



# Cabinet

<b>Date:</b>	<b>Monday, 1 October 2018</b>
<b>Time:</b>	<b>10.00 a.m.</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

**Contact Officer:** Patrick Sebastian  
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## AGENDA

### 1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members of the Cabinet are asked to consider whether they have any disclosable pecuniary and/or any other relevant interest, in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the interest.

### 2. MINUTES

The minutes of the last meeting have been printed and published. Any matters called in will be reported at the meeting.

RECOMMENDATION: That the minutes be approved and adopted.

## LEADER'S UPDATE

### 3. EXECUTIVE KEY DECISIONS TAKEN UNDER DELEGATED POWERS (Pages 1 - 12)

**Key Decisions** – taken under delegated powers. Period 6 July, 2018 (date of publication of last Cabinet agenda) to date.

Decision Maker – Cabinet Member Jobs and Growth  
European Structural and Investment Fund Programme for England 2014-2020: Wirral Ways to Work Programme Extension.  
Effective 21 July 2018.

Decision Maker – Cabinet Member - Highways & Transport  
Appointment for a contract to undertake a Parking Enforcement Solution - including back office functions ref: 4427  
Effective 21 July 2018.

Decision Maker: Leader of the Council - (Overall strategic direction of Council; Lead the Wirral Partnership; Lead Wirral across Liverpool City Region)

Re-Commissioning of Highway Services from October 2018.

Effective 1 August 2018.

Decision Maker: Joint Strategic Commissioning Board, Leader of the Council - (Overall strategic direction of Council; Lead the Wirral Partnership; Lead Wirral across Liverpool City Region)

All Age Disability and Mental Health Service

Effective 14 August 2018.

Decision Maker: Joint Strategic Commissioning Board, Leader of the Council - (Overall strategic direction of Council; Lead the Wirral Partnership; Lead Wirral across Liverpool City Region)

Extension of Mandatory Licensing of Houses in Multiple Occupation.

Date of Decision 17 September 2018

Effective 25 September (if not called-in).

**4. CONTINUING HEALTH CARE SCRUTINY REVIEW (Pages 13 - 36)**

At its meeting on 27 June, 2018, the Adult Care and Health Overview and Scrutiny Committee referred the Scrutiny Review on Continuing Health Care to the Cabinet. The Overview and Scrutiny Committee minute, report to the Committee and Scrutiny Review are attached.

**5. AUDIT AND RISK MANAGEMENT COMMITTEE ANNUAL REPORT 2017/18 (Pages 37 - 60)**

At its meeting on 23 July, 2018 (minute 6 refers) the Audit and Risk Management Committee referred the Audit and Risk Management Committee's Annual Report to Cabinet. The minute and report are attached.

**CABINET MEMBER REPORTS**

**6. WIRRAL WATERS ONE, LEGACY PROJECT (Pages 61 - 72)**

**7. CONSIDERATION OF PROPOSAL TO IMPLEMENT SELECTIVE LICENSING FOLLOWING CONSULTATION (Pages 73 - 192)**

**8. EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC**

The following items contain exempt information.

RECOMMENDATION: That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined by the relevant paragraphs of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

**9. WIRRAL WATERS ONE, LEGACY PROJECT (Pages 193 - 350)**

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## EXECUTIVE MEMBER DECISION FORM

**DECISION TO BE TAKEN BY:** Cabinet Member for Jobs and Growth

**KEY DECISION:** Yes

**PORTFOLIO AREA:** Jobs and Growth

**PORTFOLIOS AFFECTED: JOBS AND GROWTH**

**WARDS AFFECTED: ALL**

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**SUBJECT: EUROPEAN STRUCTURAL AND INVESTMENT FUND PROGRAMME FOR ENGLAND 2014-2020: WIRRAL WAYS TO WORK PROGRAMME EXTENSION**

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### 1. RECOMMENDATION:

- 1.1 The Cabinet Member for Jobs and Growth is recommended to:
- Approve the extension of the Wirral Ways to Work Programme and the sources and allocation of match funding for any successful extension as set out in this report;
  - Approve the future delivery model for any successful extension as set out in this report;
  - Authorise the Director for Economic & Housing Growth to authorise any changes to the programme and where appropriate/in consultation with the Director of Governance and Assurance sign any future contractual agreements with the Combined Authority on behalf of the Council.
  - Authorise the Director for Economic & Housing Growth where appropriate/in consultation with the Director of Governance and Assurance to progress and finalise any future commissioning contract variations and/or extensions.

### 2. REASON FOR THE DECISION

- 2.1 Continuation of the successful Wirral Ways to Work Programme which is reducing worklessness in Wirral, an area which has had persistent levels far exceeding regional and national averages for many years. The Ways to Work programme provides services to support adults and young people into employment and as such supports a number of pledges within the Wirral Plan.

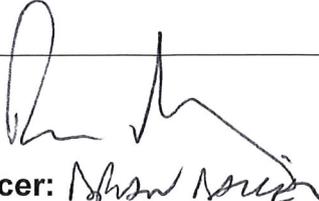
### 3. STATEMENT OF COMPLIANCE

- 3.1 The recommendations are made further to legal advice from the Monitoring Officer and the Section 151 Officer. The recommendations

reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

#### 4. DECLARATION OF INTEREST

4.1 None

<b>Signed:</b> <i>A. Davies</i> <b>Executive Member:</b> <i>Angele Davies</i> <b>Date:</b> <i>11/7/18</i>	<b>Signed:</b>  <b>Chief Officer:</b> <i>Sharon Davies</i> <b>Date:</b> <i>12/7/18</i>
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**A list of background papers on this issue is held with:**

Contact Officer: Sarah Dodd  
Date: 3<sup>rd</sup> July 2018

**Date of Publication:**

**Date of Expiry of Call-In Period:**

**EXECUTIVE MEMBER DECISION FORM**

**DECISION TO BE TAKEN BY: CLLR STUART WHITTINGHAM**

**KEY DECISION: KEY**

**PORTFOLIO AREA: HIGHWAYS & TRANSPORT**

**PORTFOLIOS AFFECTED: HIGHWAYS & TRANSPORT**

**WARDS AFFECTED: ALL WARDS**

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**SUBJECT: APPROVAL OF APPOINTMENT FOR A CONTRACT TO UNDERTAKE A PARKING ENFORCEMENT SOLUTION INCLUDING BACK OFFICE FUNCTIONS**

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**1. RECOMMENDATIONS:**

The Cabinet Member is recommended to;

Approve the appointment of NSL for the delivery of the Parking Enforcement Solution (including back office functions) Contract for a period of 5 (five) years with the option to extend the contract (conditional) for a further 5 (five) years.

**2. REASON/S FOR RECOMMENDATIONS:**

The Traffic Management Act 2004 (TMA) places a statutory Network Management Duty on the Council to manage the traffic network to ensure the expeditious movement of all traffic modes. The overall aim of the Parking Enforcement Service is to provide, operate and enforce on and off street parking in accordance with Council objectives and in the interests of road safety, traffic management and crime prevention.

Since November 2003, the Council has been operating Decriminalised Parking Enforcement to control parking, waiting and loading restrictions across the Borough. On the ground, enforcement has been carried out by the Council appointed enforcement contractor NSL. This contract was renewed in November 2010 following a competitive tendering exercise to provide the service until November 2015. The contract has been extended up to 30 September 2018. The contract and contractor has performed well over this period with very few problems.

A procurement process related to the future provision of the parking related services has recently been undertaken. Following a detailed evaluation of the compliant submissions, the successful bidder (NSL) is to provide functions related to Notice Processing and Penalty Charge Notices, Parking Permits and on street parking management along with continuing to support the School Crossing Patrol Service. As a national provider of parking related services, with a proven track record, the successful bidder is able to provide these services at a lower cost and offer long term benefits and improvements to the services.

There is a need to ensure that all the contracted services are monitored. There is also a requirement for a Parking Authority to directly manage formal representations and appeals against Penalty Charge Notices. To fulfil this requirement, it is proposed that the small client side team comprising of four posts is retained in order to be responsible for strategic management and day to day operational management of the client functions.

We also need to ensure the contractor delivers services to the agreed standards and that we continue to undertake statutory functions in terms of the parking appeals service through the adjudication stages. This small team will also be responsible for ensuring we work with NSL to maximise our service working amongst contractors to deliver high quality, better performing service that meets service objectives, delivers financial targets and enables continuous service development over the life of the contract. This team will oversee and manage new parking contracts, cashless parking and integrating other innovations in parking management.

### **3. STATEMENT OF COMPLIANCE**

*The recommendations are made further to legal advice from the Deputy Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been completed. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.*

### **4. DECLARATION OF INTEREST**

There are no conflicts of interest.

<p><b>Signed:</b> </p> <p><b>Executive Member: Cllr Stuart Whittingham</b></p> <p><b>Date: 9 July 2018</b></p> <p><b>Also present:</b></p>	<p><b>Signed:</b> </p> <p><b>Chief Officer: Mark Smith</b></p> <p><b>Date: 9 July 2018</b></p>
<p><b>Date of Senior Policy Team Meeting(s):</b></p>	

**A list of background papers on this issue is held with:**

Contact Officer: Steve Atkins  
Date: 6/7/18

**Date of Publication:**

**Date of Expiry of Call-In Period:**

*Form Reference: Executive Member Decision Form May 2012 v 1.0*



## EXECUTIVE MEMBER DECISION FORM

**DECISION TO BE TAKEN BY: CLLR PHIL DAVIES**

**KEY DECISION: YES**

**PORTFOLIO AREA: HIGHWAYS & TRANSPORT**

**PORTFOLIOS AFFECTED: HIGHWAYS & TRANSPORT**

**WARDS AFFECTED: ALL WARDS**

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**SUBJECT: RE-COMMISSIONING OF HIGHWAY SERVICES FROM  
OCTOBER 2018**

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### **1. RECOMMENDATIONS:**

The Leader of the Council is requested to:

- (1) Note the business case benefits and rationale for bringing these services back under Wirral Council control from October 2018; and
- (2) Delegate authority to officers to award contracts for both 'planned structural and transport' capital schemes and 'planned routine and reactive' work via two procurement routes, Restricted tender and the Constructionline framework respectively, as outlined in Section 7.0 of this report.

### **2. REASON/S FOR RECOMMENDATIONS:**

Completion of the necessary procurement processes is necessary to ensure service delivery arrangements are in place for October 2018 when the current contract arrangement expires. This is especially important for the day-to-day routine work such as pothole and street lighting repairs that ensure the Council meets its statutory obligations as Highway Authority.

Both the Restricted tendering and the Constructionline framework are compliant with UK Procurement Regulations and the Council's Contract Procedure Rules.

### 3. STATEMENT OF COMPLIANCE

*The recommendations are made further to legal advice from the Deputy Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been completed. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.*

### 4. DECLARATION OF INTEREST

There are no conflicts of interest.

<b>Signed:</b>  <b>Executive Member: Cllr P Davies</b> <b>Date: 23 July 2018</b> <b>Also present:</b>	<b>Signed:</b>  <b>Chief Officer: Mark Smith</b> <b>Date: 23 July 2018</b>
<b>Date of Senior Policy Team Meeting(s):</b>	

#### **A list of background papers on this issue is held with:**

Contact Officer: Mark Smith  
Date: 23 July 2018

**Date of Publication:**

**Date of Expiry of Call-In Period:**

*Form Reference: Executive Member Decision Form May 2012 v 1.0*

## LEADER DECISION FORM

### DECISION TO BE TAKEN BY:

Councillor Phil Davies, Leader of Wirral Council

**PORTFOLIOS AFFECTED:** Adult Care and Health

**WARDS AFFECTED:** All

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**SUBJECT: ALL AGE DISABILITY AND MENTAL HEALTH SERVICES**

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### 1. RECOMMENDATIONS:

It is recommended that The Leader:

- Endorse the decision to approve the final arrangements.
- Note the final arrangements for creating an All Age Disability and Mental Health Service.
- Note the staff transfer on 19 August 2018.
- Note the delegation of Wirral Borough Council's statutory duties to CWP, as detailed in the contract and service specification.
- Approve report to Joint Strategic Commissioning Board on 21 August 2018 to be noted and endorsed.

### 2. STATEMENT OF COMPLIANCE

*The recommendations are made further to legal advice from the Deputy Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been completed. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.*

### 3. DECLARATION OF INTEREST

N/A

<p><b>Signed:</b></p> <p><b>Executive Member(s):</b></p> <p><b>Councillor Phil Davies (Leader)</b></p>  <p><b>Date: 2 August 2018</b></p>	<p><b>Signed:</b></p> <p><b>Chief Officer(s):</b></p> <p><b>Graham Hodgkinson</b></p>  <p><b>Date: 2 August 2018</b></p>
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**Date of Publication:** 6 August 2018

**Date of Expiry of Call-In Period:** 13 August 2018

*Form Reference: Executive Member Decision Form May 2012 v 1.0*

## EXECUTIVE MEMBER DECISION FORM

**DECISION TO BE TAKEN BY:**

**KEY DECISION YES**

**PORTFOLIO AREA: Housing & Planning**

**PORTFOLIOS AFFECTED: Housing & Planning**

**WARDS AFFECTED: All**

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**SUBJECT: Extension of Mandatory Licensing of Houses in Multiple Occupation**

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### **1. RECOMMENDATION:**

1.1 That the Leader of the Council is asked to:

- Note the requirements of the Houses in Multiple Occupation (Prescribed Description) (England) Order 2018 for the extension of mandatory HMO licensing to cover a wider range of property types.
- Agree that the licence fees set out in the report and proposed extension to the term of the licence from one to three years be adopted from 1<sup>st</sup> October 2018.

### **2. REASONS FOR THE DECISION**

2.1. This report sets out Wirral's response to requirements of the Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018 made in March 2018 for the extension of mandatory HMO licensing to cover a wider range of property types. This extension is applicable to all Local Housing Authorities throughout England. In order to manage the increased workload generated within existing staffing resources, the licence term is to be increased from one to three years. In addition, the application options and associated fee charge will reflect the administration involved in processing licenses.

### **3. STATEMENT OF COMPLIANCE**

3.1 The recommendations are made further to legal advice from the Deputy Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been completed. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

#### 4. DECLARATION OF INTEREST

<p>Signed: </p> <p>Executive Member: Cllr. PHIL DAVIES</p> <p>Date: 17.9.18.</p> <p>Also present:</p>	<p>Signed: </p> <p>Chief Officer:</p> <p>Date: 17/9/18.</p>
<p>Date of Senior Policy Team Meeting(s):</p>	

**A list of background papers on this issue is held with:**

Contact Officer: Emma Foley

Date: 24/08/2018

**Date of Publication:**

**Date of Expiry of Call-In Period:**

## MINUTE EXTRACT

### ADULT CARE AND HEALTH OVERVIEW AND SCRUTINY COMMITTEE

27 JUNE 2018

#### 9 CONTINUING HEALTHCARE SCRUTINY REVIEW

Councillors Moira McLaughlin and Wendy Clements introduced the report and recommendations of the Continuing Healthcare (CHC) Review Task and Finish Group. The scrutiny review had sought to understand, assess and give consideration to the CHC framework and how it was applied locally, the Task and Finish Group being established to, among other things, evaluate the impact of CHC on clients and their families, focussing on both the process and the funding outcomes.

In making their presentation, the Councillors thanked former Councillor Alan Brighthouse who had contributed much to the work of the Committee and who had chaired the Task and Finish Group; Karen Prior, Wirral Healthwatch, a member of the Group who could not be in attendance at the meeting; and to Alan Veitch, former Scrutiny Officer who had supported the Group.

CHC and NHS Funded Nursing Care (FNC) referred to services funded by the NHS due to an individual's health related needs. Under CHC, the NHS funds 100% of care and healthcare outside hospital. Under FNC, the NHS pays for the nursing element of care, but accommodation costs are met wholly or in part by the service user and / or the local authority. During 2017, members became aware that Wirral was reported to be third lowest of 32 regional Clinical Commissioning Groups (CCGs) for numbers of people eligible for CHC funding while the Borough, compared to the national average, had a significantly higher number of joint funded care packages. Anecdotal concerns had also been raised in relation to the service user experience of the CHC process and the time taken to receive a decision.

The review had not looked at the national guidelines which determine eligibility for CHC, but had examined the application of those guidelines on Wirral. It had become apparent that decisions about eligibility were difficult to make at times, highlighting the importance of training and improved communication channels between the professionals involved. The pressure to control both the cost of providing CHC and its administration was acknowledged, but regardless of such pressures, there was a clear need to ensure that all changes were adequately scrutinised both before and after implementation.

The report of the Review Task and Finish Group contained the methodology and considerations given during the review leading to the following seven recommendations -

#### **“Recommendation 1 – Consistency of application of the CHC framework by training**

Members recognise that Wirral Clinical Commissioning Group (CCG) is not responsible for the staff training of other organisations. However, the CCG and all

relevant health partners are requested to collaborate to ensure that all applicable staff receive the appropriate CHC training, where possible through joint sessions. This will enable frontline staff to pass on correct information to patients and families while operating with confidence to apply both the national CHC framework and local procedures. This should ensure that there is more consistency in the application of the framework.

### **Recommendation 2 – Communication**

Wirral Clinical Commissioning Group is requested to consider options to improve communication processes between themselves and partner organisations involved in the local delivery of the CHC framework (such as, Wirral Borough Council, Wirral Community Trust, Wirral University Teaching Hospital and GPs). Similarly, it is suggested that communication processes with potential applicants for CHC funding be reviewed and strengthened.

### **Recommendation 3 – Dynamic Purchasing System (DPS)**

Members note with concern that the introduction of the Dynamic Purchasing System (DPS) has resulted in some reduction of choice for clients while not realising the anticipated level of savings. As a result, Wirral CCG is requested to demonstrate to the Adult Care and Health Overview & Scrutiny Committee that continued use of DPS is providing value for money, is improving the efficiency of staff in identifying appropriate placements and is leading to an improved service for clients, particularly those requiring end of life care.

### **Recommendation 4 – End of life care**

Wirral Clinical Commissioning Group is requested to ensure that those clients requesting CHC funding at end of life receive a service which is both compassionate and speedy. The allocation of placements to care homes who have successfully received the 'Six Steps to Success End of Life Training Programme' would be beneficial.

### **Recommendation 5 – Learning Disabilities**

Wirral Clinical Commissioning Group is requested to review the allocation of resources within the CHC team towards supporting those clients with learning disabilities through the CHC application process, ensuring the same access as people with physical needs.

### **Recommendation 6 – All-age Disabilities: Transition of young people**

As the delivery of the All-age Disability Strategy develops, members of the Adult Care and Health Overview & Scrutiny Committee are requested to consider the addition of a future review to their work programme, namely, to explore the experience of young people moving into adulthood.

### **Recommendation 7 – Cost of administration**

The current cost of administering the Wirral CHC Service at £1m is a significant proportion of the overall cost of Wirral's CHC budget. Wirral Clinical Commissioning Group is requested to consider whether any options are available to ensure that the administration of the CHC process can be achieved as cost effectively as possible".

Sue Wells, Chair of the Wirral CCG, thanked the Task and Finish Group for their report and recommendations, and sought agreement to take the report before the CCG Policy and Performance Committee with a view to developing an action plan to take to the Joint Strategic Commissioning Board and the respective parent bodies.

The Director for Health and Care advised that a key change impacting on this area was the pooling of Council and CCG resources for disabled children in transition and adults with learning disabilities. The approach was intended to prevent people getting caught in the system and that future considerations should be around eligibility, rather than cost. For older people's services, these would remain in the current form; that is, funded by the CCG rather than through the pooled fund.

**RESOLVED: - That**

- (1) the report be noted and the findings and recommendations of the Continuing Healthcare Review Task and Finish Group be endorsed;**
- (2) the indication of the Clinical Commissioning Group as to the development of an action plan arising from the findings of the Task and Finish Group be welcomed;**
- (3) the members of the Continuing Healthcare Review Task and Finish Group be thanked for their work;**
- (4) the report and recommendations of the Continuing Healthcare Review Task and Finish Group be forwarded to the Cabinet for their consideration.**

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**Adult Care and Health Overview and Scrutiny Committee  
Wednesday 27<sup>th</sup> June 2018**

<b>REPORT TITLE:</b>	<b>Continuing Healthcare Scrutiny Review</b>
<b>REPORT OF:</b>	<b>Chair and Members of the Adult Care and Health Overview &amp; Scrutiny Committee Task and Finish Group</b>

**REPORT SUMMARY**

This report sets out the findings and recommendations arising from a Scrutiny Review completed in May 2018. The Review was commissioned as part of the former People Overview & Scrutiny Committee's work programme - later the Adult Care and Health Overview & Scrutiny Committee.

The report aims to understand, assess and give consideration to the Continuing HealthCare (CHC) framework and how it is applied locally. A Task & Finish group was set up to, amongst other things, evaluate the impact of CHC on clients and their families, focussing on both the process and the funding outcomes.

**RECOMMENDATION/S**

Members are requested to:

1. Consider the contents of this report and endorse the findings and recommendations of the review.
2. Refer the report to Cabinet for consideration of the recommendations made.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

For Committee to endorse the work of the Task & Finish Review Panel, and to refer the findings and recommendations to Cabinet for consideration.

