

DRAFT - BURNLEY BOROUGH COUNCIL - SELECTIVE LICENSING PROPOSAL DOCUMENT

This report sets out the Council's reasons for proposing areas known as Daneshouse with Stoneyholme, Trinity, Gannow and Queensgate for selective licensing. The document will be consulted on between September 2018 and November 2018.

*-Daneshouse with
Stoneyholme,
Trinity, Gannow
and Queensgate
September 2018*

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1. INTRODUCTION

- 1.1 Selective Licensing was introduced by the Housing Act 2004. It allows local housing authorities to designate selective licensing areas in neighbourhoods if the area is experiencing one or more of the following conditions:
- a. Low housing demand (or is likely to become such an area)
 - b. A significant and persistent problem caused by antisocial behaviour
 - c. Poor property condition
 - d. High levels of migration
 - e. High level of deprivation
 - f. High levels of crime
- 1.2 A designation area can be in force for a maximum of 5 years. Within a designation area all privately rented properties (subject to legislative exemptions) 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 with an unlimited fine or a maximum civil penalty of £30,000.
- 1.3 This report sets out the proposal and reasons for proposing to designate the Daneshouse with Stoneyholme area of the Borough for selective licensing.
- 1.4 Following a statutory consultation period Officers 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 area should be designated as a selective licensing area.

2. WHAT IS A SELECTIVE LICENSING SCHEME?

2.5 Legal Framework and Guidance

- 2.5.1 This section of the report summarises the legal requirements necessary for the introduction of selective licensing in an area.
- 2.5.2 The relevant legislation is contained within the Housing Act 2004 ("The Act") and The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 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) *Selective licensing in the private rented sector; A Guide for local authorities*
- 2.5.3 Selective licensing is a regulatory tool provided by The Act, it gives local authorities the power to designate the whole of, or parts of, their district for selective licensing provided that the area is experiencing one or more of the conditions detailed in paragraph 1.1 of this report.

- 2.5.4 In considering whether to designate an area for selective licensing on the grounds of property condition, migration, deprivation and crime the local housing authority may only make a designation if the area has a high proportion of property in the private rented sector. If the area has more than 19% of private rented properties it can be considered as having a high proportion of this type of accommodation.
- 2.5.5 When considering whether to make a selective licensing designation a local housing authority must first identify the objective or objectives that a designation will help it achieve.
- 2.5.6 The local housing authority must also consider whether there are any other courses of action available to it that would achieve the same objective or objectives as the proposed scheme without the need for the designation to be made.
- 2.5.7 If the problems of anti-social behaviour are only associated with a small number of properties a local housing authority should consider making a Special Interim Management Order, rather than a selective licensing designation to cover those properties associated with the anti-social behaviour.
- 2.5.8 Only where there is no practical and beneficial alternative to a designation should a scheme be made. If the local housing authority decides there is no practical and beneficial alternative to the scheme, it must only make the designation if it is satisfied that the scheme will significantly assist it in achieving its objective or objectives together with other actions the local housing authority may be taking.
- 2.5.9 Any designation made must ensure that the exercise of the power is consistent with their overall housing strategy. It must seek to adopt a coordinated approach in connection with other initiatives such as dealing with homelessness, tackling empty properties and addressing anti-social behaviour affecting the private rented sector.

2.6 Consequences of designating a selective licensing area

- 2.6.1 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 genuine term over 21 years, holiday lettings etc.), or a 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.
- 2.6.2 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.
- 2.6.3 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 and repairs. 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.

2.6.4 The licence is valid for up to 5 years. A licence will have conditions (Appendix 2) attached that are either mandatory or discretionary conditions. The Council can also include discretionary conditions and these relate to the management of the property.

2.7 Implications of renting out a property without a licence

2.7.1 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 an unlimited fine or a civil penalty up to £30,000.

2.7.2 A landlord of an unlicensed property is unable to serve a section 21 repossession 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'.

2.7.3 The Council can apply to the First Tier Tribunal for a Rent Repayment Order. The Order requires the landlord to repay the Council the amount of housing benefit paid during the period in which the property operated without a licence.

2.7.4 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.

2.7.5 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).

2.8 Breach of licence conditions

2.8.1 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 or by a way of a civil penalty notice not exceeding £30,000.

3. BURNLEY'S PROFILE

3.1 The Borough

3.1.1 Burnley borough is situated in Pennine Lancashire. It covers an area of 11,072 hectares (42 square miles). Its compact urban area, stretching along the two river valleys of the Brun and Calder, is surrounded by the moorland countryside of the South Pennines to the south and

east and the Forest of Bowland AONB and the gritstone outcrop of Pendle Hill to the north. Coal Clough wind farm, which is visible from many parts of Burnley, dominates the skyline to the south east of the town while, nearby, the landmark panopticon, the Singing Ringing Tree, overlooks the town from the hills at Crown Point. There are two main urban settlements, Burnley and Padiham, and a number of small villages and hamlets in the rural area.

3.1.2 Much of Burnley's character and distinctiveness today derives, not only from its attractive Pennine setting, but also from its development during the Industrial Revolution. This gave the inner parts of the urban area their distinctive sandstone terraces in grid-iron street patterns, mills and fine parks.

3.2 Population

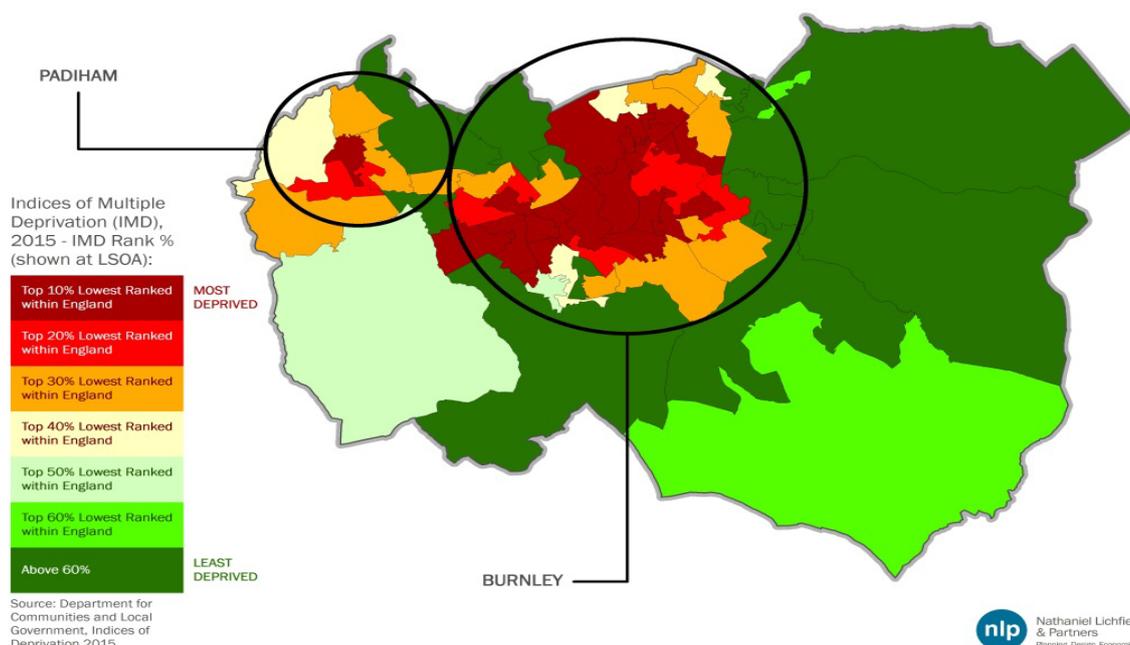
3.2.1 The borough's population at the time of the 2011 Census was 87,059. The most recent ONS 2014 mid-year population estimate indicates a small increase in Burnley's population to 87,291. Between 1991 and 2011, Burnley's population fell by 4.5% in stark contrast to a 12.7% rise in England as a whole.

3.2.2 The borough's population is diverse with about 12.6% of its residents at the 2011 Census being black or minority ethnic, an increase from 8.2% in 2001.

3.3 Deprivation

3.3.1 In the 2015 Index of Multiple Deprivation (IMD) Burnley was ranked the 9th most deprived area out of 326 local authority areas in England (based on rank of average scores). The most prevalent form of deprivation in the borough relates to health.

Figure 1 Indices of Multiple Deprivation in Burnley 2015



- 3.3.2 The 2015 data shows a significant proportion of the inner urban area within the 10%-30% most deprived areas in England. There is also a clear division between the rural and urban parts of the Borough, with the former experiencing far lower levels of deprivation. The ward of Daneshouse with Stoneyholme is within the top 10% lowest ranked wards in England.
- 3.3.3 Burnley also suffers with high levels of unemployment (7.1%¹) which can influence the affordability of the housing market resulting in fewer households being able to become home owners, and more demand for rented accommodation.

3.4. Housing Type

- 3.4.1 From the 2011 Census there were 37,550 dwellings in Burnley. The housing stock in Burnley differs substantially from the national average with 71.25% of dwellings built before 1919 compared with 23.6% nationally.
- 3.4.2 Burnley has a much higher proportion of terraced housing than England or the region as a whole. According to the 2011 Census, 50.1% of Burnley's housing stock consisted of terraced houses compared to the regional average of 30% and England average of 24.5%. Much of the terraced housing stock comprises pre-1919 two bedroomed terraced houses and this constrains choice in the housing market.
- 3.4.3 The previous Pathfinder Housing Market Renewal (HMR) scheme recognised that poor condition, high vacancy rates and a lack of quality and choice of housing, in particular an oversupply of small two bedroomed Victorian terraced housing without gardens, were key drivers of housing market failure.
- 3.4.4 Analysis by council tax band shows that in 2015, 61.3% of dwellings in Burnley were in the lowest band 'A' compared to the average for England of 24.6%. The proportion is decreasing gradually. The highest tax bands of 'F' to 'H' accounted for 9.1% of properties in England but just 1.2% in Burnley.

3.5 Housing Tenure

- 3.5.1 Census data shows that between 2001 and 2011 there has been a significant decrease in the number of Burnley residents in owner occupation and an increase in the percentage in private rented accommodation.
- 3.5.2 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% in 2011 compared to 8.8% and 15.3% in England. Burnley also demonstrates a lower than average percentage of social rented housing at 14.1% compared to a national average of 17.6%. This has the potential to further increase the reliance on the private rented sector and reduce choice in the housing market.
- 3.5.3 The Burnley Strategic Housing Market Assessment (SHMA 2016) suggested that owner occupation is particularly high in the rural parts of the Borough, and that private rented accommodation is more concentrated in the urban areas of Burnley and Padiham.

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

¹APS modelled unemployment rate (Jul 2014-Jun 2015) – NOMIS 2015

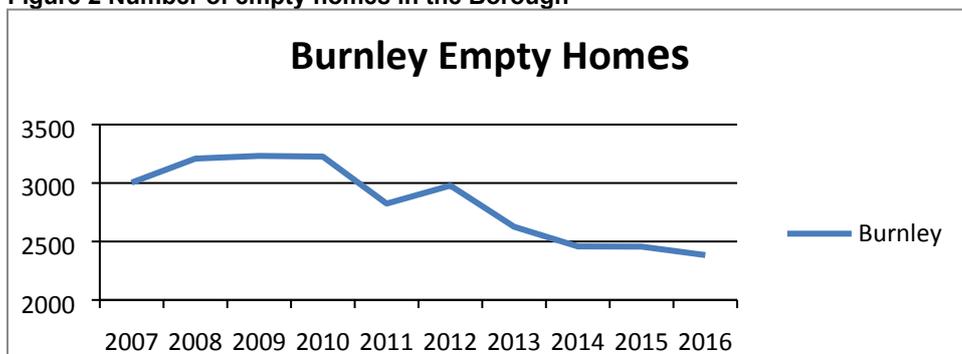
Tenure	Burnley Households (no.)	Burnley Households %	England and Wales %
All households	37,550	100.0	100.0
Owned	24,408	65.0	63.6
Owned: Owned outright	11,815	31.5	30.8
Owned: Owned with a mortgage or loan	12,593	33.5	32.7
Shared ownership (part owned and part rented)	79	0.2	0.8
Social rented	5,281	14.1	17.6
Social rented: Rented from council (Local Authority)	1,418	3.8	9.4
Social rented: Other	3,863	10.3	8.2
Private rented	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
Living rent free	515	1.4	1.4

Source: 2011 Census

3.6 Empty Homes

3.6.1 In 2016, there were 2384 empty homes in the borough, 6% of the overall housing stock. This vacancy rate is lower than the previous year and part of a gradually downward trend, but it remains significantly higher than the average for England 2.53%.

Figure 2 Number of empty homes in the Borough



3.6.2 The long term empty properties tend to cluster in some of the inner urban areas of the borough, affecting the appearance of an area and having a negative impact on residents as they attract anti-social behavior, fly tipping and vandalism.

3.7 Fuel Poverty

3.7.1 The Department of Energy and Climate Change (DECC) defines fuel poverty through the 'low income high costs' method of calculation. A household is defined as 'fuel poor' if:

- A household has required fuel costs that are above the median level; and
- Were the household to spend that amount, they would be left with a residual income below the official poverty line.

The 2013 results from DECC indicate that in Lancashire, 72,091 households (11.4%) were in fuel poverty. Within Lancashire, Pendle (15.7%) had the 7th worst rate in the country,

whilst Burnley at 14.2% has the 16th worse rate, a worsening position than in 2012 (DECC/Lancashire Profile).

3.8 Stock condition

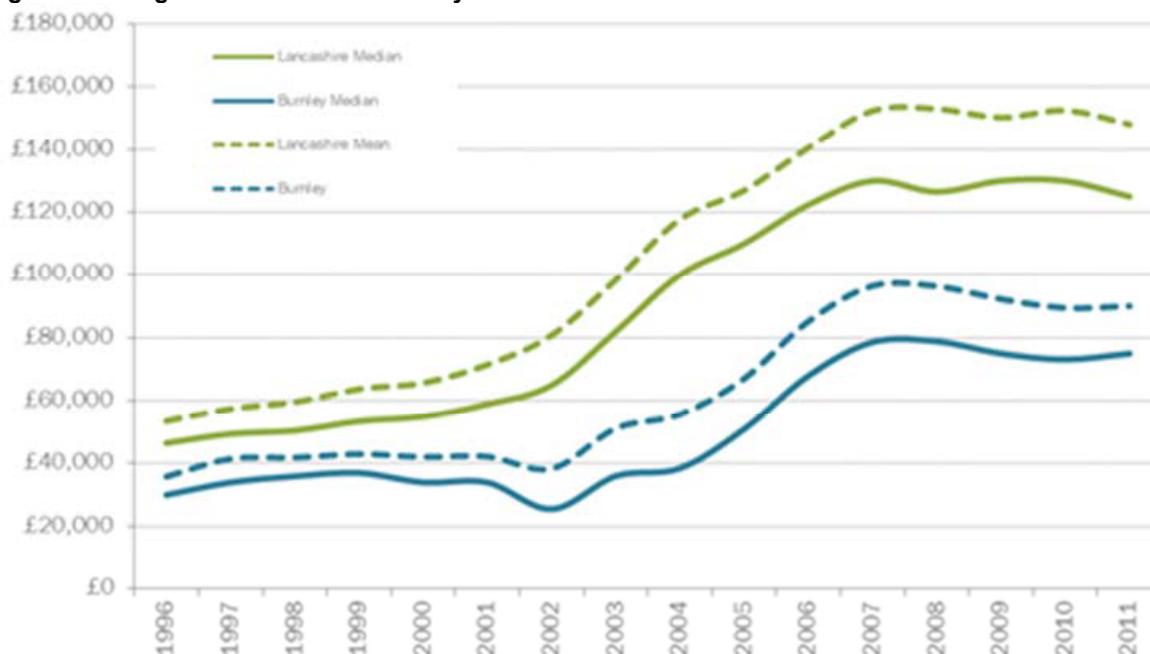
3.8.1 The most up to date and comprehensive survey of the condition of dwelling stock in the borough is contained within the Council's House Condition Survey (June 2009). This survey covered all tenures including properties owned by Registered Providers and concluded that 17,700 properties failed the Decent Homes Standard, equivalent to 43.6% of the total housing stock. This is higher than the equivalent figure for England in the same period at 36.7%. The proportion of non-decent dwellings by tenure were; owner occupied 45.5%, privately rented 46.3%, and housing association 31.3%.

3.8.2 The majority of dwellings were non-decent due to thermal comfort failure at 32.1% followed by Category 1 Hazards at 25.3%. 10.4% of the stock failed the disrepair criterion with 1.1% lacking modern facilities and amenities.

