the sector deals announced and the NELEP being within wave two, asking whether being within wave two would mean the NELEP and therefore the County missed on the opportunity to capture those types of businesses we would want to attract. The Regeneration Policy Team Leader noted that Buckinghamshire, a wave one area, had a similar geography however, their performance is better than County Durham's and included several large profitable businesses including Silverstone; Pinewood Studios and many businesses that were ran from home.

He added there could be some analysis in terms of how they had achieved where they are, though he noted that successful areas would likely continue to be successful and that it would be for areas such as County Durham to look to maximise upon their own successes. The Regeneration Policy Team Leader explained an area Buckinghamshire struggled with was having a large number of premises and areas ready for businesses to move into. He explained that County Durham had a number of large premises and areas ready for business coming in the future and that this, together with other factors such as the lower cost of living, counted in the County's favour and these elements could be marketed. In relation to the NELEP being part of wave two and potentially missing out in comparison to wave one areas, the Regeneration Policy Team Leader noted that County Durham had always been successful in being able to "punch above its weight" and that while it would have been preferable to be within wave one, it was understandable in terms of the national economy why those wave one areas had been chosen. Councillor E Adam noted he still felt as if those in the North East were treated as "second class citizens" and that Government was not interested in the North East. He noted he appreciated the hard work undertaken by the Officers from the Council, Business Durham and the NELEP.

Mrs R Morris noted she had attended the launch of the SEP and while the report and presentation provided a good update in terms of strategy she did not get a feel as regards County Durham. She referred to paragraphs 16 and 17 of the report, setting out the County's strengths and asked if there was more information relating to this aspect. Mrs R Morris noted that she felt a Skills Strategy was missing in terms of preparing County Durham, referring to recent Ofsted ratings highlighting 50% of schools within the County being "inadequate". She added that it was with sadness she had noted the desire to attract graduates from outside the County and suggested it was vitally important for us to train our young people. Mrs R Morris noted concern in terms of one organisation collecting information and asked how education and training are linking into the process. She also asked if information was coming from the "Northern Powerhouse"; noted that the County did not have businesses within all eight of the sectors with deals; and concluded that the requirement for the strategy to be published by the end of 2019 did not leave much time. The Regeneration Policy Team Leader agreed and added this was a reason for the focus and that for the Council the Regeneration Statement may require an update, to add in greater emphasis on issues such as the skills agenda. He explained that Government focussed upon infrastructure projects. Mrs R Morris asked how the targets set out within the report would be achieved.

The Innovation and Business Growth Director noted that Business Durham was not one organisation collecting data, rather they were drawing together available data from many sources to develop a concise summary, add actions, delivery and outcomes. She added that County Durham represented 20 percent of the jobs within the NELEP and often the County "hid its light under a bushel" and there was a need to help demonstrate our successes and give examples of the story of our "place". She added that therefore it would be important to try to influence our LIS in terms of County Durham.

Councillor J Atkinson asked for any further information in relation to the SPF. The Regeneration Policy Team Leader commented that the shared prosperity fund would look to replace EU funding from the end of 2020. He added that consultation as mentioned by Government on this had not yet materialised and therefore there was an opportunity to tell government what we wanted. Councillor J Atkinson asked if there was a number in terms of the funds that would be made available via the SPF and how they would be applied.

The Regeneration Policy Team Leader explained that hopefully this would be devolved to the LEPs and that funds would be used in line with the LIS priorities. He added that it was not yet known as regards the amount of funding, however as County Durham was a "Transition Region" and attracted additional funding there would be a push to ensure that there was something similar in place. He noted that amounts as regards the SPF could become apparent from the Government Funding Review.