### **2.0 OTHER OPTIONS CONSIDERED**

The review was prioritised as part of the former People Overview & Scrutiny Committee's work programme.

### **3.0 BACKGROUND INFORMATION**

3.1 As part of the Adult Care and Health Overview & Scrutiny Committee's Work Programme, a Task & Finish scrutiny review on Continuing Healthcare was added for the municipal year 2017/18. The main objective of this review was to understand the CHC Framework and its impact on Wirral residents.

3.2 A review panel was set up comprising of former Cllr Alan Brighthouse (Chair), Cllr Wendy Clements and Cllr Moira McLaughlin. The review panel also included Karen Prior, Chief Officer of HealthWatch Wirral.

3.3 The review was conducted through a series of evidence gathering meetings. Sessions were planned with relevant managers, staff who are responsible for delivery of CHC and with individuals who had personal experience of applying for CHC funding. A number of recommendations have been made as a result of the review. These are detailed in the Scrutiny Review itself (**Appendix 1**)

### **4.0 FINANCIAL IMPLICATIONS**

Not applicable

### **5.0 LEGAL IMPLICATIONS**

Not applicable

**6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

Not applicable

**7.0 RELEVANT RISKS**

Not applicable

**8.0 ENGAGEMENT/CONSULTATION**

Not applicable

**9.0 EQUALITY IMPLICATIONS**

There are no equality issues arising directly from this report

**REPORT AUTHOR:** **Alexandra Davidson**  
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**APPENDICES**

**Appendix 1: Continuing Healthcare – Scrutiny Review**

**REFERENCE MATERIAL**

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>

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**CONTINUING HEALTHCARE  
SCRUTINY REVIEW**

*A report produced by*  
**THE ADULT CARE AND HEALTH  
OVERVIEW & SCRUTINY COMMITTEE**

*May 2018*

**WIRRAL BOROUGH COUNCIL**  
**CONTINUING HEALTHCARE**  
**SCRUTINY REVIEW**

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## **1. INTRODUCTION AND ORIGINAL BRIEF**

During 2017, some members had become aware that, at the time, Wirral was reported to be the third lowest of 32 regional Clinical Commissioning Groups (CCGs) for numbers of people eligible for Continuing Healthcare (CHC) funding while the borough, compared to the national average, had a significantly higher number of joint funded care packages. Anecdotal concerns had also been raised in relation to the service user experience of the CHC process and the time taken to receive a decision. A relevant report produced by Parkinson's UK also provided evidence of significant national variations on the approach to CHC. It was, therefore, proposed that further scrutiny would provide assurance regarding compliance with the national framework. As a result, on 1<sup>st</sup> February 2017, members of the former People Overview & Scrutiny Committee agreed to establish a task & finish group to undertake a scrutiny review relating to the local application of the national Continuing Health Care (CHC) framework. Membership of the group has comprised three members, Councillors Alan Brighthouse (Chair), Wendy Clements and Moira McLaughlin, plus Karen Prior, Chief Officer of Healthwatch Wirral.

When the task & finish group first met later in 2017, consideration was given to the scope for the review. The key outcome identified was to provide members with assurance regarding the effectiveness of local service provision within the parameters of the national framework which defines the processes which must be followed. The Scope Document for the Scrutiny Review is attached as Appendix 1 to this Report. Members agreed that the focus of the review would be on service provision for adults. As a result, services for children were excluded from the scope of the review. The key objectives for the review were identified as:

- To understand the Continuing HealthCare (CHC) framework and how it is applied locally (including how many clients receive CHC funding);
- To assess the local application of the CHC framework in comparison to other geographical areas;
- To consider whether relevant staff have the appropriate levels of training in order to implement the CHC framework effectively and apply the framework consistently;
- To evaluate the impact of CHC on clients and their families, focusing on both the process and the funding outcomes;
- To understand the fast-track process which is in place for end of life clients;
- To assess the relationship between the CCG and the Local Authority in the application of the CHC framework and understand the consequences for funding.

The task & finish group has held a range of meetings in order to obtain appropriate evidence. Sessions were planned with managers of process in addition to a range of staff who are responsible for administering the delivery of CHC. Members also met with individuals who had personal experience of applying for CHC funding.

The remainder of this report provides details of the task and finish group membership followed by some contextual information. This is followed by an overview which includes the recommendations proposed by the Members and the reasoning behind those recommendations.

## 2. MEMBERS OF THE SCRUTINY PANEL

### **Former Councillor Alan Brighthouse (Chair)**



In undertaking this review, you quickly appreciate the impact the decision to approve CHC can have on a person's quality of life. Any delay in determining the decision can have a significant impact.

The objectives of the review were not to look at the specific national guidelines which determine eligibility for CHC, but to examine the application of those guidelines on Wirral. Nevertheless, it quickly became apparent that the decision about eligibility was difficult to make at times. This highlighted the importance of training and of improved communication channels between the professionals involved.

Clearly there is constant pressure to control both the cost of providing CHC and its administration. Regardless of these pressures, there is a clear need to ensure that all changes are adequately scrutinised both before and after implementation.

I would like to thank all those who contributed to this report, and the helpful and courteous manner with which the committee's enquiries were handled.

<p><b>Councillor Wendy Clements</b></p> 	<p><b>Councillor Moira McLaughlin</b></p> 	<p><b>Karen Prior Healthwatch Wirral</b></p> 	<p><b><i>This Scrutiny Panel was supported by:</i></b> Alan Veitch Former Scrutiny Officer 0151 691 8564 <a href="mailto:alanveitch@wirral.gov.uk">alanveitch@wirral.gov.uk</a></p>
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### 3. CONTEXTUAL INFORMATION – THE NATIONAL FRAMEWORK

CHC is a complex and sensitive area which can affect people at a very vulnerable stage of their lives. CHC and NHS Funded Nursing Care (FNC) refer to services that are funded by the NHS due to an individual's health related needs. CHC is where the NHS funds 100% of care and is free healthcare provided outside of hospital that is funded by the NHS. It may include paying for care costs typically funded by a local authority under the banner of social care, such as fees for a care home, but where these arise due to a specific health need. Where a person has long-term health and social care needs, *and* their primary needs (their main needs) are health needs, the NHS is responsible for meeting both the health and social care needs via the provision of CHC. This can be offered in any setting including care homes and a person's own home.

FNC is where the NHS funds the nursing element of a care package. In these cases the accommodation costs are either paid in full or in part by the service user and/or by the Local Authority. Where a person is not entitled to CHC but their care plan identifies that they need a placement in nursing care accommodation, the NHS pays a fixed rate contribution towards the cost of support from a registered nurse via FNC. Means testing determines whether the remaining costs are paid for by Local Authority social care and / or the individual themselves.

People who are not eligible for NHS funded care will have their needs assessed to establish whether they receive social care services from the Council. NHS funded care differs from Local Authority care in that NHS care is free at the point of delivery but Local Authority care is means tested.

CHC and FNC differ from many NHS services in that there are specific eligibility criteria and assessment / decision-making processes set out in legislation that must be followed. A history of legal challenges led to a single national eligibility criteria being introduced in 2007. The current NHS CHC framework has been in place since 2012. However, in March 2018, the Department of Health issued a new CHC framework on which there will be no public consultation and which will be introduced from October 2018. The evidence-gathering for this scrutiny review was completed prior to the issuing of the new framework.

Responsibility for CHC assessments and decisions in relation to NHS funded services lie with the local Clinical Commissioning Group (CCG). There are three national tools which are required to be used in making decisions on eligibility for CHC:

- **NHS Continuing Healthcare Checklist** – an initial checklist used by practitioners (for example, social workers, nurses, therapists and so on) which triggers the need for a full assessment;
- **Decision-Support Tool (DST)** – a tool completed by a multi-disciplinary team to establish whether the individual should be in receipt of CHC; their recommendation then goes to the eligibility panel for ratification;
- **Fast Track Pathway Tool** – a rapid assessment process (fast track) – with a quick reference guide for use by all workers when a quick decision is required, where a person's health maybe quickly deteriorating.

Responsibility for making decisions on CHC eligibility is with multi-disciplinary teams (MDTs) of health and social care professionals, who carry out the assessment and make the recommendation on eligibility. The NHS CHC panel is expected to accept MDT recommendations in all but exceptional circumstances and are required to consult with the relevant Local Authority before making an eligibility decision (including before making a decision to end CHC eligibility).

#### **4. FINDINGS AND RECOMMENDATIONS**

As responsibility for CHC assessments and decisions in relation to NHS funded services lie with the local Clinical Commissioning Group (CCG), locally Wirral CCG are ultimately responsible for meeting the statutory requirements. However, from February 2015, the service has been delivered on behalf of Wirral CCG by South Cheshire CCG, covering a larger footprint to include the geographical areas of Wirral CCG, West Cheshire CCG, Eastern Cheshire CCG, South Cheshire CCG, and Vale Royal CCG.

During the review, the Members heard from people who had recently applied for CHC funding. While experience of the process was mixed, there was no doubt that for those who had been successful in their applications, the impact that the availability of the funding has on their lives is significant, not least because of the improved wellbeing arising from feeling more safe in their home environment.

##### **4.1 Consistency of application of the framework**

One of the key objectives of this scrutiny review was to understand the CHC framework and how it is applied locally. In doing so, Members identified the importance of the term 'primary health need' within the process. In order to qualify for CHC funding a client must meet criteria to prove that they have a primary health care need (as opposed to social care needs). A key factor for those people involved with CHC, both practitioners and clients, is the understanding and objective application of the term "primary health need". Members heard during the review that, although the characteristics of a primary health need are defined in the CHC framework documentation, an element of subjectivity remains in the decision-making process.

Consistency of application of the framework is, therefore, key to successful local application. Those involved in the process need to have a good understanding of the framework, not just the core CHC team but any other professional across the health and care economy who may feel it appropriate to refer a client for CHC funding. Members heard that although a significant amount of CHC training has been provided for staff, further work was required to support front-line staff in understanding the application of the CHC framework. This will enable those front-line staff to better support patients in making referrals for CHC funding.

It was clear from a meeting with practitioners, representatives of a number of different disciplines and organisations who have a role in the CHC process, that there is a need for further training among front-line staff. One practitioner commented that "training (on CHC) is a massive issue" among the wider health and care workforce. It appeared to Members that there is a danger that levels of subjectivity arise within the information provided and the decision-making process. The practitioners also noted that greater understanding could be achieved among professionals by informally discussing issues.

During the review, it was suggested that greater opportunities for joint training across the health and care sector would be beneficial to staff in order to spread good practice across all organisations. While the Members recognise that the CCG is not responsible for training the staff of other partner organisations, there is a need for all relevant staff across the health and care economy to have the knowledge and skills, for example, to complete a checklist.

**Recommendation 1 – Consistency of application of the CHC framework by training**

Members recognise that Wirral Clinical Commissioning Group (CCG) is not responsible for the staff training of other organisations. However, the CCG and all relevant health partners are requested to collaborate to ensure that all applicable staff receives the appropriate CHC training, where possible through joint sessions. This will enable frontline staff to pass on correct information to patients and families while operating with confidence to apply both the national CHC framework and local procedures. This should ensure that there is more consistency in the application of the framework.

#### 4.2 Communication

Members heard that it is a major challenge to ensure that professionals work together constructively across the health and care sectors. Based on their background, experience and work culture they are likely to assess patients differently. Instances were quoted during the evidence gathering which suggested that agreed ways of working had been signed-off by the Joint Committee (of the CCG and Local Authority) but had not been cascaded across all of the workforce. Considerable concern was also raised regarding the ability to arrange MDT meetings in a timely way due to the availability of the appropriate staff.

There was recognition from the practitioners meeting that some of the letters used to communicate with clients are not user friendly. Some evidence was received by the Members that clients are not always invited to the MDT meetings and communication could have been improved. It was also noted that no notes from the MDT meeting had been received by the client. One former applicant suggested that the system appeared somewhat uncoordinated and would have benefitted from a named individual who coordinates each case. Some disappointment was expressed that the possibility of applying for CHC funding had not been identified by the GP or any other health professional at an earlier stage. A further applicant commented that although he was willing and able to gather the required information, the same would not apply to all applicants, particularly the more vulnerable, some of whom would find the process very onerous. Another former applicant commented that, at the time that the application was being processed, it was very difficult to provide challenge as the client and family are likely to be in a vulnerable position and not in a place to emotionally contest the process. It was added that only with hindsight had views on the process become clearer.

**Recommendation 2 – Communication**

Wirral Clinical Commissioning Group is requested to consider options to improve communication processes between themselves and partner organisations involved in the local delivery of the CHC framework (such as, Wirral Borough Council, Wirral Community Trust, Wirral University Teaching Hospital and GPs). Similarly, it is suggested that communication processes with potential applicants for CHC funding be reviewed and strengthened.

#### 4.3 Dynamic Purchasing System

The five Clinical Commissioning Groups CCGs in Cheshire and Wirral have entered into an agreement with Midlands and Lancashire Commissioning Support Unit (MLCSU) to use a Dynamic Purchasing System (DPS) provided by a company, Adam HTT Limited. The Adam Dynamic Purchasing System is an automated procurement system to modernise the way in which nursing care placements for both Nursing Home and Care at Home, are procured for patients who have CHC needs and have qualified for CHC funding. NHS England has

established a programme to look at how Continuing Healthcare services can be improved. In the past it has proved challenging to commission packages of care and time-consuming negotiating of prices. One of the NHS England recommendations proposes the introduction of more innovative procurement, such as Dynamic Purchasing Systems like the one offered by Adam. It was anticipated that this would lead to a more effective use of resources. Prior to the implementation of the Dynamic Purchasing System it was agreed that there was a need for an objective process relating to quality, price and choice.

The stated aims of the Adam system are to drive up quality, give consistency of choice across an area, expand the market, increase quality of care and provide contractual incentives to providers. There was some acknowledgement that the market had been inequitable with some providers receiving packages of care while others were not considered. The Dynamic Purchasing System had been implemented previously in other geographical areas such as Staffordshire and had been reported to be working well, delivering a cost saving of 7%. The Dynamic Purchasing System went live for the procurement of Care Home placements for CHC eligible patients of Wirral from mid-June 2017 and Care at Home packages from early July 2017. Details of a new patient requiring CHC are notified to appropriate care homes. Care homes are invited to submit a bid for the work. Essentially it is a market driven operation enabling the NHS to make the most efficient use of available facilities within the private care sector.

Members were informed that, since implementation, the Dynamic Purchasing System has led to the speeding up of the process and a consequential reduction in the length of some delayed discharges from hospital. It was confirmed that the Arrowe Park hospital has experienced a reduction in the levels of delay under Dynamic Purchasing System as was previously experienced.

However, concerns relating to the Dynamic Purchasing System which have been highlighted during this scrutiny review include:

- Cost versus Quality – It is noted that the Dynamic Purchasing System has been implemented in Cheshire and Wirral using an algorithm based on price and quality on a ratio of 70:30; whereas other geographical areas have employed a ratio of 60:40. A visit to the Dynamic Purchasing System hub in Stoke demonstrated that in CCG areas where cost versus quality had a lower ratio of 60/40 (cost versus quality) than Wirral (70/30 in favour of cost), the cheaper bid from the provider did not automatically become the first option.
- Location / Distance – Although Members were informed that the postcodes used to allocate care homes for Wirral residents had been reviewed and greater flexibility has been built in to the system, concerns remain that the radius for offers in Wirral and Cheshire had been increased to 20 miles in order to encourage more providers to offer care. However, this did not take into account the fact that Wirral is a peninsula and that for some residents the River Mersey is a perceived barrier. However, Members did receive reassurance that there is no intention for patients to be placed out of area.
- Client choice - Members were informed that the Dynamic Purchasing System can always offer availability to the patient but not necessarily their preference. The NHS will fund what is needed; not necessarily what is wanted by the patient and family. Giving patients and families some choice is included within the criteria for the system. However, during the session with practitioners, anecdotal evidence was presented to suggest that the System has resulted in a perceived reduction in the level of choice open to clients. It was noted that, as of January 2018, only one patient in Wirral has refused all offers and had decided to make private arrangements. Members were provided with reassurance that, since the original implementation of the system, communications have been refined and greater emphasis is now given to ensuring that patients and families have the opportunity to say what is important to them.

- Number of offers – It appears to be recognised that there are currently not enough offers being made to prospective clients. Therefore, there is a need to increase the number of active providers on the system.
- Standard of care - Members were informed that care homes will only be included in the Dynamic Purchasing System if they meet at least a minimum quality standard. A report regarding the implementation of the Dynamic Purchasing System was presented to the Adult Care and Health Overview & Scrutiny Committee in January 2018, listing 20 care homes in Wirral to which placements had been made using the Dynamic Purchasing System. Of those homes, the latest CQC inspection reveals that 10 are rated as ‘Requires Improvement’. A further home was found to be ‘Inadequate’ when the latest CQC report was issued in March 2018.
- Savings – The Dynamic Purchasing System is not delivering the level of savings which were predicted prior to implementation. It was estimated that the introduction of the System will lead to savings for CHC cases, across Cheshire and Wirral, of 7% for care home placements and 4% for domiciliary care. It was anticipated that the savings would arise from competition between providers (that is, primarily between care homes). However, to date, that degree of savings has not been met.

### **Recommendation 3 – Dynamic Purchasing System (DPS)**

Members note with concern that the introduction of the Dynamic Purchasing System (DPS) has resulted in some reduction of choice for clients while not realising the anticipated level of savings. As a result, Wirral CCG is requested to demonstrate to the Adult Care and Health Overview & Scrutiny Committee that continued use of DPS is providing value for money, is improving the efficiency of staff in identifying appropriate placements and is leading to an improved service for clients, particularly those requiring end of life care.

#### 4.4 End of life care

Members were pleased to be informed that, within the fast track process (for end of life care), a recent audit showed that 93% of decisions were made within the 48 hour target. Once the decision is made, the offer of a placement, managed by the Dynamic Purchasing System, is usually made within 2 days. However, examples have been highlighted to the Members where delays have occurred in getting clients discharged from hospital. In one case which was brought to the attention of Members, the client was not found a care home placement in time (via the Dynamic Purchasing System) which resulted in the patient dying in hospital, against the wishes of the family.

Particular concerns were raised relating directly to the impact of the Dynamic Purchasing System on clients approaching end of life. The case was put strongly that the use of the Dynamic Purchasing System can result in the patient (and family) not being able to make the right of choice for them in their final days. The inability for families to pay top-up fees when receiving CHC funding further restricts the element of choice. Members are of the opinion that placements for end of life care should be made as easy as possible. Anecdotal evidence was received by the Members suggesting that cases have occurred where residents have stayed in a home, are familiar with the staff, are diagnosed as end of life and are then told that they have to move to unfamiliar surroundings. In the past, where a person is living in a residential home and requiring end of life care, as no nursing staff would be based in the home, community nurses would be available to support the resident. The introduction of the Dynamic Purchasing Scheme has resulted in that no longer happening.

**Recommendation 4 – End of life care**

Wirral Clinical Commissioning Group is requested to ensure that those clients requesting CHC funding at end of life receive a service which is both compassionate and speedy. The allocation of placements to care homes who have successfully received the 'Six Steps to Success End of Life Training Programme' would be beneficial.

**4.5 Learning Disabilities**

It became apparent during the evidence gathering that the relationship between social workers and the CHC team is not positive in relation to learning disability cases, with communication being difficult at times. This was demonstrable during the focus group of practitioners. The crux of the disagreement in approach appears to relate to whether behavior is deemed to be a health issue. The argument was put by social workers that there appears to be a difference in the application of the framework towards older people as opposed to young people with complex needs.

Members were informed that there is a different interpretation regarding behavior as applied in the Decision Support Tool. The understanding and application of three of the four characteristics of 'primary health need' as specified in the framework impacts negatively on the partnership approach ('complexity', 'intensity' and 'unpredictability'). Social workers appeared frustrated that there appears to be little application of the case law arising from the Coughlan judgement. As an example, a social worker who has experience of working with both older people and people with learning disabilities explained that, within the local application of the CHC framework, the processes for the two client groups appeared different. An older person with dementia who displayed signs of aggression appears to carry more weight than a younger person with learning disabilities who displays challenging behaviours.

Members were informed that the balance of staff in the CHC team appears to be focused more heavily on older people / physical disability to the possible detriment of resource for assessments relating to people with learning disabilities. Members were told that it was very difficult for a client with learning disabilities to receive a positive outcome from the process. At the time of the focus group, Members were told that all Learning Disabilities cases were in dispute. As a result, a backlog of Learning Disabilities cases had developed.

**Recommendation 5 – Learning Disabilities**

Wirral Clinical Commissioning Group is requested to review the allocation of resources within the CHC team towards supporting those clients with learning disabilities through the CHC application process, ensuring the same access as people with physical needs.

Particular concerns were raised by some of the practitioners regarding those young people with complex needs who are close to the point of transition from children to adult services. A checklist is completed as close to the young person's 17<sup>th</sup> birthday as possible. They are recognised as a priority within the system. However, it was noted that there are significantly different criteria used to determine funding outcomes for children and adults. The Members are suggesting to the Adult Care and Health Overview & Scrutiny Committee that further scrutiny work takes place regarding the wider experience of those young people approaching and moving through the transition process; not just relating to the CHC process.

