



Selective Licensing in County Durham

Consultation Feedback - You Said, We Did
Durham County Council
September 2020



We asked you...

Between 17th February and 2nd August 2020, we asked for your views on a proposal to introduce a Selective Licensing scheme that would cover 65% (by area) of the private rented sector (PRS) in County Durham (and 74% of the PRS homes). As this coverage is over 20%, it is a legislative requirement to obtain Government approval for the scheme.

In County Durham the private rented sector is significant, with an estimated total of 68,516 properties, representing 28% of the total homes in the county. As the private rented sector grows, the number of landlords increases. Although there are many good landlords who manage their properties and tenancies responsibly, there are also landlords who avoid accountability to their tenants and the neighbourhoods they buy properties in.

In our consultation, we proposed that all private rented sector properties in all of the 43 areas (out of 66 in County Durham) consulted on would be designated under one or more conditions of low housing demand, anti-social behaviour and deprivation.

The key elements of the proposed scheme in County Durham were:

- Approximately 51,000 private rented properties would require the landlord to obtain a licence
- Promotion of good practice in terms of management and maintenance
- Landlords must pass a 'fit and proper person' test, in advance, to hold a licence
- Appropriate staffing structure in place to support scheme administration, monitoring and enforcement

The way we asked you...

The consultation was undertaken using a variety of communication methods:

- Online information available through our webpage and consultation questionnaire
- Paper copies of questionnaire made available
- Hard copies of evidence and information sent to all customer access points, libraries, foodbanks and One Point centres in County Durham
- Specific events to target relevant groups (eg landlords)
- Drop-in sessions (pre-COVID) in various locations across the county
- Direct correspondence with stakeholders including Town and Parish Councils, registered housing providers, neighboring local authorities, and Members of Parliament.
- An insert on the consultation was included in every single council tax bill across County Durham in March
- A leaflet drop was carried out to 200,000 homes in July
- Social media promoted the consultation across February (and shared by partners including police, Area Action Partnerships, community groups and parishes, and letting agents) and again, in July

Throughout the COVID lockdown, our website gave access to the questionnaire and the deadline was extended twice until it ended on 2nd August.

The way you responded to the proposals...

- 1187 people responded to the online and paper questionnaire
- Over 300 emails and 50 letters were also received
- 66% of those responding live in an area that was proposed to be covered by selective licensing (and 22% did not). 9% did not live in County Durham.
- 40% of the questionnaires were completed by **Landlords** and 3% by **Letting Agents**. 20% were completed by **Private Tenants** and 41% by **Residents** (not private tenants).

People were able to select more than one choice eg someone could state they were a letting agent and a resident of County Durham. Businesses (2.6%), organisations (0.4%) and people stating they were 'other' (2.4%) also responded.

When respondents were asked if they agree or disagree that Durham County Council should ensure that private rented sector homes are properly managed, 59% of all respondents strongly agreed and agreed, and 29% strongly disagreed or disagreed. The breakdown was:

Landlords and Letting Agents	Private tenants	Residents
<ul style="list-style-type: none">• 50% Disagree/strongly disagree• 30% Agree/strongly agree	<ul style="list-style-type: none">• 56% Agree/strongly agree• 27% Disagree/strongly disagree	<ul style="list-style-type: none">• 85% Agree/strongly agree• 11% Disagree/strongly disagree

When respondents were asked if they agree or disagree with the proposals to introduce a Selective Licensing scheme, 52% of all respondents disagreed and strongly disagreed, and 45% agreed and strongly agreed. The breakdown was:

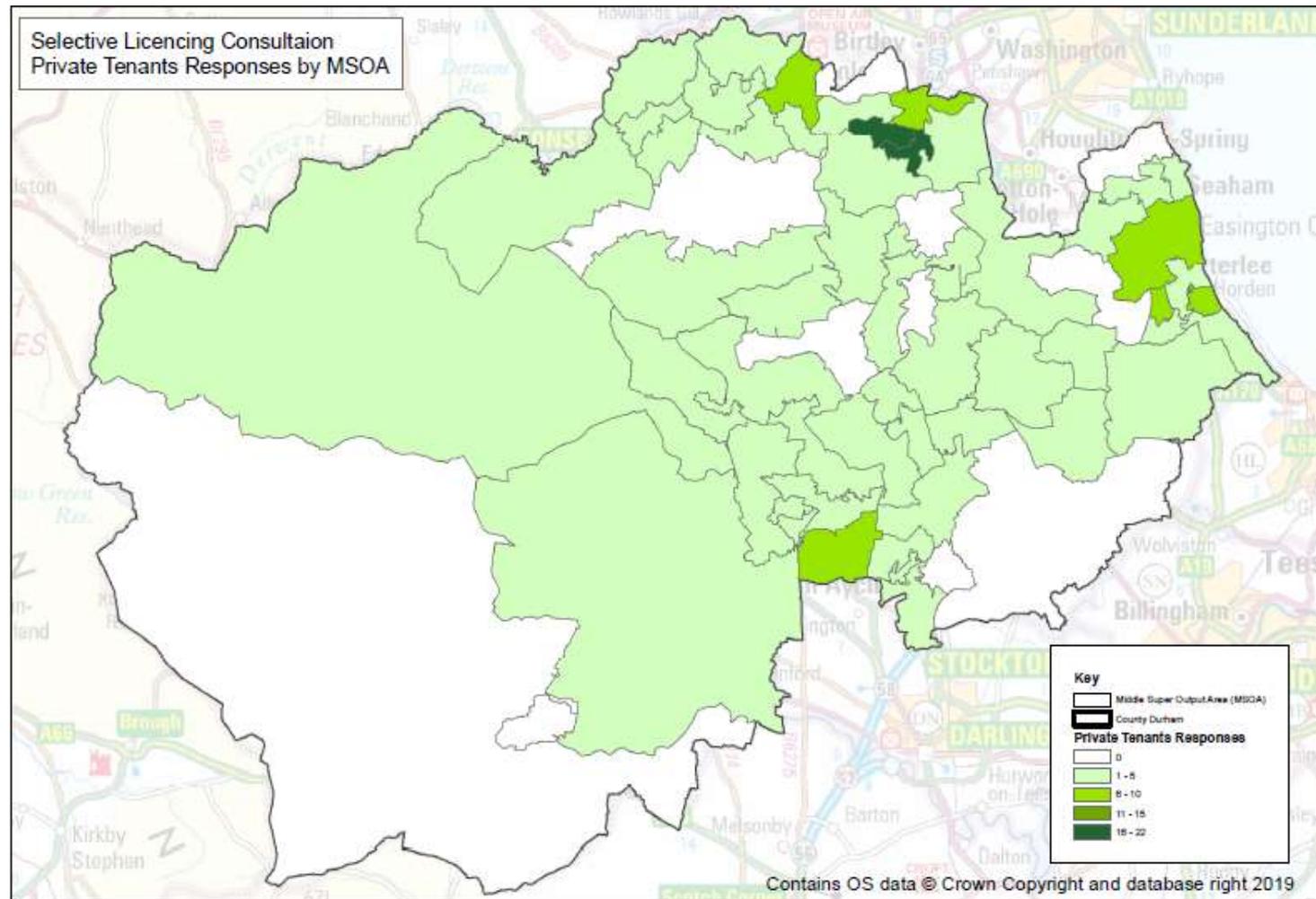
Landlords and Letting Agents	Private tenants	Residents
<ul style="list-style-type: none">• 89% Disagree/strongly disagree• 7% Agree/strongly agreed	<ul style="list-style-type: none">• 53% Disagree/strongly disagree• 44% Agree/strongly agree	<ul style="list-style-type: none">• 78% Agree/strongly agree• 21% Disagree/strongly disagree

All respondents that disagreed or strongly disagreed, were asked to suggest other ways to improve the quality and management of private rented properties in County Durham, and responded as follows:

- 35% of those who disagreed or strongly disagreed said alternative powers or methods were already available.
- 25% said that good landlords were being penalised and action should be taken against poor landlords only
- 7% said that tenants required greater support from DCC to be more responsible and better manage their tenancy.