3.9 Housing Market

3.9.1 House prices between 1996 and 2011 remained stable within Burnley and the wider County as a whole, albeit Burnley has consistently exhibited lower average house prices. Looking at the change in average house prices for Lancashire and Burnley, it is apparent that the recession and subsequent economic downturn has had a significant impact on the housing market. Figure 3 illustrates that Burnley house prices broadly follow the County pattern, all be it at a reduced magnitude

Figure 3 Average House Prices in Burnley and Lancashire 1996 to 2011

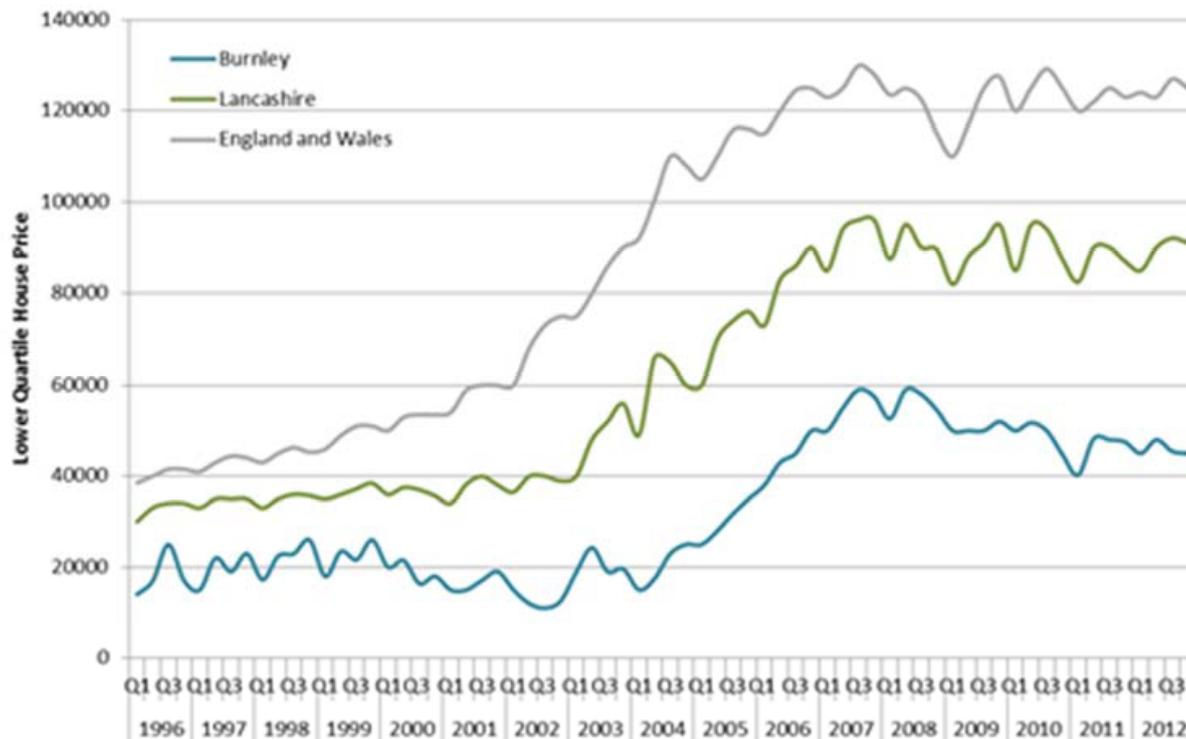


Source: CLG Live Tables 585 and 586

3.9.2 In the period 1996 to 2012, Lower Quartile [LQ] house prices in Burnley have been significantly below the national and county-wide averages, with this gap widening post 2004. However, the Borough has experienced similar patterns in terms of peaks and troughs when compared with regional averages.

3.9.3 In 2012, the average LQ house price in Burnley was £46,000, which was below the comparable prices for Lancashire at £90,000 and England and Wales at £125,000. LQ house prices climbed steadily in Burnley from 2004 to 2008 and trebled over these years. Since 2008, LQ house prices have declined slightly but continued to remain relatively stable.

Figure 4 Lower Quartile House Prices in Burnley, Lancashire and England and Wales



Source: CLG Live Table 583

3.9.4 Pre-recession dwelling sales in Burnley (2002-2007) totaled over 3,000 transactions per annum (CLG Live Table 588). Since 2007 when the figure stood at 3,121, transactions have more than halved. They have increased significantly in the last 2 to 3 years from 897 in 2013 to 1,162 in 2015 suggesting some recovery in the local housing market albeit still significantly less than pre-recession figures. (Hometrack).

3.10 Crime and Anti-Social Behaviour

3.10.1 Compared to other districts in Lancashire and the country as a whole, Burnley has relatively high levels of crime (the second highest rates). For 2016 the crime rate was 103.07 per 1,000 population compared to a Lancashire Force average of 70.58 - both an increase on the previous year. In June 2015 to May 2017 the Burnley rate was 88.82 and this increased to 104.74 June 16 to May 2017. Over this period, burglary and antisocial behaviour rates fell, but vehicle offence, robbery and violent crime (violence against the person) rates increased.

4. THE PROPOSED SELECTIVE LICENSING AREAS

4.1 This section of the report presents information that demonstrates that the proposed areas are in low housing demand when compared to other areas of the borough. In addition the Daneshouse with Stoneyholme proposed designation details evidence of poor property

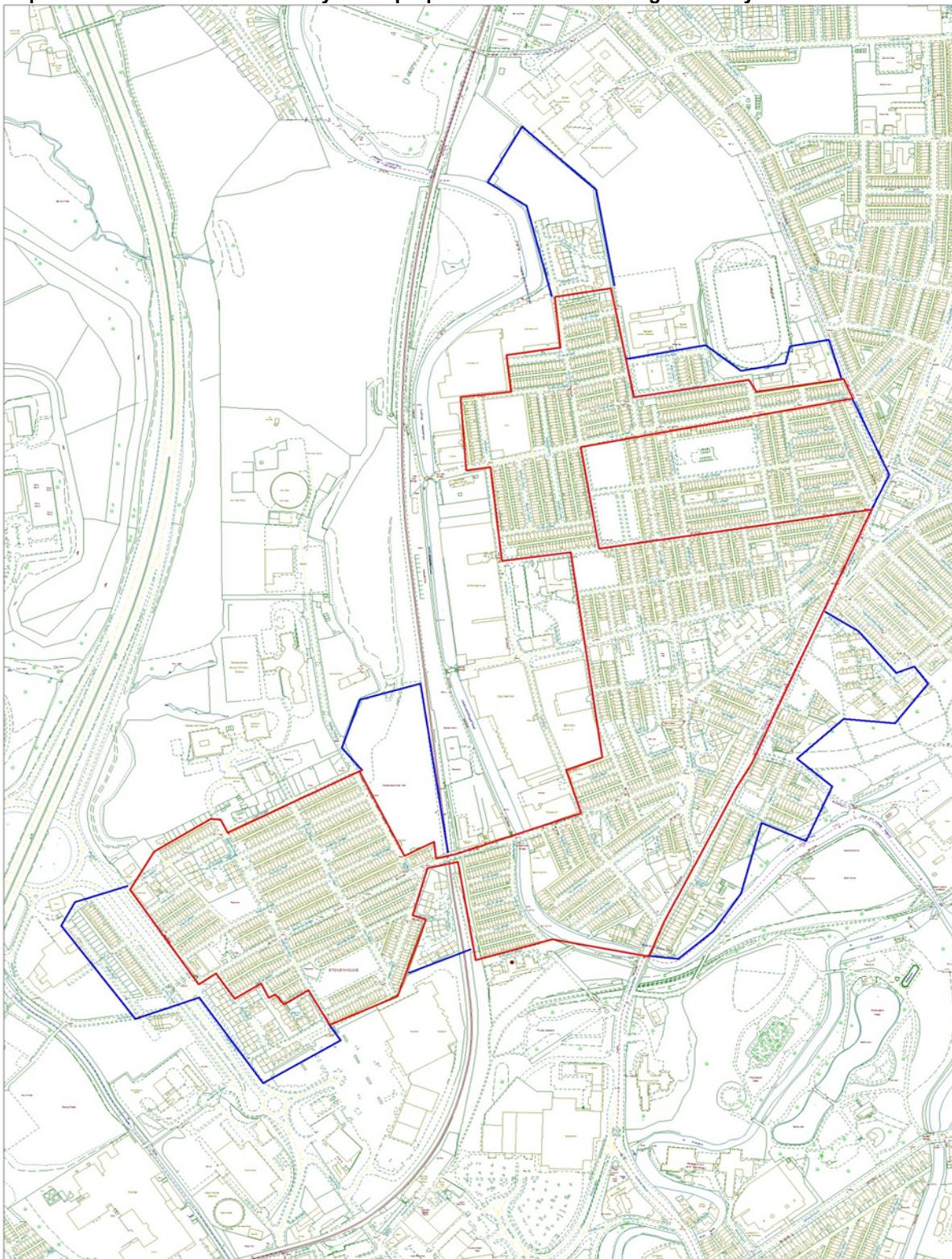
condition. The evidence detailed below presents a number of separate indicators that when taken together build a strong argument to demonstrate an area in low demand, in particular a high proportion of private rented property, poor property conditions, significantly low property prices and a high incidence of empty homes.

- 4.1.1 Data from a number of key variables including private rented properties, empty homes, 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.

5. The Daneshouse with Stoneyholme Proposed Designation

5.1 The Council is proposing selective licensing in the Daneshouse and Stoneyholme area as it is experiencing poor property conditions and low housing demand. Map 1 shows the proposed designation area in red and the larger consultation area in blue.

Map 1 The Daneshouse with Stoneyholme proposed selective licensing boundary



5.1.2 The Daneshouse with Stoneyholme ward covers a large area in the north of the town. The ward covers the town centre shopping area, bus station and public offices, and also Burnley's biggest retail park. It also covers the neighbourhoods of Stoneyholme and Daneshouse, as well as farmland spreading out towards Pendle past the M65 motorway.

5.1.2 The wards population is 5,995 (2011 census figures) with an average age of 28.7 years, with more residents aged 0-15 than any other ward in the borough.

5.1.3 82% of local residents are Asian heritage community members and 18% of the population are white / white British community members. 45% of people speak English as a first language, with nearly all other residents comfortable using English as their second language

5.1.4 38% of residents are employed, which compares with a borough wide employment rate of 58%. The 2011 Census shows that there has been a 6% increase in economic activity since the last census in 2001 despite there being an increase in benefit claimants.

5.1.5 Just over 90% of the ward's housing is terraced housing or flats.

5.2 Housing Tenure

5.2.1 The following table shows a comparison of the private rented sector in Burnley's wards. This reveals that the Daneshouse with Stoneyholme ward, where the proposed designation is situated, has a significantly higher percentage of private rented properties than the borough as a whole. It is ranked the third highest ward for the percentage of private rented properties.

Table 2 Tenure of households – ward level

Tenure (%)	Owner Occupied (%)	Social Rented (%)	Private Rented (%)	Living Rent Free (%)	Rank
Burnley Average	65.2	14.1	19.4	1.4	
Lancashire (12 districts)	71.5	12.1	15.1	1.3	
England	64.1	17.7	16.8	1.3	
Burnley Wards					
Bank Hall	45.4	21.3	29.6	1.8	2
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
Daneshouse/Stoneyholme	54	13.2	26	3.6	3
Gannow	65.1	12.8	19.1	1.3	7
Gawthorpe	57	15.6	24.1	1.3	4
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
Rosehill with Burnley Wood	64	14.7	19.4	1.2	6
Trinity	51.9	12.3	32.8	1.1	1
Whittlefield with Ightenhill	83.2	7.1	8	1	14

Census 2011

5.2.3 Table 3 below shows that within the proposed designation area the estimated percentage (31%) of private rented properties is considerably higher than the ward in which it is

situated and is comparable to the current selective licensing designation areas operating in other parts of the Borough. Through experience it is usually the case that once a designation area commences further private rented properties are found.

Table 3: The number and percentage of private rented properties in the selective licensing areas

Selective Designation Areas	Licensing Properties	Number of Properties	No PRS start Desg	% PRS start Desg	No PRS 2017	% PRS 2017	% PRS Change
Trinity		1400	430	31	627	45	14
Gannow		937	253	27	463	49	22
Queensgate		1684	747	45	729	43	-2
BurnleyWood with Healey Wood		1257	414	33	610	49	16
Leyland		721	310	43	386	54	11
Igham & Lawrence		167	55	33	90	54	21
Daneshouse with Stoneyholme		1807			560	31	

Source- Current selective licensing area data and Housing Benefit date for Daneshouse with Stoneyholme

5.3 Fuel Poverty

5.3.1 Table 4 is taken from the Census 2011, it shows the number of dwellings that do not have central heating. The Daneshouse with Stoneyholme ward has the highest percentage of dwellings without central heating.

Table 4 Dwellings without central heating by ward

2011 ward	Does not have central heating		Rank
	number	%	
E05005151 : Briercliffe	73	3	9
E05005152 : Brunshaw	131	4.4	5
E05005153 : Cliviger with Worsthorne	52	2.3	11a
E05005154 : Coal Clough with Deerplay	39	1.8	12
E05005155 : Daneshouse with Stoneyholme	191	10.4	1
E05005156 : Gannow	132	5.2	5
E05005157 : Gawthorpe	121	4.2	6
E05005158 : Hapton with Park	106	4.1	7
E05005159 : Lanehead	66	2.7	10
E05005160 : Queensgate	167	6.9	3
E05005161 : Rosegrove with Lowerhouse	111	3.9	8
E05005162 : Rosehill with Burnley Wood	137	5.5	4
E05005163 : Trinity	180	7.3	2
E05005164 : Whittlefield with Ightenhill	58	2.3	11b

5.3.2 Since April 2012 landlords are required by law to have an Energy Performance Certificate (EPC) when a property is let to a new tenant. The purpose of the EPC is to show prospective tenants the energy performance of the dwelling they are considering renting. From a recent sample of the pro-active inspections of 80 properties within the Daneshouse with Stoneyholme proposed designation area (Oct 2017 – March 2018) 38 properties did not have Energy Performance Certificates at the time the inspections were arranged. Of the 42 EPCs received 17 were rated below an E. A property rated below an E has poor energy performance.

5.4 Condition

5.4.1 Housing condition and property maintenance and repair is fundamental to the management practices within the private rented sector. Evidence of property condition impacting on residents comes from the number of housing disrepair complaints received from tenants. The Daneshouse with Stoneyholme ward had the second highest number of disrepair complaints during 2016/17 and over recent years has seen a significant increase that has more than doubled since 2011/12.

Table 5 Number of disrepair complaints received by ward

Ward	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Rank 16/17
Bank Hall	25	30	54	54	41	36	3
Briercliffe	2	4	8	5	4	3	12
Brunshaw	8	15	10	6	10	6	10
Cliviger with Worsthorne	1	1	0	1	1	1	13
Coal Clough with Deerplay	4	5	8	2	7	4	1
Daneshouse with Stoneyholme	18	22	26	24	43	38	2
Gannow	21	20	24	18	27	11	9a
Gawthorpe	20	21	20	24	24	27	6
Hapton with Park	5	12	12	12	7	11	9b
Lanehead	6	15	16	11	14	17	7
Queensgate	27	32	49	47	85	37	4
Rosegrove with Lowerhouse	12	26	30	10	22	12	8
Rosehill with Burnley Wood	14	20	33	27	32	29	5
Trinity	45	42	59	43	46	42	1
Whittlefield with Ightenhill	8	1	5	5	9	5	11
Burnley Total	216	266	354	289	372	279	

5.4.2 In September 2016 the Council's Housing Service started a private sector improvement scheme within the proposed selective licensing designation area for Daneshouse. The results to date are detailed in the table below:

Table 6 Private Sector Improvement Scheme

Daneshouse Private Sector Improvement Scheme 2017-18 (13/06/18)

Property Inspections:-	
149	Housing, Health and Safety Rating System (HHSRS) Inspections booked in (relating to 104 properties)
81	HHSRS Inspections completed
57%	Access Rate at HHSRS Inspection
22	No accesses at HHSRS inspection
7	Owner occupied at HHSRS inspection (no inspection completed)
Outcome of inspections:-	
38 (47%)	Properties were found to have Category 1 hazards (those that present the highest risk to the occupiers).
45 (56%)	Properties did not have adequate smoke detection (at HHSRS inspection) – Smoke Regulation Remedial Notices were served.
4	Owners/Managing Agents have failed to comply with smoke Regulation Remedial Notices – Penalty Charge Notices (PCN) have been served.
63 (78%)	Gas certificates had not been completed prior to the HHSRS inspection being booked in
32 (40%)	Properties did not have an Energy Performance Certificate (EPC).
33	Cases have been closed with all the repairs completed.
13	Properties have become void/empty after the schedule of works had been sent out.
3	Formal enforcement notice has been served to date (excluding PCNs – see above).

5.4.3 Out of the 40 completed inspections of private rented properties, half had category 1 hazards which pose a significant risk to occupiers and which local housing authorities have a mandatory duty to address.

5.4.4 Over half of the properties did not have adequate smoke detection, which is a basic requirement for private rented properties. Through the selective licensing application process landlords are advised of the need for smoke detection with property checks undertaken to ensure compliance. Failure to provide smoke detection is a breach of the selective licensing conditions.

5.4.5 It has been a legal requirement since 1998 for landlords to ensure that all gas appliances are adequately maintained and that an annual gas safety check is undertaken by a competent person (Gas Safe Engineer). Less than half of the properties had a gas safety certificate which highlighted that an annual check had not been undertaken prior to the inspection. This is unacceptable and shows that landlords operating within the proposed designation area are either unaware of their obligations or choosing not to fulfil these obligations. It is vital that landlords clearly understand their responsibilities and obligations in relation to gas supply and appliances. Selective Licensing ensures that landlords meet these responsibilities by requesting a certificate with the application form for a licence and annually thereafter. Failure to comply would be a breach of the selective licensing conditions that could result in prosecution or a civil penalty.