**Recommendation 6 – All-age Disabilities: Transition of young people**

As the delivery of the All-age Disability Strategy develops, members of the Adult Care and Health Overview & Scrutiny Committee are requested to consider the addition of a future review to their work programme, namely, to explore the experience of young people moving into adulthood.

#### 4.6 Resources

The annual budget for CHC in Wirral was £10million, with an overspend for 2017/18 of approximately £4.5million. In totality, CHC funding comprises approximately 2% of the total Wirral CCG budget. It was noted that, on a national perspective, the CHC spend by CCG varies from 2% – 7% of the total spend, which is a very large variation. Wirral is at the lower end of that range.

The CHC national framework (2012) enables a substantial number of clients to request an initial assessment, with a relatively small number being successful at the Decision Support Tool stage. Concern was voiced from a number of sources that, as an assessment has to be completed for all applicants, the full assessment has to be completed even though the professional recognises very quickly that the client will not be eligible. Members were informed that although the number of referrals has been increasing the number of staff in the CHC team has not increased. In a historical context, there has been inconsistency in meeting the 28 day target for reaching decisions on applications for funding, although current data shows a considerable improvement in recent months.

Members were informed that the cost to Wirral CCG for administering CHC is currently in the region of £1million. This is recognised as a very large amount to administer the spending of approximately £14million in the current financial year. Those costs include the time of the CHC team in administering and attending multi-disciplinary team meetings but do not include the time of Local Authority or Wirral Community Trust staff. It was also noted that as the administration of the CHC process is provided by staff who are not directly employed by Wirral CCG, there is a danger that within the current service delivery model financial decisions can be made without these necessarily being flagged up in advance with the CCG. This leads to potential issues regarding accountability and risk arising from that arrangement.

**Recommendation 7 – Cost of administration**

The current cost of administering the Wirral CHC Service at £1m is a significant proportion of the overall cost of Wirral's CHC budget. Wirral Clinical Commissioning Group is requested to consider whether any options are available to ensure that the administration of the CHC process can be achieved as cost effectively as possible.

**4.7 Joint funded packages of care**

It was noted that, compared to other areas, Wirral has a relatively low number of clients receiving full CHC funding whereas there is a high number of joint care packages, which are funded jointly by the NHS and social care. As at June 2017, Wirral CCG had 440 jointly funded packages, the vast majority of which are historical cases. Patient assessments were not carried out in all cases and a compromise was reached between the Local Authority and the CCG. Out of 206 CCGs in England, Wirral CCG ranks first for jointly funded patients, and is, therefore, a massive outlier in terms of national averages. Although discussions have taken place at a senior level between Wirral CCG and Wirral Borough Council there is no immediate prospect of resolution to the issue. In normal circumstances, the framework allows for the agreement of joint packages but they should be very low in volume. Members were informed that most CCGs have a handful or none. A process is now in place which follows the framework and, based on agreed working together by the Local Authority and the CCG, has resulted in very few joint packages of care among new cases.

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***This Report was produced by the Continuing HealthCare Scrutiny Task & Finish Group  
(which reports to the Adult Care and Health Overview & Scrutiny Committee)***

## Appendix 1: Scope Document for the Continuing HealthCare Scrutiny Review (Final Version)

1. Contact Information:	
<p><b>Panel Members:</b>            Councillors : Alan Brighthouse (Chair)                              Wendy Clements                              Moira McLaughlin            Karen Prior (Healthwatch Wirral)</p>	<p><b>Key Officers:</b>            Lorna Quigley (Director of Quality and Patient Safety, Wirral Clinical Commissioning Group)            0151 651 0011 (ext 1035) <a href="mailto:lorna.quigley@nhs.net">lorna.quigley@nhs.net</a></p> <p>Jason Oxley (Assistant Director Health and Care Outcomes, Wirral Borough Council)            01516663624 <a href="mailto:robertoxley@wirral.gov.uk">robertoxley@wirral.gov.uk</a></p> <p>Tracey Cole (Head of Continuing Healthcare / Complex Care, Cheshire and Wirral CCGs)            01270 275545 <a href="mailto:tracey.cole3@nhs.net">tracey.cole3@nhs.net</a></p> <p>Alan Veitch (Former Scrutiny Officer, Wirral Borough Council)            0151 691 8564 <a href="mailto:alanveitch@wirral.gov.uk">alanveitch@wirral.gov.uk</a></p>
2. Review Aims:	
<p><b>Wirral Plan Pledge/s:</b></p> <ul style="list-style-type: none"> <li>• People with disabilities live independently</li> <li>• Older People Live Well</li> <li>• This issue also falls within the Committee’s statutory duty to undertake health scrutiny.</li> </ul> <p><b>Review Objectives:</b></p> <ul style="list-style-type: none"> <li>• To understand the Continuing HealthCare (CHC) framework and how it is applied locally (including how many clients receive CHC funding);</li> <li>• To assess the local application of the CHC framework in comparison to other geographical areas;</li> <li>• To consider whether relevant staff have the appropriate levels of training in order to implement the CHC framework effectively and apply the framework consistently;</li> <li>• To evaluate the impact of CHC on clients and their families, focussing on both the process and the funding outcomes;</li> <li>• To understand the fast-track process which is place for end of life clients;</li> <li>• To assess the relationship between the CCG and the Local Authority in the application of the CHC framework and understand the consequences for funding.</li> </ul> <p>Note: It is assumed that the review will focus on adult clients; children will not be included in the scope at this stage).</p> <p><b>Scrutiny Outcomes:</b></p> <ul style="list-style-type: none"> <li>• Partner agencies are held to account;</li> <li>• Members are assured about the effectiveness of local service provision.</li> </ul>	
3. Review Plan	
<p><b>Review Approach: Workshop, Evidence Day, Task and Finish?</b></p> <ul style="list-style-type: none"> <li>• The review will be undertaken by a task &amp; group holding a series of evidence gathering sessions.</li> </ul> <p><b>Review Duration:</b></p> <ul style="list-style-type: none"> <li>• It is planned to complete the review within 6 months.</li> </ul> <p><b>Scheduled Committee Report Date:</b></p> <ul style="list-style-type: none"> <li>• People OSC, 13<sup>th</sup> September 2017</li> </ul> <p><b>Scheduled Cabinet Report Date:</b></p> <ul style="list-style-type: none"> <li>• Cabinet, 6<sup>th</sup> November 2017</li> </ul>	

#### 4. Sources of Evidence:

##### Key Witnesses:

###### Managers of the process

- Tracey Cole (Head of Continuing Healthcare / Complex Care, Cheshire and Wirral CCGs)
- Sam Olubodun (Operational Lead, Continuing Healthcare / Complex Care, Cheshire and Wirral CCGs)

###### Administration of the process

- Assessment practitioners (Contact is Judith Lambert, Senior Manager, Adult & Disability Services)
- Health practitioners, for example, occupational health therapists, social care practitioners, physiotherapists, ward nurses, community nurses, care home staff
- Local Authority CHC team (social workers who provide support through the CHC process)
- NHS ICNs (Individual Commissioning Nurses) – Wirral CCG
- Community Nursing Team

###### Users of the process

- Families who have experiences of the CHC process
- Healthwatch Wirral

##### Supporting Papers / Documentation:

Documents will include:

- National Framework for NHS Continuing Healthcare and NHS-funded Nursing Care, November 2012 (Revised) (Department of Health)
- NHS Continuing Healthcare Checklist, *November 2012 (Revised)* (Department of Health)
- Decision Support Tool for NHS Continuing Healthcare, June 2016 (amended) (Department of Health)
- Relevant Government reports
- Briefing papers provided by national bodies, for example, 'Continuing to Care?' produced by the Continuing Healthcare Alliance (Parkinson's UK)
- Benchmarking information to include:
  - timescales for cases being dealt with;
  - numbers of applicants;
  - numbers of successful / unsuccessful applicants;
  - numbers of appeals;
  - numbers of joint packages (between CCG and Local Authority);
  - CCG spend on CHC.
- Examples of the standard processes used to communicate with patients / carers (for example, standard letters, etc.);
- Information regarding satisfaction surveys from the CHC process (that is, outcomes from the perspective of the users / carers);
- Examples of redacted assessments (including successful applications for CHC, unsuccessful for CHC and those resulting in joint funded packages of care);
- Reports from other Councils relating to the same topic

##### Involvement of service users / public:

- Service users will be involved in the review by some being invited to discuss their experiences with members of the task & finish group. A meeting with advocacy agencies is also proposed.

## **5. Key Communications:**

### **Cabinet Member:**

- The scope document will be shared with the relevant portfolio holder at the start of the review (Portfolio folder for Adult Social Care, Cllr Chris Jones).
- The draft report will also be discussed in advance of being finalised by the task & finish group, before being presented to the People Overview & Scrutiny Committee for approval.

### **Press Office:**

- The scope document will be sent to the press office on approval.
- The final report will be referred to the press office for information.

## **APPENDIX 2 - RECOMMENDATIONS**

### **Recommendation 1 – Consistency of application of the CHC framework by training**

Members recognise that Wirral Clinical Commissioning Group (CCG) is not responsible for the staff training of other organisations. However, the CCG and all relevant health partners are requested to collaborate to ensure that all applicable staff receive the appropriate CHC training, where possible through joint sessions. This will enable frontline staff to pass on correct information to patients and families while operating with confidence to apply both the national CHC framework and local procedures. This should ensure that there is more consistency in the application of the framework.

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Wirral Clinical Commissioning Group is requested to consider options to improve communication processes between themselves and partner organisations involved in the local delivery of the CHC framework (such as, Wirral Borough Council, Wirral Community Trust, Wirral University Teaching Hospital and GPs). Similarly, it is suggested that communication processes with potential applicants for CHC funding be reviewed and strengthened.

### **Recommendation 3 – Dynamic Purchasing System (DPS)**

Members note with concern that the introduction of the Dynamic Purchasing System (DPS) has resulted in some reduction of choice for clients while not realising the anticipated level of savings. As a result, Wirral CCG is requested to demonstrate to the Adult Care and Health Overview & Scrutiny Committee that continued use of DPS is providing value for money, is improving the efficiency of staff in identifying appropriate placements and is leading to an improved service for clients, particularly those requiring end of life care.

### **Recommendation 4 – End of life care**

Wirral Clinical Commissioning Group is requested to ensure that those clients requesting CHC funding at end of life receive a service which is both compassionate and speedy. The allocation of placements to care homes who have successfully received the 'Six Steps to Success End of Life Training Programme' would be beneficial.

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Wirral Clinical Commissioning Group is requested to review the allocation of resources within the CHC team towards supporting those clients with learning disabilities through the CHC application process, ensuring the same access as people with physical needs.

### **Recommendation 6 – All-age Disabilities: Transition of young people**

As the delivery of the All-age Disability Strategy develops, members of the Adult Care and Health Overview & Scrutiny Committee are requested to consider the addition of a future review to their work programme, namely, to explore the experience of young people moving into adulthood.

### **Recommendation 7 – Cost of administration**

The current cost of administering the Wirral CHC Service at £1m is a significant proportion of the overall cost of Wirral's CHC budget. Wirral Clinical Commissioning Group is requested to consider whether any options are available to ensure that the administration of the CHC process can be achieved as cost effectively as possible.

## MINUTE EXTRACT

### AUDIT AND RISK MANAGEMENT COMMITTEE

23 JULY 2018

#### 6 ARMC ANNUAL REPORT 2017-18

The Chair, supported by the Chief Internal Auditor, introduced the Audit and Risk Management Committee Chair's Annual Report 2017/18.

Prepared in consultation with Internal Audit, the Chair's Annual Report for 2017/18 had been compiled in accordance with the CIPFA best practice publication, 'Practical Guidance for Local Authority Audit Committees.'

Councillor Jeff Green referred to the fact that he was the Conservative spokesperson on the Committee in 2017/18 and not former Councillor John Hale.

**Resolved – That the draft Annual Report be approved and submitted to Cabinet, subject to the amendment to the membership list at paragraph 4.1 of the Annual Report.**

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**Audit and Risk Management Committee**  
**Monday, 23 July 2018**

<b>REPORT TITLE:</b>	<b>ARMC ANNUAL REPORT 2017-18</b>
<b>REPORT OF:</b>	<b>CHIEF INTERNAL AUDITOR</b>

**REPORT SUMMARY**

To comply with best professional practice the Audit and Risk Management Committee is required to complete an annual report to Cabinet on the work undertaken by the Committee.

Attached at Appendix A is the Annual Report prepared by the Chair in consultation with Internal Audit.

**RECOMMENDATION**

That the draft Annual Report be approved and submitted to Cabinet.

## **SUPPORTING INFORMATION**

### **1. REASON FOR RECOMMENDATION**

- 1.1 To comply with best practice identified in the CIPFA publication 'Practical Guidance for Local Authority Audit Committees'.

### **2. OTHER OPTIONS CONSIDERED**

- 2.1 No other options considered.

### **3. BACKGROUND INFORMATION**

- 3.1 The Department for Communities and Local Government (DCLG) issued amended regulations in 2006, to the 2003 Accounts and Audit Regulations – 'The Accounts and Audit (Amendment) (England) Regulations 2006.
- 3.2 One of the amended regulations impacts on the process for preparing the Statement of Internal Control (SIC) which is subsumed within the Annual Governance Statement (AGS) and relates specifically to the the systems of internal audit in operation. This is:-
- Regulation 6 requires bodies to regularly review their system of internal audit, and for the findings to be considered by a committee of the body, or by the body as a whole.
- 3.3 Advice from CIPFA includes the assertion that the "systems of internal audit" can be considered to include the role and effectiveness of the Audit Committee which therefore should be assessed and evaluated.
- 3.4 To assist Councils in this evaluation exercise CIPFA has provided a self-assessment checklist and recommended that this be completed annually by the Committee.
- 3.5 An annual report for 2017/18 has been prepared by the Chair in consultation with Internal Audit and is attached at Appendix A for consideration and approval by the Members.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 There are none arising from this report.

### **5. LEGAL IMPLICATIONS**

- 5.1 There are none arising from this report.

### **6. RESOURCE IMPLICATIONS**

- 6.1 There are none arising from this report.

**7. RELEVANT RISKS**

7.1 Potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

**8. ENGAGEMENT/CONSULTATION**

8.1 Members of this Committee have been consulted throughout the process regarding the content of the annual report and their views are reflected in the final document attached.

**9. EQUALITY IMPLICATIONS**

9.1 There are none arising from this report.

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**APPENDICES**

Audit and Risk Management Committee Annual Report 2017/18

**REFERENCE MATERIAL**

CIPFA Publication 'Practical Guidance for Local Authority Audit Committees'

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit and Risk Management Committee	Annual Report

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Audit and Risk Management Committee

Annual Report 2017/18

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**Councillor A Jones, Chair**  
**July 2018**

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## 1. Foreword

By the Chairman of the Audit & Risk Management Committee  
Councillor Adrian Jones

*I am pleased to present the Audit and Risk Management Committee's Annual Report for 2017/18. It records the activities undertaken by the Committee across a wide range of control, risk and corporate governance matters.*

*During the year, the Committee met on five occasions and received reports in connection with the full range of issues that fall within its remit. This report indicates the breadth of the Audit and Risk Management Committee's activities in ensuring that every aspect of the council's work should be compliant with standards and transparent to its stakeholders.*

*I strongly believe that this Annual Report demonstrates the immense value that the Committee brings to the Council and the public in ensuring that improvements to the governance arrangements of the authority are being delivered. As the Chair I can clearly see the enormous contribution that the Audit and Risk Management Committee has made to the improvement and development of operational standards and protocols across a wide range of governance areas during what has clearly been a very challenging year.*

*Looking forward, the Council is facing yet another period of unprecedented change and transformation in local government with financial budgets being squeezed more than ever before and the enormous impact of this on services delivered being highly evident. Change such as this presents enormous challenges to the Council not least in the nature of the risks that are presented but also the corresponding need for more effective governance has never been more in evidence.*

*Finally, I would like to acknowledge the sterling work of the Members of the Audit and Risk Management Committee and the supporting officers, during the past year.*

## 2. Background

### 2.1 What drives Governance Policy ?

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

Effective corporate governance is a fundamental feature of any successful public sector organisation.

A sound corporate governance framework involves accountability to service users, stakeholders and the wider community, within which authorities take decisions, and lead and control their functions, to achieve their objectives. It thereby provides an opportunity to demonstrate the positive elements of an authority's business and to promote public confidence.

Wirral Council has adopted the revised local Code of Corporate Governance based on the following seven core principles which underpin and define the meaning of good governance:

### 2.2 Why do we need an Audit Committee ?

While there is no statutory obligation to have such an arrangement, Audit Committees are widely recognised as a core component of effective governance and therefore reflect good practice. Wirral's Audit and Risk Management Committee is properly constituted and, as such, is given sufficient authority and resources by the Council. In effect, the Committee has the right to obtain all the information it considers necessary and to consult directly with senior managers. In line with best practice from both the public and private sectors, the Audit and Risk Management Committee can report its observations and concerns directly to Cabinet/Council.

A local authority has a duty to ensure that it is fulfilling its responsibility for adequate and effective internal control, risk management, and governance, as well as the economy, efficiency and effectiveness of its activities. The Audit and Risk Management Committee has a key role in overseeing and assessing the internal control, risk management, and corporate governance arrangements and advising the Council on the adequacy and effectiveness of these arrangements.

### 2.3 What does an Audit Committee do ?

The Audit and Risk Management Committee's main responsibilities are to oversee the Council's corporate governance arrangements, the work of internal audit, and the Council's response to external audit and other external inspections.

This purpose is reflected in the committee's terms of reference which are reviewed and adopted each year (Attached at Appendix 1).

### 2.4. How do Officers Support the Committee ?

The Audit and Risk Management Committee is supported by:

- The Monitoring Officer who is required by law to ensure that the Council acts within its legal powers at all times; and,
- The Director of Finance and Investments, as Section 151 Officer who is responsible under the law for ensuring the proper administration of the council's financial affairs.
- The Chief Internal Auditor who has a key role to play in supporting the Committee because of the importance of the Internal Audit service to governance.
- Any other officer of the Council as required.

### 3. 2017/18 Financial Year

This Annual Report for 2017/18 produced by the Audit and Risk Management Committee has been prepared in accordance with the CIPFA best practice publication '*A Toolkit for Local Authority Audit Committees*'. The report demonstrates how the Audit and Risk Management Committee has fulfilled its terms of reference during a very difficult year and how it is fully committed to helping to improve the Council's governance and control environments during what should prove to be a very challenging year ahead.

The committee's activities during 2017/18 were designed to make a positive contribution to the continual improvement of governance arrangements across the Council, as well as performing the statutory roles as identified in the Constitution.

### 4. Some Key Information

#### 4.1. Audit and Risk Management Committee Membership

During 2017/18 the Audit and Risk Management Committee had the following 9 Members:

Councillor Adrian Jones – Chair  
Councillor John Hale  
Councillor David M Elderton  
Councillor Ron Abbey  
Councillor Christine Muspratt

Councillor Angela Davies  
Councillor Phil Gilchrist - Spokesperson  
Councillor Jeff Green - Spokesperson  
Councillor Paul Doughty

#### 4.2. Key Features of the Audit Committee and its Operation

The Committee meets CIPFA's definition of best practice as illustrated below:

Best Practice	Expectation	Met	Comment
Independence	Independent from the executive and scrutiny	√	The Committee reports to the Council
Number of Members	Minimum of 3 to 5 members	√	The Committee has 9 Members
Number of meetings	Aligned to business needs	√	The frequency of meetings, 5 times a year complies with best practice.
Co-option	To be considered relative to skills	√	Training is currently provided to increase Members' skills.
Terms of Reference	Accord with suggested best practice	√	The Committee has adopted the CIPFA recommended model.
Skills and training	Members have sufficient skills for the job	√	General and specific training is provided to increase Members' skills.

#### 4.3. Meetings and Attendance

The Audit Committee normally meets 5 times per year in January, March, June, September and November.

Attendance by Members and approved deputies was over 90%.

## 5. Core Activity During 2017/18

### 5.1. Terms of Reference

The Audit and Risk Management Committee's Terms of Reference are comprehensive, comply with best practice, cover all key areas and are attached at Appendix 1 to this annual report. The Committee's work and outcomes in each of its areas of responsibility are summarised in the following subsections.

#### *Internal Audit*

The Audit and Risk Management Committee:

- Approved the Chief Internal Auditor's Audit Plan,
- Considered regular reports produced by the Chief Internal Auditor, highlighting internal audit work completed, internal audit performance against key indicators and any significant issues arising during the period,
- Approved amendments to reporting arrangements including development of the summary reports from Internal Audit,
- Considered the Chief Internal Auditor's Annual Report and assurance opinion on the Council's control environment,
- Considered reviews of the effectiveness of the systems of internal audit,
- Ensured internal and external audit plans were complementary and provided optimum use of the total audit resource,
- Received updates on the Internal Audit Counter Fraud Teams' remit and activities undertaken,
- Received and considered updates on the Public Sector Internal Audit Standards,
- Approved and endorsed the Internal Audit Charter and Strategy,
- Received updates on the new Audit and Accountability Act 2013 and considered the implications for the Council,
- Considered reports on audit investigations conducted,
- Considered and approved revisions to Chief Internal Auditors Audit Plan.
- Considered the outcome of the Internal Audit Quality Assurance Improvement Programme assessment.
- Reviewed the Council's progress on all internal audit recommendations on a regular basis and asked managers to explain progress where appropriate, thereby holding them to account,

- Received progress updates from relevant Senior Managers regarding audit recommendations implementation (ICT/HR),

We continue to provide support to the Internal Audit service to ensure management is responsive to recommendations made and agreed.