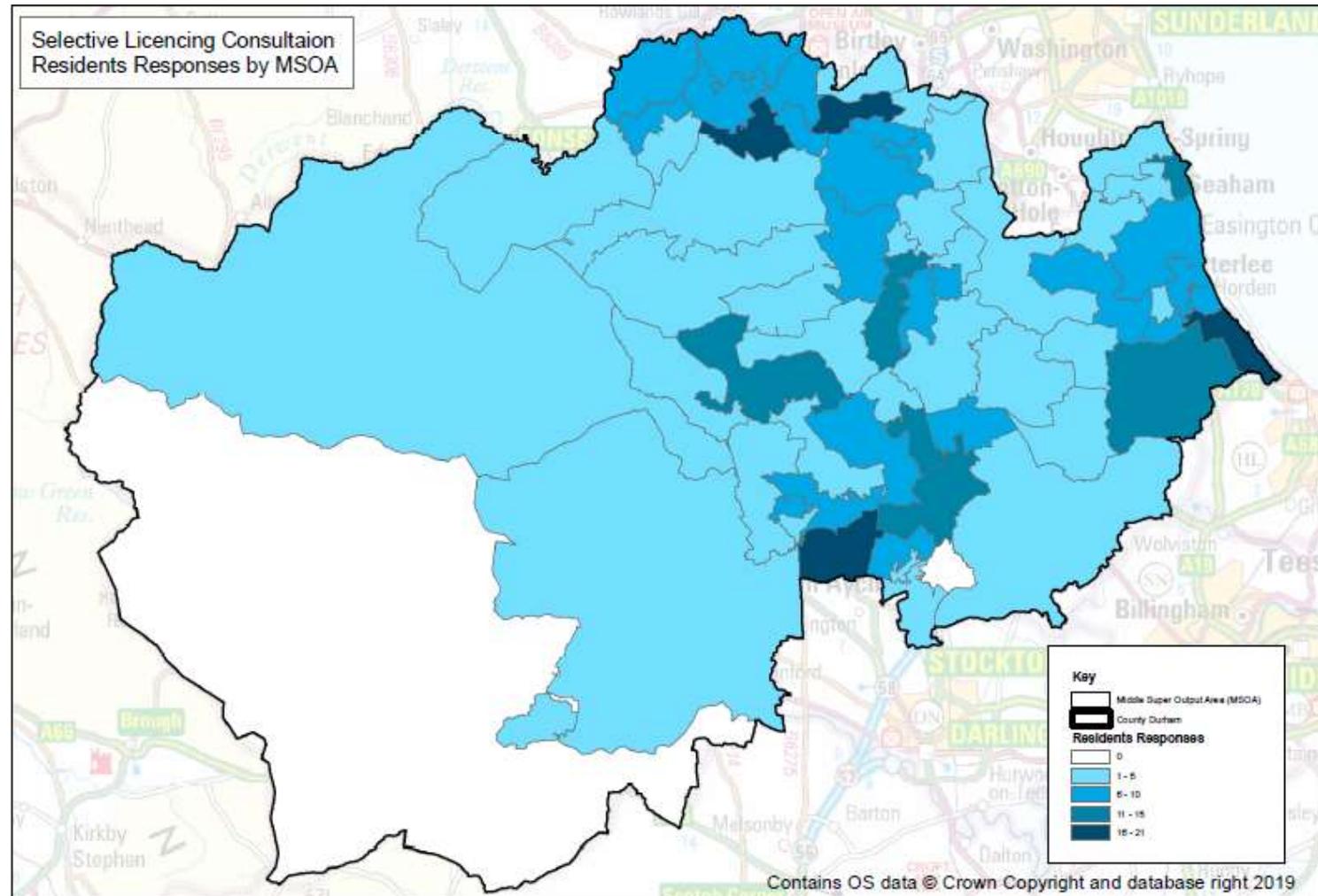
Private rented sector tenants responded from...