5.4.6 Since April 2012 landlords are required by law to have an Energy Performance Certificate (EPC) when a property is let to a new tenant. The purpose of the EPC is to show prospective tenants the energy performance of the dwelling they are considering renting.

From April 2018 it will be unlawful to let a private rented property with a rating lower than an “E”. The selective licensing application process requires an EPC to be submitted before the property is licensed.

5.4.7 If you take the number of property failings found during the Private Sector Improvement Scheme (September 2017 – March 2018) and aggregate the number up to represent a percentage of the total private rented properties (330) within the proposed designation area there would be:

- 145 further properties with Category 1 hazards;
- 180 further properties without adequate smoke detection;
- 171 further properties without an annual gas safety check;
- 127 further properties without EPCs.

5.5 Housing Market

5.5.1 The following table shows the house price variation within the borough’s wards, with the rural ward of Cliviger having the highest prices. It is well documented how house prices in Burnley, particularly inner Burnley, have been consistently some of the lowest in the country. Despite a significant increase in the Daneshouse and Stoneyholme ward average house price from March 2016 to March 2017, the ward still ranks as 5th for the lowest house prices out of the fifteen wards in the Borough.

Table 7 Average property prices for all housing types by ward over time

	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Rank Mar-17
Burnley Borough	94,930	93,621	87,794	92,393	92,947	89,085	93,159	91,609	88,187	
Rosehill with Burnley Wood	78,350	75,467	68,781	76,952	82,739	79,730	88,015	78,632	81,121	6
Queensgate	65,614	80,874	63,270	55,494	46,233	69,256	58,452	54,854	58,306	2
Daneshouse w'h Stoneyholme	84,350	69,739	56,614	54,958	53,122	58,608	67,196	53,190	79,170	5
Rosegrove with Lowerhouse	76,833	86,660	73,564	79,069	75,679	78,873	83,148	82,210	78,357	4
Hapton with Park	109,124	99,637	106,399	102,890	111,153	112,545	125,535	117,787	97,727	10
Briercliffe	148,171	115,130	109,697	124,186	148,477	107,462	131,117	118,644	116,388	13
Brunshaw	76,468	87,952	80,739	77,930	62,047	79,422	75,955	78,696	90,996	9
Coal Clough with D'play	131,863	129,163	98,589	150,060	133,069	101,940	139,320	113,483	114,766	12
Trinity	62,929	69,884	68,328	51,375	64,674	42,649	50,142	53,963	60,029	3
Gannow	106,105	77,421	84,848	81,461	82,920	79,979	83,252	79,026	88,412	8
Cliviger	182,100	166,660	198,903	159,017	163,193	173,729	165,375	183,130	168,922	15
Gawthorpe	91,426	91,466	92,541	102,632	73,117	58,487	94,764	93,709	84,390	7
Whittlefield w/ Ightenhill	160,779	153,474	157,194	149,604	168,026	147,553	161,063	154,844	143,581	14
Bank Hall	63,551	69,118	51,395	61,067	44,538	53,255	56,267	56,848	51,069	1
Lanehead	97,146	93,547	94,539	77,707	93,165	100,595	110,684	85,782	99,537	11

Source: Hometrack

5.5.2 The poor property conditions detailed above have a negative effect on the housing market and can contribute to low demand as people move out of the area to live in homes that are in a better condition.

5.5.3 Looking at the average house prices for the proposed selective licensing designation area, the figures show that the house prices within this area are significantly lower when compared to the ward it is situated in.

Table 8 Average house prices within the proposed designation area

Average House Prices	2013/2014	2014/2015	2015/2016	2016/2017
Daneshouse selective licensing area	43,319	33,524	43,529	38,554
Daneshouse with Stoneyholme Ward	58,608	67,196	53,190	79,170

5.6 Empty Homes

5.6.1 Table 9 below shows the number of empty properties in Burnley by ward and compares this as a percentage. In 2017 the number of empty properties in the Daneshouse with Stoneyholme ward was 11%, significantly higher than the borough average of 6% and joint highest when compared with all wards across the Borough.

Table 9 Number of empty properties by Ward

	2011	2012	2013	2014	2015	2016	2017	% 2017
Burnley	2,824	2,978	2,626	2,458	2,456	2,384	2,267	
Lancashire	23,812	24,151	22,863	21,410	20,758	20,727	20,002	
Bank Hall	298	298	408	326	255	253	272	9
Briercliffe	90	85	100	87	102	124	84	3
Brunshaw	90	121	83	84	112	110	124	4
Cliviger with Worsthorne	74	73	94	84	85	89	93	4
Coal Clough Lane with Deerplay	73	77	135	117	103	88	88	4
Daneshouse with Stoneyholme	389	343	319	274	223	225	234	11
Gannow	171	156	165	150	165	166	171	6
Gawthorpe	197	180	217	211	189	223	182	6
Hapton with Park	122	130	190	170	143	138	129	5
Lanehead	128	101	136	145	119	129	109	4
Queensgate	318	294	239	231	262	264	250	9
Rosegrove with Lower House	149	149	165	160	165	141	127	4
Rosehill with Burnley Wood	316	239	123	125	214	199	203	8
Trinity	409	373	320	288	345	350	307	11
Whittlefield with Ightenhill	79	72	93	82	85	94	93	4

5.6.2 Table 10 below shows the percentage of empty properties in the current selective licensing areas and the proposed designation area for Daneshouse with Stoneyholme. As can be seen from the table there is a lower percentage of empty properties within the proposed designation area of Daneshouse with Stoneyholme at 9% when compared with the ward figure at 11%. Despite this the figure at 9% is still higher than the Borough average of 6% and comparable to the current selective licensing areas which are suffering from low housing demand. The empty properties within the proposed designation area of

Daneshouse and Stoneyholme cluster more in the Daneshouse part of the area, when looking at this area alone a figure of 11% was recorded for 2017.

5.6.3 As detailed in table 10 the three established selective licensing areas of Trinity, Gannow and Queensgate have seen a percentage reduction in the number of empty properties since the designations came into force in 2014, with Trinity showing the largest reduction.

5.6.4 Daneshouse with Stoneyhole has also seen a reduction in the number of empty properties all be it to a lesser degree than Trinity.

Table 10 Percentage of empty homes within the selective licensing areas

Selective Licensing Designation	2010	2011	2012	2013	2014	2015	2016	2017	%Change from designation year to 2017
Trinity (1400)	18	16	20	20	20	16	16	14	6
Gannow (937)	12	12	13	14	14	12	14	13	1
Queensgate (1648)	17	16	15	16	14	10	14	12	2
BurnleyWood with Healey Wood (1257)	13	13	14	13	14	13	12	12	2
Leyland (721)	16	18	16	15	15	13	13	15	0
Igham & Lawrence (167)	11	13	10	11	10	12	14	10	0
Daneshouse with Stoneyholme (1807)	15	14	12	12	10	10	10	9	

5.7 Crime, Anti – Social Behaviour and Environmental Crime

5.7.1 Significant incidents of anti-social behaviour (ASB) and crime can be a contributing factor to low demand as people do not want to remain in an area displaying such problems. Safer Lancashire ranks the Daneshouse with Stoneyholme Ward as the highest for ASB and Crime across the Borough. This ward does however include the town centre which is likely to increase the incidents due to the night time economy.

Table 11 Safer Lancashire ASB by Ward

Ward	Safer Lancashire Aug 2013 to July 2014.	Safer Lancashire Dec 2015 to November 2016.	Safer Lancashire Dec 2016 to November 2017.	Rank Based on most recent stats
Ward	ASB stats per 1000 population	ASB stats per 1000 population	ASB stats per 1000 population	Rank Based on most recent stats
Bank Hall	124.6	115.5	114.8	3
Briercliffe	27.6	57.6	38.9	13
Brunshaw	59.3	48	47	11
Cliviger with Worsthorne	20.6	15	16.6	14
Coal Clough with Deerplay	54.3	55.8	53.8	8
Daneshouse with Stoneyholme	182.7	154.3	152.7	1
Gannow	62.1	69.6	53.1	9
Gawthorpe	71.7	82	73.4	6
Hapton with Park	41	52.5	45.4	12
Lanehead	61	53.7	51	10

Queensgate	100	88.2	75.8	5
Rosegrove with Lowerhouse	71.5	71.4	64	7
Rosehill with Burnley Wood	67.1	76.6	90.2	4
Trinity	112.9	105	122.5	2
Whittlefield with Ightenhill	73.8	42.1	27.2	15

Table 12 Safer Lancashire Crime by Ward

Ward	Safer Lancashire Aug 2013 to July 2014.	Safer Lancashire Dec 2015 to November 2016.	Safer Lancashire Dec 2016 to November 2017.	Rank Based on most recent stats
Bank Hall	124.9	159.3	174.1	3
Briercliffe	34.1	44.3	39.6	14
Brunshaw	51	50.7	77.9	9
Cliviger with Worsthorpe	30.2	25.9	33.2	15
Coal Clough with Deerplay	68.3	81.4	95.1	8
Daneshouse with Stoneyholme	253.2	240.3	249.1	1
Gannow	81	75.5	75.6	10
Gawthorpe	76.4	113.5	115.7	7
Hapton with Park	45.4	65.8	68.9	12
Lanehead	73.2	71.9	72	11
Queensgate	128.4	124.8	138.8	4
Rosegrove with Lowerhouse	73	83.6	105.8	6
Rosehill with Burnley Wood	103.1	109.8	133.7	5
Trinity	160.5	146.5	183.2	2
Whittlefield with Ightenhill	89.5	39.8	50	13

5.7.2 The ASB incidents reported to the Council show that the Daneshouse with Stoneyholme ward has the fourth highest number of incidents in the Borough. Table 14 shows the number of reported incidents of ASB to the Council for the selective licensing areas. The proposed Daneshouse with Stoneyholme designation shows the joint second highest number of reports compared to the current selective licensing areas.

Table 13 Reported incidents of ASB to the Council by Ward

Ward	2014/15	2015/16	2017/18	Rank based on most recent statistics
Bank Hall	76	67	77	1
Briercliffe	9	8	14	12
Brunshaw	31	28	41	8
Cliviger with Worsthorpe	11	5	6	13
Coalclough with Deerplay	20	21	28	10
Daneshouse with Stoneyholme	19	20	59	4
Gannow	98	50	72	2

Gawthorpe	38	56	56	5
Hapton with Park	23	22	25	11
Lanehead	32	30	31	9
Queensgate	32	49	47	6
Rosegrove with Lowerhouse	29	22	38	9
Rosehill with Burnley Wood	47	48	45	7
Trinity	72	51	60	3
Whittlefield with Ightenhill	22	20	13	13
Total	559	497	612	

Table14 Reported incidents of ASB to the Council by selective licensing area

Selective Licensing Designation	2014-15	2015-16	2116-17
Trinity	38	24	27
Gannow	41	33	39
Queensgate	27	35	32
Burnley Wood with Healey Wood	35	28	37
Leyland Road	17	12	19
Ingham	4	2	4
Daneshouse with Stoneyholme	19	20	37

5.7.3 Environmental crime includes flytipping of back yards and streets and residents failing to keep their yards free of litter and dog fouling. Accumulations of rubbish have a detrimental effect on neighbourhoods, making an area look unattractive and run down, attracting vermin and posing a risk of deliberate fires. The table below shows the number of incidents of environmental crime reported to the Council. The Daneshou with Stoneyholme ward is ranked the fifth highest for environmental crime.

Table 15 Reported incidents of Environmental Crime to the Council by Ward

Ward	Number of Incidents			Rank - Latest 2016/17
	2014/15	2015/16	2016/17	
Bank Hall	481	310	475	1
Briercliffe	9	103	23	13
Brunshaw	19	42	44	11
Cliviger with Worsthorne	1	6	2	15
Coal Clough with Deerplay	28	13	21	14
Daneshouse with Stoneyholme	175	177	177	5
Gannow	152	165	156	6
Gawthorpe	126	135	112	7
Hapton with Park	34	42	28	12
Lanehead	44	53	48	10
Queensgate	332	254	234	4
Rosegrove with Lowerhouse	86	97	66	8
Rosehill with Burnley Wood	248	198	296	2
Trinity	367	405	277	3
Whittlefield with Ightenhill	84	83	60	9
Grand Total	2208	2083	2025	

5.7.4 Table 16 looks at the data from selective licensing areas and shows that the proposed area of Daneshouse and Stoneyholme has a smaller numbers of reported incidents of environmental crime than the current selective licensing areas. The Council's Streetscene Unit who are responsible for refuse collection report that within the proposed selective licensing area fly-tipping to back streets is an ongoing problem. The flytipping includes white goods, black bags and open food waste to the point that a caged vehicle has to be sent first to clear the fly-tipping before the bin wagon can proceed. This is especially concentrated in and around Cameron, Violet and Evelyn Street.

Table 16 Reported incidents of Environmental Crime to the Council by selective licensing area

Year	2014-15	2015-16	2016-17
Trinity	316	320	278
Gannow	266	223	172
Queensgate	419	281	298
Bwood	279	232	268
Leyland	297	209	220
Ingham & Lawrence	21	17	36
Daneshouse & Stoneyholme	175	177	157

5.8 Why Propose a Selective Licensing Designation?

5.8.1 The Danehouse with Stoneyholme proposed designation area has a significantly high number of private rented properties. From the Private Sector Improvement Scheme a large proportion of the properties inspected are in a poor condition with the basic requirements of annual gas safety certificates and the installation of smoke alarms not being complied with.

5.8.2 House prices within the proposed designation area are £50,000 less than the Borough average and £40,000 less than the average house price for the ward in which the proposed designation areas is situated.

5.8.3 Whilst the number of empty homes within the proposed designation area at 9% is not as high as the current selective licensing areas they are still higher than the Borough average of 6%. The empty homes tend to cluster within certain areas of the proposed designation.

5.8.4 Reported incidents of environmental crime are lower than those for the current selective licensing areas; however visual audits show significant sides waste of mattresses, white goods and food debris.

5.8.5 The number of incidents of reported anti-social behaviour is comparable to the current selective licensing areas.

5.8.6 The combined indicators summarised above show that the proposed designation area is in low housing demand with a high proportion of private rented properties in poor condition.

5.8.7 Selective licensing when combined with the supporting and complementary activity detailed in section 12 of this document will assist in improving the management of private rented properties by compelling all landlords to meet legal requirements such as annual gas safety certificates it will also improve property condition by continued proactive inspections and through partnership work and support to landlords reduce anti-social behaviour and

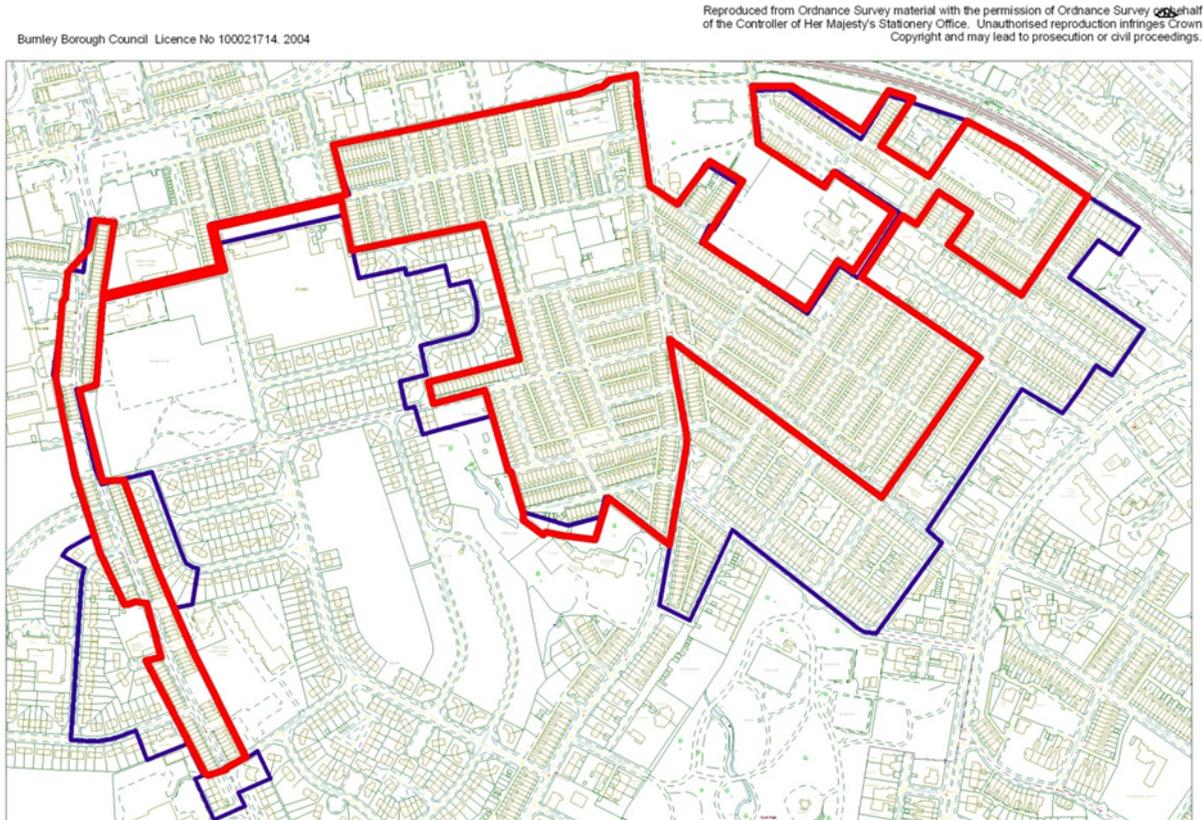
environmental crime. Selective licensing will also work closely with the Council's Empty Homes Programme to ensure that when empty properties are brought back into use they are managed professionally.

