

## APPENDIX B

This proposal document sets out the Council's reasons for proposing a Selective Licensing designation area in:

1. Burnley Wood with Healey Wood,
2. Daneshouse
3. Leyland Road area and
4. The Ingham and Lawrence

# Burnley Borough Council

Proposals to approve  
Selective Licensing Areas

Housing and Development Control

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## **INTRODUCTION**

1. Selective Licensing was introduced by the Housing Act 2004. It allows local housing authorities to designate selective licensing areas in neighbourhoods experiencing low housing demand and/or significant and persistent anti-social behaviour. A designation can be in force for a maximum of 5 years.
2. Within a designation area all privately rented properties require a licence to operate. The owner of the rented property will need to make an application to the Council for a licence. The licence is valid for a maximum of 5 years and will contain a series of conditions that the licence holder must meet. To breach the licence conditions is a criminal offence, as is the failure to apply for a licence, which could lead to a prosecution and a fine of up to £20,000.
3. This report sets out the reasons and a proposal to designate four areas of the Borough as selective licensing areas:
  - ❑ Burnley Wood with Healey Wood,
  - ❑ Daneshouse,
  - ❑ The Leyland Road area and
  - ❑ The Ingham Street area.
4. The areas suffer from the effects of low housing demand and are areas appropriate for the introduction of selective licensing in-line with Part 3 of the Housing Act 2004. This report sets out the detailed information supporting the proposal.
5. This report will support the Council in making its decision on whether or not to introduce selective licensing in the areas of Burnley Wood with Healey Wood, Daneshouse, the Leyland Road area and the Ingham and Lawrence Street area.
6. Following consultation the Council will consider all responses received together with any other relevant information, and then prepare a report for the Council's Executive for a decision on whether the areas should be designated as selective licensing areas

## WHAT IS A SELECTIVE LICENSING SCHEME?

### Legal Framework and Guidance

7. This section of the report summarises the legal requirements necessary for the introduction of Selective Licensing in an area.
8. The relevant legislation is contained within the Housing Act 2004, supported by two guidance documents published by the Department of Communities and Local Government.
  - a. *Approval Steps for Additional and Selective Licensing Designations in England*; and
  - b. *A Guide to the Licensing and Management Provisions in Parts 2, 3, and 4 of the Housing Act 2004 (Draft, January 2010)*. Further reference to the legislation and guidance within the document refer to the above unless stated otherwise.
9. Selective Licensing is a regulatory tool provided by the Housing Act 2004. Part 3 of the Housing Act 2004 gives local authorities the power to designate the whole of, or parts of, their district for Selective Licensing provided that one of two specific conditions is met:
  - a. The area is, or is likely to become, an area of low housing demand and that making a designation will, when combined with other measures taken in the area by the local housing authority, or by persons together with the local housing authority, contribute to the improvement of the social or economic conditions in the area; or
  - b. That the area is experiencing a significant and persistent problem caused by anti-social behaviour; and that some of or all of the private sector landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat the problem that it would be appropriate for them to take; and that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, lead to a reduction in, or the elimination of, the problem.
10. The Act goes on further to state that in deciding whether an area is, or is likely to become an area of low housing demand a local housing authority must take into account, among other matters:

- a. The value of residential premises in the area, in comparison to the value of similar premises in other areas which the authority consider to be comparable (whether in terms of types of housing, local amenities, availability of transport or otherwise);
  - b. The turnover of occupiers of residential premises;
  - c. The numbers of residential premises which are available to buy or rent and the length of time for which they remain unoccupied.
  
11. Guidance produced by Communities and Local Government *Approval steps for Additional and Selective Licensing Designations in England* adds that local housing authorities should also consider other factors in determining low demand which may include:
  - a. A lack of mixed communities in terms of tenure, for example, a high proportion of rented property, low proportion of owner occupied properties;
  - b. A lack of local facilities, for example shops closing down;
  - c. The impact of the rented sector on the local community, for example, poor property condition, anti-social behaviour etc; and
  - d. Criminal activity.
  
12. Section 81 of the Act requires local authorities to show how a Selective Licensing designation will improve an area, and how the designation will work alongside other existing policies or measures that are already being taken for example:
  - a. The authority must ensure that any exercise of the power is consistent with the authority's overall housing strategy;
  - b. The authority must also seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour, both:
    1. as regards combining licensing under this Part with other courses of action available to them; and
    2. as regards combining such licensing with measures taken by other persons.
  
13. The authority must not make a particular designation under section 80 unless:

- a. they have considered whether there are any other courses of action available to them ( of whatever nature) that might provide an effective method of achieving the objective or objectives that the designation would be intended to achieve; and
- b. they consider that making the designation will significantly assist them to achieve the objective or objectives (whether or not they take any other course of action as well),
- c. Finally, before making a designation, the legislation requires local authorities to take reasonable steps to consult persons who are likely to be affected by the designation and consider any representations made in accordance with the consultation.

### **Consequences of designating a Selective Licensing Area**

14. If a Selective Licensing area is designated any private landlord wishing to operate within the designated area must apply for a licence for every tenanted house within the designated area. The power does not permit local housing authorities to require licensing of houses that have been made exempt under the Selective Licensing of Houses (Specific Exemptions) (England) Order 2006 (such as business tenancies, tenancies with a term over 21 years, holiday lettings etc), or property that is subject to a tenancy or licence granted by a body which is registered as a social landlord under Part 1 of the Housing Act 1996.
15. An application for a licence would need to be submitted for each property in accordance with specified requirements. The Council is entitled to charge a fee that accompanies the application.
16. As part of this application process, proposed licence holders and managers will be required to provide information that they are “fit and proper persons” and that they have satisfactory management arrangements in place, including dealing with anti-social behaviour. Further details of the proposed “fit and proper person” criteria can be found in Appendix 1. In circumstances where the Council are not satisfied that the licence holder or manager are a “fit and proper person”, and/or the management arrangements are unsatisfactory, then it can refuse to grant a licence.
17. The licence is valid for up to 5 years. A licence will have conditions attached and there are both mandatory and discretionary conditions. The mandatory conditions relate to circumstances covering the conditions that:

- d. a landlord must obtain references from all persons wishing to occupy the property, landlords must produce gas certificates;
  - e. electrical appliances must be kept safe;
  - f. the property must have working smoke alarms; and
  - g. each tenant must be provided with a written tenancy agreement.
18. The Council can also include discretionary conditions and these relate to the management of the property.

### **Implications of renting out a property without a licence**

19. It is a criminal offence to rent a property in an area designated to be a Selective Licensing area without a licence. Failure to apply for a licence could lead to prosecution, with the penalty of a criminal conviction and a maximum fine of £20,000.
20. A landlord of an unlicensed property is unable to serve a section 21 notice under the Housing Act 1988 in relation to a short hold tenancy of the whole or part of any property which is an 'unlicensed house'.

### **Management Orders**

21. Part 4 of the Housing Act 2004 introduced the use of Management Orders. The Council has a duty to make a management order where they consider either:
- a. The property ought to be licensed, but is not, and the Council considers there is no reasonable prospect of it granting a licence in the near future; and
  - b. It is necessary to take steps to ensure the health, safety and welfare of persons occupying the property, or persons living in or owning properties in its immediate vicinity, are protected.
22. An Interim Management Order (IMO) allows the Council to take possession of the house against the immediate landlord, and subject to existing rights to occupy allows the Council to:
- a. do anything in relation to the house, which could have been done by the landlord including repairs, collecting rents etc;
  - b. spend monies received through rents and other charges for carrying out its responsibility of management, including the administration of the house; and

- c. create new tenancies (with the consent of the landlord).

### **Breach of licence conditions**

- 23. A licence holder (or person bound by the licence conditions) will also commit a criminal offence if they fail to comply with any condition of a licence. This offence is punishable by a fine not exceeding £5,000.

## **HOUSING AND LOW DEMAND IN BURNLEY**

### **Burnley**

- 24. The borough of Burnley is located in Pennine Lancashire sited in the Pennine hills of the North West of England. The borough covers an area of 42 square miles, most of which is rural space or moorland. Burnley and Padiham are the principle towns in the borough and these urban areas measure 6 and 1.22 square miles respectively. There are distinct neighbourhoods within the towns, suburban areas and a number of small villages on the rural outskirts. Burnley links to the national motorway system via the M65 and has good rail connections to the North West region and eastwards to Yorkshire.
- 25. Burnley is a town that has seized the opportunity to deliver real transformational change and the future is looking very positive. The *Centre for Cities Outlook 2013* concluded “despite its weak performance during the 10 years before the recession, Burnley has not been amongst the hardest hit cities in either part of the downturn”. The report identifies a number of initiatives such as the Todmorden Curve and the regeneration of the Weavers’ Triangle area “on the banks” as good public policy interventions that stand Burnley in a strong position to come out of the recession. There are also a range of other key economic developments such as the Burnley Bridge business park, the Knowledge Park at the University, Burnley College, the new University Technical College and the Aerospace Supplier Park that are operating across the local economy to deliver, skills, jobs and growth.
- 26. A number of challenges remain and Burnley ranks the 11th most deprived district out of the 354 districts in England. The borough’s inner urban areas have significant, long-term housing problems. This is characterised by large numbers of 19th century terraced houses of low value. 7% of housing is vacant, compared with 4% in the Northwest region. These vacant properties are vulnerable to fly-tippers, break-ins by squatters, vandals, drug dealers and arsonists; they create a negative impact on the local environment. Burnley has consistently had the



lowest median house prices in the North West since the mid-1990s, though there is some evidence of an improving trend.

## Housing in Burnley

27. From the 2011 Census there were 37,550 dwellings in Burnley. The housing stock in Burnley differs substantially from the national average with 71.2% of dwellings built before 1919 (compared with 23.6% nationally). This is especially the case within the older terraced housing areas, including the proposed designation areas. These inner areas are also characterised by high proportions of two-up, two-down terraced homes dating from the period 1880-1919.
28. In terms of tenure, the statistics from the 2011 Census show that owner occupation, either owned outright, or with a mortgage, was 65% in Burnley compared with 63.6% for England and Wales. Burnley has a higher level of properties rented from private landlords at 19.4% compared with 16.7% in England and Wales. Only 14.1% of properties in Burnley are rented from Registered Social Landlords (Census 2011) compared with 17.6% in England and Wales.
29. Private renting has been on the increase nationally. The proportion of private rented properties in Burnley has risen from 9.3% in 2001 to 19.4% and from 8.8% in England and Wales to 15.3%.