The highest number of responses were received in the darkest shaded areas.



Residents (not PRS) responded from...

This includes any landlords or businesses (or those stating 'other') living in County Durham. The highest number of responses were received in the darkest shaded areas.



Low Demand - You told us...

Low demand can mean low property prices, empty properties, a high level of properties up for sale or to let and/or high turnover of tenancies.

When respondents were asked if they felt private rented sector (PRS) properties contribute to low demand in their local area, 49% of all respondents said they disagreed or strongly disagreed and 36% said they agreed or strongly agreed. The breakdown was:

Landlords and Letting Agents	Private tenants	Residents
<ul style="list-style-type: none">• 82% Disagree/strongly disagree• 5% Agree/strongly agree	<ul style="list-style-type: none">• 46% Disagree/strongly disagree• 37% Agree/strongly agree	<ul style="list-style-type: none">• 61% Agree/strongly agree• 22% Disagree/strongly disagree

60% of residents and private tenants living in a proposed selective licensing area agreed or strongly agreed.

All respondents that agreed or strongly agreed were asked why they did so:

- 48% said private rented properties are poorly managed and/or maintained, leading to the area looking rundown or neglected; and 20% said landlords “don’t care” about their area (or do not address issues).
- 28% said anti-social behaviour and/or crime from the private rented sector lead to low housing demand
- 26% feel there is a high turnover of tenants in the PRS and/or tenants do not care about the property or area

Anti-Social Behaviour - You told us...

Anti-Social behaviour means, noise, nuisance, rubbish dumping or untidy yards or gardens

When respondents were asked if they felt that private rented sector (PRS) properties contribute to significant and persistent anti-social behaviour in their local area, 50% of all respondents said they disagreed or strongly disagreed and 41% said they agreed or strongly agreed. The breakdown was:

Landlords and Letting Agents	Private tenants	Residents
<ul style="list-style-type: none">• 82% Disagree/strongly disagree• 8% Agree/strongly agree	<ul style="list-style-type: none">• 59% Disagree/strongly disagree• 34% Agree/strongly agree	<ul style="list-style-type: none">• 75% Agree/strongly agree• 19% Disagree/strongly disagree

70% of residents and private tenants living in a proposed selective licensing area agreed or strongly agreed.

All respondents that agreed/strongly agreed were asked why they did so:

- 29% said private rented sector tenants contribute to increased anti-social behaviour and/or crime
- 28% said there is a high turnover of tenants in the private rented sector and/or tenants do not care about the property or area
- 25% felt private rented properties are poorly managed and/or maintained
- 21% said the PRS contributes fly tipping, rubbish, and untidy yards/gardens

Deprivation - You told us...

Deprivation means low income households, poor health, poor living conditions or high unemployment

When respondents were asked if they felt that private rented sector (PRS) properties contribute to deprivation in their local area, 54% of all respondents disagreed or strongly disagreed and 32% of all respondents agreed or strongly agreed. The breakdown was:

Landlords and Letting Agents	Private tenants	Residents
<ul style="list-style-type: none">• 86% Disagree/strongly disagree• 4% Agree/strongly agree	<ul style="list-style-type: none">• 57% Disagree/strongly disagree• 28% Agree/strongly agree	<ul style="list-style-type: none">• 58% Agree/strongly agree• 24% Disagree/strongly disagree

56% of residents and private tenants living in a proposed selective licensing area agreed or strongly agreed.

All respondents that agreed/strongly agreed were asked why they did so:

- 28% said households in the PRS consist of low-income families, residents that are in poor health and/or unemployed.
- 10% said that drugs and alcohol are an issue in the PRS

The proposed areas - You told us...