Councillor M Wilkes referred to paragraph 16 of the report noting 100,000 jobs for the North East and suggested this may be a typographical error. The Regeneration Policy Team Leader explained that this should have read 10,000. Councillor M Wilkes noted the jobs safeguarded via the activities of Business Durham were around 250 per quarter and asked how many were created each year in County Durham and how we would plan if there were no EU funding or equivalent SPF monies. The Innovation and Business Growth Director explained that there was a target for Business Durham and she could circulate a response to this. She added that it was important to create "beacons", for example in the Teesside area in the 1970-1980s ICI was a huge draw, in terms of direct and indirect jobs. It was added that this idea needed to be developed further in County Durham, building upon our successes at NETPark, the four technology centres and two catapults with national acclaim and the University of Durham, a world class institution. The Innovation and Business Growth Director noted a need to focus and tell the story of County Durham to let our successes shine.

Councillor M Wilkes asked at what point would it be said to Business Durham that we had not seen this shift and to look again at the direction, especially for the young people within our County. He added that he would not wish to have an approach of simply building more houses in order to create more wealth, rather than focus on creating more high-end jobs, his concern was that this was not happening quickly enough. The Innovation and Business Growth Director noted that the Business Durham Advisory Group had representation in terms of the Leader of the Council and that it had been agreed to ramp up work, focussing on successes such as the technology centres and catapults, linking in to the Grand Challenges mentioned and looking to match up with available funding. She added that there was an exciting shift taking place and that the new "Powered by People" campaign was adding to that momentum.

Councillor P Howell noted the issues raised in terms of the alignment of NECA, LEP and Local Authority areas, and asked if in our region, between the Tees Valley LEP and North of Tyne CA, would County Durham become squeezed and how would we address this. He also asked as regards the challenge in terms of good quality jobs, creating the channels and routes to allow people to take up opportunities. He noted the excellent job site at Newton Aycliffe and that the area also had some of the largest unemployment in the county and asked how we would align training with job creation. The Innovation and Business Growth Director noted she did not feel there was a finite pool of jobs and that County Durham would be able to attract a number of companies with an offer that was high tech and based upon people, product and prosperity. She agreed in terms of skills, noting that Business Durham looked to create demand and it was for other organisations to look to skills development. The Regeneration Policy Team Leader noted he too agreed in terms of we had a number of sites in place or planned and that skills to match requirements would be important.

Councillor S Dunn noted he felt that the Government's Industrial Strategy was "paper thin" and did not provide support for anyone and that those areas within wave one were the areas were those being targeted and that these areas know what they are doing, and he was not enthused that the NELEP was in wave two. He noted that EU funding streams recognised need and there was a need to ensure that this fairness would be retained going forward for our region and County Durham. He added he felt that the Government strategy was politically driven, and that County Durham could lose out. Councillor S Dunn noted he felt that the LIS being driven by the NELEP was a little indirect and asked what control and influence County Durham could have on the LIS. The Regeneration Policy Team Leader noted significant representation of County Durham on the NELEP itself, with the Leader of the Council, and representation through the Innovation and Business Growth Director and Dr Tim Hammond, Director of Commercialisation and Economic Development from Durham University were on the NELEP Innovation Board.

The Chairman noted the frustration of Councillors in terms of the lack of clarity so far in terms of moving from EU funding that had been needs based to the SPF with no indication of how this would be allocated. The Innovation and Business Growth Director noted that this frustration was shared by all Local Authorities and that there was the opportunity for the region and County Durham to focus in the best of our people and place. She reiterated that County Durham had a strong story to tell.

Councillor P Howell noted he agreed with the concerns expressed by other members in relation to funding and how it is allocated.

**Resolved:**

- (i) That the report and Committee's comments be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee includes in its 2019/2020 work programme a further progress update on the development of the Local Industrial Strategy.

## **6 Private Sector Housing**

The Chairman asked the Housing Manager, Shirley Janes to give a presentation on Private Sector Housing (for copy see file of minutes) and noted the Public Health and Housing Manager, Neil Laws was also in attendance to provide additional information.