6. The Trinity Proposed Designation Area

6.1 The Council is proposing selective licensing in the Trinity area as the area is experiencing low housing demand. Selective licensing was first introduced in Trinity in October 2008, followed by a second designation in January 2014. This second designation is due to end in January 2019.

6.1.1 Map 2 shows the proposed designation area which is situated within the Trinity ward with the wider consultation boundary.

Map 2 Proposed boundary and wider consultation area in blue for Trinity



6.1.2 Trinity ward is to the west of Burnley town centre. As well as being a residential neighbourhood, Trinity contains the historic Weavers' Triangle, the old and disused mills of industrial Burnley which are undergoing a huge regeneration programme called On the Banks.

6.1.3 Trinity has a population of 5,270 (2011 census figures) with an average age of 38 years. There are slightly more residents aged 25-44 compared to most other wards.

6.1.4 95% of residents are white/white British.

6.1.5 53% of residents are employed, which compares with a borough wide employment rate of 58%. There has been an increase in the number of people claiming benefits in this ward.

6.1.6 The proportion of terraced housing in Trinity is high at 73% of the housing stock.

6.2 Why Propose Another Selective Licensing Designation Area?

- 6.2.1 The area of Trinity was identified as having low housing demand long before the first selective licensing designation came into force in October 2008. It was officially designated part of the Governments Housing Market Renewal Pathfinder in 2002 (known as Elevate). Since 2002 the Council and partners have been working to proactively address this low housing demand.
- 6.2.2 Since October 2008 selective licensing has been part of the wider regeneration programme for the Borough. Supporting the physical regeneration by ensuring there is well managed private rented accommodation within the area. The designation area is showing some signs of stability and improvement, although as this document demonstrates still experiences some of the worst characteristics of low demand.

6.3 Tenure

- 5.3.1 The level of private rented in the Trinity ward is the highest in the Borough. Almost 1 in 3 households were renting privately from a landlord or agency (32.8%) according to the 2011 Census. Within the proposed designation area there are 1400 properties of which approximately 643 (46%) are privately rented (Selective Licensing figures May 2018). It is clear that private rented property forms a significant part of the housing offer within the Trinity area and it is important for the function of the housing market and the neighbourhood that this significant tenure concentration is well managed providing good quality accommodation and value for money for residents.

6.4 House Prices

- 6.4.1 Figure 5 shows that the median house prices within the designation area fell significantly from 2008 following the economic down turn as was the case nationally all be it at a more moderate downward trend. The prices began to stabilise in 2011 and increase in 2013. Following a general upward trend 2016 saw a return to similar prices to those seen in 2007. Table 17 shows that the average house price within the designation area has increased steadily since the start of the designation area in January 2014. The number of sales has also increased marginally.

Graph 5 Median House prices in the designation area since 2007 to 2016 (Land Registry)

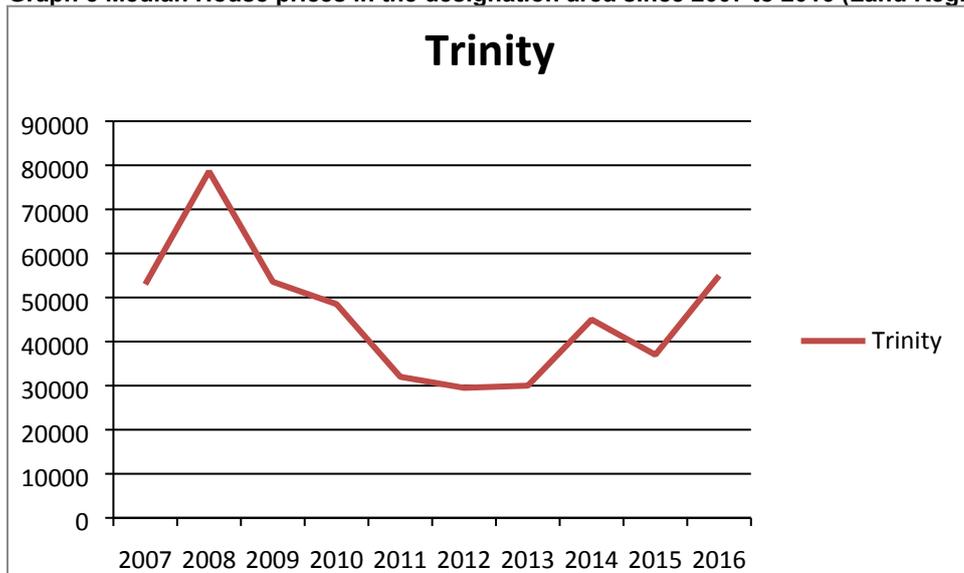


Table 17 Number of Sales & Average house prices for the Trinity Designation Area from 2013/14 to 2016/17

Trinity Designation Area	2013/2014	2014/2015	2015/2016	2016/2017
Number Sales	58	71	64	79
Average House Price	£31,814	£32,194	£34,088	£39,011

6.5 Empty Homes

6.5.1 Table 10 on page 22 of this document shows that empty homes within the proposed designation area have reduced by 6% from 20% in 2014 when the second designation came into force to 14% in 2017. The reduction in empty homes shows that investors have confidence in the area.

6.6 Anti-Social Behaviour

6.6.1 Table 11 on page 22 of this document shows that the Trinity Ward has the second highest levels of anti-social behaviour reported per 100 population in the Borough. The number of reports have increased from August 2013 to November 2017.

6.6.2 Table 14 differs to the Police reports and shows that since the start of the designation the number of incidents of anti-social behaviour within the designation area reported to the Council has reduced slightly.

6.6.3 Table 18 below shows data from the Police Partnership Analyst in relation to incidents of anti-social behaviour reported to the Police within the designation area:

Table 18 Number of ASB reports to the Police for the Trinity Designation Area

Date	Jan to Dec 13	Jan to Dec 14	Jan to Dec 15	Jan to Dec 16	Jan to Dec 17
No. Incidents	311	289	NEED	218	294

6.6.4 From the start of the second designation in January 2014 to December 2016 the number of incidents had significantly reduced. They however increased significantly the following year. The number of incidents reported from Cog Lane doubled in that year. This was mainly due to youth nuisance affecting three street. Through the Multi Agency Tasking and Coordinating

meeting a Task and Finish group was set up to deal with this behaviour. Agencies includes the Police, the Anti-Social Behaviour team, Stepping Stones and a large Registered Social Provider and Selective Licensing.

6.6.5 The selective licensing team ensured that the landlords and managing agents of the private rented properties where some of the perpetrators lived were aware of the complaints and were supported in taking the necessary action. In addition they coordinated a leaflet drop to all houses within the affected three streets to ensure residents knew how to report the anti-social behaviour. While the number of reported incidents have decreased in this area, there are still ongoing matters that are being monitored.

6.7 Environmental Crime

6.7.1 In 2010/11 there were 380 reports of environmental crime within the Trinity designation area, by the end of the first designation area this had reduced to 302. Table 16 on page 25 of this document then shows the number of incidents rising slightly to 316 at the beginning of the second designation and reducing to 278 in 2016/17. The overall trend of the number of incidents of environmental crime is downwards.

6.8 Fuel poverty and Property Condition

6.8.1 Table 4 on page 15 of this document shows that the Trinity Ward was the second highest for dwellings without central heating according to the 2011 Census. Since the start of the second designation in Trinity in January 2014, 683 Energy Performance Certificates (EPCs) have been received. 64 of which were lower than an E rating which is a poor energy efficiency. Through intervention from selective licensing the landlords undertook the necessary steps and had a further EPCs undertaken which resulted in only 21 dwellings having an EPC rating less than an E. All 21 dwellings have been inspected under the Council's housing disrepair functions to ensure any hazards of excess cold were addressed.

6.8.2 Since the start of the designation in January 2014, 281 inspections have been undertaken under the Council's housing disrepair functions. These inspections have ensured that the properties are free from hazards that could affect the health, safety or welfare of the occupiers.

6.9 Continuation of Selective Licensing

6.9.1 There is an improving picture within the Trinity proposed designation area, house prices have risen moderately, empty properties have reduced significantly and Anti-social behaviour along with environmental crime is showing a downward trend. There is also been improvements in property condition and property management.

6.9.2 Notwithstanding these improvements the proposed designation is still in low housing demand. Not continuing with selective licensing at this stage would present a risk that this improvement will not be sustained or built on without a new designation in place for a further five years.

6.9.3 Government guidance released by the Department for Communities and Local Government in 2015 also acknowledged the need for licensing to extend beyond a five year designation:

'The Government recognises that licensing may have to be a long term strategy and that it will not provide instant solutions.

6.9.4 The private rented sector within the designation area continues to grow, with an increase of 14% from 2014 to May 2018. The area follows the national trend of an increasing private rented sector year on year from 16% of the total dwelling stock in 2009 to 20.4% in 2016 (DCLG Dwelling Stock Estimates 2016, England).

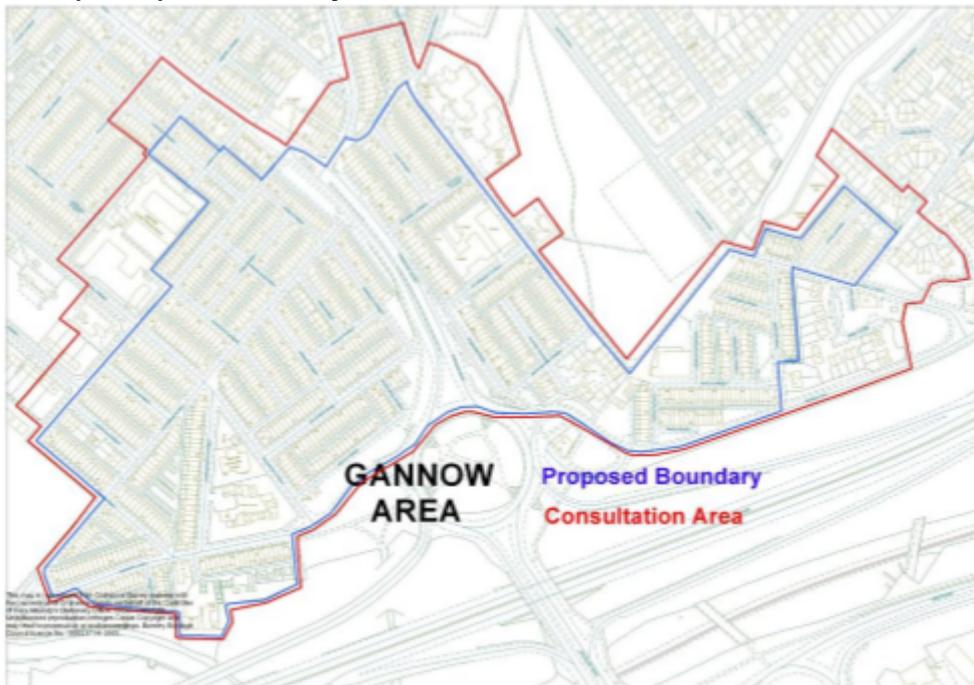
6.9.5 The growth of the sector within the designation area has seen new, professional landlords investing in the area, providing higher quality, well managed accommodation. Through the ongoing accreditation scheme and landlords forums we will support these new and existing responsible landlords, while licensing will continue to tackle those landlords that choose to ignore their legal responsibilities, undermining the private rented sector as a positive form of housing.

7. The Gannow Proposed Designation Area

7.1 The Council is proposing selective licensing in the Gannow area as the area is experiencing low housing demand. Selective licensing was first introduced in Gannow in July 2014 to July 2019.

7.1.2 Map 3 shows the proposed designation area which is situated within the Gannow ward with the wider consultation boundary.

Map 3 Proposed boundary and wider consultation area in red for Gannow



7.1.3 The Gannow ward spreads out to the west of the town going into Padiham. The ward begins at Gannow junction and includes the area around the former Habergham High School. The majority of the ward is to the south of Padiham Road and, along with Queensgate, is the smallest ward in the borough in terms of area covered.

7.1.4 Gannow's population is 5,651 (2011 census figures) with average age of 39.6 years, with an increasing 45-64 age group.

7.1.5 98% of local residents are white/white British.

7.1.6 62% of residents are employed, which compares with a borough wide employment rate of 58%. There has been a 4% increase in economic activity since last census despite there being an increase in benefit claimants.

7.1.7 The proportion of terraced housing is relatively high in Gannow, at 56%. Detached housing accounts for a relatively small proportion of all housing.

7.2 Why Propose Another Selective Licensing Designation Area?

7.2.1 The housing market in Gannow area started to show signs of low demand (with increasing void levels, increased levels of private rented properties, properties in poor housing conditions and higher social deprivation and increased crime) in the late 1990s.

7.2.2 Since July 2014 selective licensing has been part of the wider regeneration programme for the Gannow area. Supporting the physical regeneration by ensuring there is well managed private rented accommodation within the area. The designation area is beginning to show some signs of stability and improvement but when compared to other areas within the Borough the Gannow area still suffers from some of the characteristics of low demand.

7.3 Tenure

7.3.1 Table 2 on page 15 of this document shows a comparison of the private rented sector in the Burnley's wards. This shows that the Gannow ward does not have the highest level of private renting and is comparative to the Borough. The proposed designation area however has a localised concentration of private rented properties. Out of 937 properties; 49% are currently privately rented (selective licensing figures May 2018).

7.4 House Prices

7.4.1 Table 7 on page 19 of this document shows that the average property prices have been steadily increasing in the Gannow ward since March 2014. Table 19 below shows that the average house price within the designation area has also increased steadily since the start of the designation area in July 2014. The number of sales has also increased marginally.

Table 19 Number of Sales & Average house prices for the Gannow Designation Area from 2013/14 to 2016/17

Gannow Designation Area	2013/2014	2014/2015	2015/2016	2016/2017
Number Sales	35	45	54	41
Average House Price	40599	44294	45339	44311

7.5 Empty Homes

7.5.1 At the start of the designation there were 134 empty properties within the proposed designation area. In 2017 there were 126 empty properties which is a marginally reduction of 6%. The number of property sales and the small reduction in empty properties shows that landlords are investing within the area. Whilst this improve is a positive development it will require further support to ensure that the area continues to improve and confidence in the housing market grows.

7.6 Anti-Social Behaviour

7.6.1 Table 14 on page 24 of this document shows that since the start of the designation the number of incidents of anti-social behaviour within the designation area reported to the Council has reduced from 38 to 27. Table 20 below shows data from the Police Partnership Analyst in relation to incidents of anti-social behaviour reported to the Police within the designation area.

Table 20 Number of ASB reports to the Police for the Gannow Designation Area

Date	Jan to Dec 13	Jan to Dec 14	Jan to Dec 15	Jan to Dec 16	Jan to Dec 17
No. Incidents	NEED	NEED	NEED	183	155

Explanation of table above

7.7 Environmental Crime

7.7.1 In 2014/2015 there were 266 reports of environmental crime within the designation area, by 2016/17 this had reduced to 172 (Table 16 on page 25)

7.8 Fuel poverty and Property Condition

7.8.1 Table 4 on page 15 of this document shows that within the Gannow Ward 4.2% of properties did not have central heating. Since the start of the designation in Gannow in July 2014, 481 Energy Performance Certificates (EPCs) have been received, 26 of these EPCs recorded lower than an E rating which demonstrates poor energy efficiency. Through intervention from selective licensing the landlords undertook the necessary steps and had a further EPC undertaken which resulted in only 6 dwellings having an EPC rating less than an E. These 6 dwellings have been inspected under the Council's housing disrepair functions to ensure that any hazards of excess cold have been addressed. The final property will be inspected before the end of the designation area.

7.8.2 Since the start of the designation in July 2014 130 inspections have been undertaken under the Council's housing disrepair functions. These inspections have ensured that the properties are free from hazards that could affect the health, safety or welfare of the occupiers.

7.9 Continuation of Selective Licensing

7.9.1 The private rented sector within the designation area continues to grow, with an estimated increase of 22% from 2014 to May 2018. The area follows the national trend of an increasing private rented sector with national figures showing an increase from 16% of the total dwelling stock in 2009 to 20.4% in 2016 (DCLG Dwelling Stock Estimates 2016, England).

