Selective Licensing in Burnley and Padiham

There are seven selective licensing areas in the borough, which form part of Burnley Council's housing strategy. The schemes were introduced to improve standards in the private rented sector in areas which showed low levels of demand for housing, and associated issues with anti-social behaviour. Selective licensing designations can be in place for a maximum of five years, and three of our schemes - Burnley Wood with Healey Wood, Leyland Road, and Ingham & Lawrence Street - will come to an end in November 2021. This report summarises the work of the selective licensing team as we go into the final year of these three designations.

So how does it work?

In order to let a property in a selective licensing area, landlords must

- Show that they meet the minimum standard set by the council; they must apply for a licence for each property they let, and have appropriate management procedures in place.
- Comply with a number of conditions relating to gas and electrical safety, energy efficiency, the correct granting and ending of tenancies, smoke alarm regulations, and more. They must have plans in place to ensure properties are free from disrepair.
- Demonstrate that they are a “Fit and Proper Person” to be a licence holder.

Letting agents must also meet these minimum standards in order to operate in a licensing area. Selective licensing allows the council to take a proactive approach to improving the experience of private renters in the borough. This area-based approach means that we are able to work with good landlords and agents, and target those that do not comply, to ensure everybody is working to the same standards.
Levels of Private Renting

Across the UK, the number of people living in private rented homes has steadily increased in recent years. The most recent data from the Office of National Statistics (ONS) shows that in 2017, 20% of households were privately renting, compared to 62% owner occupiers, and 17% in social housing. Levels of private renting in the licensing areas are much higher than the average for the UK, whilst numbers of owner occupiers is significantly lower. With levels of private renting so high, it is more important than ever to ensure that the housing offer in our borough meets the needs of its residents.

**Tenure Types (%)**

- **Burnley Wood with Healey Wood**
- **Leyland Road Area**
- **Ingham and Lawrence Street**

![Graph showing tenure types in different areas](graph.png)

Properties in the licensing areas are typically late 19th/early 20th Century terraced stock, and property values in the licensing areas remain at the lower end of values for the borough. House values are influenced by more than just local factors eg regional and national economies, and values across the licensing areas have fluctuated. However, they have seen a net increase in value between 15/16 and 19/20. House values in this period went up by around 10% across Burnley, which was reflected in the Leyland Road area. In Burnley Wood with Healey Wood they rose by 12%, and in the Ingham and Lawrence Street area by 23%. This shows increasing levels of confidence in the property market within the licensing areas.

### Property Values

<table>
<thead>
<tr>
<th>Area</th>
<th>2015–2016</th>
<th>2019–2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burnley Wood with Healey Wood</td>
<td>£120,000</td>
<td>£100,000</td>
</tr>
<tr>
<td>Leyland Road Area</td>
<td>£80,000</td>
<td>£60,000</td>
</tr>
<tr>
<td>Ingham and Lawrence Street</td>
<td>£60,000</td>
<td>£40,000</td>
</tr>
<tr>
<td>Burnley</td>
<td>£120,000</td>
<td>£80,000</td>
</tr>
</tbody>
</table>
Improving Housing Condition

Many of the improvements we have seen in the licensing areas may not be immediately obvious, as much of this takes place inside properties or relate to how they are managed. Each application must be accompanied by an appropriate tenancy agreement, evidence of procedures for dealing with ASB and repairs, as well as valid gas safety certificates and, more recently, electrical safety reports.

We are not asking landlords and agents to go far beyond what is required for any rented property, but selective licensing allows us to proactively monitor that landlords and agents are doing everything they are required to do.
Fuel Poverty

Multiple studies show a correlation between poor housing conditions and ill health. All properties in the private rented sector must have an Energy Performance Certificate (EPC) which shows how efficient the property is. A low score is an indicator of poor housing conditions, which can have negative impacts on mental and physical wellbeing.

Landlords must demonstrate that their property meets the minimum efficiency standard and where it does not, the licensing team works with the landlord to ensure improvements are made to reach the legal minimum rating of “E”. Throughout the three designations to date, 22 properties have increased their rating to meet the minimum standard. This compares to just five properties improving their rating in the six years prior to the schemes coming into force.

Current restrictions mean that we are not able to inspect as many properties as we would like. However, the team will prioritise targeted action at any properties which do not meet the minimum standard in respect of energy efficiency, and where we have concerns about the standard of the property.

Aside from the health risks associated with inefficient homes, there are also financial factors to consider. The selective licensing designations are located in areas of the borough which have higher than average numbers of residents in receipt of housing benefit support and council tax relief. The licensing team plays a crucial role in ensuring that landlords and agents are operating legally and fairly in areas where residents may be experiencing reduced income and limited housing options.
Disrepair

When a tenant reports disrepair to their landlord and agent, the council expects that those responsible will take action to remedy this within a reasonable timescale. Where landlords and agents fail to do so, tenants can make a complaint to the housing enforcement team. The council undertakes several hundred disrepair inspections across the borough each year, with some wards recording more complaints than others.