**Table 1 – Tenure of households – Burnley and England and Wales**

Tenure	Burnley Households (no.)	Burnley Households %	England and Wales %
All households	37,550	100.0	100.0
<b>Owned</b>	24,408	65.0	63.6
Owned: Owned outright	11,815	31.5	30.8
Owned: Owned with a mortgage or loan	12,593	33.5	32.7
Shared ownership (part owned and part rented)	79	0.2	0.8
<b>Social rented</b>	5,281	14.1	17.6
Social rented: Rented from council (Local Authority)	1,418	3.8	9.4
Social rented: Other	3,863	10.3	8.2
<b>Private rented</b>	7,267	19.4	16.7

Private rented: Private landlord or letting agency	6,664	17.7	15.3
Private rented: Other	603	1.6	1.4
<b>Living rent free</b>	515	1.4	1.4

Source: 2011 Census

### **Low Housing Demand in Burnley**

30. Low demand in the housing market in Burnley has been a problem for some time. The problem manifests itself in a high level of vacant properties, low property values, high levels of private renting and poor housing conditions.
31. To address this there has been significant clearance of unfit properties in the last decade. There is renewal in many of the most deprived areas, with new affordable housing being built and sold.
32. In January 2015 there were 2565 empty private sector properties in Burnley. This is a fall of some 13% when empty dwellings in March 2007 made up 2,949 of the homes in the town's housing stock<sup>1</sup>. The main reasons for this fall has been the Council's housing clearance and redevelopment programme as well as the recent empty homes cluster programme which has a value of £5.5 million, is bringing 175 long term empty properties back in to use.
33. The recycled monies from the Clusters of Empty Homes Programme will be used to fund a further three year programme to address long term problematic empty properties.
34. The Private Sector House Condition Survey 2009 (PSHCS) found that the proportion of properties with a category 1 hazard in Burnley is 25.3% compared with 22.4% across all tenures found in the English House Condition Survey 2006. The main cause of the category 1 hazards in Burnley was due to excess cold where the properties do not have adequate heating.

### **Crime and Anti-Social Behaviour**

35. As well as significant and persistent low demand affecting inner Burnley the town also has significant crime and anti-social behaviour issues. Many of these are related to the economic, social and environmental deprivation found in the inner parts of the town.

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<sup>1</sup> DCLG, 2009

36. Multi-agency working and evidence from local residents also confirms that a number of the crime and anti-social behaviour issues in these areas stem from privately rented property (houses in poor condition, fly-tipped backyards, property theft from empty homes); or from tenants in such property (noise nuisance, anti-social behaviour, drugs, thefts).

## **THE PROPOSED SELECTIVE LICENSING AREAS**

37. This section of the report explains how and why the Council believes the conditions for Selective Licensing apply within:
- a. Burnley Wood with Healey Wood which is situated within the Rosehill with Burnley Wood Ward and the Trinity Ward.
  - b. Daneshouse situated within the Daneshouse with Stoneyholme Ward.
  - c. The Leyland Road area situated in the Bank Hall Ward
  - d. The Ingham and Lawrence Street area situated in the Gawthorpe Ward
38. In addition to the legal framework, the Council has made use of the following reference sources:
- ❑ The 2010 Department of Communities and Local Government (DCLG) report,
  - ❑ “Evaluation of the Impact of HMO Licensing and Selective Licensing”;
  - ❑ Case Study – Selective licensing in Manchester and Salford (Audit Commission Report);
  - ❑ LACORS (now RSU) – Guidance on Additional and Selective Licensing.
39. The original proposal was for Burnley Borough Council to designate the Burnley Wood with Healey Wood, Daneshouse, Bankhall and the Ingham and Lawrence Street areas as outlined in blue on Plans 1 to 4 as Selective Licensing areas. The red boundary shows the wider consultation area. A list of the streets to be included within the original proposed selective licensing designation areas can be found in Appendices 2 to 5.
40. The housing market in the proposed designation areas show signs of low demand (with increasing void levels, increased levels of private rented properties, properties with poor housing conditions and higher levels of social deprivation and increased crime). The symptoms of low demand are severe.

41. The Council proposes to designate the areas for selective licensing as they are experiencing significant low housing demand and the local authority is satisfied that ‘designating’ an area will, when combined with other measures, lead to improved social and economic conditions in the area.

**What are the local indicators which show that the proposed areas are suffering from low housing demand?**

42. This section of the document presents the information that demonstrates that the areas proposed for Selective Licensing are still suffering the effects of low demand. The evidence detailed below presents a number of separate indicators that when taken together build a strong argument to demonstrate an area in low demand. In particular a high proportion of private rented property, significantly low property prices and a high incidence of empty homes.
43. Data from a number of key variables including private rented properties, vacant properties, housing disrepair complaints, environmental crime, and antisocial behaviour were analysed across the Borough at ward level. The wards in which the proposed designation areas are situated rank with some of the highest problems in the Borough on these measures. A further concentrated analysis was undertaken using statistics within the proposed designation areas. This shows that the areas exhibit significant low demand and large and growing private rented sectors with a number of associated problems.

**Tenure**

44. The following table shows a comparison of the private rented sector in Burnley’s wards. This reveals that the proposed selective licensing areas are situated in the wards with a significant percentage of private rented properties.

**Table 1: Property tenure**

Tenure (%)	Owner Occupied (%)	Social Rented (%)	Private Rented (%)	Living Rent Free (%)	Rank
<b>Burnley Average</b>	65.2	14.1	19.4	1.4	
<b>Lancashire (12 districts)</b>	71.5	12.1	15.1	1.3	
<b>England</b>	64.1	17.7	16.8	1.3	
<b>Burnley Wards</b>					
<b>Bank Hall</b>	<b>45.4</b>	<b>21.3</b>	<b>29.6</b>	<b>1.8</b>	<b>2</b>
Briercliffe	83.4	3.5	10.6	1	10
Brunshaw	58.2	28.6	10.3	1.4	11
Cliviger with Worsthorne	88.5	2	7.5	1.2	13
Coal Clough with Deerplay	69.4	19.7	8.3	1.3	12
<b>Daneshouse with Stoneyholme</b>	<b>54</b>	<b>13.2</b>	<b>26</b>	<b>3.6</b>	<b>3</b>
Gannow	65.1	12.8	19.1	1.3	7
<b>Gawthorpe</b>	<b>57</b>	<b>15.6</b>	<b>24.1</b>	<b>1.3</b>	<b>4</b>
Hapton with Park	67.9	14.4	15.5	1	8
Lanehead	67.7	14.2	15.3	0.9	9
Queensgate	65.7	5.3	25	1.2	5
Rosegrove with Lowerhouse	60.9	20.4	15.3	1.7	9
<b>Rosehill with Burnley Wood Trinity</b>	<b>64</b>	<b>14.7</b>	<b>19.4</b>	<b>1.2</b>	<b>6</b>
<b>Trinity</b>	<b>51.9</b>	<b>12.3</b>	<b>32.8</b>	<b>1.1</b>	<b>1</b>
Whittlefield with Ightenhill	83.2	7.1	8	1	14

*Data - Census 2011(O.N.S)*

45. Council Tax and Housing Benefit records show that within the actual proposed selective licensing areas there are significantly high numbers of private rented properties.

**Table 2: Private rented properties within the proposed designation areas**

Proposed Area	Designation	Number of properties	Number of Private Rented Properties	% of the Boroughs private rented properties	Size of the areas (m <sup>2</sup> ) and % of the overall Borough size
Burnley Wood with Healey Wood		1257	421 (33%)	5.8 %	142347.6 (0.1%)
Daneshouse		788	222 (28%)	3 %	120137.2 (0.1%)
Leyland Road area		721	310 (43%)	4.2 %	104838.3 (0.01%)
Ingham and Lawrence Street area		167	56 (33%)	0.7 %	2094.25 (0.001%)

46. Table 2 shows that the proposed selective licensing areas have a significantly high number of private rented properties compared to the ward that they are situated within. When compared to the Borough average the increase varies between 8.6% in Daneshouse and 23.6% in the Leyland Road area.

47. While the private rented sector is a key component of providing a sustainable mixed tenure neighbourhood, poor housing management and low standards in the sector can contribute to the failure of a local housing market. People leave the area, house prices fall, speculative landlords move in, and the local community becomes weaker. Low demand and antisocial behaviour can result in unsettled communities, along with other social and economic problems. These problems are evident in the proposed selective licensing areas.

### **Housing Conditions**

48. Housing condition and the undertaking of maintenance and repair is fundamental to the management practices of the private rented sector. Despite this the 2009 Private Sector House Condition Survey (PSHCS) for Burnley states that 17,700 dwellings were non decent. This represents 43.6% of the housing stock and is substantially higher than the national average of 36.7%.

49. The 2009 PSHCS also shows that 28.4% of Category 1 hazards are associated with private rented sector properties. This compares with an across tenure average of 25.3% for Burnley as a whole, demonstrating

that the private rented sector experiences a greater incidence of serious failings in property condition.

50. The most common Category 1 hazards are excess cold, falling on stairs and carbon monoxide. The highest rate of Category 1 hazard were found in converted flats (57%) followed by terraced houses (30%), with the lowest rates being semi-detached/detached houses (4%) and bungalows (2%).
51. The survey found that 33% of pre 1919 properties had a Category 1 hazard compared with only 1.7% of post 1980 constructed properties. A total of 88.4% of privately rented tenants live in a pre-1919 dwelling. This means that private rented tenants are far more likely to live with Category 1 hazard in their property compared to other tenures.
52. Further evidence of property condition impacting on residents comes from housing disrepair cases emanating from the private sector and reported to the Council. This is a considerable problem in Burnley. Table 10 shows that Bank Hall was the origin of the second highest rate of cases after the existing area within Trinity where proactive property inspections are undertaken. The other wards Daneshouse with Stoneyholme, Gawthorpe and Rosehill with Burnley Wood affected by the proposed designation areas have also received high numbers of property enforcement cases.

**Table 3 – Housing Disrepair Cases in Burnley, 2011-2013.**

Ward	2011/12	2012/13	2013/14	2014/15
Bank Hall	25	30	54	54
Briercliffe	2	4	8	5
Brunshaw	8	15	10	6
Cliviger with Worsthorne	1	1	0	1
Coal Clough with Deerplay	4	5	8	2
Daneshouse with Stoneyholme	18	22	26	24
Gannow	21	20	24	18
Gawthorpe	20	21	20	24
Hapton with Park	5	12	12	12
Lanehead	6	15	16	11
Queensgate	27	32	49	47
Rosegrove with Lowerhouse	12	26	30	10

Rosehill with Burnley Wood	14	20	33	27
Trinity	45	42	59	43
Whittlefield with Ightenhill	8	1	5	5
Burnley Total	216	266	354	289

Source: Burnley Council

### Empty Homes

53. The proposed selective licensing areas suffer from high levels of empty homes. Table 4 shows that the number of empty properties in each ward is higher than the Borough. Table 5 then shows that there is a significantly higher percentage of empty properties clustering with the proposed selective licensing areas.