The Housing Manager reminded Members of the empty building protocol in place with partners, including Durham Constabulary and the County Durham and Darlington Fire and Rescue Service (CDDFRS), and that while this had only been in place for one year it appeared to be working well. She added that further information as regards this would be reported back at a future meeting of the Committee.

The Housing Manager explained as regards the collaborative approach taken with Housing Solutions, Public Health and Private Sector Housing and key partners. She noted that following restructures, several services that were separate now operated within the Regeneration and Local Services Directorate and therefore there was improved links in terms of the proactive work of Housing Solutions and the regulatory and enforcement work undertaken by Public Health and Private Sector Housing.

It was noted key partners included: Planning Enforcement; Regeneration; Building Control; Neighbourhood Protection; Durham Constabulary; and CDDFRS.

The Committee were reminded that from 2011 Census data it was shown that for the private rented sector in County Durham that 14 percent of households privately rented, representing a rise of 78 percent between 2001 and 2011. The Housing Manager explained that in order to have more up-to-date information, a “data warehouse” was being developed and this was starting to show there was a percentage of private rented sector greater than 14 percent, with further information as regards this coming forward likely later this year. Members were reminded that the Council intervened mainly in deprived areas, mostly in respect of terraced housing, and in many cases where there was a landlord from out of the County. It was noted that from the various evidence gathering in terms of strategies, such as the Homelessness and Housing Strategies, it was clear there was a need for accommodation and that included properties within the private rented sector. The Housing Manager noted 6,900 long term empty homes in the County including both private and social housing, though the majority being in the private sector. She added that this total number also included homes where individuals were in care or had deceased and the property remained empty.

Councillors noted the initiatives and interventions available, including advice and guidance for landlords on their rights and their responsibilities and in terms of negotiations and mediations between landlords and tenants. The Housing Manager added that important work was undertaken in attempting to sustain tenancies and now within the service there was capacity to follow this up. It was explained that where referrals were made, for example to Neighbourhood Wardens, the case would not be closed, rather the information would be retained and followed up on.

The Housing Manager noted the voluntary accreditation scheme, celebrating four years in April 2019, which had 139 landlords and 2,621 properties. It was noted the scheme was still promoted and there was a 50 percent renewal rate, with many new landlords with one or two properties feeling they had learned from their first year within the scheme and therefore did not renew. It was added that there were several landlords however that had renewed annually since 2015. In evaluating the scheme, a landlord focus group had been established, with the first having 12 landlords, and issues raised including fees and the Council’s rent guarantee scheme. The Housing Manager noted her team would inspect a property prior to any bond being given.

Councillors learned that in terms of tackling empty properties there was a scored assessment, in order to prioritise resources. The Housing Manager noted that within the Empty Homes Team, Council had resolved to have an extra resource and three additional staff had been appointed. It was explained if there was a report of an empty Home a matrix would be completed and a priority of low, medium or high allocated. Members noted 171 properties having been brought back into use since the April 2018 report. It was explained that even in those cases identified as low priority, a letter was sent to landlords or property owners to ask of their intentions. The Housing Manager explained that the collaborative approach allowed for utilisation of information from other services in being able to track down property owners. It was added the Council would look to negotiate and educate property owners as regards what options were available, with: help to sell, rent or lease; interest free loans, where a property was up to a Council standard; and “move-in” grants.

*Councillor R Crute left the meeting at 10.20am*

The Housing Manager noted that the eligibility for the moving incentive grant included: the property being Council Tax Band A or B; being long term empty, for six months or more; and with the occupier to live in the property for a minimum of five years. It was noted there was a targeting of areas where social landlords had disposed of stock in an attempt to change the types of tenure within areas. It was explained that in the year-to-date there had been 75 grants, achieving target.