### ***External Audit***

The Audit and Risk Management Committee:

- Considered the external auditor's Audit Plan,
- Considered progress against the plan presented by the external auditor
- Received and considered all external audit findings and inspection reports issued in the year and considered management's response to them, ensuring robust and thorough responses,
- Reviewed the external audit Committee Update reports and took appropriate actions in response to issues presented,
- Reviewed the Council's progress on all external audit and inspection recommendations on a regular basis and asked managers to explain progress where appropriate, thereby holding them to account,
- Received and considered all of the external auditors reports on the Merseyside Pension Fund,
- Considered the external auditor's Annual Audit Letter,
- Considered update report on the Local Audit Accountability Act and the appointment of external auditors.

We continue to provide support to external audit to ensure management is responsive to recommendations made and agreed.

### ***Risk Management***

The Audit and Risk Management Committee:

- Considered regular reports on the Departmental and Corporate Risk Registers and challenged policy and process,
- Considered reports on the proposed development of corporate Risk Management arrangements,
- Promoted Risk Management across the Council,

- Considered reports on Corporate Risk and Insurance Management,
- Considered reports on the Corporate Risk Management Policy and the management of risk.

We continue to provide support to promote effective Risk Management policy and procedures across the Council and ensure best practice is achieved.

### ***Internal Control and Governance***

The Audit and Risk Management Committee:

- Agreed the Council's Annual Governance Statement,
- Considered reports on progress made to address significant governance issues identified in the AGS,
- Implemented a mechanism for escalating any items of note to Cabinet,
- Supported the ongoing development of a Mersey region Counter Fraud Group,
- Engaged with and supported the annual Counter Fraud Awareness Week initiative,
- Supported work undertaken as part of the Cabinet Offices' National Fraud Initiative,
- Considered and supported amendments to the Council's counter fraud arrangements,
- Approved the Code of Corporate Governance,
- Approved the updated Audit and Risk Management Committee self-assessment checklist,
- Considered reports on Contract Procedure Rules compliance,
- Approved updates to the Council's Contract Procedure Rules,

The Annual Governance Statement is a key document which summarises the Council's governance arrangements and the effectiveness of the arrangements during the year.

### ***Accounts***

The Audit and Risk Management Committee:

- Agreed the Council's accounting policies,

- Agreed the Annual Statement of Accounts,
- Received and considered the external auditor's report on the accounts, and ensured that the Council responded to the auditor's comments,
- Agreed the annual Merseyside Pension Funds accounts,
- Received and considered the external auditor's report on the MPF accounts and responded to comments,
- Received and reviewed reports on the Insurance Fund Budget and Annual Report.

The Audit and Risk Management Committee received regular reports on the Council's Treasury Management arrangements in the context of the economic downturn.

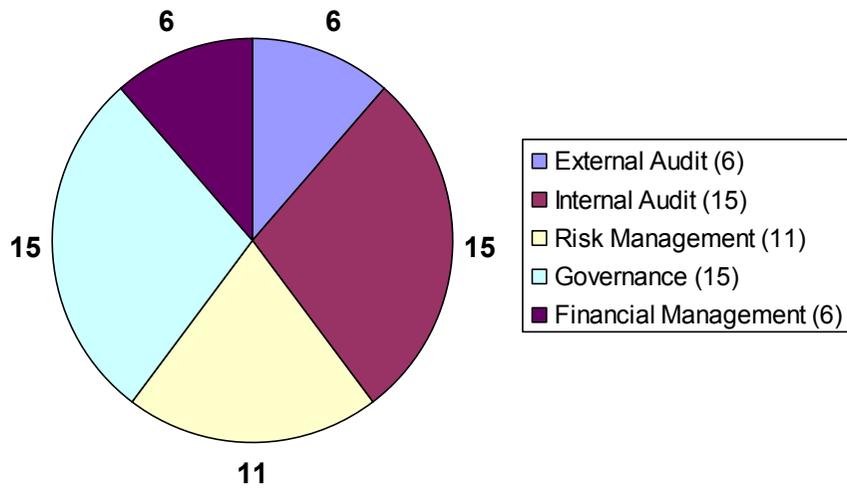
### ***Specific Issues***

The Audit and Risk Management Committee also considered reports and presentations on the following specific issues which arose in the period:

- Regulation of Investigatory Powers Act 2000,
- Insurance arrangements and performance,
- Information Governance Update including a presentation on GDPR compliance progress by the responsible officer,
- Officer Progress Updates (HR, Digital, Highways, OFSTED)

To give a flavour of our business during the year, the following shows the types and numbers of reports considered between April 2017 and March 2018:

## 5.2. Numbers & Types of Reports Considered by the Audit Committee



## 6. Other Activities

During the year, the Committee demonstrated its commitment to good governance by:

- i) Overseeing the implementation of actions to address significant governance issues identified in the Annual Governance Statement 16/17;
- ii) Devoting significant resource to addressing governance issues arising including the development of improved risk management arrangements;
- iii) Referring matters to Cabinet for attention as appropriate;
- iv) Asking Chief Officers to attend as appropriate and present reports on issues identified which affected governance.

## 7. Outcomes

The Audit and Risk Management Committee aims to focus on adding value through its activity. By concentrating on outcomes the Committee can identify the benefits of its work. In particular this year the Committee:

- Oversaw work on the Statement of Accounts;
- Encouraged and presided over a strengthening of the control environment, specifically by overseeing various targeted reviews and the production of the Annual Governance Statement;
- Presided over significant changes in the structure of the organisation including officers with statutory responsibilities to ensure the proper administration of financial affairs and systems of internal control;

- Encouraged and presided over significant developments and improvements to strengthen the delivery of the Internal Audit service, including further development of the Quality Assurance Improvement Plan and other initiatives designed to ensure compliance with the Public Sector Internal Audit Standards;
- Implemented an enhanced system for escalating any items considered to be of note by ARMC to Cabinet for their attention;
- Presided over the introduction of an improved system for routinely reporting actions taken by officers in relation to items identified as being significant governance issues in the Annual Governance Statement;
- Received regular update reports/presentations from officers which demonstrated how improvements had been planned, and delivered, to ensure compliance with the General Data Protection Guidelines;
- Endorsed the strengthening of the governance arrangements through further consideration and approval of the Code of Corporate Governance;
- Encouraged a strengthening of the Council's overall control environment; specifically by overseeing various targeted reviews and the production of and challenge to the Annual Governance Statement;
- Challenged risk management arrangements and facilitated the development of radical improvements in this area.

In addition, individual Members and the Audit Committee collectively continued to develop and learn about our roles including development and attendance at professional training sessions targeted specifically at Audit Committee Members, and enabling us to deliver our roles more effectively.

## **8. Plans for 2018/19**

During 2017/18 the Audit and Risk Management Committee has consolidated the progress that has been made in previous years, and going forward will look to develop further and cement our role as the recognised champion of good governance for the Council, helping to address any identified issues in what promises to be again a very challenging and difficult environment. Our priorities for 2018/19 are to continue to meet our duties as specified in the Constitution by developing and building on our current status as well as responding to and implementing any new requirements as they arise.

For 2018/19 we will:

- Continue to develop the Wirral Council Audit and Risk Management Committee to review all governance issues identified,
- Continue to develop our working relations with officers to improve our understanding of the respective roles and improvement opportunities available,
- Continue to drive up standards and meet the demanding requirements of the external inspection and assessment regime,
- Continue to review all governance arrangements to ensure the Council adopts the very latest best practice,
- Continue to support the work of Internal and External Audit and ensure appropriate responses are given to their recommendations,
- Continue to ensure that all aspects of the Public Sector Internal Auditing Standards are complied with,
- Continue to help the Council to manage the risk of fraud and corruption by supporting the work of Internal Audit and colleagues in this area,
- Continue to oversee and help facilitate improvements in the corporate Risk Management framework,
- Continue to develop the Wirral Council Audit and Risk Management Committee to review risk and partnerships' issues and safeguard public sector interests,
- Continue to oversee the development of audit plans to evaluate and test controls in respect of services delivered either by trading companies run by the Council or on behalf of them,
- Equip existing and any new Members to fulfil our responsibilities by providing detailed and effective training on all key areas of responsibility including financial arrangements and risk management, governance and internal audit operations.

**Councillor Adrian Jones (Chair)**  
**Wirral Council Audit and Risk Management Committee**

## 9. Appendix 1

### Audit and Risk Management Committee – Terms of Reference

1. To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
2. The Committee has the following duties, powers and authorities:
  - 2.1. approval of the Council's statement of accounts;
  - 2.2. the responsibilities of the Council under section 151 of the Local Government Act 1972 to make proper provision for its financial affairs;
  - 2.3. to consider and make recommendations to Council or Cabinet as appropriate on;
    - 2.3.1. the annual Audit Report and the Management Letter of the external auditor;
    - 2.3.2. any other statutory report of the external auditor;
    - 2.3.3. any internal audit report that may be referred to the committee by the Chief Executive, the Director of Finance, the Chief Internal Auditor or the Head of Legal and Member Services (as Monitoring Officer);
    - 2.3.4. summaries of specific internal audit reports as requested;

- 2.3.5. the effectiveness and adequacy of the response by the Council, the Cabinet, any committee or sub-committee of the Council or of any officer to any internal or external audit report or management letter;
- 2.3.6. the systems of control and the arrangements for the prevention of fraud and corruption within the Council;
- 2.3.7. any other matter relevant to the audit of the Council's accounts and financial records or its systems for the control and safeguarding of all the Council's assets;
- 2.3.8. a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale; and
- 2.3.9. the Head of Internal Audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and The level of assurance it can give over the Council's corporate governance arrangements;
- 2.4. to approve (but not direct) the strategy, plan and performance of the Council's internal audit service;
- 2.5. to oversee the production of the Authority's Annual Governance Statement and subsumed Statement on Internal Control and recommend its adoption;
- 2.6. to maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and to make recommendations to Council or Cabinet, as appropriate;
- 2.7. to monitor the Council's policies on "Raising Concerns at Work", to the anti-fraud and corruption strategy and the complaints procedure;
- 2.8. to liaise with the Audit Commission over the appointment of the Council's external auditors.
3. The Chair of the Audit and Risk Management Committee shall act as the Council's Risk Management Champion.
4. Executive Members will not normally be members of the Audit and Risk Management Committee.



**COUNCILLOR  
ANGELA DAVIES**

**CABINET**

**1 OCTOBER 2018**

**WIRRAL WATERS ONE**

**Councillor Angela Davies, Cabinet Member for Jobs and Growth said:**

“Creating new homes on brownfield sites has never been more important. Huge Government house-building targets mean we have to take every opportunity to encourage, enable and drive landowners to develop brownfield sites and build the homes Wirral residents need.

“We have been clear with every developer and landowner in this borough who has planning permissions in place: we will support you every step of the way, but we need you to build the homes you promised. The Wirral Waters One proposal demonstrates just how serious we are in our determination to get brownfield sites developed.

“This is an ambitious and entrepreneurial move by Wirral Council. We know we need housing to be developed on brownfield sites and at Wirral Waters in particular, to relieve some pressure from our Green Belt. It is also clear these type of schemes are always difficult for private developers to make viable.

“The Council has stepped in and made it work. We have secured national funding to improve local infrastructure, we have worked hand in hand with the developers to make sure the quality of the homes was at the right level, and we have pulled together a solid commercial approach to make sure the financing needed to make the scheme a reality is available.

“This commercial deal also ensures the Council will generate ongoing revenue from the homes which are built, which can be used to invest further into making difficult brownfield regeneration schemes more viable.

“An extensive amount of work has been delivered to get this scheme to where it is today. We now have a major housing development coming forward at Wirral Waters – the first of what we hope will be many such schemes.”

## **REPORT SUMMARY**

On the 26<sup>th</sup> February 2018 (Min 88 refers) Cabinet considered and approved a proposal to progress the development of the Wirral Waters One project. Primarily this is a project to bring forward 500 residential units in a 1 and 2 bedroom apartment scheme on the East Float of Wirral Waters. It is a joint project between Peel Holdings, Aviva (as the scheme funder) and Wirral Council, with the Council entering into a lease for the apartments for up to 50 years.

Cabinet instructed officers to develop a business case for the delivery of a commercially viable scheme commensurate with the Council's level of investment. In addition, officers were instructed to establish a trading company, limited by shares, to hold the lease to enable the delivery of the development in the longer term.

The development will be the first large scale purpose built private rented scheme in Wirral and will significantly enhance the housing offer within the local area by providing high quality private rented apartments, on brown field land, on a waterfront location. The rental levels for 20% of the apartments will meet the criteria for affordable housing. The scheme will also unlock further residential and commercial development in Wirral Waters creating a new community within the dockland area.

This report presents a business case for the Council to participate in the scheme on an investment basis which has been assessed as having the potential to deliver an acceptable rate of return on the investment. It confirms that the market economy operator principle has been met by the scheme and sets out the legal structure through which the development would be procured, delivered and managed over the 50 years of the Council's lease.

The Wirral Plan has a pledge to deliver good quality housing that meets the needs of residents. The Wirral Waters One project will bring forward a new type of housing offer but it will also be the forerunner of two further residential schemes at East Float which will enable Housing Infrastructure Funding to be accessed. The three residential developments will together result in some 1,000 residential units being delivered. The following pledges will also be supported by the scheme:

- Inward investment
- Greater job opportunities in Wirral

The annex and appendices in this report are exempt under Schedule 12A of the Local Government Act 1972 due to the commercial sensitivities of the information contained.

This is a key decision and matter affects all Wards within the Borough.

## **RECOMMENDATIONS**

It is recommended that Cabinet:

- 1 Approve the Full Business Case for Wirral Waters One thereby agreeing in principle for the Council to enter into a lease of residential units for up to 50 years as an investment vehicle.

- 2 Thereby authorises the Director of Governance and Assurance, in consultation with the Corporate Director for Business Management and the Director of Finance and Investment, to:
  - (a) enter into an Agreement for Lease between Wirral Council, Peel Legacy (Wirral Waters) Limited and Peel Holdings Land and Property (UK) Limited, on terms that are substantially in accordance with the draft set out at Appendix 2, noting that the Agreement for Lease contains a number of conditions that must be satisfactorily met before the Agreement is deemed to be unconditional;
  - (b) enter into a 50 year underlease and other ancillary agreements for the residential units with Aviva Investors Commercial Assets GP Limited when the conditions within the Agreement for Lease have been satisfactorily met;
  - (c) grant a sub under-lease to a Peel Management Company, intended as a single purpose vehicle (SPV), for it to manage the leasehold property and grant the residential tenancies from Years 0–10;
  - (d) form a wholly owned company limited by shares to operate as a property management business; and
  - (e) grant a sub-underlease to the wholly owned company for it to manage the leasehold property and grant the residential tenancies from the ending of the sub-underlease (referred to at (c) above) to Year 50.
- 3 Authorises the Corporate Director for Business Management, in consultation with the relevant Cabinet portfolio holder, to determine the relevant approvals granted to the Council in the Agreement for Lease as and when each condition is met to his or her satisfaction.
- 4 Notes that:
  - (a) the head-lease to be granted by Peel Holdings Land and Property (UK) Limited to Peel Legacy (Wirral Waters) Limited is to be assigned for 250 years to Aviva Investors Commercial Assets GP Limited; and
  - (b) the Agreement for Lease grants an option to the Council to hold 350 of the residential for the remainder of the 250 year head-lease period and that the decision whether or not to exercise that option to acquire will be made by the Council at the relevant time.

## SUPPORTING INFORMATION

### 1.0 REASONS FOR RECOMMENDATIONS

Participating in the Wirral Waters One Scheme, through the taking of the lease of 500 apartments will bring forward the first large scale Private Rented Sector development in Wirral. It will also provide an opportunity for the Council to drive the delivery of new homes, meet the housing needs of residents and contribute to economic growth in Wirral. The recommendations will allow the project to proceed as an investment vehicle for the Council which has the potential to deliver a financial return and therefore a long term revenue income stream to the Council which could support wider service delivery and future investment.

### 2.0 OTHER OPTIONS CONSIDERED

#### 2.1 Do Nothing

The Council takes no action and does not participate in the scheme. This would result in the scheme not progressing in its present form with the risk that development would not take place. The Full Business Case outlines that the viability of the scheme is based upon utilising the strength of the Council's covenant through taking the lease of the development.

#### 2.2 Direct Delivery by the Council

This has not been an option as the land upon which this development will take place is in the ownership of Peel Holdings Land and Property (UK) Limited. Peel are carrying out the remediation of the land in advance of the development and have outlined plans for two further residential schemes at East Float which will follow the Wirral Waters One project.

The Belong scheme is for a specialist dementia care village comprising 12 'household' units for 6 residents each, 34 apartments and a number of visitor suites, a mixed extra care facility and guest bedrooms. Urban Splash will be bringing forward a range of one to three storey houses and apartments to deliver up to 347 units.

Wirral Waters One is seen by Peel as a catalyst for the wider developments and these plans have also been supported by the award of £6m from the Government's Housing Infrastructure Fund which will enable further infrastructure improvements in the area.

#### 2.3 Wirral Council funding the Scheme directly

This option would be for the Council to fund the scheme directly thereby removing the need for Aviva's investment. In order to do this the Council would need to reopen its Housing Revenue Account and build the apartments directly. As noted in 2.2 above this option is not available. However for purely illustrative purposes, Finance officers have fully considered this option and details are set out in the Full Business Case which is attached as an exempt annex.

Based on the variables underpinning the current proposal from Peel and Aviva, this option of the Council funding the scheme could potentially deliver increased benefits to the Council. However, there are a number of financial benefits which

would not be in place under this option and this includes the guarantee from Peel of covering the rental payments for the first 10 years of the scheme.

In addition in order to directly deliver the scheme the Council would need to re-open its Housing Revenue Account which would have significant implications for the Council. Alternatively the Council could deliver the scheme through the trading company (a Special Purpose Vehicle - SPV). This, however, would mean that it is likely that a higher rate of interest would need to be charged in order to comply with State Aid regulations.

Taking the above issues into account officers have identified that this would therefore not be a viable option to pursue.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Wirral Waters is one of the largest regeneration projects in the UK (some 500 acres) with the potential to create over 20,000 permanent jobs and to transform the derelict docklands through a mix of sustainable mixed use development schemes. Housing is a key feature of Wirral Waters, with outline planning permission in place for up to 13,500 units to be developed over the next 25 years. Government Enterprise Zone status was secured in 2011 and the area was awarded Housing Zone status in 2017 – recognising the opportunity for housing growth within the scheme.
- 3.2 Wirral Waters One is a £90m funded project providing 500 apartments in a series of blocks, on a key strategic waterfront site in Wirral Waters. The development will be the first large scale purpose built private rented scheme in Wirral and will significantly enhance the housing offer within the local area by providing high quality private rented apartments on brown field land. The apartments will be of 1 or 2 bedrooms, with 100 apartments being designated as affordable. Current Council policy for housing schemes within deprived areas is for schemes to include 10% of affordable housing, with affordable defined as 20% below the market rent. The Wirral Waters One scheme includes provision for 20% of the apartments to be affordable which is twice the level required by Council policy.
- 3.3 The apartments will be constructed using traditional methods which will fit well into the local environment and also focus on quality design. The development will have dedicated parking and high quality landscaping and a pedestrian route along the dock edge will be created linking the residential developments. There will be 350 car parking spaces provided. This is in line with planning policy which seeks to reduce reliance on the private car and Peel and the Council have agreed to develop a car parking strategy for Wirral Waters One and subsequent schemes. A range of transport initiatives and public realm improvements have been commissioned to support new development at East Float and to encourage the use of public transport and active travel such as cycling, walking. Additional investment has been secured from the Liverpool City Region Combined Authority to extend this infrastructure over the coming 12 months.
- 3.4 The development is within walking distance of Birkenhead Park and Hamilton Square train stations as well as Seacombe Ferry. In addition the increased demand arising from the new developments will support additional services via existing or new bus operators.

## **The 2020 Wirral Plan**

- 3.5 The proposals contained in this report contribute to a number of the Pledges within the Wirral Plan, including:
- Increase inward investment
  - Greater job opportunities in Wirral
  - Good quality housing that meets the needs of residents
- 3.6 The Wirral Plan has a pledge to create 3,500 new homes, as well as improving a further 3,500 homes by 2020. This residential development will help to deliver 500 of these and, as they will be constructed on brownfield vacant land, it will help to reduce the pressures on development in Wirral's Green Belt. The scheme represents a step change to the residential offer in the East Wirral housing market in addition to unlocking further residential and commercial development in Wirral Waters and creating a new community within the dockland area.

