

**Economy and Enterprise
Overview and Scrutiny Committee**

23 February 2017



Private Sector Housing - update

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

Purpose of the Report

- 1 To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with an update of the Private Rented Housing Sector in County Durham with a focus on the accreditation scheme, prior to a presentation at the meeting providing members with detail of: various initiatives in the county; achievements and challenges and future activity.

Background

- 2 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.
- 3 According to the 2011 census, there are 223,803 occupied households in the county with 14% of them being in the private rented sector.
- 4 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.
- 5 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.
- 6 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.
- 7 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.

Initiatives to improve the private rented sector

- 8 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.
- 9 In working to address the issues of poor standards in the private rented sector the Private Sector Housing Team deliver many initiatives and some of these include:
 - (a) Advice and information – is provided to landlords and tenants regarding their legal rights and responsibilities of renting property.
 - (b) Empty Homes – working with property owners through engagement, encouragement and the provision of financial assistance, over 400 long-term empty homes have been brought back into occupation since April 2014.
 - (c) Selective Licensing – since 2008/09 the council has managed three designated areas of selective licensing: Chilton West, Dean Bank in Ferryhill and Wembley in 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. 96% of licensable properties are currently licensed. Six landlords have been prosecuted; three for non-compliance; and three for breach of licence conditions showing that the Council takes its responsibility seriously.
 - (d) Financial Assistance – A suite of loan products is available to help landlords improve their properties. Interest free loans are available 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.
 - (e) 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. 10% of each landlords property portfolio is inspected. 107 landlords are currently accredited covering 2300 properties.
 - (f) Targeted areas – resolving issues in specific areas through a targeted multi-agency approach. For example reducing the void rate in Eldon Lane by 13% by working with Durham Constabulary’s crime prevention scheme and the council’s neighbourhood wardens.

Private Landlord Accreditation Scheme

- 10 The private landlord accreditation scheme was launched countywide in April 2015 and is a key priority for Housing Solutions. Landlords are encouraged to join the scheme and renew their membership on an annual basis. Encouraging landlords to be an active member of the Landlord Accreditation Scheme has benefits to landlords, tenants, the council and the local community.
- 11 Landlords are encouraged to advertise their vacant properties through Durham Key Options and Homeless and Prevention Offices use only accredited landlords to accommodate homeless people or those threatened with homelessness. The Rent Deposit Guarantee Scheme and empty homes loans are only available to accredited landlords, which are an incentive for landlords to join the scheme.
- 12 To date the scheme has achieved:
 - (a) A membership of over 100 landlords and 2300 properties.
 - (b) An annual renewal rate of memberships is 56%
 - (c) Over 150 properties have been let through Durham Key options.
 - (d) Over 430 properties have been inspected.
 - (e) 13 local businesses offer discounts to accredited landlords on production of their membership card.
 - (f) Discounts from the pest control service for domestic properties.
 - (g) Landlords receive bi-monthly newsletters with up to date information.
 - (h) Landlords forums are held every quarter.
 - (i) A free training session on new legislation was delivered to landlords by a housing law training company.
 - (j) The scheme has been promoted on the front page of the council's website three times and appears on the intranet regularly.
 - (k) Two press releases: one at the start of the scheme and one following the 100th member have been released to encourage further membership.

Future Challenges

- 12 With limited powers to regulate the private rented sector, reliance is placed on the negotiation and persuasion skills of council officers to explain the legal responsibility of homeowners and encourage them to operate within these boundaries.
- 13 As the private rented sector is the tenure of necessity for many tenants, the implications of the Homeless Reduction Bill could see an increase in the demand for good quality, well-managed property. The details and implications of this will be further explained at the Scrutiny meeting.

- 14 The Housing Planning Act 2016 introduces provisions for private landlords and letting agents with the introduction of:
- (a) Banning orders – to ban a landlord or letting agent from engaging in letting or related activity where convicted of aggravated crimes.
 - (b) A rogues database - where property owners have been found guilty of certain housing related offences they will be placed on a register and enforcement agencies are expected to monitor for re-offending.
 - (c) A new abandonment process – landlords can serve notice on tenants to recover their property where they think it has been abandoned or high levels of rent are owed.

Recommendations

- 15 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and following the presentation.

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Appendix 1: Implications

Finance – N/A

Staffing – N/A

Risk – N/A

Equality and Diversity / Public Sector Equality Duty – N/A

Accommodation – N/A

Crime and Disorder – N/A

Human Rights – N/A

Consultation – N/A

Procurement – N/A

Disability Issues – N/A

Legal Implications – N/A