#### 54. Table 4: Empty Homes from Council Tax Records

Ward	2012	Jan 2015	% in Jan 2015	Oct 2015	% Oct 2015
Bank Hall (2887 properties)	298	250	8.6%	269	9.3%
Daneshouse with Stoneyholme (2157 properties)	343	209	9.6%	224	10.3%
Gawthorpe (2054 properties)	180	170	8.2%	195	9.4%
Rosehill with Burnley Wood (2665 properties)	239	224	8.4 %	213	7.9%
<b>Burnley Total (39,939 properties)</b>	<b>2691</b>	<b>2565</b>	<b>6.4%</b>	<b>2627</b>	<b>6.5%</b>

Source: Burnley BC Council Tax

#### 55. Table 5: Empty properties within the proposed designation areas

Proposed Designation Area	Number of properties	Number of Empty Properties Jan 2015	Number of Empty Properties Jan 2015
Burnley Wood with Healey Wood	1257	136 (14%)	166 (13.2%)



Daneshouse	788	87 (11%)	91 (11.5%)
Leyland Road area	721	94 (13%)	95 (13%)
Ingham and Lawrence Street area	167	20 (11%)	20 (11%)

56. These empty homes show that the areas are in low demand. The private sector housing within these areas is unpopular, leaving other residents subject to abandonment.

	Total	Empty 0-6 mths		Empty 6-24 mths		Empty 24+ mths	
		No	%	No	%	No	%
Bank Hall	250	141	56	76	30	33	13
Daneshouse with Stoneyholme	209	90	43	60	29	59	28
Gawthorpe	170	96	56	48	28	26	15
Rosehill with Burnley Wood	224	113	50	72	32	39	17
Burnley	2563	1325	52	825	32	413	16

### Length of time homes stay empty

**Table 6: Length of time homes stay empty by Ward**

Source: Burnley Borough Council, Council Tax Records January 2015

**Table 7: Length of time homes stay empty within the proposed selective licensing areas**

	Total	Empty 0-6 mths		Empty 6-24 mths		Empty 24+ mths	
		No	%	No	%	No	%
Burnley Wood with Healey Wood (1257)	169	77	46	62	37	30	18
Daneshouse (788)	87	35	40	23	26	29	33
The Leyland Road area (721)	94	47	50	33	35	14	15
Ingham and Lawrence Street area (167)	20	14	70	3	15	3	15

Source: Burnley Borough Council, Council Tax Records January 2015

57. Table 6 analyses ward data and shows that the percentage of properties that have been empty for over 24 months in Bank Hall, Gawthorpe and Rosehill with Burnley Wood are in line with the the percentage recorded for the Borough. There is however a 12% increase in Daneshouse with Stoneyholme data highlighting a particular problem of long term empty properties in this ward. Table 7 shows that the proposed selective licensing areas of Burnley Wood with Healey Wood, Daneshouse and the Leyland Road area have a higher concentration of properties that have been empty for more than 24 months when compared with the data for the wards in which they are situated.

### Property Values

58. It is well documented how house prices in Burnley, particularly inner Burnley, have been consistently some of the lowest in the country. The profile of the housing stock in the proposed designation areas means that residents are disproportionately likely to be living in low-value homes. Table 8 shows that the wards of Bank Hall, Daneshouse with Stoneyholme and Gawthorpe are lower than the Borough median house price. Rosehill with Burnley Wood is higher which could be a result of the amount of new built housing sold in this location. However table 9 shows that the actual proposed selective licensing areas have particular low house price transactions. Table 9 shows the average property prices within the proposed Selective Licensing areas. Caution needs to be exercised in interpreting such data as they are based on low levels of overall transactions. Nevertheless, what they show is a picture of low demand. With low levels of values lagging significantly below anywhere else in Burnley, Lancashire or the rest of the country.

**Table 8: Median house prices in Burnley and the Wards where the proposed designation areas are situated**

<b>Median House Prices July 2014</b>	
Burnley	£88,901
England	£260,000
<b>Burnley Wards</b>	
Bank Hall	£51,949
Daneshouse with Stoneyholme	£64,167
Gawthorpe	£82,714
Rosehill with Burnley Wood	£90,914
Queensgate	£58,982

Source: HomeTrack UK July 20

**Table 9: Average property prices within the proposed designation areas**

<b>Proposed Area</b>	<b>Designation</b>	Average Property Price From January 2013 to January 2015
Burnley Wood with Healey Wood		£34,771
Daneshouse		£33,073
Leyland Road area		£46,987
Ingham and Street areas	Lawrence	£39,374

### Turnover

59. In order to assess property turnover the creation of new Council Tax records has been considered. They provide information relating to property turnover. However, the Council tax data is provided on 2001 ward boundaries which is not directly comparable with other ward data provided elsewhere within this report.

**Table 10: Property turnover from Council Tax Records**

<b>2001 Ward boundaries</b>	<b>Total</b>
BANK HALL	1252
BARCLAY	585
BRIERCLIFFE & PARISH COUNCIL	375
BRUNSHAW	456
CLIVIGER PARISH COUNCIL	112
COAL CLOUGH	432
DANESHOUSE	703
FULLEDGE	703
HABERGHAM EAVES PARISH	54
HAPTON	188
LANEHEAD	617
LOWERHOUSE	950
PADIHAM TOWN COUNCIL	1283
QUEENSGATE	789
ROSEHILL	493
TRINITY	763
WHITTLEFIELD	425
WORSTHORNE PARISH COUNCIL	130

Grand Total	10310
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Source: Council Tax 1<sup>st</sup> April 2014 to 31<sup>st</sup> January 2015

60. Table 10 shows the number of times new records were created for Council Tax purposes between the 1<sup>st</sup> April 2014 and 31<sup>st</sup> January 2015. These changes do not solely relate to the creation of a record for a new occupier; however, they do give an indication of the number of changes that occur and it is estimated that two thirds of these changes do relate to new occupiers.
61. As can be seen from the data in Table 10 the Bank Hall has the second highest turnover figures for the Borough. Daneshouse and Fulfilledge (Gawthorpe) rank joint sixth with Rosehill 9<sup>th</sup>.
62. High turnover in isolation does not evidence low housing demand, however a high turnover of occupiers looked at in relation to low house prices and high incidents of vacant properties is another indicator to support the low demand for the housing stock in that area. Anecdotal evidence from residents and local agencies suggests that there is a high turnover within the private rented sector with tenants moving, often at short notice, from one property to another. This is supported by the Council Tax data.

### **Environmental Crime and Anti-Social Behaviour**

63. Although the Council is not seeking the selective licensing areas on the basis of anti-social behaviour this is a contributing factor to low demand where the housing market is weak.

**Table 11 - Enviro-crime and Antisocial Behaviour reported to Burnley Borough Council**

<b>Proposed Designation</b>	<b>ASB</b>	<b>Environmental Crime</b>
Burnley Wood with Healey Wood	30	316 (25%)
Daneshouse	7	221 (28%)
Leyland Road Area	14	402 (55%)
Ingham and Lawrence Street Area	3	31 (18%)
Current Queensgate Selective Licensing Area	46	419 (25%)

Source: Burnley Council 2014/15

64. The figures show that there are a high number of complaints received by the council in relation to environmental crime which has a detrimental affect on the attractiveness of an area to residents and investors and exacerbates the low demand. These figures are comparable to the current Queensgate Selective Licensing area which came into force in July 2014, except for environmental crime in the Leyland Road area which is significantly higher.

### **Anti-Social Behaviour (ASB) and Crime**

**Table 12: Crimes and Anti Social Behaviour – Safer Lancashire Aug 2013 to July 2014.**

<b>Ward</b>	<b>Crime Stats per 1000 population</b>	<b>ASB stats per 1000 population</b>	<b>Number of ASB report to the Council 2013/14</b>
Burnley	89.5	73.8	548
Bank Hall	124.9	124.6	60
Briercliffe	34.1	27.6	9
Brunshaw	51	59.3	30
Cliviger with Worsthorne	30.2	20.6	5
Coal Clough with Deerplay	68.3	54.3	22
Daneshouse with Stoneyholme	253.2	182.7	30
Gannow	81	62.1	44
Gawthorpe Hapton with Park	79.5	71.7	39
Lanehead	72	61	39
Queensgate	128.4	100	47
Rosegrove with Lowerhouse	73	71.5	35

Rosehill with Burnley Wood	103.1	67.1	42
Trinity	160.5	112.9	62
Whittlefield with Ightenhill	89.5	73.8	17

65. Table 12 shows that all wards affected by the proposed selective licensing areas have higher reported levels of crime than that for Burnley.
66. Anti social behaviour reported to the Police is significantly higher in the wards of Bank Hall and Daneshouse with Stoneyholme (Table 12).
67. Lancashire Community Safety Partnership produced a briefing note for Housing and Development Control in November 2014 detailing the key areas of antisocial behaviour. The wards affected by the selective licensing designation proposals (Daneshouse with Stoneyholme, Bank Hall, Gawthorpe and Rosehill with Burnley Wood) are in the top seven wards for recording of anti-social behaviour. Over a three year period from 2011/12 to 2013/14 Daneshouse and Bank Hall are the top 2 recording wards for Anti-social Behaviour incidents.
68. Table 13 below shows the top 11 streets for anti-social behaviour, combining all recorded incidents for the last three years.
69. The top four recording streets for anti-social behaviour incidents are all situated in the Daneshouse with Stoneyholme Ward. These streets are however located in the town centre and are more likely linked to Burnley's night time economy than residential premises. Leyland Road falls 8<sup>th</sup> in the top 11 streets for anti-social behaviour. This street is contained within the proposed selective licensing area named The Leyland Road area.

**Table 14: Burnley’s highest recording streets for ASB, 2011-12 to 2013-14.**

<b>Incident Location (Street)</b>	<b>Ward</b>	<b>ASB Incidents (over 3 years)</b>
St James's Street	Daneshouse with S	436
Hammerton Street	Daneshouse with S	363
Manchester Road	Daneshouse with S	230
Croft Street	Daneshouse with S	210
Burnley Road	Gawthorpe	189
Colne Road	Daneshouse with S	174
Parker Lane	Daneshouse with S	173
Leyland Road	Bank Hall	172
Cog Lane	Rosegrove	160
Briercliffe Road	Queensgate	158
Casterton Avenue	Queensgate	150

70. Finally the briefing note contained maps showing the key hot spot areas for anti-social behaviour during October 2014. These areas were:

- a. The Town Centre
- b. Parts of the Queensgate Ward which are covered by the Queensgate Selective Licensing area 2014.
- c. Parts of the Gannow Ward which are covered by the Gannow Selective Licensing area 2014.
- d. Burnley Wood (Plan 5) which is contained within the proposed Burnley Wood with Healey Wood Selective Licensing area.

### **Households and Benefits**

71. Benefit dependency in general is also an important factor in the wards. Table 13 shows the percentage of people claiming job seekers allowance by age group.