## **Delivering the Project – the Full Business Case**

- 3.7 The Council will be participating in the scheme on an investment basis which has been assessed as having the potential to deliver an acceptable rate of return on the investment. This is outlined in the Market Economy Operator Principle Report (MEOP) which has been prepared by a specialist external advisor and is appended to the Full Business Case. MEOP is a concept which determines whether a transaction entered into by a public sector organisation gives a selective advantage to a private sector organisation and therefore falls within the European State Aid rules. In broad terms an economic transaction carried out by a public sector body does not constitute State Aid if it is in line with normal market conditions and a market operator, of similar standing, could have been prompted to enter into the transaction on the same terms. The MEOP report for this project confirms that it is in line with these principles.
- 3.8 The Business Case outlines the legal structure of the project. Peel Legacy (Wirral Waters) Limited will take on a 250 year lease from Peel Holdings and will build the development. The scheme will be funded by Aviva who will take a 250 year lease from Peel Legacy. If the Full Business Case is approved then the Council will commit to taking a 50 year underlease of the 500 residential units and to pay Aviva a fixed rent (increasing with RPI) and estate service charges to secure repayment of the loan with interest.
- 3.9 The Council will grant a sub-underlease to a Peel Management Company who will manage the apartments for years 0-10 and take on the Council's rental obligations. This company will make rental payments to the Council at a level which will cover the Council's payments to Aviva. A Peel company of substance will provide a guarantee of the Company's rent payments to the Council. From Years 11-50 the commercial risks will be transferred to the Council with the Council's Management Company being responsible for letting out the properties, managing the apartments and for securing the rental payments for the Council. The Council will therefore be responsible for making the payments to Aviva for the remaining 40 years of the underlease.
- 3.10 At the end of the 50 year lease period the Council will have the ability to take up an option to acquire a lease for 200 years at a peppercorn rent from Aviva of 350 of the

residential units and Peel will have a similar option for 150 units. The Council's residential units will be contained in specific blocks thereby making any future decisions fairly straightforward at the end of the 50 year period, be that continuing to rent them out or selling them on.

- 3.11 The Council's commitment is its rental obligations, together with service charge payments made by the Council's management company, from years 11-50. In addition up-front Stamp Duty Land Tax (SDLT) will be payable in respect of the grant of the under lease. Peel will be taking a sub under lease for the first ten years and have agreed to cover the cost of the SDLT. This agreement is in line with the conditions contained in the MEOP report.
- 3.12 An Agreement for Lease has been negotiated between the Council, Aviva and Peel. This sets out the legal structure of the project, including termination rights, as well as issues such as the requirements relating to the environment, building quality, insurance, services, and asset management. It includes a number of conditions, for example the condition that planning permission must be granted and that the apartments must be built to a specification agreed by the Council, before the Agreement for Lease can be seen as being unconditional. The Council will not progress with taking the underlease until all conditions within the Agreement for Lease are met.
- 3.13 The Council will be taking on a 50 year lease of the apartments and therefore their specification and design must be entirely acceptable to the Council. The Council will continue to be fully involved in the work to finalise the specification to RIBA Stage 3 and will have absolute discretion as to whether it can be finally signed off. This will be a condition within the Agreement for Lease. The scheme design has been prepared by Glenn Howells Architects and provides for a mix of one and two-bed apartments across six residential buildings, together with on plot car parking. There will be contemporary public realm landscape to Duke Street, the waterside, Dock Road and East Square.
- 3.14 Peel submitted a planning application for the scheme at the end of May 2018 and it is currently anticipated that it will be considered by Wirral's Planning Committee in October 2018. Should the planning application be approved and Cabinet approve the Full Business Case for the project then remediation of the site by Peel will begin in November 2018, the construction tender would be issued in March 2019 with construction likely to commence in August 2019.
- 3.15 The appointment of a construction contractor will be via a fully compliant OJEU procurement process. The Council will ensure that the design and specification of the residential units and public realm set out in the tender will be of a high quality and will deliver a scheme which will retain its quality over at least the 50 year period for which the Council will take the underlease. In addition the need to address Social Value will be a clear requirement within the tender documents issued as part of the procurement process. This will include a requirement that all bidders must deliver against Wirral Council's Social Value policy and contribute towards the social and economic development and regeneration of the area. This will reflect the social value delivered through the construction of the Wirral Metropolitan College Campus in Wirral Waters and include the use of local labour, the provision of apprenticeships, the use of the Wirral Construction Forum for supply chain opportunities and work placements.

- 3.16 Local facilities such as a food outlet, a café etc will also be provided to support the development and, together with the adjacent Grain Warehouses, the development will help create a new sustainable community within the area. Peel have therefore committed through the Agreement for Lease to bring forward such provision within the first ten years of the scheme. It should be noted that the Grain Warehouses, a private ownership scheme, have had consistently high levels of occupation since their conversion in 2007 and are currently some 97% occupied, despite lacking any complementary amenities to date.
- 3.17 A key objective of the Council in investing in this scheme is to generate on-going revenue to support service provision. However, in addition the Council will also be investing in the delivery of wider regeneration and economic development. In addition to the 500 homes delivered by the scheme, it will also bring on the Urban Splash and Belong schemes, securing £6 million from the Government's Housing Infrastructure Fund which will result in some 1,000 residential units on the wider site – creating a new community in derelict brown field docklands and delivering some 220 FTE construction jobs and a minimum of 25 operational jobs. Housing development will also complement a range of other projects which are in the pipeline for both Wirral Waters and for the Wirral Growth Company, some of which have already been submitted as planning applications. The project pipeline includes industrial development at the Marine, Energy and Automotive Park at West Float which is proposed as a new, multi-unit, 1 million sq ft waterside manufacturing, logistics, R&D and assembly campus. Also a high quality 25,000 sqft office development at Tower Road and the opportunity to have a university presence in Wirral, to complement the high quality skills provision of the existing Wirral colleges, at the proposed Maritime Knowledge Hub.
- 3.18 In addition there are a range of highway schemes being considered for funding at a city region level which involve improving links between Wirral Waters and the surrounding areas, including Birkenhead. A residential community at Wirral Waters will increase the demand and the need for these solutions to be brought forward through the Combined Authority.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The finances of this project have been structured on the requirement that the Council uses its covenant strength through taking a lease on the 500 residential units for 50 years. As a result there is no need for public sector funding and / or grants to deliver the scheme. The strength of the Council's covenant is critical in enabling investment in the scheme which would not otherwise come forward at a rate that would be financially viable for the development to progress. The project is financially viable and a number of financial scenarios have been modelled.
- 4.2 As highlighted in paragraph 3.9 Peel will manage the apartments for years 0-10 and take on the Council's rental obligations, thereby guaranteeing rental payments to the Council at a level which will cover the Council's payments to Aviva. From years 11-50 the commercial risks will be transferred to the Council with the Council's Management Company being responsible for letting out the properties, managing the apartments and for securing the rental payments for the Council. The Council will therefore be responsible for making the payments to Aviva for the remaining 40

years of the underlease. The risks and mitigation of the Council's position is set out in Section 7 below.

- 4.3 In addition to the potential income from the rental payments from years 11-50, the scheme will result in increased income to the Council from the following sources:
- Council Tax and Business Rate income upon completion of the development and associated commercial units;
  - The Legacy Foundation will provide £100,000 for investment in the Hive Youthzone and its activities. The Legacy Foundation worked with Peel and the Council at the early stages to develop this project and have a commitment to improving sport and education opportunities for young people.
- 4.4 Costs related to the payment of SDLT will be met by Peel.
- 4.5 Further specific financial details of the scheme are set out in the Full Business Case attached as an exempt annex.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 This is a private sector development and does not involve any local authority direct provision of housing. It is to be considered in terms of the Council's powers to acquire and dispose of land under the Local Government Act 1972. In order to privately let housing accommodation on assured shorthold tenancies the Council must facilitate this through a Council owned company set up under Section 1 of the Localism Act 2011.
- 5.2 The Cabinet Meeting of 26<sup>th</sup> February 2018 (Min 88 refers) refers to setting up a local authority trading company, as the Council's establishment of a special purpose vehicle (SPV) to hold the 50 year lease and to manage and grant private sector tenancies at the properties. The company will be limited by shares as a wholly owned subsidiary of the Council. The purpose is to enable the Council to hold the property and operate as a commercial entity, allowing it to intervene in the market to deliver new homes as a social and economic regeneration return on investment and to create a return net cash flow to the General Fund as a financial return. The business case sufficient to meet the tests set out in the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009, made under the Local Government Act 2003, is set out in the Full Business Case appended to this report.
- 5.3 As set out in 4.1 above the finances of this project have been structured on the requirement that the Council uses its covenant strength through taking a head lease on the 500 residential units for 50 years. The rules on State Aid prohibit the Council from using public money in any way that would give Peel or its Funder, Aviva, a commercial advantage over its competitors. The scheme must therefore meet a test whereby the Council can prove that an investor would equally consider the expected rate of return on the investment to be sufficient to compensate for the risk of financial losses. The Council has engaged specialist advisors and the MEOP report states that they are of the view that a private sector investor, in comparable circumstances to the Council, would take the same investment decision as that currently being considered by the Council.
- 5.4 The MEOP opinion is contingent upon a number of factors being satisfied. These matters are set out as conditions within the Agreement for Lease and will need to

be met before the Agreement for Lease can be considered to be unconditional. The Council will not be bound to enter into the underlease with the Funder unless the Agreement for Lease becomes unconditional.

5.5 The Council has engaged suitably qualified external specialists in order to advise on the full range of legal, financial and technical matters associated with this project.

5.6 The legal implications are detailed fully in the Full Business Case.

## 6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 The taking of the underlease by the Council will involve a financial liability with regards to Stamp Duty Land Tax. Peel have agreed that they will meet the costs of the SDLT as part of the development.

6.2 The setting up of a Council Management Company to hold the 50 year lease and to manage the properties will incur operational costs. These will be minimal for the first ten years as Peel Legacy will be carrying out the management function for this period. Costs for this period can be met from existing budgets.

6.3 Resource will be required in order to monitor the detailed design work to meet the specification as set out in the Agreement for Lease. This will be met from existing staff resource. It is proposed that external expertise will need to be procured in order to advise the Council on the technical content of the tender process and award. There will also be a requirement for post contract construction monitoring. These costs can be met from existing departmental budgets.

## 7.0 RELEVANT RISKS

7.1 All risks associated with this project will be identified and managed as part of the Economic and Housing Growth Directorate's programme management and a comprehensive risk register is contained within the Full Business Case. Below is a summary of some of the key risks identified and how they will be managed.

Key Risk	Mitigation Strategy
<p>7.1 The Council cannot develop a specification to enable an appropriate quality of build to be achieved.</p>	<p>A specification to RIBA Stage 2 is included in the AfL together with agreement as to how the spec will be developed prior to tender to RIBA Stage 3 which will be subject to Council approval at its absolute discretion.</p>

<p><b>7.2</b> If from Year 11 the units are not let to the required levels of rent and occupancies the Council's payment to the Funder may not be covered.</p>	<p>Peel are providing a rental guarantee for the first ten years of the scheme to cover the Council's commitment to the Funder. This is the period when there are likely to be the highest risks given that this is one of the first residential developments to take place in Wirral Waters. In addition the Council will consider setting aside contingency funding each year as part of its Medium Term Financial Strategy to cover possible future shortfalls over the next 50 years.</p>
<p><b>7.3</b> That the RPI is greater than rental growth which could lead to an operational deficit for the Council once the rental guarantee from Peel ceases at the end of Year 10.</p>	<p>The Full Business Case sets out the assumptions upon which RPI and rental growth have been assessed and the financial model has been run to consider a range of scenarios. No investment is without risk but the MEOP report states that a private sector investor, acting under comparable conditions, would invest in the scheme and the investment is therefore lawful for a risk aware private investor able to cover its losses in the event of failure. In addition the extent of the increase in RPI is capped for this scheme.</p>
<p><b>7.4</b> The properties are in a good state of repair at the end of Year 10 when the Council, via its Management Company, becomes responsible for their letting and management.</p>	<p>An Asset Management Agreement will be agreed with Peel as part of the AfL. This will include a lifetime replacement schedule which will outline the range of items, their likely lifespan and when they are required to be replaced. Peel will put in place a sinking fund to cover these costs on an annual basis. Any funds remaining at the end of the 10 years will be assigned to Wirral Council's Management Company.</p>
<p><b>7.5</b> The procurement of the building contract is not properly conducted by Peel in accordance with the Public Contract Regulations 2015 with the result that the contract award is successfully challenged or the Council becomes liable to make payments to the contractor under the regulations with Peel deemed to be its agent.</p>	<p>A fully compliant OJEU procurement process will be conducted which will be inputted to and monitored by the Council. The Council will obtain an indemnity from Peel that it will meet the costs of the Council of any non compliance by Peel with the regulations. The building contract is to be drafted so that Peel is solely liable to make any payments due to the contractor for whatever reason.</p>
<p><b>7.6</b> The rent payable to the Funder by the Council is at a higher level than originally modelled in the financial model.</p>	<p>The number of apartments that can be built as part of the development will be a maximum of 500. In addition there will be a cap on the level of increase of rental payments which has been included in the financial model and covered within the Agreement for Lease.</p>

## 8.0 ENGAGEMENT/CONSULTATION

8.1 Consultation is taking place as part of the planning application that has been submitted by Peel Land and Property to the Council.

## 9.0 EQUALITY IMPLICATIONS

- (a) Yes. The potential impact has been reviewed with regard to equality. This links to the existing EIA conducted for Wirral's Growth Plan. <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2014-0>

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## APPENDICES

Exempt appendices – by virtue of Paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet: Wirral Waters One (Legacy Project) Dock Road, Wallasey, Wirral	26 February 2018



**COUNCILLOR  
GEORGE DAVIES**

## **CABINET**

**Monday, 1 October 2018**

### **CONSIDERATION OF PROPOSAL TO IMPLEMENT SELECTIVE LICENSING FOLLOWING CONSULTATION**

**Councillor George Davies, Cabinet Member - Housing and Community Safety (and Deputy Leader of the Council), said:**

*“Wirral residents demand – and deserve – to live in good quality, safe and attractive housing. The availability of private rented accommodation has more than doubled in Wirral in the last 10 years and while we know that many of these properties are of an excellent standard, managed by responsible landlords, there are others that aren’t up to scratch.*

*“We will not tolerate Wirral residents being forced to live in poor conditions by irresponsible landlords. This licensing scheme is a good way for us to tackle this issue and, where a landlord does not live up to their responsibilities to their tenants, we will not hesitate to take action against them.*

*“Our Selective Licensing scheme supports improvement in the quality of housing in the areas of Birkenhead and Wallasey where it is applied. It has brought many social and health benefits along with it and people from across the political spectrum have rightly highlighted its success and championed it for their own area, calling for its expansion.*

*“This is where the council needs to step in and use all the powers that we have to drive up the standards of this housing on behalf of tenants and this is what we are aiming to do by extending the Selective Licensing scheme.”*

#### **REPORT SUMMARY**

This report presents Members with the results of the consultation exercise for extending Wirral’s Selective Licensing Scheme to four more designated areas in the Borough. Those areas are known as:

- Hamilton Square
- Seacombe St Pauls
- Birkenhead West
- Birkenhead Central

The maps and address lists are detailed in the updated Business Case which can be found by clicking the [link to business case](#).

Based on the feedback from the consultation undertaken and the robust evidence used for the Business Case rationale, Members are asked to approve the extension of Wirral's Selective Licensing Scheme for all tenanted private rented properties within these additional four designated areas under Section 80 of the Housing Act 2004.

Members are also asked to approve changes to the existing Licence Conditions following operational and legislative changes introduced since the initial scheme was launched. These changes, which have been consulted on, will apply to both the existing scheme and proposed scheme and are detailed in [Appendix One](#) of this report.

The scheme contributes to the Wirral Plan 2020 Pledge; 'Good quality housing which meets the needs of residents' by improving the quality of Wirral's housing offer for our residents which is a key component of Wirral's Housing Strategy.

Wards affected include Bidston and St James, Birkenhead and Tranmere and Seacombe.

This is a key decision.

## **RECOMMENDATIONS**

Cabinet are requested to:-

- (1) approve the proposal for the designation of Selective Licensing in the four additional areas (Hamilton Square, Seacombe St Paul, Birkenhead West, Birkenhead Central) of the borough as set out in the Business Case to cover all private rented properties in accordance with Section 80 of the Housing Act 2004.
- (2) agree that the Selective Licensing designation for these additional four areas shall come into force on 1st November 2018 with an anticipated commencement date of 1<sup>st</sup> April 2019.
- (3) approve changes to the existing Licence Conditions following operational and legislative changes introduced since the initial scheme was launched. These changes are detailed in the Selective Licence Conditions.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATIONS**

- 1.1 The report sets out the reasons for implementing a Selective Licencing scheme in four additional designated areas in the borough. There is a robust evidence base to justify the targeting of proposed areas and support for the scheme has been confirmed by 77% of respondents to a recent statutory consultation exercise compared to less than 12% who disagreed or strongly disagreed. Furthermore evidence provided by the existing Selective Licensing Scheme has confirmed that private rented properties in these areas have an extremely low level of compliance with licensing conditions which further strengthens the case for rolling out this scheme to the proposed new areas. The report sets out the proposed changes to the existing Licence Conditions following operational and legislative changes introduced since the initial scheme was launched. These recommendations will improve living conditions and ensure well managed private rented properties in designated areas.
- 1.2 Selective Licencing contributes to the Wirral Plan 2020 Pledge; ‘Good quality housing which meets the needs of residents’ by improving the quality of Wirral’s housing offer for our residents which is a key component of Wirral’s Housing Strategy.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The Council has used a range of tools for tackling poor management including property accreditation, healthy homes, landlord forums and training. In addition, the Council uses existing enforcement powers under the Housing Act 2004 to improve housing conditions including the operation of a mandatory HMO Licensing Scheme and a reactive approach to complaints from tenants and partner agencies. Whilst these powers are effective at improving conditions, taking prosecutions and undertaking work in default are resource intensive processes. Landlords are also able to avoid prosecution by doing a small amount of the required works but delaying completion or evicting tenants and sometimes selling the property on to a new owner. In these cases, the Council may have to invest a significant amount of time into tracking down new owners before any enforcement action can be taken. Selective Licensing helps to avoid wasted time tracking down the person managing the property by making it a mandatory requirement for landlords to apply for a licence in designated areas. Whilst this has had some success, the benefit that Selective Licensing brings is a co-ordinated, targeted mandatory approach, where the ultimate sanction is that a landlord can be prevented from letting out properties.
- 2.2 The current Selective Licensing Scheme has demonstrated that the targeted approach has accurately identified areas of properties in very poor condition which is not reflected in the low number of complaints the Council receives about property condition from tenants. This demonstrates that more vulnerable residents do not complain about their housing conditions, so without Selective Licensing it is highly likely that their hazardous housing condition would not have been addressed. In the current Selective Licensing scheme, 136 dwellings have had serious hazards addressed since the scheme commenced.

- 2.3 A Borough wide approach was also considered but the Selective Licensing of Housing (Additional Conditions)(England) Order 2015 requires new schemes to be introduced in areas where the private rented stock is greater than the national average at 19% without Secretary of State approval. Whilst local authority areas with less than 19% can still request a designation by the Secretary of State, officers are not confident they can demonstrate a need for a Borough wide initiative. This is due to the fact that in Wirral there are very distinct housing markets where the private rented sector is significantly higher, which are clearly concentrated in small pockets in the east of the borough, but there are also areas of high demand where the levels of private renting are much lower. Recent evidence from Wirral Intelligence Service Report (Business Case (August 2018) which can be found on the following link: [link to business case](#) supports the fact that there is significant polarisation of housing markets in the borough. It is recommended therefore that the Council should focus resources in the areas displaying the worst problems of low demand and poor property condition.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Wirral introduced its first Selective Licensing Scheme in the Borough on 1<sup>st</sup> July 2015 into four designated areas in Birkenhead, Tranmere, Seacombe and Egremont. Over 1,300 Licence applications have been granted in these areas representing over 99% of known licensable landlords. Compliance checks, which are based on license conditions, have been completed for 589 privately rented properties; however the compliance rate with license conditions has been found to be extremely poor at only 29.37% of those 589 properties inspected. While most landlords and agents have completed any necessary works voluntarily, the Council have been proactive in taking enforcement action where necessary and have been successful in securing prosecutions for 41 offences relating to licensing and non-compliance with notices. In addition 1,884 Healthy Homes Surveys have been completed and 2,382 referrals made to over 48 partner organisations to assist residents in Selective Licensing Areas improve their health and wellbeing.
- 3.2 Although the worst properties have been targeted for early inspections, the scheme demonstrates that without pro-active Council intervention in these areas, vulnerable tenants would continue to live in poor quality, often hazardous housing. Officers aim to inspect all privately rented properties in these areas by 30<sup>th</sup> June 2020 which is the end of the current five year designation period.
- 3.3 It is still too early to assess whether or not Selective Licensing has had its intended impact of reducing low housing demand, however an initial review of the scheme was undertaken in July 2017 along with a residents and landlord survey to gauge some initial views on progress.
- 3.4 Whilst feedback showed that after 18 months residents did not yet see big changes in Selective Licensing Areas, feedback was positive in many aspects such as a high overall satisfaction with the areas and improving property conditions. Some landlords have sold up portfolios of properties rather than comply with minimum conditions and we are aware of professional landlords that have bought these, renovated them to a good standard and licensed them. There have been some excellent outcomes generated as a result of new residents associations and street clean-up days that are indicative of a renewed pride in some areas, but there is still a long way to go. We will

continue to monitor the housing market in these areas and an analysis will be completed as part of the evaluation in year four of the scheme.