When respondents were asked if they agree or disagree with the proposed areas for a selective licensing scheme, 46% of all respondents disagreed or strongly disagreed and 39% agreed or strongly agreed with the areas proposed. The breakdown was:

Landlords and Letting Agents	Private tenants	Residents
<ul style="list-style-type: none">• 75% Disagree/strongly disagree• 7% Agree/strongly agree	<ul style="list-style-type: none">• 52% Disagree/strongly disagree• 37% Agree/strongly agree	<ul style="list-style-type: none">• 67% Agree/strongly agree• 20% Disagree/strongly disagree

65% of residents and private tenants living in a proposed selective licensing area agreed or strongly agreed.

All of the respondents that disagreed/strongly disagreed were asked why they did not:

- 13% said the areas in the proposal were too large and needed to be more selective
- 7% did not agree with the areas generally and 6% said no area required licensing
- 5% said all areas across County Durham require licensing
- 5% disagreed with the areas included in the north of the County

Impact of introducing a scheme - You told us...

When respondents were asked what they thought the impact of introducing a selective licensing scheme would be on them or their business, 50% said an extremely negative or negative impact and 36% said it would have an extremely positive or positive impact (14% said neither positive or negative). The breakdown was:

Landlords and Letting Agents	Private tenants	Residents
<ul style="list-style-type: none">• 90% Negative/extremely negative• 3% Extremely positive/positive	<ul style="list-style-type: none">• 41% Extremely positive/positive• 32% Negative/extremely negative	<ul style="list-style-type: none">• 67% Extremely positive/positive• 18% Negative/extremely negative

65% of residents and private tenants living in a proposed selective licensing area said it would have an extremely positive or positive impact.

The respondents gave the main reason for their answer as follows:

- 20% of all respondents said that selective licensing is a tax on landlords, has no benefit to them and/or landlords will sell or not invest in the area (or leave properties empty)
- 18% said there will be a negative impact on tenants, due to increased rents, evictions, and/or reduced maintenance and 9% said the cost of the licence was too high (unaffordable)
- 8% said the scheme should deter poor landlords and bad practice and 8% also said ASB will decrease and/or areas improve



The fee - You told us...

When respondents were asked about the cost of the license of approximately £500, 60% said it was too much, 24% said 'about right' and 16% said it was too little. The breakdown was:

Landlords and Letting Agents	Private tenants	Residents
<ul style="list-style-type: none"> • 98% Too much • 0% Too little 	<ul style="list-style-type: none"> • 61% Too much • 14% Too little 	<ul style="list-style-type: none"> • 27% Too much • 30% Too little

When respondents were asked if they agree or disagree with the proposal to introduce a discount for early license applications, 36% agreed or strongly agreed and 32% disagreed or strongly disagreed. The breakdown was:

Landlords and Letting Agents	Private tenants	Residents
<ul style="list-style-type: none"> • 36% Agree/strongly agree • 28% Disagree/strongly disagree 	<ul style="list-style-type: none"> • 36% Agree/strongly agree • 31% Disagree/strongly disagree 	<ul style="list-style-type: none"> • 37% Agree/strongly agree • 37% Disagree/strongly disagree

When respondents were asked if they agree or disagree with the proposal to introduce a discount for landlords accredited with DCC, 52% agreed or strongly agreed and 23% disagreed or strongly disagreed. The breakdown was:

Landlords and Letting Agents	Private tenants	Residents
<ul style="list-style-type: none"> • 37% Agree/strongly agree • 30% Disagree/strongly disagree 	<ul style="list-style-type: none"> • 56% Agree/strongly agree • 23% Disagree/strongly disagree 	<ul style="list-style-type: none"> • 62% Agree/strongly agree • 17% Disagree/strongly disagree

What else did we ask? You told us...

Number of properties owned/managed by landlords and agents

- 34% of landlords/agents advised they owned/managed just one property, with 30% advising they had 2-4 each.

How PRS properties are managed contributes to the feel of your area

- 68% of all respondents agreed or strongly agreed that how well PRS properties are managed contributes to the feel of their area and 17% disagreed or strongly disagreed.
- 81% of residents and PRS tenants agree or strongly agree.