**Table 13: Benefit Claimants Burnley**

Location	Aged 18-24	Aged 25-49	Aged 50 and over
Great Britain	22.1 %	56.9 %	20.9 %
Burnley	21.9 %	56.5 %	21.3 %
Bank Hall	18 %	66.9 %	15.1 %
Daneshouse with Stoneyholme	28.3 %	54.9 %	16.8 %
Rosehill with Burnley Wood	17 %	56.4 %	25.5 %
Gawthorpe	28.4 %	53.1 %	17.3 %

*Source: DWP*

72. The ward of Bank Hall has a higher level of benefit dependency for the age group 25-49 compared to Burnley and Great Britain. The Ward of Rosehill and Burnley Wood has a higher percentage for the over 50s with Daneshouse and Stoneyholme showing a higher percentage for the 18-24 age group. The actual proposed selective licensing areas have significantly higher numbers of private rented properties than the wards they are situated in. It is assumed that these areas will have comparatively high levels of benefit dependency meaning that the population will be disproportionately affected by benefit changes that could increase tenancy turnover and detrimentally affect the viability of the private rented sector in the area. This is particularly important with the ongoing changes in relation to Universal Credit.

## **HOW DOES SELECTIVE LICENSING SUPPORT THE COUNCIL'S HOUSING STRATEGY?**

73. This section demonstrates how the proposed Selective Licensing designation is consistent with the overall housing strategy for the borough and will form part of a wider strategic framework for improving housing across Burnley.
74. The introduction of Selective Licensing in Burnley is key to the Council's strategy to tackle low demand, improve the quality of homes within the borough and create a balanced housing market to support social and economic improvements.
75. Housing plays a fundamental role in delivering sustainable communities, facilitating social and environmental improvements and promoting economic growth. The Council believe that Selective Licensing has an important role to play and offers valuable support



to existing initiatives to tackle empty homes, prevent homelessness, create sustainable, high quality neighbourhoods and reduce anti-social behaviour.

### **Burnley Council's Strategic Plan 2013/14 to 2016/17**

76. This document sets out the Council's vision for the borough:

*'The council wants to make the borough a place of choice. It will be a place where businesses want to invest, because of its skilled workforce and its competitive, modern economy. It will be a place where people want to live because of its clean and safe neighbourhoods, its reputation as a centre of educational excellence, and its quality green space.'*

77. Selective Licensing can make a valuable contribution to the creation of clean and safe neighbourhoods and the strategic plan contains the specific action to "Improve condition and management systems across the private rented sector".
78. Under the Council's overarching vision are a series of objectives including to "make the Borough a place of choice" and "promoting transformational economic change for Burnley". The Council's proposal for further Selective Licensing areas will help achieve these objectives by reducing the impact of the private rented sector in the area and making it a more attractive place to live.
79. Good quality housing that is managed effectively will facilitate more stable neighbourhoods, making them more attractive to current and prospective residents.
80. Effective housing policy also plays a strong supporting role in driving economic change and promoting growth by providing the choice and quality to meet the demands of a modern diverse economy.

### **Burnley's Future 2014-2017: the sustainable community strategy for Burnley**

81. First published in 2003 and updated in 2014, *Burnley's Future* sets out the vision and the key priorities for the Borough. The strategy is endorsed by Burnley Action Partnership and is widely distributed to other organisations and groups. One of the three strategic priorities set out in the strategy is to "make the Borough cleaner, greener and

safer”. Selective licensing will support this by improving property and tenancy management standards.

82. The strategy expresses the desire to attract new private sector investment into the borough, deliver new and improved housing and transform those areas most affected by anti-social behaviour and unclean streets. Again selective licensing can play an important role in achieving these strategic objectives by ensuring that private rented sector housing makes a positive contribution to the housing offer within the borough.

### **Pennine Lancashire Housing Strategy 2009-2029**

83. The Council’s housing strategy is framed within the *Pennine Lancashire Housing Strategy* and Burnley shares a number of key strategic objectives with partnering local authorities across Pennine Lancashire.
84. The strategy sets out a series of actions intended to support the transformation of the economy in Pennine Lancashire and recognises the importance of both growth and renewal in the housing market. The strategy contains a specific aim to progress “the development and promotion of landlord licensing and accreditation to foster closer working with local authorities enabling promotion of private rented accommodation as a ‘decent’ alternative to social housing.”
85. The strategy also aims “for the Local Authorities to work collaboratively and on a larger scale to raise the standards of management and property condition in the private rented sector.”
86. Selective Licensing supports this aim and the strategy in general through the specific intention to raise the standard of management and contribute to improvements in property condition, creating a good quality rented product in the housing market.

### **Prevention of Homelessness Strategy**

87. Burnley Borough Council’s Homelessness Strategy has five central aims that are supported by Selective Licensing.
  - a. Prevent homelessness
  - b. Develop multi agency working to minimise the effects of homelessness

- c. Meet Government targets on rough sleeping, use of Bed and Breakfast and temporary accommodation
  - d. Provide a Safety Net of Accommodation and Support
  - e. Monitor changing needs and performance
88. The Council are clear that the private rented sector has a central role to play in meeting housing need across the borough. As owner occupation becomes increasingly more difficult to achieve it is not an option or indeed the choice for everyone. As we see a significant rise in the number of households choosing to rent privately from 9.26% in 2001 to 19.4% in 2011 (Census 2001 & 2011) it is crucial that this sector can offer a decent alternative to owner occupation or social rented housing.
89. The private rented sector also makes a significant contribution to meeting the housing needs of vulnerable people and in many cases has prevented homelessness and minimised the use of temporary accommodation. The Council continue to work in partnership with the private rented sector and Selective Licensing will strengthen this partnership by increasing the number of landlords working with the Council with well-managed, good quality accommodation.
90. The Council offer advice and assistance to homeless households together with a number of measures to prevent homelessness. The Private Sector Bond Scheme is available to households who cannot afford to pay cash bonds for private rented accommodation and through Selective Licensing the Council can be confident that residents have access to well managed accommodation that will meet the minimum standards required.
91. By strengthening the partnership between landlords and the Council both Accreditation and Selective Licensing can contribute to the prevention of homelessness through effective tenancy management that minimises ASB, tackles rent payment issues in a timely and constructive manner and offers a housing option for some of the most vulnerable households in need of a home.

### **Empty Homes Work**

92. Tackling empty homes has been an intrinsic part of the Council's wider housing strategy to address low demand for many years and is highlighted as a key priority in the *Pennine Lancashire Housing Strategy*. The vacant property section of this document sets out the challenges faced by the borough and there are a number of strategic

initiatives that the Council use to address the problem, ranging from information and advice through to enforcement.

93. The Vacant Property Initiative, which has been in operation for over a decade, seeks to acquire for sale problem properties that are classed as long term vacant with the aim of benefitting local residents, the local economy and the wider community. This programme has been very successful and is now utilising the Council's own capital receipts generated through the re-sale of renovated empty properties to continue.

### **Neighbourhood Regeneration**

94. Burnley continues to see large-scale redevelopment of strategic sites introducing new, modern affordable housing for both sale and rent. Completing the commitments to neighbourhood regeneration is a high priority for the Council and the Strategic Plan contains the action to "*Complete land assembly programme and facilitate redevelopment of key priority neighbourhoods*".
95. By the end of the property face-lifting programme around that was undertaken between 2004 and 2010, 1,865 properties had been improved in Burnley. The main purpose of face-lifting schemes was to stabilise and give confidence to properties in an area through works to external elevations. This work included stone cleaning, siliconing, pointing, rebuilding of front garden walls where required and gutter replacement to front and gable elevations. This work was undertaken in the proposed selective licensing areas of Daneshouse and Burnley Wood with Healey Wood.
96. Selective Licensing will support the Council's neighbourhood regeneration work by ensuring that the private rented sector makes a positive contribution to a sustainable mixed tenure neighbourhood that offers a range of housing options for current and future residents of the Borough.

### **Working with the Private Rented Sector**

97. The Council have long held the view that a positive relationship with the private rented sector is of mutual benefit to both parties and residents of the borough. Through programmes to tackle empty homes, prevent homelessness, address issues of low demand and improve housing standards the Council have worked with the private rented sector to strengthen this partnership and deliver effective

solutions. In addition accreditation has been in operation since 2001 and currently has 267 landlord members and 8 accredited managing agents.

98. The Council try to assist reputable landlords who are accredited or licensed to invest in empty homes through a £20,000 interest free loan, repayable over 10 years.
99. To achieve this aim the Council supports the Private Rented Sector Forum that meet periodically to discuss issues of particular relevance to the sector and the Council also organise bi-annual Landlord evenings to engage with the wider sector, update landlords on recent developments and offer advice and assistance on a range of topical issues.
100. The Council see this partnership as an important strand of the housing strategy that contributes to improving property standards and management practices across the sector.

### **Tackling ASB and Tenant Referencing**

101. Selective Licensing will support the strategic aims of the Community Safety Partnership to reduce crime and disorder. Selective Licensing will work in partnership with the anti-social behaviour team the Police, Landlords and tenants to encourage and assist Landlords and Agents to deal with issues of ASB.
102. Within the Selective Licensing areas the team will assist landlords with the referencing of perspective tenants through Police and anti-social behaviour checks. Signed written permission must have been given by the perspective tenant.

### **Landlord Development Days**

103. The Council hold landlord development days for landlords operating in the selective licensing areas. The days are delivered by the National Landlords Association and cover all aspects of property letting. This training will help improve the management practices within the areas.

## **CURRENT ACTIVITY IN THE PROPOSED SELECTIVE LICENSING AREAS**

### **Housing Condition**

104. The Council currently react to tenants complaints about disrepair through the enforcement service.

### **Empty Homes Programme**

105. The Council is also working in partnership with owners and private landlords to bring long-term vacant properties back into use through the empty homes programme. The proposed selective licensing areas will ensure that those properties brought back in to use as private rented accommodation achieve the desired standards of management and make a positive contribution to the neighbourhood. The Selective Licensing designation will also give homeowners the confidence to invest in their properties.

### **Neighbourhood Regeneration**

106. The areas of Daneshouse and Burnley Wood have received millions of pounds of regeneration investment through funding projects such as the Single Regeneration Budget and the Housing Market Renewal Pathfinder. This regeneration include large scale clearance, face-lifting and a programme of ongoing redevelopment which includes 300 new homes completed so far and a further 360 planned by private sector and housing association developer partners in South West Burnley, Burnley Wood and Daneshouse and Stoneyholme. In addition, there has been investment by the Council and stakeholders in new social, economic and environmental infrastructure – health centres, schools, roads, play schemes, open space and retail.

### **Police and Communities Together (PACT)**

107. Police and Communities Together, or PACT, is the name given to the process to make sure members of a community have a say and are involved in how their local neighbourhood is policed.
108. The PACT process gives residents the chance to meet their neighbourhood policing team every month, have a say on how the neighbourhood is policed and monitor the police's performance.

109. PACT drop-in surgeries are held once a month and PACT meetings quarterly.
110. The information provided above highlights that the Selective Licensing scheme would not be working in isolation, it would act as a hub, co-ordinating actions and responses from a wide range of partner agencies, such as police, Sure Start, Streetscene, landlords and residents. Through the monitoring of the area and the regular resident meetings all issues raised are monitored until a resolution is achieved.

## **OPTION APPRAISAL**

111. The option appraisal below looks at other powers and projects that are available to the Council with the reasons why they could not replace the proposed Selective Licensing areas.