2019/20 saw an increase in disrepair complaints across the borough, and this was reflected within the wards containing the selective licensing areas, with the exception of Gawthorpe (Ingham & Lawrence St area). There is clearly a continued need for proactive work in these areas to identify and inspect the poorest properties. Tenants have become increasingly aware of the support that the housing enforcement team can offer them, and can trust that the licensing team will also support them to ensure that they can raise concerns and make complaints without fear of eviction. We will continue to ensure that we work with landlords and agents to address issues of disrepair in a timely manner.

<table>
<thead>
<tr>
<th>SL Areas</th>
<th>Wards</th>
<th>Disrepair Complaints 2015/16</th>
<th>Disrepair Complaints 2019/20</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burnley Wood with Healey Wood</td>
<td>Rosehill with Burnley Wood</td>
<td>32</td>
<td>39</td>
<td>+22%</td>
</tr>
<tr>
<td></td>
<td>Trinity</td>
<td>46</td>
<td>65</td>
<td>+41%</td>
</tr>
<tr>
<td>Leyland Road Area</td>
<td>Bank Hall</td>
<td>41</td>
<td>49</td>
<td>+20%</td>
</tr>
<tr>
<td>Ingham &amp; Lawrence Street Area</td>
<td>Gawthorpe</td>
<td>24</td>
<td>17</td>
<td>-29%</td>
</tr>
</tbody>
</table>
Improving Neighbourhoods

Vacant Properties
Empty properties are a blight on a neighbourhood, attracting anti-social behaviour and vandalism.

The selective licensing team work with the empty homes team to encourage landlords to bring empty properties back into use. Eligible landlords are able to access loans of up to £20,000 to make empty properties habitable again. Where engagement with the landlord is not working, the council can serve compulsory purchase orders, before refurbishing and bringing some of the longest standing empty properties back to the market.

Whilst the empty homes team work across the borough, the licensing team is able to facilitate engagement with landlords in the designated areas, and identify some of the worst properties, supporting the council’s wider housing strategy.

Case Study: Improving Property Condition
Through the monitoring of the Ingham and Lawrence Street area, officers identified a property which appeared to be in a very poor condition. Further investigation determined that it was an owner occupied property but that the elderly resident was struggling to maintain it. Working with the resident, it was agreed they would be rehoused to a ground floor housing association property in an area where the resident always wanted to live. The council then acquired the property through the empty homes programme, undertook a complete renovation and resold it to a first time owner occupier.
Vacant Properties

<table>
<thead>
<tr>
<th>Area</th>
<th>Year end 2016</th>
<th>September 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burnley Wood with Healey Wood</td>
<td></td>
<td></td>
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<tr>
<td>Leyland Road Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ingham and Lawrence Street</td>
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Environmental Crime

We know that fly tipping and environmental crime is a big concern for residents. The licensing team works with the council's streetscene team to monitor backyards and alleys in the licensing areas, and enforce the conditions of the licence to ensure that landlords and agents are doing their bit to tackle this issue. This is alongside the action that streetscene regularly take, against either the occupier or the owner of the property.

The number of recorded cases of dirty backyards has reduced since the start of the designations, and has reduced to very low levels in the Ingham and Lawrence Street area. However, in the last year there has been an increase in resident complaints in the Leyland Road area, and a very slight increase in the Burnley Wood with Healey Wood area. The licensing team will increase monitoring of those streets recording the highest level of complaints, supporting the work of streetscene, as well as identifying and tackling “hot spot” areas and repeat offenders. We will seek to undertake further area audits to gain further understanding of the areas needing most attention.
Area Audits

Due to Covid-19 restrictions, the team hasn’t been able to undertake as many internal inspections during 2020. However, during July and August when restrictions were eased, we undertook an external audit of the Ingham and Lawrence Street area. This was to check the external condition of properties as well as surveying for waste in backyards.

Of the 85 private rented properties surveyed, 19 were recorded as having some form of defect. These defects were of varying severity, and where action was required the team made contact with landlords and agents to ensure these issues were rectified. We continue to monitor the progress of these cases.

In addition, of the 170 yards surveyed just three were identified as having waste in the yard requiring action. Two were quickly cleared, with just one requiring further action in the form of prosecution by the streetscene team.

As part of this audit, we requested up-to-date gas safety certificates for 69 properties, 67 of which have been received. The team will consider the circumstances of those outstanding certificates and will take action where we feel there has been a breach of the licensing conditions.

As part of the audit, we also surveyed private rented residents to understand their feelings about renting in the area. We are pleased to report that 9 out of 10 residents were happy with the way their property was being managed, and the condition of their home. This gives us increasing confidence that standards are being maintained in this area. We will now seek to roll out similar audits across the other licensing areas.
Aesthetic Improvements

In 2018/19 the council undertook a painting and replacement gutter scheme of 150 properties in the Ingham and Lawrence Street selective licensing area. The scheme was undertaken to support the work of selective licensing and the empty homes programme, and to improve the external appearance of the properties to help attract people into the area.
Crime and ASB have a significant impact on communities, particularly where this persists over a long period. Selective licensing has a number of tools which enable us to tackle ASB in private rented properties, by ensuring that landlords and managing agents take steps to tackle it when it arises, but also working with them to reduce the chance of it happening in the first place.