How well managed are PRS properties

- 46% of all respondents say PRS properties are well managed in their area and 38% say they are poorly managed.
- 80% of agents/landlords say they are well managed.
- 72% of residents say they are poorly managed. 51% of PRS tenants advised they believe PRS properties in their area are well managed.
- 65% of residents and private tenants living in a proposed selective licensing area said PRS was poorly managed in their area.

Licence conditions

- 44% of all respondents disagreed or strongly disagreed with the proposed licence conditions. 43% agreed or strongly agreed.
- 74% of agents/landlords disagreed or strongly disagreed.
- 73% of residents agreed/strongly agreed with the conditions. 49% of PRS tenants disagreed/strongly disagreed.

Any other comments - You told us...

When respondents were asked if they had any other comments about the need for licensing in your area and/or the proposal for selective licensing within County Durham, 852 additional comments were received:

- 10% said there will be a negative impact on tenants, due to increased rent, evictions, and/or reduced maintenance
- 9% said there should be a breakdown of costs of the licence fee, as it is not value for money and/or landlords (or tenants) are unable to afford the fee
- 8% said landlords have a responsibility to the community, tenants, and properties
- 8% said they were already good landlords and only the poor landlords should be punished
- 6% said enough powers already existed and there were other methods to try
- 6% said tenants have a responsibility too and DCC should support tenants more
- 5% said wider economic/social issues were to blame for ASB, deprivation and low demand

What landlords said...

“Don’t include full villages that don’t have issues just because they are in similar post code area to ones that are!”

“Landlords are business owners - reduce their income, you are reducing their availability to spend. Similarly in areas with high social issues landlords will simply either sell up or if they can afford it take only certain types of tenants.”

“It'll cost money that I then won't be able to invest in maintain and improving my portfolio. My tenants and the neighbourhoods they live in will lose out.”

“More selective, targeted intervention is needed, not a blanket approach. I do not however object to being accountable for the way I operate as a landlord.”

“Certain landlords do not look after their properties. They do not address issues to their own properties and thereby upset other landlords who try their best to look after their own properties and tenants. Some landlords are just lazy and do not care about their properties. I am a landlord and I report untidy yards, fly tipping and problem landlord/tenant houses to my local councillor.”

“I believe landlords should be individually accountable, and only those who do not show good management should have their properties licensed.”



“The areas are a blanket cover for all private properties which is seen as punishing those landlords who keep properties in good condition and up to date with safety measures i.e. gas checks etc. DCC should be focused on confronting bad and absent landlords.”

“Don’t penalise landlords that are doing every to ensure their property and tenants are well looked after. Visit properties/landlords that are not doing things correctly and put them on a register.”

“The scheme will do little to dissuade or prevent substandard rogue Landlords operating, as has been shown to be the case in other parts of the country.”

“The fee is too high. The idea is a positive one, but not at the total cost to landlords. I suggest the tenant, landlords and council contribute to the financial costs of the scheme to make it fair for everyone.”

“As previously mentioned, the Authority already has powers to deal with any problems. The majority of any licence fee will be taken by increased staff and administrative costs.”

“Over the past four years with tax changes meaning landlords pay a lot more tax this extra licence will just push up the cost of renting property as the landlord already squeezed financially this extra cost will be passed onto the tenant and more tenants will struggle.”



What residents/tenants/businesses said...

“As the area we live in has increased the numbers of rental properties available the instances of anti-social behaviour, drug abuse and crime has increased. The quality of life in the area is much reduced forcing some people to move out, other people feel trapped unable to move due to the value of their properties now much reduced. At the moment there is a high number of properties standing empty.”

“I think that landlords need to take more responsibility but not punishing tenants or charging them more but to actually take responsibility”

“Some tenants have no respect for the house, as they don't own it”

“Often because there are no checks on new tenants and very low, if no deposit made, the tenants simply do not care and if evicted move to another property, in addition many landlords are not local and do not check on tenants to see if they are looking after the property and not causing a nuisance to neighbours and wider community.”

“The areas are much too far reaching. If SL [licensing] is to be used it should be much more specific”

“Some of the states of the property that respectable tenants live in are disgusting and the council do not enforce quick enough whilst tenants are punished for withholding rent and then evicted.”