### **Accreditation**

112. Accreditation was first introduced in the 1990s mainly in university towns as a mechanism for helping landlords or agents to meet agreed standards of competence, skills and knowledge about the business of owning, managing or letting a private rented home.
113. Accreditation is supported nationwide by a wide range of stakeholders, including the Government, landlord associations, local authorities, Shelter, the National Union of Students and the Chartered Institute of Environmental Health. It can aid the supply of good-quality, well-managed homes.
114. Burnley's accreditation scheme, The Good Landlord and Agent Scheme (GLAS), was launched in 2001 as a partnership between the Council, private rented sector landlords and managing agents who rent out properties in the Burnley area.
115. Through continuing development of the scheme more landlords and agents are encouraged to join and improve the condition of their properties. These improved conditions physically enhance living conditions for tenants and residents living in Burnley. There are currently over 267 landlord members and 8 managing agents.
116. In addition the Council operate a Private Rented Sector Forum which was established in June 2004. The Forum represents landlords,

tenants, local communities and other voluntary and statutory agencies operating in the private rented sector and aims to improve standards in the private rented sector through promoting landlord, agent and tenant accreditation in Burnley and raising the profile of responsible renting.

117. Landlord Evenings are organised through the Forum and are open to all landlords. Through these events we seek to update landlords on current issues in the private rented sector, improve relationships and learn their good practice and experiences to pass onto other landlords.
118. Whilst the number of accredited landlords continues to grow in Burnley, our experience shows that generally accreditation attracts a limited number of landlords that already provide appropriate management standards and are motivated to improve the standards and reputation of the private rented sector.
119. Whilst we see GLAS and the Private Rented Sector Forum as important schemes to work with landlords and improve standards it does not have an intensive impact in any one area of the Borough, nor does it tackle the worst privately rented properties. Due to the voluntary nature it does not compel the worst landlords to engage with the Council or join the scheme. Experience shows that it is resource intensive to encourage the poorer landlords to join accreditation. When landlords are asked to make improvements to meet the requirements of the scheme many landlords fail to comply. This shows that accreditation cannot tackle the worst standards of property condition and management practices within the Borough.

### **Enforcement of Housing Standards**

120. The Housing Act 2004 introduced the Housing Health and Safety Rating Scheme (HHSRS) which allows local authorities to inspect privately rented properties to ensure the condition of that property does not have an adverse effect on the health, safety or welfare of tenants or visitors to that property. Where necessary the Council will serve statutory enforcement notices to ensure the condition is improved.
121. The current level of property inspections, between 250 and 300 per year are in the main based upon a reactive service; a complaint will be made to the local authority who will then undertake a HHSRS inspection to determine whether action needs to be taken. Whilst this approach does improve property conditions it is sporadic across the Borough and does not have a concentrated impact in one area. In



addition this power does not tackle property management standards. Through the selective licensing designation landlords will attend development days which cover all aspects of property management including property condition. Through training, advice and support landlords will recognise what improvements need to be made to their properties reducing the need for action under the HHSRS.

122. In addition the Council will continue to undertake proactive property inspections in the designation area, offering advice and where necessary taking enforcement action to improve property conditions across the designation area. Improving property conditions will assist in retaining tenants and attracting occupants to the area assisting in tackling low demand.

### **Management Orders**

123. Part 4 of the Housing Act 2004 introduced the use of Management Orders but advised that these orders should not be used if other enforcement options will remedy the problem. The general effect of a Management Order is that the Council takes control of the property, although legal ownership does not transfer from the landlord. There are two forms of Management Order, interim and final. Interim lasts for a period of 12 months which can then be followed by a final Management Order which lasts for a maximum of 5 years.
124. Once a Management Order is in place the Council takes over the management of the property. The occupiers pay their rent to the Council and any repair costs such as routine repairs or building insurance are taken from the rent before any surplus is given to the owner (landlord).
125. This power only deals with individual properties and is resource intensive especially as the Council no longer has any stock of its own. In some cases, even retention of the full rental income may not be adequate to properly maintain and manage the property, in which case, additional costs would end up being borne by the council tax payer.
126. This approach does not present a long-term solution to address poor management of privately rented stock as the property is returned to the original owner who may not necessarily have improved their management standards in the interim.
127. The Council has made four interim and one final management order, and will continue to use Management Orders in conjunction with

Selective Licensing as a last resort to deal with landlords who fail to comply with selective licensing and improve their management standards.

### **A Private Sector Leasing Scheme**

128. A Private Sector Leasing Scheme is where the council takes out a lease, normally 3 to 5 years in duration, from a private owner or landlord on their property. The council then uses the property to provide affordable accommodation.
129. There is no guarantee that landlords, especially the worst, will join the scheme and the Council cannot compel them to do so. As with Management Orders the scheme does not address poor management practices as the landlord does not gain experience, advice or training during the lease meaning that once handed back management standards can once again be unsatisfactory.

### **Home Safe**

130. Home Safe is a relatively new initiative (launched in the last 12 months). It is an advisory board of landlords operating within the Private Rented Sector. The scheme has a code of practice which incorporates both local and national standards as well as the selective licensing conditions of the local authority. Doncaster City Council is currently running this alongside their selective licensing scheme where by the landlord can either apply through Home Safe or directly to the Council for their licence.
131. Landlords can apply to join the Home Safe Scheme for a fee. The scheme checks the applicants' details and the property documentation and advises what will be needed to be done in order to apply to Doncaster City Council for a licence. Once this has been done Home Safe will then apply to the council for a licence on the landlords behalf.
132. Home Safe run a quarterly landlord forum and an online complaints service for landlords, tenants and the local authority. They are looking to develop a tenant database so that landlords can enter end of tenancy details such as rent arrears, property damage. Tenants would have to agree to this at the beginning of the tenancy agreement and would be identified by their national insurance number. Tenants would have the right of appeal.

133. If landlords undertake their own property inspections the fee for the Home Safe Scheme is £400 which is £25 less than the proposed Burnley selective licensing fees for an accredited landlord with one property who submits their application form within three months of the designation area coming into force.
134. The Home Safe Scheme is a sophisticated voluntary accreditation scheme with continuing development projects. It is run by a board of landlords so is seen as independent from local authorities.
135. Burnley run a voluntary accreditation scheme, GLAS which works alongside the selective licensing schemes as does Home Safe with Doncaster City Council.
136. Whilst accreditation is an important schemes to work with landlords and improve standards it does not have an intensive impact in any one area of the Borough, nor does it tackle the worst privately rented properties. Introducing the Home Safe scheme would in affect mean that there were two accreditation schemes operating in the Borough.

**Table 16: Option Appraisal**

<b>Option</b>	<b>Strength</b>	<b>Weakness</b>	<b>Risk</b>
<b>Accreditation (GLAS)</b>	Improves relationships between the Council, landlords and managing agents. Improves Management Standards. Improves Property Condition Promotes good practice Improves the reputation of the Private Rented Sector.	Voluntary so cannot compel landlords to join the scheme, nor improve property condition or standards of management.	The worst landlords will not join. Limited effect on a concentrated area as only the more motivated landlords will join.
<b>Enforcement</b>	Legal	Reactive rather	Resource

<b>of Housing Standards</b>	requirement Improves property conditions.	than proactive. Relies upon the tenant complaining, some of whom may be too scared. Does not improve management practices.	intensive.
<b>Management Orders</b>	Removes the property from an irresponsible landlord. Improves management standards. Is a forceful sanction for those landlords that do not comply with selective licensing.	Does not tackle poor management techniques therefore does not provide a long-term solution to unsatisfactory management practices. Intervention is as a last resort for a small number of properties.	Resource intensive. Relies upon an external company managing the properties.
<b>Introduce a Private Sector Leasing Scheme</b>	Contributes to homelessness prevention	Does not improve management standards of landlords who choose not to join the scheme. Reactive rather than proactive	Resource intensive. Relies upon an external company managing the properties. Companies do not come forward to run such a scheme.
<b>Selective Licensing</b>	Legal requirement	Maximum 5 years	Monitoring of the scheme is

	Improves Property Condition Improves Property Management Promotes good practice Reduces levels of ASB Area based Administration of the scheme is self-financed	Includes those landlords that already show responsible letting	extremely resource intensive on staff time Landlords may try and illegally evict tenants Landlords may try and avoid licensing Landlords may leave the area creating more vacant
<b>Home Safe Scheme</b>	Run independently from the Council  Voluntarily improves the condition, management and reputation of the private rented sector.  Has the resources to develop the scheme to look at incentives that will support landlords.	Is an accreditation scheme which is voluntary so cannot compel landlords to join the scheme, nor improve property condition or standards of management.  There is a cost to join the scheme	The worst landlords will not join. Limited effect on a concentrated area as only the more motivated landlords will join.  Run independently from the Council, would breaches of the Code be enforced rigorously

137. In summary, the alternative options to selective licensing would require some, if not all, of the finance from the Council, which in turn comes from everyone paying Council Tax. Selective Licensing will continue to be entirely self-financing, paid for by the licence applicants and not the community. This is an approach that the majority of residents agree with as many of the problems within the area are caused by irresponsible property management practices.

138. The alternative options do not compel a landlord to address tenant behaviour or ensure landlords seek references when allocating their properties. The current selective licensing scheme has proved successful in tackling anti-social behaviour and ensuring problem tenants do not move within the designation area. Landlords will be able to continue to access advice and support from the Council to deal with problematic tenant behaviour.
139. The alternative options do not provide a long-term solution to the training of inexperienced landlords. Through access to training landlords have an opportunity to improve their business operation that in turn can benefit the community from improved management practices.
140. The alternative options are not area based and can only tackle a small number of properties. Selective Licensing tackles all privately rented properties in the proposed designation area. There are a significantly high number of the private rented properties within the area. To improve the conditions, standards of management and reputation of the private rented properties in the designation area a collective approach is required; dealing with a small number of private rented properties will not assist in improving conditions.
141. The other options of accreditation, the enforcement of property standards and management orders will be used not as an alternative to selective licensing but as support tools as part of an integrated programme of measures to improve the social and economic conditions of the area.
142. Whilst there is always the risk with selective licensing that landlords may illegally evict tenants, leave the area, or try to avoid licensing this has not been the experience of the current designation areas. Through robust monitoring procedures the team will find all privately rented properties, any reports of illegal evictions are investigated immediately and where required sanctions are taken against that landlord.
143. Evidence shows that there are responsible landlords who wish to acquire further properties in the designation area, and through the introduction of the Clusters of Empty Homes programme we are seeing landlords bringing properties back in to use and reducing the number of vacant properties.

## **WHY SELECTIVE LICENSING IS NEEDED IN THE PROPOSED AREAS**

### **Low Demand**

144. Low demand in the proposed selective licensing areas is most clearly manifested in high vacancy rates, low property values and high numbers of private rented properties. In addition there are high incidents of environmental crime and anti-social behaviour which have a negative impact on demand within the areas, further weakening the housing market.