In licensing areas, landlords and agents must:
- issue tenancy agreements with clauses which allow them to tackle ASB
- seek satisfactory references before the granting of a new tenancy
- provide honest references
- have in place (and use!) a plan to deal with ASB if it occurs

When we receive complaints of ASB, we contact the landlord/agent and ensure that they are taking steps to deal with it in an appropriate way, from warnings to issuing notices of eviction. Our requirements for landlords and agents to undertake reference checks then make it difficult for perpetrators of ASB to secure new tenancies in licensing areas.

We often find an increase in reported cases in the first years of a scheme, as more people are made aware of the correct channels through which to report. Since 2017 there has been a steady decline of recorded cases in the Leyland Road and Ingham and Lawrence Street areas. Burnley Wood with Healey Wood saw a sharp decline, followed by a small increase in the last year. All three areas recorded lower numbers of cases in 2019 than 2015: Burnley Wood with Healey Wood reduced by 36%, Leyland Road by 56%, and Ingham and Lawrence Street by 41%.
Licensing Tackling ASB: Recent Practice

The team received complaints about ASB and property damage at a house in the Burnley Wood with Healey Wood area, posing a risk to tenants and the wider public.

The licensing team worked with the agent to ensure the property was made safe, and notice was served on the occupants. On a neighbouring street, the team received complaints of noise nuisance at a property; the licensing team again worked with the agent to ensure the correct steps were followed resulting in the service of notice on the occupants.

In the Leyland Road area, the council received complaints about deliberate fire setting. The council’s community safety team issued a community protection notice on the tenant, and the licensing team liaised with the landlord to ensure they were utilising their ASB procedure and issuing appropriate warnings. The team continue to monitor the case and will take steps to ensure the landlord addresses any future instances of ASB.

These three recent cases demonstrate our approach in practice, and we deal with similar cases on a regular basis. In all three of these cases, the licensing team has liaised with landlords, agents and partner agencies to ensure a multifaceted approach to tackling ASB, and we will continue to enforce the conditions of the selective licence to ensure ASB is dealt with. In these more challenging times, with restrictions placed on the service of eviction notices, the team continue to support landlords and agents whilst ensuring they still meet their responsibilities.

We know that crime and ASB still occurs, not just in the licensing areas but across the borough, but our team continues to work with neighbourhood police teams and the council’s community safety team to address this.
Landlord and Agent Support and Development

Prior to Covid-19 restrictions coming into force, the council hosted a number of training days led by the National Residential Landlords Association. The training sessions covered everything from pre-tenancy checks, managing the tenancy, and how to end it legally. We also hosted some days specifically targeted at managing agents, as well as targeted ASB training sessions. Over the last three years we have hosted more than 320 landlords and agents operating in the borough’s licensing areas at such events, and received positive feedback from those who attended.

It is a condition of a licence that the licence holder attend one such training day over the course of the designation. We believe it is crucial that landlords and agents have a solid grounding in their responsibilities in respect of private rented properties, as well as keeping up to date with changes in legislation which affect them. Whilst we are currently unable to host face-to-face training sessions, we will continue to update landlords and agents with relevant changes through newsletters.
Compliance

As of October 2020, 97% of landlords across these three designations have engaged with the licensing schemes, and are either licensed or due to be licensed imminently.

The licensing team has worked continually throughout the designations to identify and contact landlords of unlicensed properties, and ensure that they comply with the scheme. This high level of compliance means that the licensing team is able to enforce the conditions of the licence in the vast majority of privately rented properties within the boundaries.

For those landlords that do not comply with the requirement to have a licence, or who breach the conditions of the licence, the council is able to serve financial penalties in the form of civil penalty notices, or take a prosecution against a landlord or managing agent.

Since these three schemes were introduced, the licensing team has served five civil penalties, totalling £29,500. Due to non-payment of an initial fine, one such case in Burnley recently ended in court enforcement action, which resulted in an escalation of the landlord’s total costs to several times the initial penalty, and the seizure of their goods in order for the debt to be paid.

Our focus for the remaining year of the designation is to take action against those who have still failed to comply with the scheme.
The Final Year of the Schemes

November 2020 marks the start of the final year of these three schemes. The team’s priorities continue to be monitoring the areas to identify any properties which require a licence and do not have one, as well as enforcing the conditions of the licence in those areas. Despite the current restrictions we will continue to be as proactive as possible in tackling poor property management, environmental crime and anti-social behaviour.

If you have concerns about private rented properties in any of the licensing areas, or would like more information on the work we are doing, please contact the selective licensing team (see below).

Selective Licensing in Burnley and Padiham
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Phone: 01282 425 011