8. The Queensgate

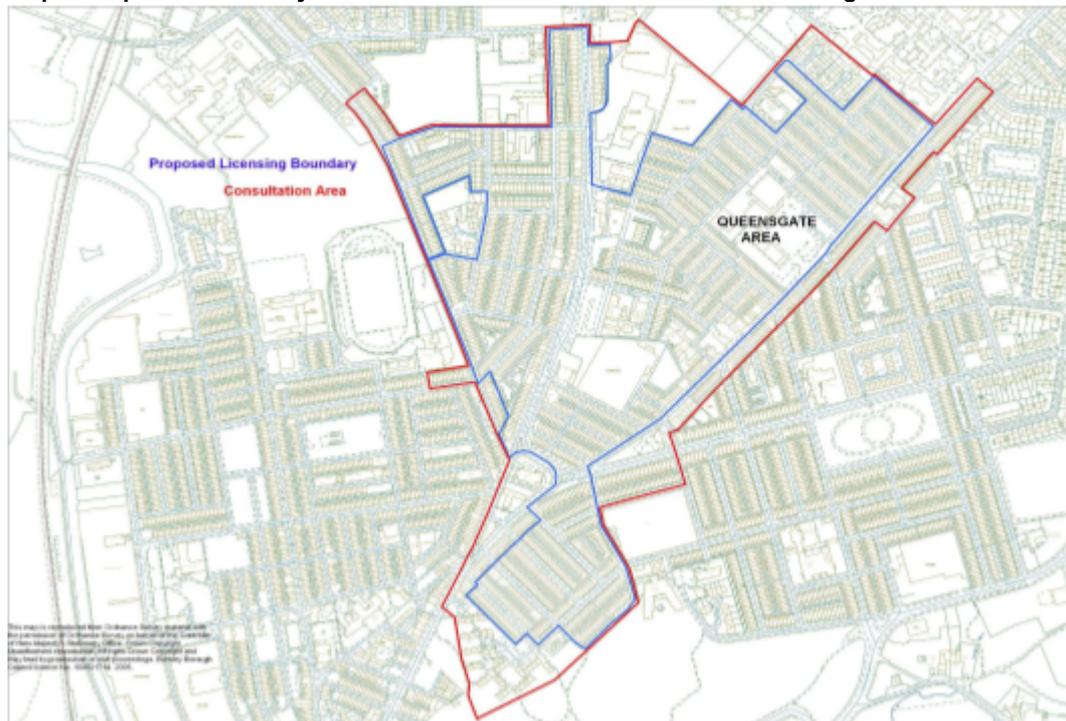
Proposed

Designation Area

8.1 The Council is proposing selective licensing in the Queensgate area as the area is experiencing low housing demand. Selective licensing was first introduced in Queensgate in July 2014 to July 2019.

8.1.2 Map 4 shows the proposed designation area which is situated mainly within the Queensgate ward although part of the designation falls into the ward of Bank.

Map 4 Proposed boundary and wider consultation area in red for Queensgate



8.1.3 Queensgate is one of the smallest wards in Burnley in geographical terms. Covering an area to the north of the town heading into Pendle via two main roads, this ward contains Burnley General Hospital.

8.1.4 Queensgate's population is 5,691 (2011 census figures), the average age of residents is 38.7 years. There are slightly more residents aged 0-15 and 25-44 compared to most other wards.

8.1.5 71% of residents are white/white British.

8.1.6 55% of residents are employed, which compares with a borough wide employment rate of 58%. The increase in number of people claiming benefits in this ward is one of the lowest in Burnley when compared to other wards.

8.1.7 The proportion of terraced housing in Queensgate is high (25%). Detached houses and flats account for a relatively small proportion of all housing.

8.2 Why Propose Another Selective Licensing Designation Area?

8.2.1 The housing market in the Queensgate area started to show signs of low demand (with increasing void levels, increased levels of private rented properties, properties in poor housing conditions and higher social deprivation and increased crime) in the late 1990s.

8.2.2 Since July 2014 selective licensing has been part of the wider regeneration programme for the Queensgate area. Supporting the physical regeneration by ensuring there is well managed private rented accommodation within the area. The designation area is beginning to show some signs of stability:

8.2 Tenure

Table 2 on page 15 of this document shows a comparison of the private rented sector in the Burnley's wards. This shows that the Queensgate ward (25% private rented) ranks third in the Borough behind Bank Hall and Trinity with one in every 4 homes in Queensgate in the private rented sector. Private rentals are further concentrated in the proposed designation area. Out of 1684 properties; 43% are currently privately rented (selective licensing figures May 2018).

8.3 House Prices

Table 7 on page 19 of this document shows that the average property prices have for the Queensgate ward have fluctuated since March 2009, the highest price being £80,874 in March 2010 and the lowest being £46,233 in March 2013. Prices increased again in 2014 and have been more stable since this date up to 2017. Table 21 below shows that the average house prices within the designation area have increased steadily since the start of the designation area in July 2014. The number of sales has remained stable.

Table 21 Number of Sales & Average house prices for the Queensgate Designation Area from 2013/14 to 2016/17

Queensgate Designation Area	2013/2014	2014/2015	2015/2016	2016/2017
Number Sales	83	74	88	77
Average House Price	37498	38887	38670	42743

8.4 Empty Homes

8.4.1 At the start of the designation there were 232 empty properties within the proposed designation area. In 2017 there were 204 empty properties which is a reduction of 12%. The number of property sales and the reduction in empty properties shows that landlords are investing within the area. Through the empty homes programme 24 properties have been acquired and fully renovated in the Queensgate designation area. All properties have been sold on the open market or leased to a Registered Provider.

8.4.2 Most recently on the 5th September 2017, the Council instructed an estate agent to place a fully renovated property on Brennand Street on the open market for sale. The property received an offer for the full asking price within a couple of days. This shows that there is demand in the area of good quality accommodation.

8.4.3 In addition through the empty homes programme two painting schemes have taken place in the designation area; one on Brennand Street, aesthetically improving? properties and one to the backs of Heap Street, aesthetically improving 15 properties. Appendix ? to ? are photographs of before and after the schemes.

8.5 Anti-Social Behaviour

Table 14 on page 23 of this document shows that since the start of the designation the number of incidents of anti-social behaviour with the designation area reported to the Council has reduced

from 38 to 27. Table 22 below shows data from the Police Partnership Analyst in relation to incidents of anti-social behaviour reported to the Police within the designation area:

Table 22 Number of ASB reports to the Police for the Queensgate Designation Area

Date	Jan to Dec 13	Jan to Dec 14	Jan to Dec 15	Jan to Dec 16	Jan to Dec 17
No. Incidents	NEED	NEED	NEED	262	269

8.5.2 Explanation of table above

8.6 Environmental Crime

8.6.2 In 2014/2015 there were 419 reports of environmental crime within the designation area, by 2016/17 this had reduced to 298 (Table 16 on page 25)

8.7 Fuel poverty and Property Condition

8.7.1 Table 4 on page 16 of this document shows that within the Queensgate Ward, 6.9% of properties did not have central heating. This is the third highest ward for no central heating. Since the start of the designation in Queensgate in July 2014, 736 Energy Performance Certificates (EPCs) have been received. 67 of which were lower than an E rating which is a poor energy efficiency. Through intervention from selective licensing the landlords undertook the necessary steps and had a further EPC undertaken which resulted in only 12 dwellings having an EPC rating less than an E. All 12 dwellings have been inspected under the Council's housing disrepair functions to ensure any hazards of excess cold were addressed.

8.7.2 Since the start of the designation in July 2014, 312 inspections have been undertaken under the Council's housing disrepair functions. These inspections have ensured that the properties are free from hazards that could affect the health, safety or welfare of the occupiers.

8.7.3 The private rented sector within the designation area continues to be high although it has not increased since the start of the designation area.

8.7.4 Although the designation area is showing signs of improvement particularly in relation to property condition, environmental crime, empty homes and house prices, these indicators of low demand are still worse than the ward in which the designation is situated and significantly worse than the Borough.

8.7.5 Selective licensing remains an important component of the wider regeneration strategy and is the only option available to compel landlords to look at how they continue to manage their rented properties and where required, make improvements to management practices. It is important that investment aimed at improving the built environment of the area is supported by initiatives to ensure the effective management practices are operating for those properties in the private rented sector, and that the area is sustainable as a mixed tenure environment with a range of housing options.

9 OUTCOMES OF THE PROPOSED DESIGNATION AREA

- 9.1 Low demand in the proposed selective licensing area is most clearly manifested in high vacancy rates, low property values, high numbers of private rented properties and poor property conditions. In addition there are high incidents of environmental crime and anti-social behaviour, which have a negative impact on demand within the area, further weakening the housing market.
- 9.2 Pockets of significantly high numbers of private rented properties in poor condition are exacerbating the problems of low demand through poor property management and poor housing conditions. Selective Licensing will help to address the problems associated with low demand by compelling those landlords that are not operating to minimum required standards to improve the management practices and the condition of their properties. This will improve the housing offer, which in turn will help improving the unpopular perspective that residents have of these neighbourhoods.
- 9.3 The Council are proposing to designate the Daneshouse with Stoneyholme area for selective licensing on the grounds that the area is experiencing low housing demand and poor property conditions.
- 9.4 The overall objective of the designation area as part of a wider housing and economic development programme is to improve the social, economic and environmental conditions within the designation area. To achieve this within the designation area Burnley Borough Council aims to:
- a. Improve the management of the private rented sector;
 - b. Improve the condition of the private rented sector
 - c. Reduce anti-social behaviour
 - d. Reduce environmental crime
 - e. Bring empty homes back into use

10 OPTION APPRAISAL

- 10.1 The option appraisal below looks at other powers and projects that are available to the Council as an alternative to selective licensing to achieve the outcomes detailed in part 5 of this report. None are considered suitable in isolation in an area of intense low housing demand with significantly high levels of private rented properties and poor housing conditions. Selective licensing is required to raise standards in the private rented sector by compelling all landlords to engage with the Council and meet required standards. All other options considered below, with the exception of the private sector leasing scheme, operate within selective licensing designations to support the outcomes of the schemes.

Accreditation (GLAS)	Improves relationships between the Council, landlords and managing agents. Improves Management	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
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	Standards. Improves Property Condition Promotes good practice Improves the reputation of the Private Rented Sector.		join.
Enforcement of Housing Standards	Legal requirement Improves property conditions.	Reactive rather than proactive. Relies upon the tenant complaining, some of whom may be too scared. Does not improve management practices.	Resource intensive.
Management Orders	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.
Introduce a Private Sector Leasing Scheme	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.

Selective Licensing	Legal requirement Improves Property Condition Improves Property Management Promotes good practice Reduces levels of ASB Area based Administration of the scheme is self-financed	Maximum 5 years Includes those landlords that already show responsible letting	Monitoring of the scheme is 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
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10.2 Accreditation

- 10.2.1 Accreditation was first introduced in the 1990s mainly in university towns as a mechanism for helping landlords or agents meet agreed standards of competence, skills and knowledge about the business of owning, managing or letting a private rented home.
- 10.2.2 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.
- 10.2.3 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.
- 10.2.4 Through continued development of GLAS more landlords and agents are encouraged to join the scheme and improve the condition and management of their properties. These improved conditions enhance the living conditions for tenants and residents living in Burnley. Currently there are over 385 landlords and 8 managing agents who are members of the scheme.
- 10.2.5 In July 2016, in partnership with the Private Rented Sector Forum the GLAS Code of Practice (Appendix 3) was revised and updated to take into account changes in legislation and best practice. The scheme now includes a gold standard and the audit of managing agent's procedures at their business address.
- 10.2.6 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 across the sector by promoting best practice and raising the profile of responsible renting.
- 10.2.7 Landlord Evenings are organised through the Forum and are open to all landlords. Through these events the Forum seek to update landlords on current issues in the private rented

sector, improve relationships and strengthen partnership working and share good practice and experiences.

- 10.2.8 More recently with the introduction of Universal Credit the Forum have been working with the Partnership Manager for the Department for Work and Pensions in the North West to run workshops for landlords. The aim of the workshops is to give landlords an understanding of Universal Credit, what it means for their tenants and what they can do if the tenant falls into rent arrears when in receipt of Universal Credit.
- 10.2.9 Whilst the number of accredited landlords continues to grow in Burnley our experience shows that generally accreditation attracts a limited number of landlords that in many cases already have appropriate management standards and are motivated to improve the standards and reputation of the private rented sector.
- 10.2.10 Whilst we see GLAS and the Private Rented Sector Forum as important schemes to work with landlords and improve standards they do not have an intensive impact in any one area of the Borough, nor do they tackle the worst privately rented properties. Due to the voluntary nature of accreditation 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.

10.3 Enforcement of Housing Standards

- 10.3.1 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 does not have an adverse effect on the health, safety or welfare of tenants or visitors to a property. Where necessary the Council will serve statutory enforcement notices to ensure the condition is improved.
- 10.3.2 The Council have received on average 296 complaints of disrepair a year. When the complaint is received the Council will 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 a 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 and learn what improvements need to be made to their properties reducing the need for action under the HHSRS.
- 10.3.3 In addition to enforcement action the Council will also 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 and help address low demand.

10.4 Management Orders

- 10.4.1 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 that lasts for a maximum of 5 years.

- 10.4.2 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).
- 10.4.3 This power only deals with individual properties and is resource intensive, especially as the Council no longer manages 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.
- 10.4.4 This approach does not present a long-term solution to address poor management of privately rented stock as ultimately the property is returned to the owner who may not necessarily have improved their management standards during the period of the order.
- 10.4.5 The Council has made five 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.

10.5 A Private Sector Leasing Scheme

- 10.5.1 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.
- 10.5.2 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 necessarily gain experience, advice or training during the lease and when the property is returned to the control of the owner the management standards can once again be unsatisfactory.

10.6 Landlord Development Days

- 10.6.1 Since 2014 the Council have held landlord development days for accredited landlords and landlords operating in the selective licensing areas. To date over 300 landlords have attended. More recently the training offers have evolved to include training specifically for Managing Agents and training on how to address anti-social behaviour. The training is currently delivered by the Residential Landlords Association and covers all aspects of property letting. While the training compliments selective licensing by giving landlords the knowledge to improve property management the Council cannot compel landlords to attend nor does it guarantee an improvement in management practices if the landlord is not willing to apply the learning.

10.7 The Empty Homes Programme

- 10.7.1 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 Housing

Strategy 2016 to 2021. The Council's empty homes programme has been in operation for over a decade and seeks to acquire long term empty homes, which are then renovated and resold with the aim of improving residential amenity, boosting the local economy and making a positive contribution to 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. This programme works very closely with the current selective licensing designations to address particular long term problem empty homes and helps promote investment in these areas making them more attractive areas to live and work.

- 10.8 Through the option appraisal it is considered that none of the achievable courses of action would be sufficient in isolation to have the desired impact in areas of intense low demand that have significantly high levels of private rented sector properties in poor condition. It is considered that selective licensing is required to compel all landlords to engage with the Council to ensure they meet the minimum required standards or, if they fail to do so, face prosecution, civil penalties and the use of management orders.
- 10.9 Other initiatives such as accreditation (GLAS) support the reputable landlords operating in the borough and the enforcement of housing standards will improve the housing condition within the sector, but it is considered that selective licensing will contribute to a more sophisticated and complete approach to tackling particular areas of low demand and poor property conditions. By improving the management of tenancies and properties within the private rented sector selective licensing can contribute to a wider programme of regeneration to help reduce empty properties, improve property condition, reduce anti-social behaviour and improve the neighbourhoods for residents and businesses.

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

- 11.1 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.
- 11.1.1 Burnley's Housing Strategy 2016 to 2021 is a five year plan which sets out our ambitions for improving housing across the borough over the next five years. This strategy will set out where we will focus our energy and resources and how we will achieve our priorities.
- 11.1.2 Housing is crucial to our growing economy, creating jobs and wealth for our residents and above all supporting our schools to continue to improve the educational attainment of our pupils.
- 11.1.3 Selective licensing is a key priority and included in Aim 2 of the strategy;

"To deliver transformational improvement of the private rented sector"

- 11.1.4 The Council fully acknowledge the benefits of private rented housing in creating choice and variety in Burnley's housing market with The Good Landlord and Agent Scheme and the Private Rented Sector Forum seen as important schemes to create closer working relationships and improve standards. However, experience has shown that they attract a limited number of landlords that in many instances already provide appropriate

management standards. The voluntary nature of accreditation does not compel the worst landlords to engage with the Council or join the scheme. It is also recognised that accreditation does not have an intensive impact in any one area and does not tackle the worst properties or management practices within the Borough. Selective licensing compels landlords to engage with the Council and improve their management practices.

11.2 Prevention of Homelessness Strategy

11.2.1 Burnley Borough Council's Homelessness Strategy has five central aims that are supported by Selective Licensing,

1. Prevent homelessness
2. Develop multi agency working to minimise the effects of homelessness
3. Meet Government targets on rough sleeping, use of Bed and Breakfast and temporary accommodation
4. Provide a Safety Net of Accommodation and Support
5. Monitor changing needs and performance

11.2.2 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.

11.2.3 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. Selective Licensing will strengthen this partnership by increasing the number of landlords working with the Council with well-managed, good quality accommodation.

11.2.4 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.

11.2.5 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 anti-social behaviour, 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.

11.2.6 Officers from the homelessness team and selective licensing work together to tackle illegal evictions in the selective licensing areas, help support tenants to prevent homelessness and assist with the rehousing of tenants where their current housing conditions are so poor that to remain in that house would present a serious risk of harm.