### **Co –ordinated Approach**

145. This report highlights a number of initiatives in the area that will be co-ordinated with the selective licensing areas, including work around homelessness, empty homes, tenant referencing, anti-social behaviour, environmental crime and the training of landlords in management practices.

### **Option Appraisal**

146. In seeking to make this designation the Council has assessed other courses of action. None are considered suitable in isolation in the areas of intense low demand with significantly high levels of private rented sector properties. Selective licensing is required to compel all landlords to engage with the Council or face prosecution and the use of management order. The other initiatives such as accreditation (GLAS) will support the reputable landlords already operating in the area. The enforcement of housing standards will improve the housing condition within the sector.

### **A summary of the issues that licensing will address**

147. Selective Licensing will help to address the problems associated with low demand by improving management practices and housing conditions which in turn will contribute to improving the unpopular perspective that residents and tenants have about the neighbourhoods.
148. Selective Licensing compels landlords to undertake referencing, which makes it more difficult for problem tenants to move readily from one property address to another continually displaying behaviour which affects other long standing residents. Reduced anti-social

behaviour has been seen in the current selective licensing area of Trinity.

149. Below is a specific example quoted by the police that demonstrates the use of tools available through selective licensing:

*The police were aware of a property where drug dealing was reported as a problem. Drug warrants were executed at the address. However, the tenant returned to the property and issues continued to be reported. The high level of vacant properties in the area surrounding the property meant that the level of complaints from neighbours and local residents wasn't enough to enable the police to use a closure order to resolve the situation. The selective licensing team contacted the landlord, and although they had proper management in place, the landlord still showed a reluctance to gain possession of the property. This resulted in the licensing team revoking the landlord's licence, and making a management order for the property. The council subsequently gained possession of the property to prevent any further problems of anti-social behaviour.*

150. Improved property management will decrease vacancy rates, improve anti-social behaviour and environmental crime. The selective licensing team will contact the landlords of tenanted properties where there has been a persistent problem with dirty back yards. The team will be involved in assisting residents to organise community skips, assist in carrying out audits of dirty back yards and organising resident representatives to conduct back yard audits.
151. Selective Licensing will ensure that those empty properties brought back into use through the Councils intervention are managed satisfactorily.
152. Licensed landlords will be seen as reputable and may attract and retain good tenants whilst those that continue to allow poor tenancy and property management will be targeted and addressed through enforcement action where necessary.
153. Licensing will require unprofessional landlords to adopt a professional approach ensuring suitable procedures are in place to deal with problems that arise.

## **CONSULTATION METHODOLOGY**

154. Before a new designation can be approved, it is a legal requirement for any authority considering the introduction of selective licensing to



undertake a full public consultation for a period of not less than 10 weeks. Guidance from the Department for Communities and Local Government (March 2015) states that when considering whether to designate an area the local housing authority must:

- a. Take reasonable steps to consult persons who are likely to be affected by the designation, and,
- b. Consider any representations made in accordance with the consultation.

155. Should the council's Executive decide to approve any of the four proposed schemes the authority would be required to obtain further confirmation from the Secretary of State. The guidance states that if this is the case the consultation should last a minimum of ten weeks. The consultation exercise was undertaken from 1st July 2015 – 2nd October 2015, a total of just over 13 weeks.

#### *Letters to Landlords*

156. The council wrote to all landlords known to be operating in the four proposed designation areas regarding the proposals to introduce selective licensing. The letters directed landlords to the council's website for further information, where they could also view proposal documents, including the council's reasons for proposing the area, copies of the proposed licence conditions, proposed fit and proper person criteria and management standards, proposed fee structure and frequently asked questions. In addition, the letters included links to the online version of the questionnaires for each of the proposed areas and information regarding the landlord drop-in session and evening which were held during the consultation period. Contact details for the selective licensing team were also included on the letter for landlords to make queries/representations, or to request paper copies of the questionnaire.

#### *Questionnaires*

157. Questionnaires were created for residents/businesses and landlords for each of the four proposed areas. They contained area specific information relating to the private rented sector and a map of the proposed designation. Information regarding the selective licensing scheme as a whole and a number of frequently asked questions were also included. The questionnaires asked respondents to rate the extent to which their area was affected by a series of possible issues relating to property management and the private rented sector. It also asked for their thoughts on the proposed scheme and whether or not they agreed with the proposals. Respondents were also able to complete the

questionnaire online, a link to which was included on the paper questionnaire.

158. Questionnaires were hand delivered to every property within the four proposed designation areas, as well as the areas immediately surrounding these boundaries (see plans 1 to 4). The questionnaires also contained details of the locations and times of the arranged resident drop-in events for the area, along with contact details of officers at the council, and included a free-post address for responses to be returned to. Landlords were able to complete their questionnaires online, or by requesting a paper copy. Paper copies were also available to complete at all consultation events. Half way through the consultation period, residents and landlords received reminders of the deadline for completing questionnaires and making representations for consideration.
159. An additional questionnaire was devised and distributed to almost 100 managing agents known to be operating in the borough. The questions asked were similar to those of landlords and residents/businesses however the questionnaire was not area specific.

#### *Drop-in Sessions*

160. Eight resident drop-in sessions were held over the course of the consultation (two per proposed area). Events were held at venues within the proposed designation area or in the immediate vicinity to ensure they were accessible and convenient for residents wishing to attend. Officers were available from 10am-6pm. A landlord drop-in session was held at Burnley Mechanics, located in the town centre. Officers were available from 11am-6pm. Translators were on hand to attend where required.

#### *Landlord Evening*

161. A landlord evening was held to discuss the proposals in a more formal setting. The event was open to landlords who had reserved a place with a maximum capacity of 60. The conference lasted two hours and consisted of a presentation from officers followed by discussions surrounding selective licensing and feedback from landlords regarding the proposals. An open question discussion was facilitated to enable landlords to put forward any queries. Following this event a further meeting following the same format was held at the council offices to accommodate landlords who were unable to attend the evening.

#### *Private Rented Sector Forum*

162. A meeting of the Private Rented Sector Forum (PRSF) was held to discuss the proposals. The meeting was attended by council officers and members of the forum, the majority of whom are managing agents and/or landlords, a tenant representative. As well as discussing the proposals and making representations, the meeting was an opportunity for members to discuss the proposed boundaries, drawing on their experience of managing property in the proposed designation areas.

#### *Stakeholders*

163. The key purpose of the public consultation was to engage effectively with all stakeholders likely to be affected by the proposed selective licensing scheme. As detailed above, residents, businesses, landlords and managing agents were invited to complete questionnaires, make written and verbal representations, and attend a number of events where they could speak to council officers face to face regarding the scheme.
164. Recipients of the resident questionnaire included owner occupiers, tenants renting from a private landlord, tenants of Registered Providers and local businesses. By hand delivering questionnaires and reminder leaflets, as well as publicising the consultation via other methods such as newspaper articles, the authority has taken reasonable steps to ensure that all residents living in and around the proposed areas have been informed of the proposals, and have been invited to give their feedback.
165. Information was sent to all landlords and agents known to be operating in the proposed licensing areas. This included a number of landlords accredited under the Good Landlord and Agent Scheme, some of those already licensed in the existing licensing areas in Burnley, and others who had no previous experience of licensing or accreditation.

#### *Registered Social Landlords*

166. Letters were sent to three largest Registered Social Landlords operating in the borough: the letter informed them of the proposed scheme, and asked for feedback on the proposals, as well as their thoughts on whether or not they believe the scheme would support their strategic objectives and business activities.

#### *Housing Developers*

167. Letters were also sent to two major housing developers operating in the two of the proposed selective licensing areas, with information on the proposals. This letter also asked for feedback on the proposals, and their thoughts on whether or not they believe the scheme would support their strategic objectives and business activities. No responses to this letter were received.

*MP & Local Councillors*

168. During the consultation period we received enquiries from the Member of Parliament for Burnley, on behalf of a constituent. We provided a formal written response which can be viewed in the transcript for the Leyland Road area. We also met with a number of local councillors at resident drop-in sessions and via written responses/reports. A letter was sent to all councillors who's ward was affected by the proposals.

*Police*

169. A meeting with a number of Police Officers working in the proposed areas were held to discuss the proposals and how the scheme could impact on their activities in the proposed areas. Officers made suggestions of streets which they felt would benefit from inclusion in the scheme, and were able to feed back their thoughts on problem properties and streets in the proposed areas. Details from this meeting have been included in the appropriate area transcripts.

*National Landlord Associations*

170. The authority received one representation from the Residential Landlords Association objecting to the introduction of the scheme. Council Officers also met with the National Landlords Association (NLA) and subsequent representatives of the Home Safe Scheme.

*Accessibility of Consultation*

171. Information provided to stakeholders was clear and concise. A frequently asked questions document was collated, to enable stakeholders to gain a better understanding of the proposed scheme and its impact. Council officers were available each day by phone and email for those who had further queries.
172. The questionnaires contained the key reasons the authority wishes to introduce the scheme in the proposed areas. This was expanded on further in the proposal document and Executive Summary document which were available to view online throughout the consultation (paper copies were available on request). This document laid out the reasons for wanting to introduce the scheme based on statistical

evidence of low demand for housing in the proposed areas, and the option appraisal outlined why alternative methods were insufficient at tackling the issues associated with the management of properties. It also explained how the proposed scheme complements the wider housing strategy for Burnley, and how the scheme could contribute to improving the management of private rented properties, subsequently increasing demand for housing. The proposed fee structure was also available to view and discuss.

173. All written and verbal representations have been given full consideration. All questions and concerns about the proposals were responded to in writing. Where no contact details were provided a response has been given in the transcripts which accompany this document. Full transcripts of representations made during the consultation period are publicly available to view on the council's website. Summaries of responses received for each proposed area have also been included.

#### *Publicity / Communication*

174. The consultation was advertised on the council's website along with links to the proposal document, proposed area maps, FAQs, proposed fee structure and links to online questionnaires for each area. In addition to the questionnaires which were delivered to every household in the wider consultation boundary, the council widely publicised the consultation, drop-in sessions and landlord conference using various methods of communication including press releases to local newspapers and social media. Reminder leaflets were also distributed to all households and posters erected in public areas. Letters were sent to all landlords known to be operating in the proposed areas, and further reminders sent to landlords with housing benefit payment schedules. Full details of how the consultation was publicised can be viewed in the chronology below.
175. Officers were available to discuss the proposals and answer queries by email and phone; these details were included in all publicity articles and were also listed on the questionnaires and website. Full details of all responses provided can be found in the transcripts for each individual area.

#### *Representations*

176. The council has taken reasonable steps to consult with all stakeholders who are likely to be affected by the designations and provided the opportunity to express feedback through questionnaires, letters, email and by phone. In addition officers have been available to

discuss the proposals at numerous resident drop-in sessions within the community, which were widely advertised beforehand. All representations have been considered and responses to these representations have been provided by council officers where necessary. We have endeavoured to clarify all queries, and have taken full consideration of all concerns raised during the consultation period.

