

Enterprise & Economy Overview & Scrutiny

11 September 2024



Contents



Content

- Introduction
- Council House Build Programme
- Houses in Multiple Occupations
- Next Steps

Introduction



Introduction

- The County Durham Housing Strategy (CDHS) provides a strategic framework to inform the actions and investment of the council and its partners
- It has been prepared following two rounds of consultation with residents and other stakeholders including with Overview and Scrutiny on three occasions:
 - 10 July 2023: OSC Housing Strategy Workshop
 - 18 December 2024: E&E OSC Draft County Durham Housing Strategy
 - 22 April 2024: E&E OSC Draft County Durham Housing Strategy
- On 10 July 2024 Cabinet agreed to recommend to County Council that they adopt the CDHS
- At the meeting of County Council on 17 July 2024 the adoption of the CDHS was deferred. The concerns of members principally related to how the CDHS dealt with:
 - The Council House Build Programme and particularly the delivery timeframe and the composition of the proposed 500 units
 - The proliferation of HMOs in the county and the potential use of Article 4 Directions

Council House Build Programme



Background

- In October 2020, the council agreed to begin a council house delivery programme
- 12 July 2023, Cabinet approved an updated business case for the council house delivery programme, including a revised financial model
- March 2024, appointed a main contractor, T Manners, to deliver the programme
- In February 2021 and December 2021, Cabinet agreed sites for Phase 1 and Phase 2 for the programme
- July 2023 Cabinet report identified first three sites for delivery; Greenwood Avenue, Burnhope; Portland Avenue, Seaham; and Merrington View, Spennymoor

Composition of the 500 Target

- October 2020 Cabinet Report identified a target of up to 500 new homes
- Paragraph 5.8 of the draft CDHS includes reference to the target of 500 however does not specifically refer to 'new build'
- It has always been the council's intention to deliver 500 new build properties, and this remains unchanged
- There will likely be acquisitions during the lifetime of the project, but they will be additional and not make up part of the 500

Delivery Timeframe

- October 2020, the Council agreed to a council house building programme of 500 homes by March 2026
- The July 2023 Cabinet report revised the business case and supporting business plan principally due to changes in the macro-economic changes had seen both inflation and interest rates rise significantly
- For these reasons and following appointment of the main contractor, it is apparent that the council are not likely to be able to deliver 500 homes by 2026
- The intention however is still to deliver at pace and timescales are currently being revisited

Houses in Multiple Occupation (HMOs)

Background

- A House in Multiple Occupation (HMO) is defined as a building or flat in which more than one household shares a basic amenity, such as a bathroom, toilet or cooking facilities
- HMOs are regarded by the Government and the national housing sector as a legitimate part of the UK's private sector housing supply
- HMOs are similar to any other housing type in that well-managed HMOs usually go unnoticed within communities

Current Distribution of HMOs

- Larger HMOs can be identified by using Council Tax and Licensing data
- There is currently no way to identify smaller HMOs
- The Council Tax data shows that there are currently 961 HMOs in County Durham, all in the DH1 postcode
- The Licensing data shows there are 915 HMOs in County Durham as follows:

Current Distribution of HMOs

DH1 (Durham City, Framwellgate Moor, Pity Me, Belmont, Carville)	878
DH6 (Coxhoe, Bowburn, Shotton Colliery, Wheatley Hill)	2
DH7 (Brandon, Lanchester, Esh Winning, Burnhope, Langley Park, Sacriston, Ushaw Moor, Brancepeth)	7
DH8 (Consett, Blackhill, Bridgehill, Shotley Bridge, Leadgate, Delves Lane)	4
DH9 (Dipton, Stanley, Annfield Plain)	12
DL4 (Shildon)	1
DL5 (Newton Aycliffe, Aycliffe Village, Heighington)	2
DL12 (Barnard Castle, Bowes, Middleton-in-Teesdale)	1
DL14 (Bishop Auckland, West Auckland, Coundon)	2
DL15 (Crook, Willington, Stanley Crook, Hunwick)	1
DL16 (Spennymoor, Kirk-Merrington, Tudhoe Grange, Westerton)	1
SR7 (Seaham, Murton)	1
SR8 (Peterlee, Horden, Easington)	3

Council powers in relation to HMOs

- Landlords or agents managing a property for five or more occupiers must apply for an HMO licence from the council
- Once an HMO Licence is in place, the council carries out regular inspections to ensure the property is safe and has access to amenities
- In County Durham, private landlords must also apply for a Selective Licence if the property falls within one of the 103 designated Selective Licencing areas
- Landlords/agents must apply for planning permission to convert homes into HMOs for more than six people
- If the HMO has six tenants or fewer it is considered permitted development and planning permission is not required

Article 4 Directions

- In some cases, an Article 4 Direction can be made that requires planning permission to be sought for HMOs with less than seven occupants
- This is intended for areas with a high density of HMOs
- The only existing Article 4s are in Durham City and relate to student accommodation
- NPPF states that the use of Article 4 should be limited to situations where ‘an Article 4 Direction is necessary to protect local amenity or the well-being of the area, and in all cases, be based on robust evidence, and apply to the smallest geographical area possible’
- Guidance also states that ‘the potential harm that the Article 4 Direction is intended to address will need to be clearly identified, and there will need to be a particularly strong justification for the withdrawal of permitted development rights’
- The Secretary of State has powers to intervene in Article 4 Directions and can require modifications

Crime and Anti-Social Behaviour

- There is no requirement or mechanism for local authorities to have any input into who a landlord or licence holder has as a tenant. This is the case for all types of tenure
- If a residential property is licensed, either through selective licensing or as an HMO, there are conditions attached to those licences
- We would expect all landlords/licence holders to be responsible and ensure that a tenant's behaviour and conduct does not give cause for concern
- We fully investigate reports of alleged contraventions of conditions or misconduct and will take the appropriate action based on the available evidence

CDHS and HMOs

- Most mentions of HMOs in the CDHS are in the context of student accommodation in Durham City
- Is a reference under Priority 3 which states that we will ‘work to identify new HMOs that require a licence and take robust action against landlords who fail to comply with legislative requirements and HMO management regulations’
- In light of the perceived increase in the number of HMOs in the county further reference to this issue could be included in the CDHS
- The 12-month delivery plan could also include an action seeking to explore the extent of the issue in the county and whether any further controls, for example an Article 4 Direction, would be required

Next Steps



Next Steps

- Any feedback from Economy and Enterprise Overview and Scrutiny Committee relating to both the Council House Build Programme and HMOs will inform draft amendments to the CDHS
- These amendments will then be presented to the Overview and Scrutiny Committee on 4 November 2024
- Once agreed the amended CDHS will then return to Cabinet and County Council for adoption as soon as possible