12. SUPPORTING AND COMPLIMENTARY ACTIVITY

- 12.1 As detailed in this report Burnley has low housing demand which is manifested in inner urban areas such as the proposed designation area. Selective licensing in isolation will not tackle this low demand. There are many local and wider economic factors which influence house price and sales such as employment levels, population size and profile, land availability and household size. Other macro-economic factors such as mortgage availability, interest rates, government incentives and tax regimes, will also significantly influence house prices and sales trends. Selective licensing cannot influence these factors.
- 12.1.1 However within these low demand areas there are significantly high numbers of private rented properties which are not operating to a required standard. This exacerbates the problems of low demand and further deters people from moving into, or remaining in these neighbourhoods. Selective Licensing will help to address the problems associated with low demand by compelling those landlords that are not operating to minimum required standards to improve the management practices and the condition of their properties. This will improve the housing offer which in turn will help improving the unpopular perspective that residents have of these neighbourhoods.
- 12.1.2 Selective licensing is one aspect of a wider economic, social, environmental and housing regeneration strategy that includes multiple initiatives.

12.2 Social and Economic Regeneration Activity

12.2.1 Burnley's Future 2017 to 2020 is the community strategy for the Borough. This document helps ensure that the Council has a clear vision for the future under the key priorities of:

- a) **Prosperity** - This explains how the Council and our partners will grow the borough's economy. It is the partnership's top priority and underpins all efforts to improve quality of life in the borough.
- b) **People** - This explains how the Council and our partners will help people lead healthier lives and how we will help the next generation realise their potential.
- c) **Places** - This explains how the Council and our partners will improve housing and make the neighbourhoods in our borough cleaner, greener and safer.
- d) **Performance** – This explains how the Council and our partners will deliver our priorities efficiently with services that offer value for money.

12.2.2 Improving conditions within the private rented sector is one of the key actions of the strategy. Selective licensing is an integral part of this action.

12.3 Empty Homes Programme

12.3.1 Aim 3 of the Housing Strategy is to reduce the proportion of empty homes in the borough. A concentration of empty homes is the most visible sign of a poorly performing housing market. The properties are often in poor condition which affects the appearance of an area and has a negative impact on the residents. They also attract anti-social behaviour, fly tipping and vandalism, which all contribute to creating unpopular neighbourhoods. Empty homes are also a wasted resource and can, if dealt with effectively provide affordable housing for both rent and owner occupation. Burnley has

an excellent record of effective intervention and innovation in tackling empty homes and has run a Empty Homes Programme since 2002.

12.3.2 The Empty Homes Programme started in 2002 funded through the Council's capital programme. The programme is borough wide and works with owners to encourage and support them to return their properties back in to use. The Council also utilise capital resources to acquire properties, refurbish them to modern standards and return them back in to use through sale on the open market. The scheme remains a priority for the Council and continues to evolve over time to include more initiatives to maximise the impact on bringing empty homes back in to use.

12.3.3 The Empty Homes Clusters Programme ran from 2013 to 2015 when Burnley was awarded £3.5 million through the Government's clusters of empty homes programme to tackle concentrated empty properties in three neighbourhoods across the Borough, Gannow, Queensgate and Trinity. This programme returned 223 properties back in to use against a target of 175 utilising purchase and refurbishment, loans to landlords and an empty homes leasing scheme with our partner Calico Homes.

12.3.4 To support the work of the clusters programme two neighbourhood improvement schemes were carried out with key streets targeted for aesthetic improvements that included, painting, new rain water goods and repair work to garden walls.

12.3.5 In April 2017 the Council committed a further £2.4 million to the Empty Homes Programme to operate borough wide bringing a minimum of 40 empty homes back into use through Council intervention each year and to acquire and renovate 30 empty properties over the three year capital programme up to March 2018. The Empty Homes Programme included the following initiatives:

- Encouraging owners to bring their empty homes back into use through advice and persuasion.
- Interest free empty homes loans, which are restricted to the selective licensing areas and enable landlords to access a maximum of £20,000 interest free and repayable over 10 years by monthly direct debit instalments. The criteria attached to the loan include a standard of property condition stipulated by the council.
- The payment of the landlord's selective licensing fee if a landlord returns an empty home back into use under the criteria specified by the council.
- A council tax rebate for up to 6 months if an empty home is returned back into use under the criteria specified by the Council.
- Acquisition by agreement or through compulsory purchase of empty homes, which are then refurbished and sold on the open market. Receipts from the sale of these properties are re-cycled back into the programme to the acquisition of further empty homes.
- A successful empty homes leasing scheme with Calico Homes Limited. The scheme helps to ensure that empty homes compulsorily purchased by the council on streets in lower housing demand are brought back into use as good quality, well managed affordable homes. A Registered Provider presence in these areas of low demand helps to improve the overall management of the housing stock within those streets and provide additional support for the community.
- Environmental Improvement Schemes – Painting the external elevations of properties, re-pointing and new guttering to improve the aesthetic appearance of terraced blocks to facilitate further investment.

12.4 Housing Enforcement and Proactive Inspections

12.4.1 Selective licensing does not require an inspection of every property; however the Council aims to ensure that landlords who provide accommodation do so to at least the minimum legal requirement. In the current selective licensing areas a programme of proactive inspections is being undertaken by the housing standards team and this will be replicated in any future designations. Any complaints of disrepair by tenants within the selective licensing team are addressed by the housing standards team.

12.4.2 The Housing Standards Team will also work with the selective licensing team to advise on and enforce the new regulations in relation to smoke and carbon monoxide detection. They will also use penalty notices where a managing or letting agency is not a member of a Redress Scheme.

12.5 Accreditation, Training and Development

12.5.1 The proposed fee structure includes a 30% reduction on selective licensing fees for those landlords that become accredited through the Good Landlord and Agent Scheme (GLAS) before a designation comes into force. This encourages further membership of the voluntary scheme, which improves the management and condition of the private rented properties through landlords adhering to the Code of Practice.

12.5.2 Training and Development Days will continue for licensed and accredited landlords and managing agents, improving knowledge and understanding of their legal responsibilities and best practice as well as advising them where they can go to receive further advice and support. Through increased knowledge management practices and property condition will improve within the private rented sector.

12.6 Crime and Anti-Social Behaviour

12.6.1 In Lancashire each local Council is required by law to work together in partnership with Lancashire Police Constabulary, Police Authority, Fire and Rescue Service, Primary Care Trusts and Probation Trust. These partnerships are called Community Safety Partnerships and they are responsible for working together to reduce crime and disorder, anti-social behaviour, substance misuse and re-offending. The partnership has identified the following community safety priorities across Lancashire for 2017-2018,

- a) Anti-Social Behaviour
- b) Child Sexual Exploitation
- c) Domestic Abuse
- d) Road Safety

12.6.2 The Council's Community Safety Team take a lead role in meeting the priorities and actions of the Community Safety Agreement. The team help all Council departments to deliver Community Safety and Crime Prevention initiatives. The team co-ordinates and support Burnley's Community Safety Partnership, including the development and management of the Community Safety Partnership Strategy and the promotion and organisation of work with other agencies to develop community safety initiatives through Burnley's Multi Agency Tasking and Coordinating meeting (MATAC)

12.6.3 Local residents groups, community venues and selective licensing surgeries attended by the local police and other partner agencies are used to liaise with the community, to consider concerns and reports of ASB

12.6.4 Selective licensing forms part of these partnerships which act in a co-ordinating way to provide actions and responses from a wide range of partner agencies, such as police, Sure Start, Streetscene, adult and social care, landlords and residents.

12.7 Environmental Crime

12.7.1 The Council's Streetscene Unit are responsible for investigating fly tipping and dog fouling incidents and take the appropriate action through the courts, when evidence is found. The council has a statutory duty to keep the streets clean so any side-waste presented on collection day is left for a Council Officer to investigate, before being removed by a Street Cleansing Operative.

12.7.2 Selective licensing supports this work by ensuring landlords are aware that they have a dirty back yard and if it is caused by the tenant that they are using the clauses within the tenancy agreement and management procedures to ensure the tenant clears that dirty back yard.

12.7.3 In the current selective licensing schemes Streetscene are piloting an initiative of providing higher back yard gates and rebuilding dilapidated yard walls to properties that are continually be targeted for fly-tipping. The aim of this pilot is to reduce the incidents of fly-tipping to that property.

12.8 New Housing

12.8.1 The area of Daneshouse has received millions of pounds of regeneration investment through funding projects such as the Single Regeneration Budget and the Housing Market Renewal Pathfinder. This regeneration included large scale clearance, face-lifting and a programme of ongoing new build. 189 new homes have been built on the former cleared housing sites in Daneshouse with a further 160 proposed. These parts of the neighbourhood have been transformed into popular areas where people choose to live offering a range of family housing with affordable options for first time buyers.

12.8.2 This is also true of Trinity, the largest registered provider in Burnley; Calico has built 53 houses and 45 supported-living units. A private partner developer has built 180 houses with a further projected build of 77.

13. ADMINISTRATION OF THE DESIGNATION AREA

13.1 This section explains how the Council will implement and administer the scheme if approved by the Secretary of State.

13.1.2 Should the designation be granted it will come into force no sooner than three months from the date of the designation. Once the designation is in force, all landlords operating within the designation will be required to apply for a licence for each house that is rented out.

13.1.3 The Council cannot require licensing of houses that have been made exempt under the Selective Licensing of Houses (Specified Exemptions) (England) Order 2006 (such as business tenancies, tenancies with a term over 21 years 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.

13.2 Fees

13.2.1 Part 3 of the Housing Act 2004 outlines that the Local Authority may require the application to be accompanied by a fee fixed by the Authority.

13.2.2 The Authority is not permitted to make a profit from the introduction of a Selective Licensing programme and any surplus must be ring-fenced for use on the scheme. The fees should, however, take account of all administrative costs incurred in carrying out all duties under this part of the Housing Act 2004.

13.2.3 The fee covers a five year selective licensing designation. The lowest fee payable would be for a landlord that is an existing licensed and accredited landlord and for one house this fee would be £469. The full Fees and Charging Structure is attached as Appendix 4 to this document.

13.2.4 The fee can be paid by direct debit usually over a 2 year period.

13.2.5 All fees will be calculated based on the staff needed to cover the processing of the estimated number of applications and the monitoring and development of the scheme. Costing estimates for the scheme include salaries and on costs and all anticipated non-salary revenue spend e.g. printing costs, legal fees.

13.2.6 It is proposed that the fee structure will be reviewed annually.

13.3 Fit and Proper Person Criteria

9.3.1 As part of the application process proposed licence holders and managers will be required to provide information to demonstrate that they are “fit and proper persons” and that they have satisfactory management arrangements in place, including dealing with anti-social behaviour.

13.3.2 In circumstances where the Council are not satisfied that the licence holder or manager is a “fit and proper person”, and /or the management arrangements are unsatisfactory, then it can refuse to grant a licence.

13.3.2 Should any person be found to have a criminal record the information and any other relevant information will be considered by the Council and a decision will be taken as to whether the persons involved are reasonably considered to be a “fit and proper person”. The existence of a criminal record does not automatically bar a person from being licensed. In considering whether someone is ‘fit and proper’ the Council can also take into account any person associated with the applicant who is affected by the above mentioned issues (Sec.89 Housing Act 2004). The Council is also free to consider any other information it has at its disposal with regards to the persons named in the application. Such information must however be factual and backed by evidence. Rumour and supposition will not be used to judge applications

13.4 Licence Conditions

13.4.1 As part of the licensing requirements all licence holders will be required to comply with various licensing conditions. The following conditions are mandatorily imposed by the Housing Act 2004 and the Council has no discretion to vary these conditions:

- a) A gas safety certificate must be obtained annually and produced to the Council (if there is a gas supply to the house),
- b) Electrical appliances and furniture supplied by the landlord must be kept in a safe condition, and that on demand, the licence holder must supply the Council with a declaration as to the safety of such appliances and furniture,
- c) Smoke alarms must be installed on each storey of the house on which there is a room used wholly or partly as living accommodation. The smoke alarm(s) should be maintained in proper working order, and on demand, the licence holder must supply the Council with a declaration as to the condition and positioning of such alarms,
- d) The licence holder must supply the occupiers of the house with a written statement on the terms of occupation,
- e) The licence holder must demand references from persons who wish to occupy the house,
- f) Carbon monoxide alarms must be installed in any room in the house which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance; The carbon monoxide alarm(s) should be maintained in proper working order, and on demand, the licence holder must supply the Council with a declaration as to the condition and positioning of such alarms.

13.4.2 In addition to the above mandatory conditions the Council may attach local conditions to licences.

14 LEVEL OF COMPLIANCE WITH CURRENT SELECTIVE LICENSING AREAS

14.1 There are currently six selective licensing designation areas in operation in the Borough. The table below shows the level of compliance within these areas as of the 22nd May 2018. It is estimated that 94-98% of properties that are required to have a licence have a licence in.

Table 22 Level of compliance with current selective licensing areas

	Designation start date	Estimated No. licensable properties start of Designation	Current No. Licensable properties	Total No. applications received	Total No. applications received & complete	Total No. properties no application received	% Compliance	Licences Granted	Licences Proposed Refusal	Licences Refused
Trinity	Jan-14	600	638	770	727	11	98%	658	32	12
Gannow	Jul-14	253	478	522	504	18	96%	488	7	1
Queensgate	Jul-14	747	726	831	768	18	98%	698	59	19
BurnleyWood with Healey Wood	Nov-16	414	590	620	384	38	94%	301	2	1
Leyland	Nov-16	310	361	394	318	12	97%	291	2	0
Igham & Lawrence	Nov-16	55	84	90	76	3	96%	68	0	0
Total		2379	2877	3227	2777	100		2504	102	33

14.2 The Council has taken a supportive role with landlords in helping them obtain licences and therefore meet the required conditions rather than immediately pursuing enforcement action. The established areas of Trinity, Gannow and Queensgate are entering their 4th year. 56 of the properties across these areas, which represent 3% of the properties that are required to be licenced, have to date not applied to the Council for a licence. Officers are currently pursuing those landlords and/ or managing agents that have not applied for a licence.

14.3 At the time of writing 25 landlords representing 37 properties have been successfully prosecuted for failure to apply for a licence. 2 landlords representing 3 properties have received civil penalty notices totalling £20,000. 18 Rent Repayment Orders have been made and upheld by the residential property tribunal.

14.4 To date the Council have made one Interim Management Order in the Trinity selective licensing designation area as there was no prospect of the property becoming licensed and it was necessary to protect the health, safety and welfare of the tenants due to extreme damp and mould within the property. The Council have taken remedial work to remove several hazards within the property including the damp and mould. The cost of this remedial work will be recovered from the rent received for the property.

14.5 In relation to the potential breaches of licence conditions officers will work with landlords to ensure problems are addressed without the need for enforcement action. The table below shows the levels of intervention that has been taken in the licensing areas to prevent breaches of licence conditions:

Table 23 Informal intervention to prevent breaches of licensing conditions

Intervention	Trinity	Gannow	Queensgate
No. Reference Requests	346	112	310
No. correspondence sent regarding dirty back yards	129	85	378
No. Meetings with licence holders/tenants to resolve potential breaches including ASB	38	16	28

15 Risk Assessment

- 15.1 There are risks and limitations attached to a selective licensing designation. The main risks that have been considered are,
- 15.2 That rogue or criminal landlords relocate to neighbouring areas and continue to manage their properties in an unsatisfactory manner.
- If the proposed designation areas are introduced, the main low demand areas within the Borough will be covered by selective licensing preventing those landlords moving to avoid a scheme. It is unlikely that they will move to higher demand areas as the house prices are higher with less property availability.
 - In the current selective licensing designations, landlords who have been refused licences have sold the properties which have then been acquired by a responsible landlord.
 - There will be monitoring procedures in place to determine whether rogue landlords locate to another area of the Borough.
 - The enforcement of housing conditions will continue to operate across the Borough.
- 15.3 Rogue or criminal landlords continue to operate without a licence.
- The area is monitored intensively through a range of data sources, including housing benefit, council tax and visual audits.
 - In the current selective licensing areas there is a robust enforcement policy in place which includes prosecutions, management orders, rent repayment orders and Civil Penalty Notices. This will be replicated in any future designation.
- 15.4 Landlords unlawfully evict tenants to avoid licensing.
- This has not been experienced in the current selective licensing areas.
 - Having an empty property attracts higher Council Tax bills and the risk that the property will be vandalised.
 - The licensing team and the housing needs team will ensure tenants are aware of their legal rights through advice and publicity.
 - The threat or action of an illegal eviction will be investigated through partnership work with the council's homelessness team.
- 15.5 Tenants who have been evicted because of continued anti-social behaviour or criminal behaviour are rehoused in an adjacent street or move to a neighbouring area.
- In the majority of cases early intervention by the selective licensing team, the Council's Streetscene department and the Police will address the anti-social behaviour without the need for eviction.
 - If an extreme case occurs where the tenant has been evicted and then rehoused by another landlord in the same area the situation will be identified through the monitoring of the area and then if required enforcement action will be taken against the landlord if they have not undertaken satisfactory referencing.
 - If the tenant starts to display the same behaviour at the new house, action will be taken in partnership with other services that will include the consideration of an anti-social behaviour order banning them from the area. This risk has occurred in a small number of cases and the council are now an application to the courts for an injunction where a landlord is evicting from a selective licensing area as a result of ASB. The two core conditions sought would be

an exclusion from that particular selective licensing area and a general condition not to cause harassment, alarm or distress that would cover any property the person may move to, regardless of area, within the borough.