*Analysis*

177. All completed questionnaires (paper and online) were statistically analysed. All written comments or queries received as part of the questionnaires, or by post/email were placed into a transcript relating to each area and responded to by officers where required. Comments from drop-in sessions and meetings with landlords were also added to the relevant transcript, considered, and responded to where necessary.

**SUMMARY RESULTS OF THE CONSULTATION**

**Across All Areas:**

178. Looking at all four areas that are being proposed by the Council for selective licensing, 381 responses were received from residents/businesses and 120 from landlords operating in the areas. Set out below is a table detailing the percentage of respondents who agree or disagree with the Council’s proposals to introduce selective licensing.

	Burnley Wood with Healey Wood	Daneshouse	Leyland Road	Ingham & Lawrence Street
Total No. Resident* Responses to Questionnaires	169 (13.4%)	87 (11%)	76 (10.5%)	45 (26.9%)
Total No. Landlord** Responses to Questionnaires	31 (7.4%)	35 (15.9%)	45 (14.5%)	9 (16%)
Residents skipped Question	5	6	2	2
Landlords Skipped Question	7	1	4	1
Resident Agree	88.4%	45.1%	83.8%	100%
Landlord Agree	4.2%	0%	12.2%	50%

Resident Disagree	6.1%	48.8%	12.2%	0%
Landlord Disagree	87.5%	94.1%	80.5%	50%
Residents Don't Know	5.5%	6.1%	4%	
Landlords Don't Know	8.3%	5.9%	7.3%	

*\*To allow a comparison between areas the percentage is based upon the number of properties located in the designation area.*

*\*\*To allow a comparison between areas the percentage is based upon the number of private rented properties in the area. This is not a reflection of the number of landlords operating in the area as 1 landlord can own multiple properties.*

172. The top three reasons why landlords disagree with the proposals are:

- a) The cost of the licence fees are too high;
- b) Selective Licensing has not worked in other areas;
- c) There are no problems in the area/landlords are not responsible for tenant behaviour

173. A common response across all four proposal areas is that the majority of landlords are not a member of a professional body, nor have they attended any landlord events held by the Council. This raises concerns over how landlords are aware of and keep up to date with all the legal responsibilities, as well as best practice and sources of advice and guidance to ensure they have suitable management practices in place for their properties.

174. During the consultation some respondents commented upon whether particular streets should be included or excluded from the proposed designation areas. Officers have considered those streets where more than two respondents have said that the streets should be excluded. The table below summarises these responses.

<u>Street(s)</u>	<u>Proposed Area</u>	<u>Justification</u>	<u>Recommendation</u>
Belvedere Road	Leyland Road	54 properties on the road 35% private rented 11% empty 11% dirty back yards	Leave in

		Illustrates symptoms of low housing demand	
Straight Mile Court	Leyland Road	<p>41 properties</p> <p>10 owned by a Registered Provider therefore exempt from selective licensing.</p> <p>31% private rented 0% empties 0% dirty back yards</p> <p>Although several private rented properties and no reported problems.</p> <p>The properties are relatively newly built and are in an enclosed development lowering the risk of poor tenants or landlords moving to them.</p>	Remove
West side of the Canal	Leyland Road	<p>High percentages of private rented properties. Similar housing market and problems found as at the east side of the canal.</p>	Leave in
Berry Street	BWood with HWood	<p>57 properties</p> <p>24% private rented 10% vacant 5% dirty back yards</p> <p>Illustrates symptoms of low housing demand</p>	Leave in
Marlborough Street	BWood with HWood	<p>22 properties</p> <p>36% private rented 1 empty property 0% empties 0% dirty back yards</p> <p>High percentage of private rented properties. The street is immediately adjacent to the core proposed area with the same housing type to over. The risk of the dispersal should the street be excluded from licensing is therefore high</p>	Leave In
Emily Street	BWood with HWood	<p>3 blocks</p> <p>49 properties</p> <p>27% 6% vacants</p>	Leave in



		6% dirty back yards  Within the core proposed area, started to see signs of low housing demand. Surrounded by blocks with other private rented properties and as vacants dispersal could occur.	
Hollingreave Road	BWood with HWood	High percentage private rented proeprties – situated throughout the blocks to varying degrees. Vacants, dirty back yards and ASB reported.	Leave in
Hufling Lane	BWood with HWood	High percentage private rented located situated throughout the blocks to varying degrees. Vacants, dirty back yards and ASB reported.	Leave in
Lawrence Street	Ingham and Lawrence	6 blocks 57 properties 15 PRS 26% 14% Vacants 12% Dirty back yards High percentage private rented located situated throughout the blocks to varying degrees. Vacants, dirty back yards and ASB reported.	Leave in

### **Burnley Wood with Healey Wood**

175. The detailed results of the consultation for Burnley Wood with Healey Wood are contained within appendix 6 of this document. It is the largest area that the Council are proposing to designate for selective licensing. The area is currently suffering from low housing demand, having nearly double the percentage of private rented properties than that of the Borough. Significantly lower median house prices than that of the ward it is situated in and that of the Borough. There is also nearly double the percentage of empty properties within the small designation area compared to that of the Borough. There is also a high percentage of environmental crime and key hot spots of anti-social behaviour identified by Lancashire Community Safety Partnership.

176. The quantitative statistical data is supported by the qualitative descriptive information from the questionnaires received from residents. They believe that the area is suffering from low housing demand in relation to empty properties, nuisance and antisocial behaviour, poor quality properties, a high turnover of private rented tenants, a poor perception of private landlords, badly managed rented houses, rubbish dumping, low house prices and people not wanting to stay in the area. The one exception is low rent levels with the majority of residents having no comment on this point.
177. This resident views differed considerably from landlords and businesses, with the majority of landlords and businesses believing that the problems associated with low housing demand were not a big problem or not a problem at all.
178. 31 landlords responded to the consultation questionnaires. As a sample of landlords operating in this area the majority (67.7%) are not a member of a professional body nor have they attended any landlord events held by the Council. This raises concerns over how landlords are aware of and keep up to date with all the legal responsibilities as well as best practice and sources of advice and guidance to ensure they have suitable management practices in place for their properties.
179. The majority of residents who responded to the questionnaires state that they have encountered problems with private rented properties in their area and that the Council should have more control over the sector.
180. Furthermore there is a distinct difference of opinion between residents and landlords over Council intervention and whether selective licensing can assist with the problems of low housing demand. 88.4% of residents agreed with the Council's proposals to introduce selective licensing compared to 87.5% of landlords who disagreed. The main reasons for this disagreement were:
- a) The cost of the licence fees is too high
  - b) Selective Licensing has not worked in other areas
  - c) There are no problems with property/tenants/the area.

### **The Daneshouse Area**

181. The detailed results of the consultation for the Daneshouse area are contained within appendix 7 of this document. The Daneshouse area has the lowest percentage of private rented properties (28%) when compared to the other three areas currently being proposed. It is however still significantly higher than the Borough average of 19.4%. Low housing demand is currently present in the proposed designation area and manifests itself particularly in low median house prices, higher levels of empty properties, particularly those properties that have been empty for more than 2 years; this percentage is significantly higher than that of the Borough and the other proposed selective licensing designation areas. This highlights a potential low demand for the typical 2 up 2 down terraced property and reluctance in property owners to bring the properties back into use. There is also a high percentage of environmental crime and anti-social behaviour recorded by the Police. However, the top four streets for this recorded anti-social behaviour are not located in the proposed selective licensing designation area and are more likely the cause of Burnley's night life economy rather than the private rented sector.
182. The quantitative statistical data is not supported by the qualitative descriptive information from the questionnaires received from landlords. They do not believe that any of the problems associated with low housing demand are a problem at all.
183. With the exception of rubbish dumping that the majority of residents saw as a very big problem the other aspects of empty properties, nuisance and antisocial behaviour, poor quality properties, a high turnover of private rented tenants, a poor perception of private landlords, low house prices and people not wanting to stay in the area were not believed to be a big problems in the proposed designation area; again this does not support that statistical data.
184. Furthermore the majority of residents who responded to the questionnaires state that they have not encountered problems with private rented properties in their area and a slight majority do not think that the Council should have more control over the way that private landlords manage their properties.

185. Despite this, of the 35 landlords that responded to the consultation questionnaires, the majority (88.6%) are not a member of a professional body nor have they attended any landlord events held by the Council. This raises concerns over how landlords are aware of and keep up to date with all the legal responsibilities as well as best practice and sources of advice and guidance to ensure they have suitable management practices in place for their properties.

186. Whilst the majority of residents agree that the Council should intervene in areas suffering from low housing demand the majority then strongly disagree that selective licensing will assist in addressing these problems. 51.2% of residents disagree with the Council's proposals to introduce selective licensing in the Daneshouse area. The main reasons being that:

- a) The cost of the licence fee is too high;
- b) Selective Licensing has not worked in other areas;
- c) There is no need for the scheme in the area

187. The majority of landlords also disagree (94%) with the Council's proposals to introduce selective licensing in the Daneshouse area. The main reasons being that:

- a) The cost of the licence fee is too high;
- b) The scheme is not needed in the area as the properties are well managed/in good condition with not many vacant properties;
- c) It is a money making scheme for the Council

### **The Leyland Road Area**

188. The detailed results of the consultation for the Leyland Road area are contained within appendix 8 of this document. This area has the highest percentage of private rented properties out of the areas currently being proposed for selective licensing by the council. Lower median house prices than that of the ward it is situated in and that of the Borough. There is also nearly double the percentage of empty properties within the small designation area compared to that of the Borough. There are significantly higher cases of environmental crime reported to the Council and incidents of anti-social behaviour per 1000 population for the ward are higher than that for the Borough.

189. The quantitative statistical data is supported by the qualitative descriptive information received from the residents. They believe that the area is suffering from low housing demand in relation to empty properties, nuisance and antisocial behaviour, poor quality properties, a high turnover of private rented tenants, a poor perception of private landlords, badly managed rented houses, rubbish dumping, low house prices and people not wanting to stay in the area. The one exception is low rent levels with the majority of residents having no comment on this point.
190. These resident views differed considerably from landlords and businesses, with the majority of landlords and businesses believing that the problems associated with low housing demand were not a big problem or not a problem at all.
191. 45 landlords responded to the consultation questionnaires. As a sample of landlords operating in this area the vast majority (84.1%) are not a member of a professional body nor have they attended any landlord events held by the Council. This raises concerns over how landlords are aware of and keep up to date with all the legal responsibilities as well as best practice and sources of advice and guidance to ensure they have suitable management practices in place for their properties.
192. The majority of residents who responded to the questionnaires state that they have encountered problems with private rented properties in their area and that the Council should have more control over the sector.
193. Furthermore there is a distinct difference of opinion between residents and landlords over Council intervention and whether selective licensing can assist with the problems of low housing demand. 83.8% of residents agreed with the Council's proposals to introduce selective licensing compared to 80.5% of landlords who disagreed. The main reasons for this disagreement were:
- a) The cost of the licence fees is too high;
  - b) Good landlord should not be penalised;
  - c) Landlords are not responsible for the anti-social behaviour of their tenants.