- 3.5 It is recognised that improving awareness of the support available via the scheme will need to be continually promoted along with more multi-agency approaches being taken to tackle wider issues in the Selective Licensing scheme over the remaining years of the scheme and any proposed new scheme.

## 4.0 CONSULTATION

- 4.1 The Housing Act 2004, Section 80 imposes statutory consultation requirements in respect of local authorities designating a licensing scheme. The Act states the Council must take reasonable steps to consult persons who are likely to be affected by designation and then fully consider any representations made.
- 4.2 The Business Case and associated appendices were approved by Cabinet on 27<sup>th</sup> November 2017 as the basis for the selection of four additional selective licensing areas and subsequent 10 week statutory public consultation. This Cabinet report also outlined the evidence used to determine the four additional proposed Selective Licensing areas. The evaluation involved an analysis of individual data sets for the worst performing small geographical areas across the borough called Lower Super Output Areas. These are the smallest geographical areas where official data which is collected at a national level can be used for analysis. The LSOAs are determined nationally and to change these boundaries would affect the robustness of the analysis. Data analysed included for example the number of long term empty properties, low sales values and sales rates, high numbers of private rented properties, high turnover of private rented properties and longer than average times that privately rented properties took to be re-let as well of other data that reflects areas suffering from low-demand
- 4.3 An extensive public consultation with landlords, residents, business and stakeholders commenced on 11<sup>th</sup> December 2017. All responses and representations made have been analysed and considered as part of the Business Case (August 2018). This is available for Members to view following the [link to business case](#). The final report which sets out the Public and Stakeholder Consultation findings can be found as Appendix two of this report.
- 4.4 The consultation process was significant and wide ranging and included an online questionnaire, press release, website information, social media releases and emails. In addition, postcards were delivered to all homes within the existing Selective Licensing area and the proposed four additional area boundaries. In addition the Councils One Stop Shops provided information on their plasma screens, along with copies of the questionnaire and posters to draw attention to them as well as posters placed in shops and local businesses in the proposed areas.
- 4.5 Various consultation methods were used for different stakeholder groups such as specific meetings with residents, landlord associations and local managing agents. In total 621 people and organisations have responded to the consultation, broken down as follows:

529 responses received to the on line survey and hard copy questionnaires  
 10 written submissions (eight emails and two letters)  
 6 landlords and agents attended three Selective Licensing Landlord Steering Group meetings  
 44 landlords attended four focus groups  
 32 residents attended five open forums.

4.6 All of the responses from this process have informed the basis of the Business Case (August 2018), Public and Stakeholder Consultation report and proposed changes to the scheme, which members are being asked to approve. Key messages identified from the consultation findings are detailed below:

- From the on-line survey, the overwhelming majority (76.55%) of respondents either strongly agreed or agreed with selective licensing proposals compared to 11.53% who either strongly disagree or disagreed.
- 51 of the respondents to the on-line questionnaire, and many of the landlords and agents who attended the workshops made comments in support of the proposal. A common view was that whilst good landlords were already meeting these requirements, there were unscrupulous landlords that were neglecting their responsibilities and selective licensing would provide greater protection for tenants. Landlords also expressed their opinions that extending selective licensing will improve more areas, help average landlords perform better and allow landlords to receive support.
- There were a significant number of respondents to the on-line questionnaire who thought that the scheme should be extended to further areas or across Wirral as a whole rather than being limited to small areas. In addition, several written responses received supported these views and also suggesting specific areas that could be included.
- There were 38 general comments submitted via the on-line questionnaire against the proposal to extend the Selective Licensing scheme. A number of reasons were highlighted for this including unnecessary regulation; it is penalising good landlords while not addressing the bad; the Council already has existing powers to tackle poor landlords, there are few benefits for landlords and it will increase rents as landlords will have to pass the costs on to tenants. These views were also supported to some extent by those attending the landlord and agent workshops, and further included issues such as the extension of the scheme would be discriminatory to good landlords, and specific blocks of flats or roads should be excluded as there are no issues were also highlighted.
- A number of landlords who are against the scheme being both introduced and extended further, suggested the existing landlord accreditation scheme was adequate for good landlords and as they were accredited, they should not have to pay an additional selective licensing fee.
- In addition to the general comments against selective licensing, there were a substantial number written comments received to the on-line questionnaire as well as comments made during workshops, relating specifically to fees. Many of the comments suggested the scheme was a 'money making exercise' for the Council and that landlords would sell their properties rather than pay the fee associated with selective licensing. Others said that they were already operating at reduced margins due to changes in tax relating to letting properties and increased regulation at a national level and they felt that selective licensing

fees were therefore not affordable. Many of the comments referred to the fee as an additional tax on landlords.

- 64 respondents made neutral comments through the on-line questionnaire that were neither in support of nor against selective licensing but offered wide-ranging suggestions or observations about how the scheme should operate on a practical level. These suggestions have been considered in the revised fee structure, draft conditions and other operational considerations.

## **5.0 CHANGES TO THE BUSINESS CASE AS A RESULT OF CONSULTATION AND REPRESENTATIONS MADE**

5.1 In addition to the above, there were a number of issues raised as part of the consultation process which has resulted in the Business Case and associated appendices being reviewed and amended. The Business Case (August 2018) can be found on the following [link to business case](#). The case setting out the evidence base and rationale for the introduction of selective licensing has remained unchanged.

5.2 The main changes in the Business Case relate to the following key aspects:

### ***Licence Conditions***

The existing licence conditions were implemented on 1st July 2015 following agreement by members. However, during the course of the existing scheme and following a number of reviews, officers identified various required amendments due to operational and legislative changes.

The amendments involve rewording of a number of the existing licence conditions and general reformatting to ensure the licence conditions document is more user friendly for licence holders and service users. The proposed legislative inclusions within the licence conditions are as follows:

- license holders to carry out Right to Rent checks in accordance with Home Office requirements
- to provide ongoing maintenance of gas installations.

A new clause has been included within the proposed licence conditions which Members approval is sought for. This relates to additional legislative requirements that may be introduced over the lifetime of the scheme (e.g. electrical safety certificates) regarding the management of privately rented accommodation.

For HMOs (not required to be licensed by the mandatory HMO licensing scheme) where there is not a fire risk assessment, it is proposed that 10 year battery operated smoke detectors are required to be in place as an interim measure.

In addition, it is proposed that licence holders are responsible for providing adequate kitchen facilities. Licence holders will be required to carry out inspections of the licenced dwelling on an annual basis and to ensure emergency works to protect the security of the dwelling within 24 hours of being notified.

During the consultation process all proposed amendments to the existing conditions were consulted on. Of the 73% of landlords who responded to questions on licence

conditions, there was some variation in support for the individual conditions, however overall the majority of landlords agreed with the proposals. Some minor changes were suggested by respondents, such as extending the length of time bins can be put out on the pavement from 12 hours until 18 hours which is more practical in allowing residents to place household bins out the previous evening to allow early morning collections of household waste.

In addition further guidance notes have been included with the licence conditions to assist licence holders. A copy of the proposed revised licence conditions (amended July 2018) can be found in Appendix One of the report.

### ***Fees and Charges***

The Housing Act 2004 stipulates that local authorities may charge for the introduction and administration of a Selective Licensing Scheme; however they cannot make a profit from such a scheme. The existing Selective Licensing scheme is subsidised by Council funding, however it was hoped that efficiencies gained from the processes of the existing scheme, which are now well established, means a reduction in the amount of funding required by the Council can be achieved while passing on savings where possible to landlords.

The fee level of a licence within the existing scheme is £695 for the five year duration of the scheme (without discounts). In setting the fee level of the proposed scheme, Officers are of the opinion that landlords who don't come forward and co-operate with the Council should be charged the full fee, whilst landlords who are accredited or come forward promptly to licence their properties should be rewarded with discounts.

The early bird discount can be justified by the increased workload to identify landlords who haven't come forward voluntarily to be licensed. The accreditation discount recognises landlords who are already accredited with the Council's scheme or a national landlords association, have declared they meet the statutory minimum standards in terms of property and management standards, all of which will reduce the time needed for certain compliance checks to be completed.

Those who are found not to meet these standards on inspection may have to re-pay the accreditation discount. There were exceptionally high numbers of new accreditation applications at the start of the current scheme from landlords seeking a discount which caused problems with staffing resources at that time. It is therefore proposed the accreditation scheme is suspended for *new* applications within the proposed Selective Licensing areas from 31st December 2018 to allow time for inspections and processing before the proposed selective licensing scheme commences. Properties that are already accredited with the Council at this time will be able to apply for the accreditation discount. Landlords who miss the deadline will still be able to get the accreditation discount if they are accredited with one of the national landlord associations.

Some larger landlords wanted a bigger discount for licensing multiple properties, however the reduction of £50 for 2nd and every additional property after that has been re-calculated based on reductions in processing time for applications and it has not been possible to justify a larger discount at this time.

A common concern for landlords during the consultation related to the level of fees which a significant number of landlords felt were too high, particularly when they reported experiencing more regulation from central government, lower rental yields, difficulties receiving rent payments from delays in their tenant receiving Universal Credit and an increasing number of tenants with complex support needs. The Council has been reluctant to pass on increases in staffing and associated costs to landlords since the first scheme, however a new software system has been acquired for the extended HMO Licensing Scheme (due to go live in October 2018) which could also be used for Selective Licensing. This will further streamline the application process and generate a small saving to the overall cost of the license which will be passed on to landlords.

The overall license fee for the proposed scheme has therefore reduced to £645 per property for the 5 year duration of the scheme. Discounts on the fee include:

Accredited with the Council or a national landlord association scheme discount.	£100
Early Bird Discount (for applications within 3 months)	£100
Multi-property discount for 2 <sup>nd</sup> and subsequent properties discount	£50

There will be an additional charge of £50 per property for payments by instalments and £50 per application for landlords who make paper applications or request assistance to make an on-line application in Council Offices.

### **Existing Selective licensing scheme benefits**

- Whilst the Council will not provide financial assistance for landlords to carry out improvements where their property falls below the minimum statutory standard, financial support will be provided towards renovation costs of empty properties that have been vacant for more than six months. This level of financial support was previously £3,000, however it was previously agreed by members to increase the maximum limit of financial support within designated Selective Licensing areas to £5,000 to encourage long term empty properties in Selective Licensing Areas to be brought back into use.
- In addition to this Heating and Renovation Loans of up to £4,000 are available to qualifying tenants to enable heating improvements to be made to rented properties.
- The Council currently has a team of Healthy Homes Community Workers which are externally funded by Public Health until March 2019. Their work, which is focused in the existing Selective Licensing Areas, supports very vulnerable residents via a referral hub to multiple-agencies with the aim of improving wellbeing and reducing health inequalities. Officers will look at opportunities to see if this can be extended into the proposed Selective Licensing areas.
- The Council will continue to offer information and advice to landlords and residents in both the existing and proposed Selective Licensing Areas to help address issues relating to anti-social behaviour (ASB), will offer mediation where this is applicable and offer an Anti-Social Behaviour case management service to landlords where the level of ASB does not warrant enforcement action. Where required, practical training sessions will be provided for landlords and where appropriate cases may also be referred to the Troubled Families Project.

- Consultation feedback so far has also identified that a high number of tenants in these areas lack general lifestyle and tenancy management skills, putting them at a higher risk of homelessness due to tenancy breakdown. Tenants who are at risk of losing their tenancy or their landlords who have properties in Selective Licensing areas will have access to a free, commissioned tenancy support service. Where necessary a case worker will be provided to offer support as well as advising tenants of their rights, responsibilities and implications of their actions including how to behave and act within the terms of their tenancy agreements.

#### **Additional considerations relating to benefits following consultation:**

- The Council will also commit to exploring a facility of assisting landlords in the removal of waste from privately rented accommodation. The provision of this facility will potentially reduce the number of occurrences of fly tipping to the Borough as a whole, providing an environmental improvement to communities.
- The Selective Licensing consultation feedback suggested that the benefits offered within the current scheme are not widely promoted but will be a benefit to landlords, tenants and the community. A newsletter will therefore be offered in the proposed and existing areas to update residents and landlords on the progress of Selective Licensing and advice on how to access assistance.
- Respondents also asked for parking permits for landlords undertaking checks / work within their properties as this was raised as a problem. This option has been discussed with officers within the Wirral Council Strategic Hub who have advised that this was not currently considered as a priority to take forward and would also require a policy change which would have resource implications. They have advised however that there is already a temporary permit scheme in place where landlords can apply for temporary parking permits. The National Landlords Association have been clear that the existing scheme is not flexible enough to respond to their requirements as it requires landlords to apply for a temporary permit in advance of when they want to visit one of their properties, which is not always possible.

#### **Monitoring of Impacts**

It is proposed that the following outputs are collected and reported on an annual basis and published on the council's website:

- No of properties licensed in each designated area;
- No of properties compliant;
- Number of properties where *informal action* has been taken to improve properties;
- Number of properties where *Improvement Notices* have been served to improve properties;
- Number of hazards removed from properties;
- Number of prosecutions;
- Number of Empty Properties brought back into use in Selective Licensing Areas; and
- Number of long term empty properties.

#### **Evaluation – How will success be measured?**

It is acknowledged by government that selective licensing may take longer than the five year licence period to have any positive impact on many of the low demand indicators such as property price and the time it takes to let properties. Indicators on property

condition are likely to be achieved quicker following proactive licensing inspections as action is taken to remove hazards in the home throughout the life of the scheme.

The council proposes to re-visit all indicators early in year five of the scheme which will allow time for the impacts of selective licensing to filter through. This will also feed into the review of the scheme in year five to inform a decision on whether or not it requires a re-designation at the end of the scheme term.

It must also be acknowledged that a change in some indicators may not necessarily be as a result of selective licensing as it is sometimes difficult to separate the various factors contributing to low demand which can be due to national policy or national economic conditions.

As well as statistical indicators, the council will obtain qualitative evidence on the impact of selective licensing in the new areas through a resident and landlord survey towards the end of year two and in year five.

The council will judge success on the following:

- Improved resident satisfaction in the designated neighbourhoods
- All high risk private rented properties will be inspected and hazards removed;
- All landlords who fail to license their properties or comply with improvement notices will be prosecuted;
- There will be a significant improvement in the condition of the private rented properties;
- High positive awareness of selective licensing amongst landlords and residents and high awareness of the assistance that can be provided to improve private rented property management and to improve the health and welfare of residents in the areas;
- There will be a reduction in the number of long term empty properties.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 The estimated costs of operating a scheme in the four areas are estimated to be in the region of £191k per year over the five year designation period with a projected income being received of £126k per year during this period. The set up costs for the proposed scheme are significantly less than when the first scheme was introduced as processes are now established and streamlined.
- 6.2 The Council's contribution for the first scheme was £675k over the lifetime of the project, averaging £135k per year. Funding required for the proposed scheme is estimated to be significantly less at £326k i.e. just over £65k per year. Council funding is required to support the scheme as there are elements of the scheme which the Council is not legally able to charge landlords for and will cover the cost of the staffing resource to cover enforcement costs to address hazardous housing conditions. This is already a statutory duty of the Council and therefore cannot be funded from the license fee.
- 6.3 Council schemes in other Local Authority areas which report not to have a Council contribution, and are usually operational over a larger geographical area, often don't have a commitment to inspect all of the licensed properties, and therefore will need

less staff per licensable property. These schemes have been criticised by landlords as being money making opportunities for Councils as they are less likely to be addressing rogue landlords and serious disrepair to the same extent as Wirral's scheme. Compliance checks has been fundamental to Wirral's scheme given that it is targeted to areas where the non-compliance is expected to be very high. Of the 589 compliance checks undertaken since the original scheme commenced, only 29.37% have complied with licence conditions.

- 6.4 100% of the income received from the *existing* Selective Licensing scheme fees has been attributed to the operational costs on this scheme, which is prescribed by statute. The Council's contribution to the *existing* scheme which is currently sitting in reserve was not fully utilised and it is being proposed the remainder of this reserve can be used to fund the proposed £65K per year required for the new Selective Licensing areas.
- 6.5 It is intended that the staff required to operate the proposed scheme is broadly the same as the existing Selective Licensing Scheme. If approval is given for the proposed scheme, it is intended to establish a staffing structure based on fixed term contract arrangements initially until a decision on whether the existing scheme would be re-designated has been made. This is likely to be in autumn 2019 and will allow for any potential redeployment of permanent staff into the new scheme if necessary.
- 6.6 Members should note assumptions on costs regarding fee income have had to be made on an estimated level of private rented properties across the areas. This could be subject to change if there are less private rented properties in the area or landlords make more properties empty to try and avoid fees. This would have an impact on the level of fee income generated and would need to be reported to members however there would be a small contingency of £30,000 in reserve to mitigate this which officers consider is a low risk based on the number of licences applied for in the first scheme. This risk however will be managed through regular monitoring of income generation and by the proposed new team working to establish an accurate private landlord database.
- 6.7 Officers are proposing a baseline fee per licence in the designated area of £645. The proposed fee to be charged is based on the true costs associated with running the scheme, this includes processing applications, administration costs for issuing the licence and staff monitoring compliance of the scheme conditions over the five year designation period. The proposed fee charge will need to be included in the Councils Fees and Charges Directory.
- 6.8 Member's attention is drawn to Appendix two of this report which sets out the Public and Stakeholder Consultation findings, which officers have had regard to when proposing the final fee structure and the range of discounts which will be available.

## **7.0 LEGAL IMPLICATIONS**

- 7.1 The Housing Act 2004 and regulations under the Act contain provisions for local authorities to license the private rented sector in some circumstances. Selective Licensing is one form of licensing that can be used. The Housing Act 2004 also imposes statutory consultation requirements in respect of local authorities designating

a licensing scheme. The Act states that the authority must ensure that any exercise of the power is consistent with the authority's overall housing strategy. Guidance requires the Local Authority to present the case for selective licensing, why it is the most appropriate solution, how consultations have been undertaken and how responses have been dealt with.

- 7.2 Previously an application for licensing had to be approved by the Secretary of State for Housing, Communities and Local Government. Since April 2010 local authorities can approve schemes themselves under "general consent" powers. From April 2015 the Secretary of State for Housing, Communities and Local Government has to confirm any scheme which would cover more than 20% of a Local Authority's geographical area or that would affect more than 20% of privately rented homes in the local authority area. This scheme would not need that approval.
- 7.3 After formal designation it will be an offence for a person who has control of or manages a property within the designated area (landlord or managing agent) not to have a licence unless the property is exempt. The fine payable following summary conviction is now unlimited (previously £20,000). It will also be an offence if someone who is so licensed breaches a condition of the licence. The fine payable following summary conviction is now unlimited (previously £5000). Any person who is convicted of these offences may be regarded not to be a 'fit and proper' person and may be refused a licence upon application or have an existing licence revoked.

## 8.0 RELEVANT RISKS

- 8.1 As full Risk Assessment can be found in the Business Case (August 2018) on the following [link to business case](#) however Members attention is drawn to the following key risks:-

Risk	Controls
Low take up by landlords resulting in an income shortfall	<ul style="list-style-type: none"> <li>• Full Consultation taken place</li> <li>• Prediction of number of licenses based on the existing SL scheme</li> <li>• Early bird discount offered to encourage landlords to come forward;</li> <li>• Enforcement and publicity of noncompliant landlords</li> <li>• Small contingency in place that will be offered as a saving if not required.</li> </ul>
Inability to process and respond to high level of licence applications all submitted at the same time	<ul style="list-style-type: none"> <li>• Existing staff are fully trained and experienced with processing large numbers of applications</li> <li>• New software to improve processing of applications with payment module</li> <li>• Fixed term staff to assist in early stage of programme if higher level of applications than anticipated are received.</li> </ul>
Challenge of the Councils decision by seeking judicial review of the decision resulting in cost implications for the council	<ul style="list-style-type: none"> <li>• Councils legal team involved in feasibility and consultation processes</li> <li>• Robust consultation plan agreed by cabinet</li> </ul>

	<ul style="list-style-type: none"> <li>• License conditions and fees changed to reflect views and concerns from consultation with landlords.</li> </ul>
Newly acquired computer database for processing applications not commissioned prior to commencement of proposed designation of new Selective Licensing areas.	<ul style="list-style-type: none"> <li>• Contractual agreements/service level agreements to be incorporated with in contract for new provider.</li> <li>• Utilise paper applications and existing computer database to process applications should issues arise.</li> </ul>

## 9.0 EQUALITY IMPLICATIONS

- 9.1 It is anticipated that the proposed implementation of Selective Licensing into four new areas of the borough will have a positive impact on stakeholders in those affected areas through improvements in the standards and management of private rented properties, improving the Boroughs Housing Offer and improved access to quality housing in those areas.
- 9.2 The introduction of a Selective Licensing Scheme in four further areas of the borough is consistent with the priorities identified in Wirral's Housing Strategy of which an Equality Impact Assessment (EIA) was completed. An Equality Impact Assessment (EIA) in relation to expanding the Selective Licensing area is available through the following link: <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2017/delivery>

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## APPENDICES

Appendix 1: [Revised Selective Licencing Conditions](#)

Appendix 2: [Public and Stakeholder Consultation Findings](#)

## REFERENCE MATERIAL

*Approval Steps for additional and selective licensing designations in England, Department of Communities and Local Government, Revised edition 2010*

*Selective Licensing of Privately Rented Housing December 2013, House of Commons*

Selective Licensing of Housing (Additional Conditions)(England) Order 2015, Department of Communities and Local Government.