Members noted that the annual target for bringing empty homes back into use had been 120, raised to 150 and the current year-to-date figure being 171. It was explained that from April 2019 the target would be increased to 210 as this was felt to be an achievable amount. Councillors were reminded the joint reporting protocol was working well and that an Officer working group had been established to look at the very difficult properties and to coordinate in looking at all issues that may be affecting a property such as debt, notices, local land charges and to look at actions that could be taken, including enforced sales if required. It was noted that work in relation to the Towns and Villages Programme fed into this process. Councillors noted there was a central database for all reporting, via telephone, e-mail and a new web-portal which had the ability to pin-point on a map and attached pictorial evidence.

The Housing Manager noted challenges included: limited powers; landlords being viewed as a burden, rather than a stakeholder and valued resource; access to affordable housing, including zero tolerance and spare room subsidy; the Housing and Planning Act 2016, including civil penalties and selective licensing areas. Members noted some actions included: rent repayment orders following landlord prosecutions; banning orders, adding the landlords to a national "rogue landlords" database, however this only had two landlords listed in the past 12 months, though as enforcement action could take up to 12 months then this number may not necessarily be reflective as of yet. It was noted there was also a number of other legislative changes such as the Houses Fit for Human Habitation Act 2019 from 1 April 2019 that had elements including the ability for tenants to take landlords directly to court without Local Authority involvement. Members noted the Tenancy Fee Act that would come into effect from 1 June 2019, where administrative fees in terms of holding or processing would no longer be permitted. It was noted this could have implications, with some landlords noting this could result in a loss of staff or a rent increase to cover costs. It was added there was the Energy Efficiency Act 2011 requiring an energy performance certificate of "E" or higher before a property could be lawfully let. The Housing Manager noted there was a redress scheme being developed in relation to landlords, akin to an ombudsman, though there had been little parliamentary time given to such matters given the current position to Brexit.

Members noted challenges for landlords included: negative equity, preventing the ability to borrow to fund improvements; 150 percent council tax; rising costs; renting properties as a business, domestic use and properties as an investment, the example being the cost for waste furniture/goods removal by the Council for a tenant leaving a property was £20, whereas if the items were left and the landlord contacted the Council, the fee would be £220.

The Housing Manager noted that in the wake of Universal Credit, a number of landlords across the country were now stipulating “working families only”, with the Government looking at the issues and saying that this was not allowed, though a search reveals thousands of such advertisements across the country stipulating this.

The Housing Manager noted a forward plan of actions, including: early intervention and prevention; supporting tenants and landlords; multi-agency problem solving and partnership working, an example given in relation to a recently held event in Chester-le-Street with 40 landlords in attendance; risk based intelligence led enforcement; development of a Private Sector Housing and Empty Homes Policy; development of a programme of buy to Lease properties; development of the business case for county-wide Selective Licensing; and area based initiatives such as the Community Action Team (CAT) programme, town and village centre regeneration and time-limited projects (TLPs). It was noted the Chairman of the Committee had chaired a TLP in the Grange Villa area, with the work, with partners, having proven to be very good and effective. It was noted there had been another positive TLP in the Shildon area and two further TLPs were ongoing along with a TLP to start in Horden.

The Chairman noted that the involvement of the CAT had help turnaround many issues, and for context explained in the Grange Villa area 240 of the 470 houses were within the private rented sector, over 50 percent. In addition, only 20 of the landlords lived outside of a 45-50 mile radius of Grange Villa. The Chairman added that many Members could give examples within their areas of long-term empty properties that unfairly subjecting other residents to the associated issues.

*Councillor J Turnbull left the meeting at 10.20am*

The Housing Manager noted that the Officer Working Group as mentioned would look at those types of more difficult, long term empty properties and Councillors could feed in any information via her team.

The Chairman thanked the Officers and asked Members for their comments and questions.