### **The Ingham and Lawrence Street**

194. The detailed results of the consultation for the Ingham and Lawrence Street area are contained within appendix 9 of this document. This proposal covers a small area with a significantly high percentage of private rented properties which is nearly double that of the percentage for the Borough of Burnley. The statistical evidence shows that the area is suffering from low housing demand which manifests itself in significantly lower median house prices than that of the ward it is situated in and that of the Borough. There is also nearly double the percentage of empty properties within the small designation area compared to that of the Borough.
195. In the main the results of the consultation shows that landlords and residents agree that the area is suffering from low housing demand in relation to empty properties, nuisance and antisocial behaviour, poor quality properties, a high turnover of private rented tenants, a poor perception of private landlords, rubbish dumping, low house prices and people not wanting to stay in the area. Where opinions differ is that the majority of residents see badly managed private rented homes as a very big problem compared to the majority of landlords who believe it is not a big problem. The majority of landlords believed low rent levels are a very big problem whereas the majority of residents did not comment on this issue.
196. Although only 9 landlords responded to the consultation questionnaires this is relative in relation to the smaller proposed designation area with approximately 56 private rented properties. As a sample of landlords operating in this area the majority (75%) are not a member of a professional body nor have they attended any landlord events held by the Council. This raises concerns over how landlords are aware of and keep up to date with all the legal responsibilities as well as best practice and sources of advice and guidance to ensure they do have suitable management practices in place for their properties.
197. The majority of residents who responded to the questionnaires state that they have encountered problems with private rented properties in their area and that the Council should have more control over the sector.

198. Both the quantitative statistical data and qualitative descriptive information from the questionnaires received from residents and landlords show that the proposed designation area is currently suffering from low housing demand. Whilst 100% of residents agree that selective licensing should be introduced in the area, opinion is split equally between those landlords who responded with 50% in agreement and 50% who disagree. The main reasons for the disagreement are that:
- a) The problems within the private rented sector are caused by tenants;
  - b) Selective Licensing has not worked in other areas;
  - c) The cost of the licence fees is too high.

#### **Managing Agents (Appendix 10)**

199. During the consultation, questionnaires were sent to 92 managing agents operating in the Borough. The questions were similar to those sent to landlords; however they were not area specific. The questionnaire also invited agents to attend consultation events including the landlord conference which was held on 29th September. During the consultation period we received 12 completed questionnaires from managing agents, representing a response rate of 13%.
200. In summary, there is general agreement (75%) amongst managing agents that the Council needs to intervene in areas of the Borough which are suffering from low demand for housing. Opinions are varied regarding how effective selective licensing could be in the proposed areas; a notable number of respondents feel that the scheme would not have a positive impact on private rented housing, or make it more attractive to potential tenants. 50% of respondents felt that selective licensing could help to ensure properties are well managed and maintained, whilst 50% felt this would not be the case. The results also indicate that a number of managing agents feel they have problems getting honest references for tenants, and concerns that selective licensing alone is not the most effective method of tackling anti-social behaviour.

#### **Private Rented Sector Forum (Appendix 10)**

201. There is a general consensus from the forum that selective licensing can help improve an area, and that whilst property prices may increase rent levels remain the same. The selective licensing fees are then an added cost

against low rent levels. Members believe that there are still too many houses in Burnley compared to demand and that the rental market has been saturated. Investors with no experience acquire the properties, end up in negative equity and leave the Council with the problem of further empty properties. Elevate was a good scheme to help address low demand. The type of housing still needs changing in the proposed areas as they are too small, possible 2 into 1's.

**Registered Social Landlords (Appendix 11)**

202. The general consensus from the three responses received was that selective licensing was a welcomed initiative which can assist to reverse the trend of low demand. It was considered that the scheme encourages the sector to meet correct management practices and legal requirements to strengthen the housing market and encourage investment.

**Police (Appendix 11)**

203. A meeting was held with the Police Officers who work within the proposed selective licensing areas. The consensus was that selective licensing is yet another tool to assist with anti-social behaviour and that it encourages landlords to act upon breaches of tenancy agreements where their tenant's anti-social behaviour is causing problems to neighbouring residents.

**Landlord Associations (Appendix 12)**

204. The Registered Landlords Association and the National Landlords Association fundamentally disagree with licensing schemes which they see as a tax on the good landlords that wish to be legally compliant. Criminals posing as landlords will avoid licensing and continue to prey on vulnerable tenants.

**The Council's responses to the most frequently raised concerns**

205. As explained all comments and concerns raised by stakeholders during the consultation have been considered and responded to by the Council. The most frequent concerns raised relate to:
- a. The cost of the licence fee being too high;  
The licence fee covers the administration of the scheme. For a landlord with one property who is accredited with the Good Landlord and Agent Scheme who submits the application within three months of the selective



licensing scheme coming into force the fee is £425 payable over a 2 year period by direct debit (£17.70 per month). This is comparable and in some cases cheaper than other local authorities operating selective licensing. The fee increases if a landlord is not accredited and the application is not received within the first three months of the designation area coming into force. The maximum fee for a landlord with one property in this case is £750.

- b. Selective Licensing is not working in other areas;  
Attached as appendix 13 is a detailed report into the effects of selective licensing in the Trinity area. In summary through a coordinated approach between the Council and our partner agencies the Trinity Selective Licensing area has seen a reduction in anti-social behaviour, a reduction in environmental crime, an improvement in property management and property condition and a reduction in the number of empty properties.

Selective licensing is forcing poor performing landlords/managing agents to either improve or cease operating in the selective licensing areas. The first Trinity Selective Licensing area saw:

- The overall number of empty properties in the designation area reduce by 20%. This has been the first significant reduction in the area, suggesting that people are investing within the area.
- 301 properties fitted with smoke alarms through referrals to Lancashire Fire and Rescue Service.
- Between January 2013 and December 2013 311 incidents of ASB reported to the Police, this reduced to 289 between January 2014 and December 2014 showing a downward trend.
- The prosecution of 26 landlords for failing to be licensed or breaching the licence conditions.
- The making of Rent Repayment Orders and Management Orders.

Some snap shots from the new designation areas:

- Since January 2014 refused the licences for 23 properties
- Since January 2014 licensed 935 properties.
- Since March 2015 the Council delivered four landlord development days proving training for 80 landlords.

- c. The scheme should not penalise good landlords/only target bad landlords; Selective licensing is part of a wider regeneration programme with the aim of attracting people to live in the borough and encouraging businesses to invest in Burnley. A poor private rented sector detracts from this aspiration and deters people from living or remaining in a neighbourhood. Although there are many good, responsible landlords, the reputation of the private rented sector in Burnley is one of poor quality with poor management practices. Working with landlords, tenants and managing agents we want to improve the sector and the reputation so it is tenure of choice. We try to do this through landlord evenings, forums and the accreditation scheme, but experience has shown that many landlords will not engage through these methods.

Selective Licensing is a way of compelling landlords to engage with the Council and to have appropriate management standards to take action where breaches occur in tenancy agreements before they start to affect the wider community. The legislation does not facilitate the targeting of “bad” landlords only, it is based on an area and any landlord operating within that area then has to apply for a licence. To recognise that there are good landlords already operating in the areas there is a 30% discount to the selective licensing fee for those landlords that are accredited through the Good Landlord and Agent Scheme (GLAS).

- d. Landlords are not responsible for bad/anti-social behaviour of their tenants.

There is a correlation between poorly managed private rented properties and anti-social behaviour. Landlords are responsible for undertaking satisfactory references before the tenancy commences to reduce the risk of anti-social behaviour occurring. During the tenancy landlords are responsible for addressing any breaches of the tenancy agreement including the causing of annoyance or nuisance at, or in the vicinity of the property.

Landlords must manage these tenancies and ensure any breaches are addressed through warnings and if necessary escalated to eviction proceeding where the breaches continue. The selective licensing team will support landlords in complex cases.

## **Conclusion**

206. The statistical evidence contained within this document shows that the four proposed areas are suffering from the effects of low demand for housing. It is most clearly manifested in high vacancy rates low property values and

- high numbers of private rented properties. In addition there are high incidents of environmental crime and reports of anti-social behaviour, which have a negative impact on the demand within the areas further weakening the housing market.
207. With the exception of the Daneshouse area the results of the resident consultation supports the statistical evidence that there are problems in the area associated with low housing demand and a poorly managed private rented sector.
208. With the exception of the Daneshouse area the results of the resident consultation show that an over whelming majority are in agreement with the proposals to introduce selective licensing within their areas.
209. With the exception of the Ingham and Lawrence Street area where 50% of landlords were in agreement with the proposals to introduce selective licensing a significant majority in the other three areas did not agree with the Council's proposals.
210. The Council has the support of residents living in the proposed selective licensing areas and of the support agencies such as the Police to introduce selective licensing in the Burnley Wood with Healey Wood, the Leyland Road and the Ingham and Lawrence Street areas.
211. The Council do not have the support of residents living in the Danehsouse area to introduce selective licencing into their neighbourhood.
212. Across the four proposal areas the majority of landlords do not support the Council in the introduction of selective licensing. This was also the case in the Trinity, Gannow and Queensgate selective licensing areas which have been operating between 18 and 24 months. Experience shows that landlords will engage with selective licensing when it is introduced and some report benefits of the scheme such as the support from Officers and the Landlord Development Day.
213. The use of selective licensing is a key part of the Council's wider regeneration strategy to reverse the trend of low housing demand.
214. Through an option appraisal the Council have considered a range of other options to determine whether they could achieve the objectives of the proposed selective licensing areas. The other options cannot compel a landlord to manage their properties responsibly, address tenant behaviour or ensure landlords seek references when allocating their properties.

- 215. The current selective licensing area of Trinity through a coordinated approach between the Council and our partner agencies the Trinity Selective Licensing area has seen a reduction in anti-social behaviour, a reduction in environmental crime, an improvement in property management and property condition and a reduction in the number of empty properties.
- 216. The risks of introducing the schemes have been considered and with identified control measures deemed acceptable when compared to the benefits the scheme can bring to the areas.
- 217. Based on the evidence contained within this document, the Council proposes that a designation area should be approved in the Burnley Wood with Healey Wood, the Leyland Road and the Ingham and Lawrence Street areas selective licensing designation areas.

### **Recommendations**

- 218. That the Council applies to the Secretary of State for the confirmation of the Burnley Wood with Healey Wood, the Leyland Road and the Ingham and Lawrence Street areas as selective licensing designation areas.
- 219. That the Council continue to monitor the Daneshouse area to determine whether the area continues to suffer from the symptoms of low housing demand and whether the introduction of selective licensing should be revisited in the coming 24 months.
- 220. That the Council revise the Good Landlord and Agent Accreditation Scheme and look to other schemes for best practice.