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet – Approval of business Case and consultation approach for the proposed extension of Selective Licensing</b>	<b>27<sup>th</sup> November 2017</b>
<b>Cabinet – Consideration of proposal to implement Selective Licensing following consultation</b>	<b>12<sup>th</sup> March 2015</b>
<b>Cabinet – Approval of Business Case and consultation approach for the proposed introduction of Selective Licensing</b>	<b>6<sup>th</sup> November 2014</b>

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# **Wirral Council**

## **Selective Licence Conditions**

**(Amended July 2018)**

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## Selective licence conditions

This document details the mandatory conditions which **must** to be included within any selective licence scheme under Schedule 4 of the Housing Act 2004 (“the Act”) and additional conditions which Wirral Council (“the Council”) would also like to introduce under Section 90 of the Act.

**In the attached conditions ‘dwelling’ means a building or part of a building which is required to be licensed under Part 3 of the Act.**

### Section 1: Mandatory Conditions

1. The licence holder is required:-
  - a) if gas is supplied to the dwelling, to produce to the council annually for their inspection a gas safety certificate obtained in respect of the house within the last 12 months;
  - b) to keep electrical appliances and furniture made available as part of the tenancy within the dwelling in a safe condition (**guidance note 1**);
  - c) to supply the Council, on demand, with a declaration by the Licence holder as to the safety of such electrical appliances and furniture;
  - d) to ensure that appropriately sited smoke alarms are installed on each storey of the dwelling and to keep them in proper working order;
  - e) to supply the Council, on demand, with a declaration by him as to the condition and positioning of such alarms.
  - f) To ensure that an appropriately sited carbon monoxide alarm is installed in any room in the dwelling which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance.
  - g) to ensure that any carbon monoxide alarm installed in the dwelling in proper working order;
  - h) to supply the Council, on demand, with a declaration by him as to the condition and positioning of any carbon monoxide alarm installed in the dwelling.
2. The licence holder must supply to the occupiers of the dwelling a written statement of the terms on which they occupy it. (**guidance note 2**)
3. The licence holder must demand references from persons who wish to occupy the dwelling before entering into any tenancy, licence or other agreement. The references must be kept for the duration of the selective licence. This information must be provided to the Council on demand within 7 days of the demand.

## **Section 2: Additional Conditions.**

1. The licence holder **must** be a fit and proper person to be the licence holder under Section 88(3)(a) or (c) of the Act. Consideration as to the fit and proper person status of the licence holder and or manager of the premises, is in accordance with section 89 of the act. **(guidance note 3)**
  
2. The licence holder must:-
  - a) provide a copy of the licence to the current or incoming occupant;
  - b) provide the tenants with a copy of the licence conditions if requested by the current or incoming tenant;
  - c) provide an emergency name, telephone number(s) and email address(es) to the tenants for the purposes of reporting responsive maintenance and repair issues. This information is also to be provided to the council;
  - d) provide all tenants clear advice on what action is required in the event of an emergency; **(See Guidance note 4)**
  - e) ensure that the maximum number of persons allowed to occupy the property is not exceeded;
  - f) ensure that access to the licensed dwelling is given to officers from the council for the purposes of carrying out inspections, where a request has been made in writing giving reasonable notice to the occupant and licence holder as necessary;
  - g) co-operate fully if the council has reason to believe any conditions contained in the licence have been breached;
  - h) Act lawfully and responsibly when dealing with rent payments, advanced payments, returning deposits and considering deductions from deposits;
  
3. The licence for this dwelling is not transferable to another person/organisation or another premises once granted in accordance with Section 91(6) of the Housing Act 2004.
  
- 4. Any payment paid in respect of licence fees are non-refundable.**
  
- 5..The licence holder must notify the council immediately if:-
  - a) The contact information given in the licence changes eg.name, telephone number, address, email;
  - b) The licence holder ceases to have any involvement with the dwelling.
  - c) There is a change of managing agent and provide a new contact information including address, telephone number(s) and email address(es).

- d) The licence holder is the managing agent and the person specified as the main contact ceases to be that contact. They must also provide a new contact, including telephone number(s) and email address(es).
- e) There is a change in circumstances for either the licence holder or managing agent where they have:-
  - i. Committed any offence involving fraud or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003 (c. 42) (offences attracting notification requirements); and/or;
  - ii. Practised unlawful discrimination on grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with, the carrying on of any business and/or;
  - iii. Contravened any provision of the law relating to housing or of landlord and tenant law; and/or
  - iv. Acted otherwise than in accordance with any applicable code of practice and/or.
- f) they become aware that or suspect that any person involved with the management and/or ownership of the dwelling is not a fit and proper person (**see guidance note 3**).
- g) Any person proposed to be involved in the management of the house has insufficient competence and experience to be so involved.
- h) there are intended alterations or changes to the use and occupancy levels of the dwelling which may affect the conditions of the licence.
- i) There is any material change of circumstance affecting the licence holder or the operation of the dwelling. (**see guidance note 5**)

### **Section 3 Management Conditions**

#### **3.1 Tenancy Management**

##### **1. The licence holder will provide the tenant with:-**

- a) A 'Tenant Information Pack' which will contain the following documentation:-
  - i. A true copy of the licence to which these conditions apply;
  - ii. A notice with the name, address/care of address, daytime, emergency contact number(s) and email address(es) of the licence holder or managing agent;
  - iii. True copy of the current gas safety record;
  - iv. A suitable tenancy agreement including a statement of the terms on which they occupy the premises;(**see guidance note 2**)
  - v. A copy of the current energy performance certificate (EPC).

- vi. A copy of current version of the Department for Communities and Local Government 'How to rent' guide. (downloadable from [www.gov.uk](http://www.gov.uk)).
  - vii. Relevant details of the government backed approved tenancy deposit scheme in which any deposit is held.
  - viii. The licence holder or managing agent is to provide written instruction on the correct operation and setting of any fixed form of heating, cooking, washing and/or any electrical appliances where provided as part of the tenancy;
  - ix. Details of arrangements for the storage and disposal of household waste including details of presenting of refuse for disposal; (see [www.wirral.gov.uk](http://www.wirral.gov.uk) for collection days);
- b) suitable emergency information and other management arrangements in the event of their absence through illness, holidays, or similar.

**2. The Licence holder must:-**

- a) Provide the Council with a copy of the 'Tenant Information Pack' (including any document contained within it) for inspection within 7 days of the demand.
  - b) Carry out 'Right to rent' checks in accordance with Home Office requirements prior to agreeing to a tenancy. (guidance downloadable from [www.gov.uk](http://www.gov.uk)).
  - c) Provide to the Council on demand proof of the 'Right to rent check' for inspection within 7 days of the demand;
3. The licence holder and his representatives will ensure that the tenant's right to quiet enjoyment of the dwelling is respected. Where entry is required to the premises for the purpose of undertaking landlord duties and responsibilities, the licence holder will ensure that the tenant receives at least 24 hours written notice of intention to enter the premises and tenants consent is given before entering;
4. The licence holder shall ensure that any inspection of the premises carried out are recorded and suitable notes taken identifying any problems that may be relevant to any further dispute subject to the tenancy ending.
5. The dwelling must be inspected at least once within a 12 month period to ensure it is free from any disrepair and/or issues relating to the tenancy.
6. The records of any inspection must be kept for the duration of this licence. This information must be provided to the Council within 7 days of the demand.

### **3.2 Maintenance of Existing Installations and Equipment**

#### **The Licence Holder must ensure:-**

- a. the provision of adequate bathroom facilities and equipment within the premises such as lighting, ventilation, toilets, baths, showers, wash basins and any cupboards, shelving or fittings.
- b. the provision of adequate kitchen facilities for the safe storage and safe preparation of food within the premises such as lighting, ventilation, sink/drainers, worktops (including splashbacks), cupboards, draws and readily cleansable surfaces.
- c. All facilities, installations and equipment are maintained and kept in good repair and full working order;
- d. All repairs to the dwelling and any installations, facilities or equipment are carried out to a good reasonable standard by competent and reputable persons;
- e. all surface finishes are to a good standard and decorative order where required following any remedial work.
- f. that they provide on-going maintenance of the gas installation. In addition to the mandatory condition of providing annual gas safety records for appliances, the Licence Holder of a premises also has further duties under the Gas Safety (Installation and Use) Regulations 1998 and should not assume that carrying out annual gas safety checks will be sufficient to provide effective maintenance of all gas appliances. All such maintenance works and/or servicing should be carried to manufacturers recommendations and/or Gas Safety (Installation and Use) Regulations 1998 by a gas safe registered engineer which can be found at [www.gassaferegister.co.uk](http://www.gassaferegister.co.uk);
- g. Ensure that any mains voltage household electric goods supplied by the landlord/licence holder to the occupier, in the course of business, are maintained in a safe and working condition and supply to the Council, on demand, a declaration or/and a Portable Appliance Test record by a competent person as to the safety of such electrical goods.
- h. That the premises provides a safe and secure environment for the occupiers of the house;
- i. That the premises as far as is reasonably practicable, shall not allow the property to become overcrowded subject to the Housing Act 2004.
- j. They are familiar with the Landlord and Tenant Act 1985 S11 covenant for keeping in repair and good working order the installations for water, gas and electrical.
- k. that emergency works necessary to protect the security of the dwelling are undertaken within 24hrs of notification. e.g damage to windows/entry points to the property insofar reasonably possible,.

### **3.3 Alley Gates**

Where there are alley-gates installed to the rear entry's of licensed dwelling, the Licence Holder must at the time of letting, provide all new tenants with the appropriate alley-gate key. Replacement keys may be requested via the telephone number (0151) 606 5443.

### **3.4 Pests and Infestations**

The licence holder shall take reasonable steps to ensure that the dwelling is free from any pest infestation at the start of a tenancy and where necessary a treatment program carried out to eradicate the pest infestation. Records shall be kept of such treatment programs and these must be provided to the Council within 28 days on demand.

### **3.5 Fire Safety**

- a. Ensure that fire precaution facilities and equipment are installed and maintained in accordance with the current British Standard; BS5839, Part 6;
- b. In addition to the mandatory condition for installing smoke alarms (See Section 1(d) (e) ensure that fire precaution facilities and equipment are maintained in accordance with the current British Standard BS 5839 Part 6.

### **3.6 Anti Social Behaviour**

1. The Licence Holder must:-
  - a. Take reasonable and practical steps to reduce or prevent anti-social behaviour by persons occupying or visiting the dwelling and the use of dwelling for illegal purposes.
  - b. Provide new occupants with a tenancy agreement that includes clauses that allow the licence holder to take steps to tackle anti-social behaviour (**guidance note 6**);
  - c. Have adequate facilities to receive and respond to initial complaints about the behaviour of other tenants and visitors;
  - d. Take reasonable steps to deal with anti social behaviour, should it occur by the occupants or visitors to the premises;
  - e. Provide the relevant occupants of the house written confirmation detailing arrangements in place to report nuisance and anti-social behaviour;
  - f. Provide on demand a written action plan to the Council outlining procedures for dealing with anti-social behaviour. This must be reviewed periodically and submitted on request;
  - g. Obtain tenant references prior to granting a tenancy as to previous tenancy conduct, including behaviour of the proposed occupier and household and be satisfied that the tenant is not likely to cause any anti-social behaviour;

- h. Keep records of any complaints received and action taken in respect of Anti-social behaviour. These records should be kept for the duration of the licence and produced to the Local Authority within 7 days of a demand.

### **3.7 External Area, Refuse and Waste**

1. The Licence Holder must ensure that:-
  - a. The exterior of the dwelling is maintained in a reasonable decorative order and state of repair. This includes, but not limited to, Chimney stacks, roofs, rainwater goods, drainage exterior brickwork, external timberwork, boundary walls/fences, paths/yards and gardens (including any foliage);
  - b. Prior to the commencement of any tenancy and between tenancies any gardens, yards and other external areas within the curtilage of the dwelling are kept in reasonably clean and tidy condition and free from rodent infestation;
  - c. At the **start** of each new tenancy suitable and adequate provision is made for storage of refuse generated in the property and that occupants use receptacles provided by the Council (one green wheeled bin and one grey wheeled bin for storage prior to collection. (where applicable) Bins must be in good condition. The licence holder must notify the council of missing green and /or grey bins and if applicable providing new bin(s). A replacement bin may be requested via the following web-link [www.wirral.gov.uk/bins-recycling/request-new-bin](http://www.wirral.gov.uk/bins-recycling/request-new-bin)
  - d. The receptacles, or plastic refuse sacks where receptacles have not yet been issued, must not be exposed for a period longer than 18 hours prior to collection and must not cause obstruction at any time;
  - e. Any new occupant of the dwelling is notified of the date of collection for the green and grey wheelie bins and the location of the nearest Council recycling centre/ rubbish tip.(see section 3.1)

### **3.8 Energy Performance**

The Licence Holder must provide the tenant of the licenced dwelling with an Energy Performance Certificate (EPC) (where applicable). The Licence Holder must provide a copy of the EPC to the Council on demand. Please note that any new tenancy cannot be entered into after April 2018 were a property has an EPC rating of F or G (38 or lower).

### **3.9 Training**

1. The licence holder of the dwelling shall attend any additional training as the council see fit in relation to improving the management skills to a sufficient level of competence to operate a licensed premises.

### **3.10 HMOs**

Where the property is defined as a house in multiple occupation subject to section 254 to section 257 of the Housing Act 2004, the following conditions will also apply to a dwelling house as part of the selective licence conditions:-

#### **1. The Licence holder must:-**

- a) Comply fully with the standards of the Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions)(England) Regulations 2006, Statutory Instrument No. 373 as amended by Regulation 12 of the 2007 Statutory Instrument, No. 1903;
- b) The Licensing and Management of Houses in Multiple Occupation (Additional Provisions) (England) Regulations 2007, when deciding the suitability for occupation of an HMO by a particular maximum number of households or persons;
- c) Comply fully with the licensing and management regulations for HMO's 2007 that apply to buildings containing only self-contained flats, to which section 257 of the Act applies;
- d) Provide adequate amenity standards identified in SI373 as amended. Should the amenities be below the required minimum standard, the council will require the licence holder to provide the additional amenities. The council will use its discretion on specifying a suitable and reasonable timescale for these amenities to be provided as part of the licence condition;
- e) Where there are temporary battery smoke detectors installed within the premises a Fire Risk Assessment of the premises must be carried out in accordance with the Fire Safety Order 2006 to determine the appropriate mains powered Automatic Fire Detection system.
- f) Where there are no temporary battery smoke detectors or an Automatic Fire Detection system installed within the premises a Fire Risk Assessment of the premises must be carried out in accordance with the Fire Safety Order 2006 to determine the appropriate mains powered Automatic Fire Detection system.
- g) Supply the Council, on demand, with a written declaration as to the condition and positioning of the smoke detectors. As a minimum one detector is to be suitably located in the hallway and another on the landing or similar area;
- h) Must ensure that the house is compliant with the council's guidelines and standards for Houses in Multiple Occupation, according to the type of accommodation offered. These standards will be reviewed periodically to ensure that they remain appropriate to the type of multi-occupied housing within the Council's area and needs of residents;
- i) The name and contact details of the licence holder and/or manager **must** be on display in a prominent position within the premises;

- j) Display at all times the licence is in force, a copy of the licence certificate and licence conditions in a prominent position inside the house where all occupiers will be able to view the said documents;
- k) Make reasonable and adequate arrangements, if applicable, to ensure that gas and electric supplies to any common parts are installed on a separate landlords supply by means of a suitable credit meter and that any payment required by a utility service is made on request. Prepayment meters are not acceptable on a landlords supply;
- l) Ensure that any present fire precaution facilities and equipment are maintained in accordance with the current British Standards and Codes of Practice;
- m) Produce on demand within 7 days to the Council the logbook detailing regular weekly/monthly tests undertaken on any fire alarm and/or emergency lighting.
- n) Must produce on demand within 7 days to the Council for their inspection, a Fire Detection & Alarm System Certificate (in accordance with BS5839) obtained in respect of the house within the last 6 months;
- o) must produce to the council on demand a valid Electrical Installation Condition Report (EICR) or alternatively a valid Periodic Installation Report (PIR) for the whole of the electrical installations in accordance with current IEE wiring regulations. Such a report should be provided by a competent person who is a member of an appropriate competent person scheme, details of which can be found at [www.competentperson.co.uk](http://www.competentperson.co.uk) (to comply with Part P of the Building Regulations). Where the report expires during the term of the licence, an up-to-date Electrical Installation Condition Report must be provided to the licensing team of the Authority within 28 days of the expiry date; Ensure that should any remedial works be identified on the EICR or PIR are attended to subject to the required remedial action.

### **3.11 Licence fee payments**

Failure to maintain any licence fee payment arrangement made with the Local Authority will constitute a breach of Licence Conditions and will result in the removal of any discounts applied. Failure to pay the licence in full within 14 days of a demand for payment may result in the existing licence being revoked and/or prosecution. It is the responsibility of the Licence holder to ensure that any licence fee payment arrangement is maintained until the full licence fee balance has been paid to the Local Authority.

### **3.12 New/ Amendments in legislation**

Subsequent changes and/or additional legislative requirements with regards to the management of privately rented accommodation within the duration of a designated Selective licensing scheme under Part 3 of the Housing Act 2004 will also be bound by conditions of a Part 3 Licence.

## **SELECTIVE LICENCING CONDITIONS GUIDANCE NOTES**

### **Guidance note 1**

Schedule 4 of the Housing Act 2004 stipulates that Licences under Part 2 (HMO's) and Part 3 (Selective Licencing that it is a mandatory condition to keep electrical appliances and furniture made available to tenant in a safe condition. An electrical appliance relates to a portable electrical appliance is any item of equipment with a lead and a plug and which is normally moved around or can be moved and is connected to the mains supply by a standard 3 pin plugs. Examples include power tools, vacuum cleaners, heaters, washing machines, dryers, fridges, toasters, kettles, mobile phone charges etc. A Portable Electrical Appliance (PAT) certificate is only required were the appliance is supplied as part of the tenancy agreement.

Upholstered furniture supplied with rented accommodation must comply with the Furniture and Furnishings (Fire)(Safety) Regulations 1988 (as amended). This means that all cover materials must have passed cigarette and match ignition tests and filling materials must have passed flammability tests. You should check to see that your furniture has a label permanently attached to the lining or underside giving the appropriate details.

### **Guidance note 2**

The landlord should provide tenants with a written statement of the terms of their occupancy, stating the following:

- Address of the property being let, and what it is.
- Start and end dates of the tenancy period.
- Rent terms (frequency and method of payment).
- Deposit amounts (and how the deposit will be protected).
- Landlord's contact address in the UK for the service of notices.
- The landlord will inform the tenant in writing of any additional charges, utility bills, ground rent or maintenance charges that the tenant will be required to pay during the tenancy, stating where possible the amounts for each and the frequency and method of payment.
- The landlord will provide the tenant, at the beginning of the tenancy, with a telephone number or other means of contacting the landlord or their agent in an emergency; in particular when the landlord is absent.

### **Guidance note 3**

Section 89 of the Housing Act 2004 states:

(1) In deciding for the purposes of section 88(3)(a) or (c) whether a person (“P”) is a fit and proper person to be the licence holder or (as the case may be) the manager of the house, the local housing authority must have regard (among other things) to any evidence within subsection (2) or (3).

(2) Evidence is within this subsection if it shows that P has—

(a) committed any offence involving fraud or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003 (c. 42) (offences attracting notification requirements);

(b) practised unlawful discrimination on grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with, the carrying on of any business; or

(c) contravened any provision of the law relating to housing or of landlord and tenant law.

(3) Evidence is within this subsection if:-

(a) it shows that any person associated or formerly associated with P (whether on a personal, work or other basis) has done any of the things set out in subsection (2)(a) to (c), and

(b) it appears to the authority that the evidence is relevant to the question whether P is a fit and proper person to be the licence holder or (as the case may be) the manager of the house.

(4) For the purposes of section 88(3)(a) the local housing authority must assume, unless the contrary is shown, that the person having control of the house is a more appropriate person to be the licence holder than a person not having control of it.

(5) In deciding for the purposes of section 88(3)(d) whether the proposed management arrangements for the house are otherwise satisfactory, the local housing authority must have regard (among other things) to the considerations mentioned in subsection (6).

(6) The considerations are:-

(a) whether any person proposed to be involved in the management of the house has a sufficient level of competence to be so involved;

(b) whether any person proposed to be involved in the management of the house (other than the manager) is a fit and proper person to be so involved; and

(c) whether any proposed management structures and funding arrangements are suitable.