16 CONSULTATION METHODOLOGY

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

16.1.2 Should the council's Executive decide to approve the proposed designation area 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 10 weeks. The consultation exercise will be undertaken from the 3rd September 2018 to 16th November 2018.

16.2 Letters to Landlords

16.2.1 The council will write to all landlords known to be operating in the proposed designation area regarding the proposals to introduce selective licensing. The letters will direct landlords to the council's website for further information, where they can 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 will include a link to the online version of the questionnaires for the proposed area and information regarding the landlord drop-in session and evening, which will be held during the consultation period. Contact details for the selective licensing team will be included on the letter for landlords to make queries/representations, or to request paper copies of the questionnaire.

16.3 Questionnaires

16.3.1 Questionnaires will be created for residents/businesses and landlords for the proposed designation area. They will contain 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 will be 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 will be able to complete the questionnaire online, a link to the online location will be included on the paper questionnaire.

16.3.2 Questionnaires will be hand delivered to every property within the proposed designation area, as well as the areas immediately surrounding these boundaries (see plan 2). The questionnaires will contain 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. They will include a free-post address for responses to be returned to. Residents are able to complete their questionnaires online, or request a paper copy. Paper copies were also available to complete at all consultation events. Half way through the consultation period, residents and landlords will receive reminders of the deadline for completing questionnaires and making representations for consideration. An additional questionnaire will be devised and distributed to managing agents known to be operating in the borough. The questions asked will be similar to those of landlords and residents/businesses however the questionnaire will not be area specific.

16.4 Drop-in Sessions

16.4.1 Two resident drop-in sessions will be held over the course of the consultation period. Events will be at venues within the proposed designation area, or in the immediate vicinity, to ensure they are accessible and convenient for residents wishing to attend.

16.5 Landlord Evening

16.5.1 A landlord evening will be held to discuss the proposals in a more formal setting. The event will be open to landlords who had reserved a place with a maximum capacity of 60. If further events need to be run due to demand then this will be arranged. The evening will last for two hours and consist of a presentation from officers followed by discussions surrounding selective licensing and feedback from landlords regarding the proposals. An open discussion will be facilitated to enable landlords to put forward any queries.

16.6 Private Rented Sector Forum

16.6.1 A meeting of the Private Rented Sector Forum (PRSF) will be held to discuss the proposals. The meeting will be 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 will be an opportunity for members to discuss the proposed boundaries, drawing on their experience of managing property in the proposed designation area.

16.7 Registered Social Landlords

16.7.1 Letters will be sent to three largest Registered Social Landlords operating in the borough: the letter will inform 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.

16.8 Housing Developers

16.8.1 A letters will be sent to a major housing developer operating in the proposed selective licensing area, 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.

16.9 MP & Local Councillors

We will consult with the Member of Parliament for Burnley and local councillors during the consultation process.

16.10 Police

We will meet with the Neighbourhood Police Officers working in the proposed area to discuss the proposals and how the scheme could impact on their activities in the proposed area.

16.11 Landlord Associations

We will consult with both the National and Residential Landlords Association.

Appendix 1

Fit and Proper person criteria



Fit and Proper Person and Management Arrangement Criteria for Selective Licensing

1. Part 3 of the Housing Act 2004 outlines that, when deciding whether to grant a licence or not the local authority (the “Authority”) is required to look at three aspects of the management of the property (the “Property”) and if these are satisfactory then it must grant a licence;
 - The proposed licence holder (the “Licence Holder”)
 - The proposed manager (the “Manager”)(if a different person from the Licence Holder)
 - The proposed management arrangements (the “Property Management Arrangements”)
2. The application will be checked to determine whether;
 - The proposed Licence Holder is a fit and proper (“Fit and Proper”) person to be the Licence Holder, and is, out of all the persons reasonably available to be the Licence Holder in respect of the house, the most appropriate person to be the Licence Holder;
 - The proposed Manager of the house is either – the person having control of the house, or A person who is an agent or employee of the person having control of the house;
 - That the proposed Manager is a fit and proper person to be the Manager,
 - That the proposed Property Management Arrangements for the house are satisfactory.
 - All persons involved in the management of the property are to be identified and assessed under the Fit and Proper person criteria.
3. The Authority will ensure, through this procedure that:
 - each case will be determined on its own merit; and
 - each specific offence, incident or issue will be considered in terms of its relevance to the holding of a Licence or to management and will take into account the gravity of the offence.
4. Where the information contained in the initial application is insufficient to determine suitability, we may contact the applicant to request further information. Where no other information is available or forthcoming, the Authority can refuse to grant the licence on grounds of insufficient evidence.

Definition of Fit and Proper Person Criteria

5. A Fit and Proper person means that they are morally suitable.

6. In determining whether a person is Fit and Proper the Housing Act 2004 Section 89 outlines the test, this includes assessing whether there has been any;
 - Offences involving fraud, or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 to the Sexual Offenders Act 2003
 - Unlawful discrimination on grounds of sex, colour, race, ethnic or national origins, or disability
 - Breaches of housing or landlord and tenant law

7. When determining if the person is Fit and Proper the Authority will consider the following;
 1. They are without any significant and relevant convictions, cautions, reprimands and warnings
 2. If involved in managing the house, they have the necessary experience and/or managerial skills and competence to successfully manage the property in accordance with satisfactory Management Arrangements
 3. They are aware of, and sensitive to, the needs of all sections of society;
 4. They are willing to engage with the Authority in the licensing procedure.
 5. They have suitable Management Arrangements and funding arrangements

Application process - How we will determine whether a person meets Fit & Proper

The Licence Holder and Manager will be assessed under each of the following categories to determine whether they meet the Fit and Proper person requirements.

They are without any significant and relevant convictions, cautions, reprimands and warnings

8. The applicant is to provide copy photo identification, such as Passport or Driving licence of the proposed Licence Holder.
9. The applicant is to provide a current Disclosure Scotland for the proposed Licence Holder and Manager.
10. Any significant and relevant convictions, cautions, reprimands and warnings showing up under this check will not necessarily mean that an application for licence will be refused. However, the nature of some offences will be viewed more seriously than others. Offences have been categorised into "Category 1", "Category 2" and "Category 3", where category 1 is to be regarded as the most serious.
11. Due regard to the full circumstances surrounding the offence will be given.

If involved in managing the house, they must have the necessary experience and/or managerial skills and competence to successfully manage the property in accordance with satisfactory management standards

12. As of the 1st October 2014 it is a legal requirement for all managers to be a member of a redress scheme. Redress schemes for letting agency work and property management work (requirement to belong to a scheme) (England) Order 2014.
13. A manager must be either accredited, who has already passed the Fit & proper assessment, or a member of a registered landlord or managing agent association such as NLA,RLA,ARLA,RICS.
14. Checks will be made with other departments such as Streetscene, Housing Renewal, with other local authorities, to check the applicant, proposed Licence Holder or Manager regarding performance in handling disrepair complaints, dealing with anti-social behaviour, compliance with legal notices to identify any concerns relating to Management Arrangements.

15. The applicant is to provide information relating to out of hours emergencies, anti-social behaviour, tenancy deposits, lettings and repairs reporting procedures.
16. The Management Arrangements provided in the application will be assessed against the Property Management Arrangements.

They are aware of, and sensitive to, the needs of all sections of society

17. Through the application form, Applicants must demonstrate an understanding of the needs of people from all sections of society.
18. That their Property and Arrangements are promoted and accessible to all, without discriminating against race, colour, gender, religion, ethnic or national origin disability (where appropriate) or sexual preference; and are promoted and available to people whose backgrounds may include such circumstances as homelessness, mental health problems, bankruptcy etc, where the provision of support where necessary enables that person to successfully manage their tenancy;
19. That all information relating to the tenancy, property and tenant rights and responsibilities is presented in a format accessible and understandable by the individual; and
That the management of their property does not contravene relevant legislation and standards, such as the Race Relations Act and Statutory Code of Practice on Racial Equality in Housing.

They have suitable management structures and funding arrangements

20. The Licence Holder must reside within the United Kingdom.
21. In addition to those financial responsibilities outlined in the Property Management Arrangement, the Authority would expect a successful licence applicant to have suitable funding arrangements in place to effectively deal with repairs etc when they arise.
22. As part of the application process, potential Licence Holders will have to show that they have suitable financial management procedures in place to ensure contingency funds are available for any repair or emergency remedial works needed. Further investigation, for example credit reference checks or examination of bank account statements may be required.

They are willing to engage with the Authority in the licensing procedure.

23. In addition to assessing compliance with current and previous licence criteria, the Authority will take into account the way in which the applicant has engaged with any previous licensing or enforcement procedures, both within or outside the Authority. The fact that the prospective Licence Holder may have been successful in mandatory licence applications is not sufficient evidence on its own to fully demonstrate engagement with previous application or enforcement processes.
24. It should be noted that this document and the fit and proper person criteria is not exhaustive and the Authority reserve the right to amend the Fit and Proper Person criteria and the Property Management Arrangements from time to time in line with government directives or through service or policy development. Any amendments changes to the document or the Criteria will be published and sent to existing Licence Holders and Managers.

Property Management Arrangements

It is expected that all information for the prospective tenant referred to in this document will be in a format and method understandable to them and makes it possible for queries or concerns to be easily raised.

The Licence Holder and Manager are to ensure that there are satisfactory Property Management Arrangements in place, below are the standards that the Authority require for each property.

Standard 1 – Letting Practices

Licence Holder or Manager will be expected to demonstrate that they have a letting procedure in place that:

- Actively encourages applicants from all backgrounds and makes clear that prospective tenants will not be discriminated against due to their race, colour, gender, religion, sexual orientation, ethnicity, disability or national origin or age.
- Provides clear information to prospective tenants about the property including rent levels, due dates and increase dates, deposits, receipts, the terms and conditions of the tenancy, charges (including service charges), a rent book and payment methods.
- Includes referencing procedures. These procedures should obtain from a prospective tenant formal identification and a satisfactory written reference (or at least two satisfactory references in a case where such person has previously been a tenant of more than one other property) which should include details of how that person conducted any such tenancy in terms of causing nuisance, anti-social behaviour, payment of rent and any breaches of the tenancy agreement. Where this is not possible, from an employer, educational professional or other responsible person who knows the prospective tenant well. It is not advisable to rely on references from friends or family members. Home visits should also be carried out to check the tenants housekeeping.
- Provides clear information on who has responsibility for the payment of all utility charges and Council Tax.
- Provides clear information about how deposits are to be held under the Tenancy Deposit Scheme, which was introduced by Part 6 of the Housing Act 2004.
- Ensures prospective tenants are made aware of the standard operating procedures, such as emergency repairs, hours of contact etc.
- Provides the tenant, on receipt of a deposit, with an inventory describing the state of the property and contents. Where practicable, photographic evidence should be included.

Standard 2 – Creating the tenancy

The Tenancy Agreement issued must comply with current legislation. All parties included in the tenancy agreement should be aware of their rights and responsibility under the agreement and landlords should be able to demonstrate that they have made every reasonable effort to ensure the tenants awareness.

This could include providing clear, written descriptions of:

- The terms on which the property is to be occupied.
- An address in England or Wales for the tenant to use to serve notice.
- Contact details for the landlord, agent or representatives, including emergency and 'out of hours' information.
- Repair-reporting procedures including maximum response times.
- Local facilities and amenities, including refuse collection/recycling days, neighbourhood watch and residents' association details, post offices and shops etc.
- Provision of alley gate keys where applicable.
- The tenancy should contain acceptable behaviour clauses. Tenants should be provided with clear information about the level of behaviour expected of them whilst in the tenancy and their responsibilities both to the property and to their new neighbours and wider community. The information should also include examples of behaviour constituting antisocial behaviour and nuisance, as well as explaining clear consequences of displaying such behaviours.

Standard 3 – Managing the tenancy

They must make every possible step to ensure their tenants are able to live peacefully within their property. More specifically, they must:

- ensure any repairs are undertaken within a reasonable timescale;
- ensure the property is free from disrepair
- Carry out quarterly checks of the property
- promptly tackle any antisocial or nuisance behaviour emanating from the property, whether perpetrated by the tenants or people visiting or living with them; and
- Respect the privacy of the tenant, for example by giving adequate notice and ensuring permission is given (usually no less than 24 hours) before access to the property is needed.
- Tackle any breaches of the tenancy agreement promptly, and take any necessary action.

Standard 4 – Tackling Antisocial Behaviour

The Authority recognises the difficulties faced by private landlords in addressing issues of antisocial behaviour, particularly relating to Possession Proceedings.

- The tenancy should contain acceptable behaviour clauses. Tenants should be provided with clear information about the level of behaviour expected of them whilst in the tenancy and their responsibilities both to the property and to their new neighbours and wider community. The information should also include examples of behaviour constituting antisocial behaviour and nuisance, as well as explaining clear consequences of displaying such behaviours.
- Ensure there is a clear procedure for dealing with ASB, including warning letters, home visits and an escalation process.
- Landlords and Agents should seek advice from the Authority as soon as they become aware of nuisance or antisocial behaviour being perpetrated by their tenants or people visiting or living with them.
- The Authority and partners will work with landlords, managers and agents to develop an appropriate course of action for each case. This could include referral to mediation services, requesting action to regain possession of the property, the provision of a support service to the tenant.
- Where complaints against the property continue, Licence Holders and Managers will be requested to demonstrate measures undertaken to address the issues.
- Good references for tenants that have caused ASB should not be provided, in order to move a tenant on. Landlords, Managers and agents must always provide accurate and honest references to other landlords or agents on request.

Standard 5 – Ending a tenancy

Licence Holder or Manager must be able to demonstrate a satisfactory understanding of relevant legislation and procedures.

Unless a tenant clearly surrenders the property or the tenancy is ended by mutual agreement evidenced in writing, the correct legal notice must be served in order for the landlord to regain possession of the property. If the tenant fails to leave the property following the granting of a possession order, a Bailiff's Warrant must be obtained in order to evict the tenant.

The authority expects applicants, Licence Holders and managers to be able to evidence that:

- They will comply with current legislation in order to gain possession of the property.
- tenants are issued with clear information regarding the arrangements for bringing the tenancy to an end. This information must include clear guidance regarding the condition of the property expected at the end of the tenancy and the consequences of failing to meet this standard.

- That the Tenancy Deposit Scheme is used to promptly and efficiently return deposits and that any deductions are justified with evidence of expenditure, made available to the tenant.

Standard 6 - Other relevant issues

In addition to the specific standards outlined above, the authority may take into consideration the following points:

- That the Licence Holder or manager be suitably located to the licensable property to ensure adequate management, especially with regards to accessing the property, arranging repairs and being available to the tenants. Whilst each application will be considered individually, it is the view of the Authority that it is difficult to successfully manage a property when the landlord or agent are based a significant distance away, particularly overseas. In such circumstances, the Authority would expect a local managing agent to be employed, within 40 minute drive of the property.
- That the applicant, landlord, manager or agent has a significant history of legal notices, work in default or enforced sales. Such a history will be considered to be an indication of poor management in relation to repairing obligations.
- That the applicant, landlord, manager or agent has no significant history of frequent and substantive complaints and/or successful civil actions relating to the unreasonable withholding of deposits. Such a history will be considered to be an indication of poor management in terms of collection and return of deposits.
- That the applicant, landlord, manager or agent has no history of frequent and substantial complaints from tenants relating to conduct considered constituting harassment or attempted or actual unlawful eviction. Such a history will be considered to be an indication of unsatisfactory management arrangements.
- That the applicant, landlord, manager or agent has not breached any current or previous management regulations applicable to HMOs. Any such breach will be considered to be an indication of unsatisfactory management arrangements.

Appendix 1 – list of convictions, cautions, reprimands or warnings

Category 1 offences

A conviction for these offences will usually result in the licence application being rejected.

Offences of dishonesty

Benefit fraud (*offences under ss111A and 112 of the Social Security Administration Act 1992*)

Forgery

Burglary

Conspiracy to defraud

Obtaining money or property by deception

Offences of violence

Murder

Manslaughter

Arson

Malicious harm (*s20 Offences against the Person Act 1861*)

Possession of a firearm

Possession of an offensive weapon

Actual bodily harm (*s47 Offences Against the Person Act 1861*)

Grievous bodily harm (*s18 Offences Against the Person Act 1861*)

Robbery

Riot

Affray

Any racially aggravated offence (*Crime and Disorder Act 1988*)

Offences relating to drugs

Supply of drugs

Sexual and indecency offences

Rape

Soliciting

Indecent assault

Indecent exposure

Any other offence under Schedule 3 of the Sexual offences act 2003

Housing Act Offences

Protection from Harassment Act 1997

Protection from Eviction Act 1997

Any conviction for failure to comply with the licensing regime as set out in the Housing Act 2004 (s95)

Provision of false or misleading information (s238 of Housing Act 2004)

Obstruction (s241 of the Housing Act 2004)

Failure to comply with a licence condition (s95 of the Housing Act 2004)

Failure to hold a relevant licence (s72 of the Housing Act 2004)

Breach of improvement notices and prohibition orders (s35.6 s32.2b of the Housing Act 2004)

Category 2 offences

A conviction for these offences will be viewed seriously and, following further investigation, could result in the licence application being rejected:

Offences of dishonesty

Handling or receiving stolen goods

Theft

Offences of violence

Violent disorder

Police assault

A caution, reprimand or warning for any Category 1 offences will be classed as a Category 2 offence.