Councillor E Adam noted within the executive summary set out in the report, paragraph two set out that “the private rented sector was a growing and valuable part of the housing market with many people choosing to live in private sector housing accommodation whilst other have no other available option”. He explained he did not agree with this assessment and that he felt that there was not sufficient social housing in place. He added that in terms of around 28,000 households representing the number of private rented homes, 2,621 properties within the voluntary accreditation scheme this represented a small percentage. He noted that he felt that properties should be for local people and communities and therefore should not be ran for profit where the Local Authority was having to invest significant resources and chase up landlords. Councillor E Adam asked in terms of the number of cases where public money had been used to bring a property back into use and it subsequently returns to being empty and in disrepair; how many remain in private ownership and whether there had been repeated spend on some properties. The Housing Manager noted that since monitoring in 2014, over 700 had been brought back in to use, with some being empty once again as there were simply in between tenancies. She added some properties would be sold on, and the Council would monitor disrepair.

The Housing Manager highlighted the differences in terms of Selective Licensing, Accredited Landlords and empty properties and noted that for those 700 properties that had been brought back into use, for the landlords to access funding they must be accredited.

Councillor J Atkinson asked as regards the cost to the Council in terms of policing rogue landlords and the anti-social behaviour of some tenants and whether if there were more punitive options whether this could impact positively. The Housing Manager noted this was why selective licensing was being looked at as a tool, as licences “had teeth”. The Chairman noted that following the recent Overview and Scrutiny workshop on the County Durham Plan (CDP) many Members felt that information highlighting the differences between the selective licensing scheme and the accreditation scheme would be useful.

Councillor M Wilkes noted a particular empty property in his Division that had been empty prior to the ratings system being in place and asked how the Council could help tackle absent landlords, in terms of making it more expensive for them or to take possession of a property. He added that some landlords had stated that the reason they did not take up the offer in terms of the voluntary accreditation scheme was that they felt it did not do very much and the inspection requirements were not sufficient to allow landlords to have “peace of mind”. He noted the change in legislation as regards energy efficiency levels and asked how the Council would be able to check. Councillor M Wilkes asked as regards the zero-tolerance approach of social housing providers and asked if this, and the situation as described in relation to universal credit, would push many vulnerable people into the private rented sector and was there anything the Council could do to assist those vulnerable people. The Housing Manager noted in terms of arrears in some circumstances where a tenant was at risk of becoming homeless the prevention fund may be able to assist and then the Council would encourage the tenant to work with a Credit Union and help via Welfare Reform Officers in relation to issues such as universal credit. In relation to the longer-term empty properties, the Housing Manager noted the use of Empty Dwelling Management Orders (EDMOs) and Compulsory Purchase Orders (CPOs), with the threat of these approaches being taken helping to focus the attention of a landlords.

Councillor M Wilkes noted the interest free loans and asked in cases of negative equity could the Council place a land charge against another property within a landlords’ portfolio, or indeed their primary residence. The Housing Manager noted that if the loan was greater than at 120 percent of the value then a charge would be placed on another property.

Councillor P Howell reiterated his scepticism as regards the landlord accreditation scheme, having signed up and yet to have been inspected. He added that he felt that a 50 percent renewal was an awful rate and that there was a difference between those landlords operating a business, for example with 20 or more properties, and those individuals with one or two properties. He asked of those landlords involved with the focus group, was there a mix of “business” landlords and those “forced” landlords, for example having been left a property within a will. He noted each type of landlord faced difficult challenges. Councillor P Howell asked in terms of the empty homes strategy whether there was a targeted approach of if there was a blitz in particular areas. He added that if social landlords were excluding difficult tenants then this was very bad for vulnerable people and asked if there were any way to persuade social landlords to help those people. The Housing Manager noted that social providers would take vulnerable tenants if the tenants were engaging and working with Council services and teams.

It was added that some tenants, through issues such as previously high rent arrears or damage to a property, may find that landlords would not be willing to take them. She added that this would help inform the business case for selective licensing.

Councillor P Howell noted he felt that if there was a selective licensing in one area, this would simply push those tenants into other areas. The Housing Manager noted this was why the business plan was looking to have the whole of County Durham covered in terms of selective licensing and that she would take back the issues in terms of accreditation and inspections.