“Some rogue landlords do not undertake repairs and maintenance to properties, leading to poor living conditions.”



“The proposed Selective Licensing is not the answer. My landlord has said he will pass the cost on to me and I can’t afford it.”

“I think this is a great idea, hopefully to stop lawless tenants becoming a nuisance and the landlords who just want anyone in as long as they get their rent.”

“Use existing powers to control known problem properties.”

“This will in no doubt have an impact on household and my personal wellbeing if I incur any increase in rent in this current economic climate. Please don’t do this - this tax is an unnecessary stress added to an already difficult time for us all.”

“All areas of County Durham should be included when this is implemented.”

“In the past when selective licensing has been in place in the area I live I saw a big decrease in anti-social behaviour. Because of this, both myself and partner were able to have better quality sleep on a night which improved our health.”

“Think the area will improve if landlords have to take more responsibility about the state of the properties and who they have as tenants.”

“Most of the private rentals in my area are either empty or unkempt. This drags the aesthetics of the area down and then in my opinion leads to anti-social behaviour and a lack of community respect.”



The changes we propose...

Landlords told us through the consultation that they felt the scheme proposed was too vast, too expensive and disagreed with many of the areas proposed – mainly as they were not selective enough. Partly as a result of consultation feedback, we have now:

- moved from Middle Super Output Area (MSOA) analysis to Lower Super Output Area (LSOA), to drill down in greater detail in all areas across the proposed areas.
- reduced the coverage of licensing proposals in County Durham reflecting the more detailed analysis of the individual areas.
- added a discount for those accredited by the National Residential Landlords' Association (NRLA) alongside the discount for accreditation by Durham County Council.
- added a discount for landlords who have more than one property.

The earlier proposed discount, which we consulted on, for 'early bird' applications remains in place.

1. The area boundaries for designation

You said:

The geography used to collate the data was too broad and the designations by Middle Super Output Area were not fair and would not work. And that different villages were grouped together by MSOAs even though they can be completely different.

Council's response:

We will now propose to designate on Lower Super Output Areas (LSOA) instead of Middle Super Output Areas (MSOA), so we can drill down in greater detail for all areas – meaning that the data for one village does not unduly sway the data for another.

2. The area size

You said:

That the use of MSOAs meant the overall size of designation, covering 74% of PRS homes and 65% of the area of County Durham, was too large and unwarranted. However, many areas would benefit from selective licensing.

Council's response:

The proposals will now cover 42% of PRS homes and 32% of the area of County Durham. In terms of area this means a reduction by about half compared to the proposals made at consultation.

3. The fee/cost

You said:

The fee was too high and greater discount was required for good landlords – those accredited and those engaging early and not requiring enforcement. Landlords with multiple properties will require the same 'fit and proper' person test for each licence they apply for – and this should be recognised in their fee.

Council's response:

The accreditation discount now includes those accredited with the NRLA. This discount will be £55 per licence. A multiple property discount for each licence beyond the first. This discount will be £35. The 'early bird' discount remains in place but at £60 per licence. An accredited landlord, applying early with multiple properties will pay £350 per licence (£385 for their first property).

4. Other important items

You said:

- 1) The upfront cost of paying the licence fee was too great for many landlords, particularly the larger size landlords with many properties – and that instalments should be considered.
- 2) Tenants require greater access to training to assist with sustaining their tenancy.

Council's response:

- 1) We are looking into how costs could be spread across more than two instalments (the standard part A and B) without a signification cost increase to cover additional fee collection.
- 2) DCC are committed to sustainability of tenancies and housing services will look to strengthen their tenancy training plan and work with landlords.

Outcomes

Durham County Council's Cabinet will approve or reject the areas for designation, and the proposals for the scheme, on 16th September 2020.

A copy of the Cabinet report is available on our website from 8th September 2020.

If Cabinet agree the designated areas and proposals, they will be submitted to the Secretary of State for final approval. Depending how long the decision takes, if approved, the scheme may go live around April 2021.