Category 3 offences

A conviction, caution, reprimand or warning for these offences may also be taken into account and further information will be requested in order to determine the relevance of these offences. If deemed to be relevant or sufficiently severe, these offences could result in the licence application being rejected:

Offences of violence

Common assault

Criminal damage

Obstruction

All other offences relating to dishonesty, drugs, sexual and indecency, Housing and Landlord and Tenant.

A caution, reprimand or warning for any Category 2 offences will be classed as a Category 3 offence.

Appendix 2 – DRAFT Conditions

BURNLEY BOROUGH COUNCIL SELECTIVE LICENCE CONDITIONS

In these conditions, “Property” is meant to refer to the building or part of a building, which is licensed under Part 3 of the Housing Act 2004 (“the Act”). “Authority” is meant to refer to the Local Housing Authority, namely Burnley Borough Council.

Housing Act 2004 Mandatory Conditions

1. If gas is supplied to the Property, the Licence Holder must produce to the Authority annually for their inspection, a Gas Safety Certificate obtained in respect of the Property within the last twelve months.
2.
 - i) The Licence Holder must keep electrical appliances and furniture provided by him in the Property in a safe condition; and
 - ii) Must supply to the Authority on demand a declaration made by him as to the safety of such appliances and furniture
3. The Licence Holder must
 - i) Ensure that a smoke alarm is installed on each story of the house on which there is a room used wholly or partly as living accommodation and to keep each alarm in proper working order, and
 - ii) Supply to the Authority on demand a declaration made by him as to the condition and positioning of such alarms.
- 3a To ensure that a carbon monoxide alarm is installed in any room in the house which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance and to keep any such alarm in proper working order and to supply the authority on demand with a declaration by him as to the condition and positioning of any such alarm.
4. The Licence Holder must provide each occupier of the Property with a written statement of the terms and conditions on which they occupy the Property (“the Tenancy Agreement”).
- 5 a) If any person allowed by the Licence Holder to occupy the Property shall have been a tenant under a tenancy of any other property then, prior to that person being allowed to occupy the Property, the Licence Holder shall have obtained from that person, formal identification and a satisfactory written reference (or at least two satisfactory references in a case where such person has previously been a tenant of more than one other property) which reference (or references) shall include details of how that person conducted any such tenancy (or tenancies) in terms of causing nuisance, anti-social behaviour, payment of rent and any breaches of the tenancy agreement(s).
- 5 b) The reference(s) referred to in 5 a) above shall be in relation to the tenancy or, where the said person has previously been a tenant of more than one property, the two tenancies immediately preceding their occupation of the Property.

- 5 c) A copy of the said reference(s) must be provided to the Authority within 14 days of receiving a request to do so in writing by the Authority.

Housing Act 2004 – Prescribed Conditions

Management of the Condition of the Property

6. The Licence Holder must ensure that the Property is kept in good repair.
7. If accommodation within the Property is provided on a furnished basis or includes electrical appliances, the Licence Holder must ensure that the appliances are safe to use.

Management of the licensed Property

8. The Licensing holder must ensure that the tenancy agreement contains reasonable clauses, including a clause detailing the conduct of tenant, residents and visitors in respect of anti-social behaviour)
9. The Licence Holder must provide the occupiers of the Property, with details of the following:
- Name of the Licence Holder
 - A contact address and daytime telephone number
 - An emergency contact number.

This information must be supplied within 28 days of receipt of the licence document and must be clearly displayed in a prominent position within the Property. An emergency contact telephone number for the Licence Holder and/or Management Agency shall also be available and notified to the Authority if not already done so.

10. The Licence Holder must ensure that occupants of the Property receive written confirmation detailing the arrangements that have been put in place to deal with repair issues and emergencies should they arise.
11. The Licence Holder must provide each occupant of the Property with copies of user manuals or written instructions (where such user manuals are not readily available) for any installations or equipment provided as part of the agreement for the occupation of the Property.
12. The Licence Holder must display at all times it is in force, a copy of the licence certificate and licence conditions, in a prominent position inside the Property where all occupiers are able to view the said documents.
13. The Licence Holder must arrange to undertake a detailed inventory to be agreed with each occupant upon commencement of their occupation of the Property and kept on file by the Licence Holder at the Licence Holder's business address.
14. The Licence Holder and/or Manager will not unlawfully discriminate against prospective occupiers of the Property on the grounds of race, disability, gender, religion or sexual orientation.
15. The Licence Holder must act lawfully in requiring any advanced payments from occupiers, in handling rents, in returning deposits and in making deductions from deposits. The Licence Holder must provide any occupiers or prospective occupier with the following information:
- The amount of rent payable
 - The details of any deposit required
 - Details of what the deposit covers, the deposit scheme it has been deposited into (within 14 days) and arrangements for return
 - The frequency of payments
 - The details of any utilities or other charges included in the rent
 - The responsibility for payment of council tax
 - The responsibility for payment of utilities and arranging provision of such.

16. The Licence Holder (and their agent where an agent has been appointed) must attend one Landlord Development Day during the period in which the licence is in force and must undertake any additional Property management training courses that the Authority from time to time require to be undertaken (save that if their duly appointed agent is accredited by the Authority, the Licence Holder shall not need to attend and the accredited agent may attend on the Licence Holders behalf). Alternatively demonstrate to the Local Authority that similar, relevant training has been undertaken within the preceding 12 months.
17. The Licence Holder must inform the licensing team of the Authority within ten working days of any changes in their circumstances which would affect the management of the Property, namely;
 - 1) Details of any unspent ²convictions not previously disclosed to the Authority that may be relevant to the Licence Holder and/or the Property manager and their fit and proper person status and in particular any such conviction in respect of any offence involving fraud, dishonesty, violence or drugs or any offence listed in Schedule 3 to the Sexual Offences Act 2003;
 - 2) Details of any finding by a court or tribunal against the Licence Holder and/or the Manager that he/she has practised unlawful discrimination on grounds of sex, colour, race, ethnic or national origin, religion, sexual orientation or disability in, or in connection with, the carrying on of any business;
 - 3) Details of any contravention on the part of the Licence Holder or Manager of any provision of any enactment relating to housing, public health, environmental health or landlord and tenant law which led to civil or criminal proceedings resulting in a judgment or finding being made against him/her;
 - 5) Information about any property the Licence Holder or manager owns or manages or has owned or managed for which a local housing authority has refused to grant a licence under Part 2 or 3 of the Act, or has revoked a licence in consequence of the Licence Holder breaching the conditions of his/her licence;
 - 6) Information about any property the Licence Holder or manager owns or manages or has owned or managed that has been the subject of an Interim or Final Management Order under the Housing Act 2004;
 - 8) Change in Managing Agent or the instruction of a Managing Agent;
18. The Licence Holder and/or their Manager are required to visit the property within three to six months of the commencement of the tenancy and thereafter annually. A record of these visits must be kept available to the Council on request.
19. The Licence Holder must inform the Authority of any information that comes into their possession that suggests that a person(s) involved with the management of the Property are not “fit and proper persons” for the purposes of the Act.
20. The Licence Holder must ensure that the water supply and drainage system serving the Property is kept clean and maintained in good repair and proper working order.
21. The Licence Holder must not unreasonably cause or permit the water supply or drainage system that is used by the occupiers of the Property to be interrupted.

² The Rehabilitation of Offenders Act 1974 enables some criminal convictions to become ‘spent’, or ignored, after a ‘rehabilitation period’. A rehabilitation period is a set length of time from the date of conviction. After this period, with certain exceptions, an ex-offender is not normally obliged to mention the conviction when applying for a job or obtaining insurance, or when involved in criminal or civil proceedings.

22. The Licence Holder must not unreasonably cause or permit the gas or electricity supply that is used by the occupiers of the Property to be interrupted.
23. Where there are alley gates installed to the rear of the licensed Property, the Licence Holder must:
 - Take responsibility for holding a key for any alley gates, which are in place or installed; and
 - At the time of letting, provide all new tenants with a key for the alley gates.
 - Ensure that any tenant for the time being of the Property is aware of the requirements of the alley gating scheme.

Security

24. Where window locks are fitted, the Licence Holder must ensure that keys are provided to the relevant occupant.
25. Where previous occupants have not surrendered keys, the Licence Holder must arrange for a lock change to be undertaken, prior to new occupants moving in.
26. The Licence Holder will ensure the front and rear doors of the Property are secure and fitted with good quality locking systems.
27. Where a burglar alarm is fitted to the Property, the Licence Holder will ensure the code is changed at the beginning of each new tenancy and that the occupant is informed of this code.

Environmental Management and Amenity of the Neighbourhood

28. The Licence Holder shall ensure that suitable and adequate provision for refuse storage and collection is made at the Property and that Burnley Borough Council's arrangements for refuse collection including recycling are adhered to. This shall include the provision of closable bins of suitable capacity as specified by the said Council. Arrangements shall be made immediately for the proper collection and disposal of any rubbish additional to that within the bins and such rubbish shall be stored within the curtilage of the Property and at the rear if feasible. The Licence Holder shall ensure that all tenants are aware that all refuse containers are to be returned within the curtilage of the Property on the same day that they are emptied by the said Council.
29. The Licence Holder must ensure that the tenant is aware of their responsibility to keep yards, forecourts and gardens surrounding the Property in a clean and tidy condition.

Preventing and Reducing Antisocial Behaviour

30. The Licence Holder must take all reasonable and practicable steps for preventing and dealing with antisocial behaviour. The Licence Holder and/or his manager must undertake a reasonable and effective investigation such as that detailed in schedule 1 of this document of any complaints which have been made either directly to them, or via the Authority, regarding their occupiers. For the purposes of these conditions, antisocial behaviour is taken to comprise behaviour by the occupants of the Property and/or their visitors, which causes a nuisance and/or harassment, alarm or distress to other occupants of the Property, to lawful visitors to the Property or to persons residing in or lawfully visiting the locality of the Property.
31. The Licence Holder is required to provide the Authority upon request the full names and dates of birth of each occupant of the Property.
32. The Licence Holder must ensure that the occupants of the Property are aware of the services available to them and how they can report nuisance and antisocial behaviour to the Authority.

33. The Licence Holder and/or their nominated agent must have the facilities to receive and respond to initial complaints about their occupiers' behaviour.
34. The Licence Holder must provide free of charge an honest and accurate reference relating to existing or past tenants to other potential landlords.

Appendix 3 The Good Landlord and Agent Scheme Code of Practice

(Insert Hyper Links)

Appendix 4

Draft Fee and Charging Structure for the Implementation of Selective Licensing

Introduction

1. Part 3 of the Housing Act 2004 outlines that the Authority may require the application to be accompanied by a fee fixed by the Authority. The legislation implies that the full fee should be paid with the application. There is no requirement within the legislation for local housing authorities to accept staged payments.
2. The fee covers the cost of running the selective licensing scheme and is based upon the average length of time to administer the designation for each landlord and property. Inevitably each application and property will vary in the amount of officer time required.
3. The fee is not connected to the length of time covered by the licence.
4. The Authority is not permitted to make a profit from the introduction of a selective licensing scheme and any surplus must be ring-fenced for use on the scheme. The fees should, however, take account of all costs incurred in administering a selective licensing scheme.
5. The fee structure will be reviewed annually.

Role of charging structure

6. The purpose of this document is to establish a transparent charging policy.

Application Fee

7. All application fees are payable at the application stage. As a result of feedback from landlords the Council introduced the option of monthly direct debit payments for selective licensing fees over a maximum period of 24 months to help the applicant manage the costs. Each individual request for monthly direct debit payments will be assessed on its own merits and will be decided at the Council's discretion.

Reduced Fees

8. An application for a licence submitted in the last six months of the designation will be eligible for a reduced fee of 50%, however this will only apply in circumstances where the property has not been eligible for licensing prior to the 6 month deadline.
9. Applications for a property during the designation that are not subject to point 8 above will be based on the agreed fee structure.
10. Licenses are non-transferrable. Applications resulting from a change in ownership of a licensed property will be charged the full standard fee.

Fee Reimbursements

11. Applications will be charged the full amount and the payment is to accompany the application form. At the Council's discretion a payment plan may be established to agree to payments to be made over an agreed period of time, any such plan can only be repaid by direct debit.
12. The Council will give the applicant a refund if a duplicate application or an application for an exempted property has been made by mistake.
13. The fees are not connected to the length of a licence. If a licence is cancelled before it expires, the Council cannot give a refund for any time that remains for the selective licensing designation. A fee will not be reimbursed if a property is sold before the end of the selective licensing designation and the applicant will still be required to pay any outstanding charges due as a result of the application.
14. Where a licence is refused or revoked, the applicant or licence holder will not be entitled to any refund of fees and will still be required to pay any outstanding charges due as a result of the application.

Fee Discounts

15. To reward landlords who are already operating to a minimum legal standard in Burnley a 30% discount will apply to any landlord who is an existing member of the Council's Good Landlord and Agent Scheme. To be eligible for this discount a landlord must have applied and subsequently become accredited by the dates below:
 - For properties in Trinity: xxxx;
 - For properties in Queensgate and Gannow: xxxxx;
 - For properties in the Daneshouse with Stoneyholme area xxxx
 - For properties in Burnley Wood with Healey Wood, the Leyland Road area and the Ingham/Lawrence Street area: 15th November 2016.
16. Early Application Discount for Properties in Burnley Wood with Healey Wood, the Leyland Road area and the Ingham/Lawrence Street area:

To reward landlords in these areas who apply within 3 months of the designations coming into force (xxxxxxx), a discount of £100 will be applied to the application fee, providing the applicant submits a full complete application form and all requested documentation. Payment must be received in full or a direct debit payment plan agreed. Failure to continue to make direct debit payments will result in the loss of the early application discount.

17. The Council wants to support responsible landlords to make further investments in the selective licensing areas which is why the Empty Homes Programme will pay the selective licensing fee of an accredited landlord if:
 - They purchase an empty property in the designation areas which has been vacant for a minimum of 12 months prior to the landlord purchasing it; *and*
 - The property is refurbished to the accreditation standard within 6 months of the landlord purchasing the property.

For further information contact the Empty Homes team on 01282 425011 ext 3188.

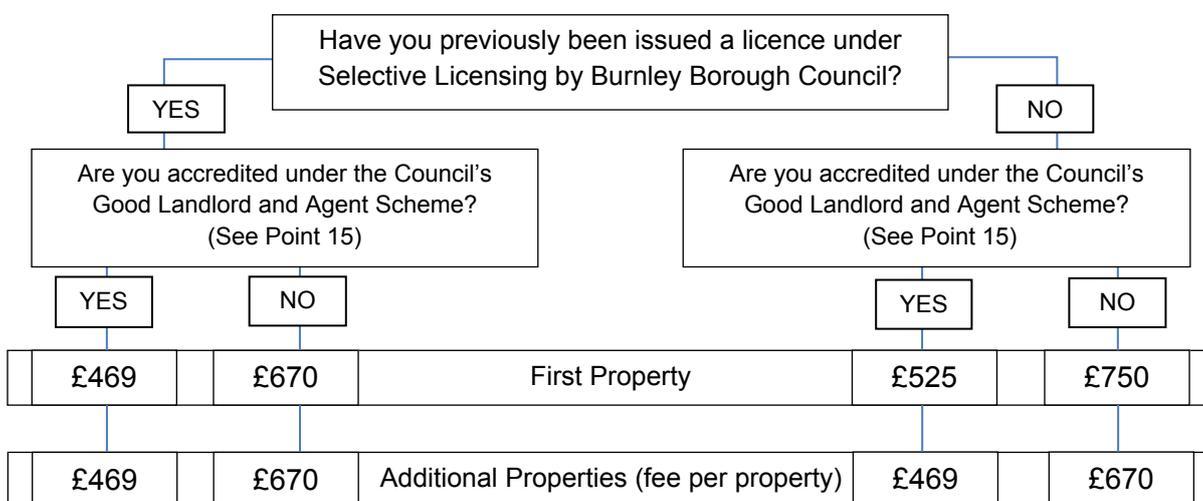
Payment Methods

18. Payment in full is required with the application documents.

Fee

New application with one property (Not been licensed previously)	£750
New additional property	£670
Accreditation Discount	30%
Early Application Discount	£100

Calculating Your Fee



Deduct £100 from your **total** fee if the Early Application Discount applies (see Point 16)

Fee Examples

<i>Landlords NOT previously licensed in Burnley who are...</i>	
Accredited, with one property	£525 (application fee reduced by 30%) Reduced to £425 if apply within three months
Not accredited, with one property	£750 (application fee) Reduced to £650 if apply within three months
Accredited, with two properties	£994 (application fee plus additional property fee, reduced by 30%) Reduced to £894 if apply within three months
Not accredited, with two properties	£1420 (application fee plus additional property fee) Reduced to £1320 if apply within three months
<i>Landlords previously licensed in Burnley who are...</i>	
Accredited, with one property	£469 (additional property fee reduced by 30%) Reduced to £369 if apply within three months
Not accredited, with one property	£670 (additional property fee) Reduced to £570 if apply within three months
Accredited, with two properties	£938 (2x additional property fee reduced by 30%) Reduced to £838 if apply within three months
Not accredited, with two properties	£1340 (2x additional property fee) Reduced to £1240 if apply within three months