Councillor S Dunn noted he was delighted with the report and presentation on this issue and agreed with Councillors M Wilkes and P Howell on the issues they raised in terms of vulnerable people, including those in receipt of universal credit, being excluded from social housing. He noted he felt that the system of universal credit was wrong and spiralling out of control and leaving some people with no way out. He noted that comprehensive registration could not come soon enough and that inspections should be such to weed out those properties not up to the required standards. Councillor S Dunn added he felt that 700 properties back into use was a good record, however, with 4,900 empty properties, he felt there was still a need for further resources to bring more back into use for residents within the County. He added that he had a worry as regards the current situation with Brexit and that many people had bought property to rent out as a “nest egg” and that with issues, such as negative equity and rising costs, landlords could find themselves in difficulty and that perhaps the Local Authority and social landlords should have the powers to take a property from a private landlord if they cannot get a property back into use. The Housing Manager noted that there was the option to use EDMO, noting greater resources in place now to help with this type of situation to evidence where work had been attempted to sustain a tenancy prior to any EDMO. She added that the Authority could look to manage a property for a period of seven years, and at the end hand the property back or look to extending the order. It was stressed that any mortgage would still be the responsibility of the landlord.

Councillor J Clare noted a number of support mechanisms available to social landlords in trying to sustain a tenancy however private landlords do not have access to such support mechanisms and a disparity in terms of private landlords whereby they could look to drive tenants out. He added that selective licensing may help in this regard, however, he noted there was a need for support mechanisms to be in place as regards vulnerable tenants. Councillor J Clare asked for clarification as regards the Housing Solutions Team only organising accommodation via social or accredited landlords. The Housing Manager noted that initially the Council would approach social providers or accredited landlords, if it was not possible then other landlords would be approached. Councillor J Clare noted that perhaps accredited landlords could feel as if they were being forced to house tenants with multiple problems. The Housing Manager highlighted that the majority of tenants do not have complex issues. She added that private landlords were often willing to take a chance in order to try and help tenants, though she gave an example where a privately let property had £4,500 of damage caused and this had made the landlord unwilling to take on tenants via the choice-based lettings scheme.

Councillor A Patterson noted that the Housing Strategy contained a lot of important information and encouraged members to read the document if they had not already done so. She continued that a common theme that was emerging was the impact of universal credit and deprivation. She added that she felt there was a need for Overview and Scrutiny examine the impact of Universal Credit and deprivation in the county as this issue has been raised across the thematic Committees. She highlighted that it is vital that we understand how to tackle the issues and also how to fund initiatives.

Councillor J Charlton asked what the costs were to landlords in terms of the accreditation scheme. The Housing Manager noted it was a sliding scale, the Principal Overview and Scrutiny Officer, Stephen Gwilym noted: for 1-10 properties it was £150; for 11-50 it was £250; for 51-100 it was £350; and for more than 100 properties it was £500.

*Councillor S Dunn left the meeting at 11.25am*

Councillor J Charlton noted that she felt the lowest end of the scale was perhaps a little too expensive, Councillor A Patterson noted landlords could mitigate the cost through a very small increase to rents. The Chairman noted that when chairing the TLP as previously mentioned, barriers to joining the accreditation scheme were discussed and the benefits of joining the scheme were highlighted to landlords. The Housing Manager reminded Members that the accreditation scheme was being reviewed.

The Chairman asked if there were any points the Public Health and Housing Manager wished to add. The Public Health and Housing Manager noted that the collaborative working, with shared databases for example, was extremely useful and in terms of targeting resources, the newly established Officer Working Group would help in terms of highlighting those properties that were taking up the most time and resources for the Council and partners. He added that in terms of the extension to licensing of houses in multiple occupation, he felt that this could only help to drive up standards and in the City the increase in the number of new high- quality purpose build student accommodation (PBSA) was also forcing private landlords to improve their offer.

**Resolved:**

- (i) That the report and Committee's comments be noted.
- (ii) 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 from 2019/20.