(7) Any reference in section 88(3)(b)(i) or (ii) or subsection (4) above to a person having control of the house, or to being a person of any other description, includes a reference to a person who is proposing to have control of the house, or (as the case may be) to be a person of that description, at the time when the licence would come into force.

#### **Guidance note 4**

The tenant should be provided with clear advice on what action is required in the event of an emergency. This includes advising the tenant of the location of the water isolation valve (stop cock), the incoming gas supply isolation valve and electrical installation isolation switch (trip switch). Tenants should also be made aware of the location of all fire egress windows and any other facilities to enable the safe evacuation of the property in an emergency situation.

#### **Guidance note 5**

Section 89 (6)(c) of the Housing Act 2004 states that the local authority must take into consideration whether any proposed management structures and funding arrangements are suitable. Therefore, the licence holder must advise the Selective Licensing team if they are subject to a bankruptcy order, debt relief order or in certain other arrangements where an individual is insolvent and powers to deal with assets are restricted.

#### **Guidance note 6**

The licence holder must ensure that any tenancy agreement granted after the issue of this licence includes the following clause within the tenant's obligations.

'Nuisance and Anti-social Behaviour: Not to cause, or allow household members, or visitors to engage in anti-social behaviour, which means any conduct causing or capable of causing a nuisance or annoyance to the landlord, other occupiers, neighbours or people engaging in unlawful activity within the locality. (Examples of anti-social behaviour include failure to control dogs or children, leaving gardens untidy, not properly disposing of rubbish, inconsiderate use of the property, as well as more serious problems such as noise, violent and criminal behaviour, domestic abuse, the supply and use of controlled drugs, and intimidation, harassment or victimisation on the grounds of a person's race, sex (gender), sexual orientation, disability, age, religion or belief, pregnancy or maternity status, socio-economic status)'

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**Proposed Extension of Selective  
Licensing in Wirral to four  
designation areas within Wirral  
Council**

Report of Public and Stakeholder  
Consultation

September 2018

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## **Executive Summary**

### **Introduction**

Wirral's Cabinet gave approval on 27<sup>th</sup> November 2017 for the Council to undertake a minimum of 10 weeks consultation on proposals to extend selective licensing into four further areas of Birkenhead and Wallasey which are experiencing low demand and poor property conditions, and to amend the existing licence conditions. These areas are:

Birkenhead Central  
Birkenhead West  
Hamilton Square  
Seacombe St Paul's

Individual addresses and maps were made available on the Council's website so that landlords and residents were able check whether their property lies within the boundaries of these proposed scheme areas.

If a Selective Licensing Scheme is declared in an area, all private rented sector properties (who do not already hold a mandatory HMO license) will be required to hold a license for 5 years with the aim of improving the management standards, property condition and ultimately the stability in these communities which currently have a high level of transient tenants and empty properties. Landlords who rent a property in the area will be required to be a 'fit and proper person' and will be required to conform to a set of license conditions. Revised draft Licensing Conditions were also available via the website for comment.

A Selective License Business Case was prepared giving the reasons why the Council is looking to extend selective licensing. This document also provides the evidence base used to identify proposed areas. This document has been revised following the completion of the consultation exercise to reflect the views expressed by stakeholders.

Various consultation methods were used for different stakeholder groups such as specific meetings with residents, landlord associations and local managing agents. In total 621 people and organisations have responded to the consultation, broken down as follows:

- 529 responses received to the on line survey and hard copy questionnaires
- 10 written submissions (eight emails and two letters)
- 6 landlords and agents attended three Selective Landlord meetings
- 44 landlords attended four focus groups
- 32 residents attended five open forums

Wirral Council was aware at the outset that there would be strong feelings both for and against these proposals and acknowledges that the critical considerations are the

strength of the arguments and evidence submitted by supporters and critics for their respective positions. It is for this reason that in addition to the on-line survey, the Council invested significant resources in face to face consultation and discussion groups where qualitative responses could be recorded.

Throughout this document general responses have been provided to queries raised through the various consultation mechanisms. To avoid repetition, the first response provided to a query (which may be repeated elsewhere in the consultation) should be considered as having answered all subsequent queries of the same nature.

Officers and Elected Members are invited to review the considerations emerging from the wide ranging consultation which has taken place whilst taking account of other relevant evidence including the Business Case and Evidence Base. Any final decision on the extension of selective licensing and the operation of any further scheme will depend on the assessment of the merits of licensing as public policy.

### **Summary of Key Messages from Consultation Findings**

- From the on-line survey, the overwhelming majority (76.55%) of respondents either strongly agreed or agreed with selective licensing proposals compared to 11.53% who either strongly disagree or disagreed.
- 51 of the respondents to the on-line questionnaire, and many of the landlords and agents who attended the workshops made comments in support of the proposal. A common view was that whilst good landlords were already meeting these requirements, there were unscrupulous landlords that were neglecting their responsibilities and selective licensing would provide greater protection for tenants. Landlords also expressed their opinions that extending selective licensing will improve more areas, help average landlords perform better and allow landlords to receive support.
- There were a significant number of respondents to the on-line questionnaire who thought that the scheme should be extended to further areas or across Wirral as a whole rather than being limited to small areas. In addition, several written responses received supported these views and also suggesting specific areas that could be included.
- There were 38 general comments submitted via the on-line questionnaire against the proposal to extend the Selective Licensing scheme. A number of reasons were highlighted for this including unnecessary regulation; it is penalising good landlords while not addressing the bad; the Council already has existing powers to tackle poor landlords, there are few benefits for landlords and it will increase rents as landlords will have to pass the costs on to tenants. These views were also supported to some extent by those attending the landlord and agent workshops, and further included issues such as the extension of the scheme

would be discriminatory to good landlords, and specific blocks of flats or roads should be excluded as there are no issues were also highlighted.

- A number of landlords who are against the scheme being both introduced and extended further, suggested the existing landlord accreditation scheme was adequate for good landlords and as they were accredited, they should not have to pay an additional selective licensing fee.
- In addition to the general comments against selective licensing, there were a substantial number written comments received to the on-line questionnaire as well as comments made during workshops, relating specifically to fees. Many of the comments suggested the scheme was a 'money making exercise' for the Council and that landlords would sell their properties rather than pay the fee associated with selective licensing. Others said that they were already operating at reduced margins due to changes in tax relating to letting properties and increased regulation at a national level and they felt that selective licensing fees were therefore not affordable. Many of the comments referred to the fee as an additional tax on landlords.
- 64 respondents made neutral comments through the on-line questionnaire that were neither in support of nor against selective licensing but offered wide-ranging suggestions or observations about how the scheme should operate on a practical level. These suggestions have been considered in the revised fee structure, draft conditions and other operational considerations.

## **Overall conclusions**

Opposing opinions on licensing cannot be reconciled in a policy that is equally acceptable to all. Therefore whilst this document sets out all views it is not set out to make recommendations. All of the above responses have informed the proposals and changes to the scheme which have been incorporated in the final Business Case.

Wirral's consultation exercise for selective licensing has been designed to be sufficiently robust and wide ranging to ensure that all affected residents, landlords and other stakeholders had a reasonable opportunity to participate and feedback their views. Overall more than 22,000 stakeholders were directly invited to respond to the consultation exercise via direct e-mails, letters and postcards through doors. In addition a bespoke web-page was created, adverts placed in local press, information presented on social media, presentations run on a loop on plasma screens in the one-stop shops, posters put up in the proposed selective licensing areas, community drop-in events and landlords forums held.

There is a clear mandate for extending selective licensing into four further areas, which is supported by the majority of those who completed the on-line questionnaire, and reflected in their comments. Despite this, many landlords oppose the licensing fee on

the basis that they are meeting the requirements already, they consider the existing regulatory powers are adequate, only poor landlords should have to cover the costs of the scheme and that they have limited resources to be able to pay this additional charge and therefore will pass on additional costs to tenants or they will have difficulty paying for essential repairs if licensing is introduced.

## **Landlords and Agents Views**

### **Forums**

Four landlord and agent groups were initially set up to capture views of landlords and agents, and provide an opportunity for discussion and engagement about the proposals.

To enable as many landlord and agents to attend as possible, the groups were set over two days, more than two weeks apart. The first day of workshops was planned for Monday 15<sup>th</sup> January. 16 landlords and agents attended.

Specific notification of the sessions was:

- Placed in the Landlord Link-Up newsletter (an electronic newsletter sent to 1019 accredited landlords, developers and those who have expressed an interest in receiving Landlord information from Wirral Council),
- An email sent to 1019 landlords who are known to receive Housing Benefit, or who have signed up to receive relevant information from the Council.
- placed on the Council's website ([www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing)),
- Tweeted to all those who follow Wirral Council's twitter account,
- Placed on Facebook,
- Specific invitation.

For the second arranged day, Thursday 1<sup>st</sup> February, 15 landlords attended the morning workshop with a further six attending the evening.

All landlords who wanted to raise issues were accommodated, and those unable to attend a workshop on either day, were invited to speak with officers individually in order to have views recorded and included with other comments for the consultation report.

Following the completion of the workshops, and as the consultation continued, some landlords and agents requested a further opportunity to attend a workshop, so a further session was arranged for Tuesday 13<sup>th</sup> March. This was attended by six landlords and agents.

In total, 44 landlords and agents attended the workshops over the three days which were facilitated by staff members from the Council's Housing Services team and points raised during the sessions were noted. The notes for all sessions are attached as Appendix 1 to this report.

The key points and comments landlords and agents made were captured and collated as per the information below. As well as providing views for this report, in order to capture quantitative data, landlords were requested to complete an online survey to express their agreement or disagreement with the different elements of the proposals. In general, the vast majority of the landlords and agents who attended the workshops felt that extending selective licensing into four new areas was a good idea, especially if landlords were able to utilise Council services to assist with their tenants or properties,

with typical comments expressed including ‘fully support the scheme’ and ‘understand why these particular areas were selected’, and others who expressed that they feel the scheme has made landlords perform better which included comments such as:

*“Licensing is a good idea.”*

*“selective licensing can only be good for the areas.”*

*“I agree with the scheme in general and feel fees are reasonable. I believe the scheme has made average landlords perform better.”*

*“The scheme is a good idea as long as landlords receive support.”*

Not all landlords supported the proposals for various reasons but some expressed it was because not all of the areas need to be improved or because they believe the scheme is unfair, with comments such as:

*“We are paying for the poor landlords.”*

*“There is a distrust of Council because no-one’s going to benefit!”*

*“The scheme feels discriminatory against good landlords.”*

*“[specific road] should not be included in the scheme as it has no issues.”*

*“[my property] is in a purpose built block and is intensively managed so there are no benefits to selective licensing for us.”*

**Response:**

The existing scheme clearly demonstrates that poor landlords are being prosecuted and fined which creates a more level playing field for those good landlords operating in these areas. Experience of operating Wirral’s accreditation scheme has demonstrated that poor landlords are unlikely to join a voluntary scheme, which is why the mandatory approach using Selective Licensing powers is needed as an additional tool to address poor standards in the private rented sector as a whole.

The evidence base has been developed through analysis of a range of data sets using Lower Super Output Areas (LSOAs) which are the smallest geographical areas where national data sets can be obtained which is why particular streets have been included and whilst some consultees may not think their road has any issues, it is important to recognise that not all issues are visible to local residents. Any evidence that has been sent in for particular exclusions or additions has been fully considered as part of this consultation.

The scheme benefits areas as a whole by enabling:

- improved communication with council services ensuring residents and stakeholders views are considered and they have the opportunity to be involved in what is being done in their area
- access to targeted Tenancy Support Services when required
- access to targeted support from the Anti-Social Behaviour Team when required
- targeted interventions to address fly tipping, poor household waste management and litter
- access to enhanced grant funding for empty property grants.
- a better understanding from landlords and managing agents of their statutory responsibilities through appropriate training and briefing sessions
- improved reputation of private landlords
- improved confidence in local housing markets and potential growth in property values in the area
- Improvements to peoples quality of life, along with the image and desirability of an area
- reduction in the number of empty properties and associated blight in an area
- producing more settled communities

Information and access to future Government Initiatives to fund improvements to areas and properties can be targeted to Landlords who are part of the scheme.

Landlords and agents who attended the workshops were keen to understand the impacts and outcomes of the existing scheme and suggested regular correspondence and news articles to promote good news stories and prosecutions of landlords with properties in poor condition. Some of the comments received included:

*“To what extent has the existing scheme affected empty properties in the areas.”*

*“What has been the impact of the existing scheme generally and is there any evidence of the existing scheme working?”*

*“Will the existing Scheme automatically run on when the five year period is up?”*

*“Why are we rolling out the scheme now when we said we wouldn’t for at least five years.”*

*“There should be greater promotion of the benefits of the scheme and good news stories”.*

*“Regular correspondence is needed from the SL team regarding updates on the scheme; [as one landlord was not aware of the Healthy Homes team and the work they do].”*

**Response:**

There was a small reduction in empty properties early on in the scheme however until a full review of the existing scheme will be carried out in autumn 2019, it is difficult to be clear on the scheme impact on this. Clearly there is still work to be done and the introduction of enhanced grant funding for empty property grants will enhance this further.

It is still too early to assess whether or not Selective Licensing has had its intended impact of reducing low housing demand, however an initial review of the scheme was undertaken in 2017 along with a residents and landlord survey to gauge some initial views on progress. Whilst feedback showed that after 18 months residents did not yet see big changes in Selective Licensing Areas, feedback was positive in many aspects such as a high overall satisfaction with the areas and improving property conditions. In year five both the existing and proposed schemes will be reviewed. Following the full review of the existing scheme, a decision will be made to either allow the scheme to finish at the end of the term, or whether a new consultation exercise should be undertaken to re-designate a new scheme in the same area for a further 5 years. The evidence base that was used in the original Business Case will be refreshed to measure the impact of the scheme since it was first introduced.. The expansion of the existing selective licensing scheme was requested at Cabinet on 18th July 2016 when the Council leader requested they would like to see selective Licensing operating in more areas over the next 5 years (minutes refer). An action to take forward a feasibility study to explore extending Selective Licensing was subsequently incorporated into Wirral’s Housing Strategy, published in July 2016 as an action to be taken forward.

Wirral Council recognises the need to improve awareness of the Selective Licensing scheme and promote success, so will ensure this happens more proactively moving forward. In particular a newsletter will be regularly produced in the areas to support this.

Another landlord shared his experiences of having to licence 38 properties across the scheme area in particular the fact that he had to complete 38 licence applications to have his properties licensed. He requested that this is considered before the scheme is extended.

**Response:**

This suggestion has been actioned with a new software system that has been procured for HMO Licensing that could be used for the proposed new Selective Licensing Scheme. This will introduce a more streamlined system so that landlords with multiple properties only need to input their details once.

Overall, landlords and agents were supportive of the intentions of selective licensing, however there was concern that the Council was not doing enough to support landlords with poor tenants in these areas. In some workshops, landlords said they had seen the impacts of reductions to front line services e.g. police, mental health services and social workers on their tenants. They were increasingly having to take on the role of social workers or tenancy support officers and seemed to be letting to an increased number of tenants with mental health, drug or alcohol addictions, and for example tenants hoarding which is difficult for landlords to address.

*“The mental health of some tenants is a big problem.”*

*“Landlords have to deal with tenants with additional support needs, such as alcoholism that the landlords do not get paid for.”*

**Response:**

Wirral Council recognises some of the complex issues landlords are dealing with in relation to their tenants. The scheme offers the benefit of ongoing improved communication with Council services and in particular, access to free targeted tenancy support services and where required, support from Wirral's Anti-social Behaviour Team to address issues. In addition conditions are in place to ensure landlords have a clear framework to help them manage their properties. .

Landlords and agents discussed in detail the issues they had experienced with tenants and felt the scheme would benefit from responsibilities being placed on tenants as well as landlords.

There were discussions about tenants damaging properties and the Council then carrying out enforcement action against the landlord for poor property condition.

*“Tenants are responsible for 60% of the poor property condition in rented properties, and they should already be able to report any issues to the Council.”*

*“Will selective licensing insist that the tenant will keep the property in a good condition?”*

*“Landlords can bring properties up to required standards however sometimes the tenant damages the property, with licensing expecting the landlord to carry out and pay for the repairs – sometimes this can be a never-ending cycle and affects the landlord's return on investment.”*

**Response:**

Landlords are obliged to regularly inspect their properties to ensure that they are being kept to a decent standard. Wirral's conditions are clear this should be done at least every twelve months. Landlords may wish to carry out more frequent checks, however it is important that when breaches of Tenancy are identified these are acted upon promptly.

Conditions are in place to ensure landlords have a clear framework to help them manage their properties and support is available to address issues in relation to their tenants' ability to manage and maintain their homes. When inspecting properties, officers have regard to lifestyle issues associated with individual tenancies and will consider this when determining what course of action to take in addressing disrepair.

During the workshops, several Landlords and Agents said they felt that selective licensing conditions which stipulate the landlord is responsible for the behaviour of tenants; being a nuisance to neighbours and also their anti-social behaviour were not fair to landlords as they considered that tenant behaviour was not their responsibility.

There was also a concern that the Police don't share information on problem tenants as landlords were aware the Police had been involved with their tenants but they had been unable to find out what trouble they had been in.

Comments included;

*"tenants should be held accountable for their behaviour not landlords."*

*"Big complaint is that licensing doesn't take account of tenants, there is no accountability for them, getting away with murder. I will probably sell-up as it's too expensive to keep repairing property due to tenants' behaviour."*

*"Tenants get away scot-free."*

**Response:**

Landlords should ensure their Tenancy Agreement provides conditions to allow the property to be managed effectively and any breaches off the tenancy enforced. This should include conditions such as:

- a requirement to report any necessary repairs
- access rights for inspection and repair
- requirement to allow access for improvements
- dealing with any tenant damage
- anti-social behaviour, including that caused by visitors

Landlords and agents must emphasise the terms of the tenancy to new tenants at sign up along with making the tenant aware of any possible enforcement action that can be taken when the tenant signs the tenancy agreement.

The official Government guidance states that: *“A landlord has responsibility to ensure persons he has permitted to reside at a property do not cause an annoyance or nuisance to other persons residing in it, or other persons living, working or visiting the immediate neighbourhood. If anti-social behaviour is being carried out within the immediate vicinity of the property and is being caused by the occupiers of it, then it would be reasonable to expect a landlord to ensure that those persons are not conducting themselves in a way that is adversely impacting on the local community. This applies equally to visitors to the property.”*

Landlords must manage their tenancies and ensure that anti-social tenants are given warnings about their conduct and where necessary terminate tenancies for persistent anti-social behaviour issues. One of the many benefits of the Selective Licensing scheme is that when required Wirral Council can enable access to targeted support from its Anti-social Behaviour Team for landlords and residents to help address issues relating to anti-social behaviour. This can include access to mediation services and also case management services where enforcement action is not appropriate ensuring tenants and landlords can contribute to addressing these issues as quickly and effectively as possible.

Some thought the Council should do more to help:

*“Will the Council work with the landlord to assist in evicting a tenant if required?”*

*“Where tenant is receiving HB and not paying the rent, the LA needs to take word of landlord, tenant’s word is always taken as the truth. More assistance in general needed from HB team”.*

*“Landlords asked why the Council could not keep a register of bad tenants as they had been asking for this for years, and they considered it was the one thing that would make a major difference to improving these areas if the Council could stop these tenants from moving round every 6 months to another unsuspecting landlord.”*

**Response:**

The Council will not take action to assist with evicting tenants, however the aim of Selective Licensing is to assist tenants at a much earlier stage before eviction is considered as the only option. Currently the Healthy Homes Scheme will engage with both landlords and tenants in Selective Licensing areas whether there is a potential at risk eviction and signpost to a range of services for example floating tenancy support or benefits / debt advice or the ASB team. We are not able to keep a public register of bad tenants for legal reasons, but equally the Council has a duty assist anyone who is homeless or in housing priority need and therefore our preferred approach is to work with tenants with more complex needs and put in appropriate support so that they can maintain tenancies going forward.

Whilst discussing the issues landlords have with tenants, landlords talked of tenants not wanting to let landlords or agents into the property. Several landlords were not aware of the Healthy Homes Team or how they can often assist by mediating between landlord and tenant to gain access, support changes in behaviour and address any issues relating to problem neighbours and antisocial behaviour. It was acknowledged by landlords and agents this was a good service and would be useful as some tenants do not even want the inconvenience of improvements or do not report repairs to landlords which could become a problem if the property did not meet the required standard:

*“How do tenants view Healthy Homes? As part of the authority or as help?”*

*“Some tenants do not want the bother of improvements, so this could be a problem if the property did not come up to the required standard.”*

*“Properties may be decent, but if you haven’t got tenants in who want to look after them, they will end up in poor condition”.*

*“Sometimes landlords cannot get into their properties to carry out repairs; this means that the property may not meet the required standard. How will the Council deal with this?”*

*“How will inspectors gain access to properties?”*

*“There are many examples of poor tenants and poor communication – landlords are often not advised if repairs are needed.”*

**Response:**

Wirral’s Healthy Homes Scheme has been very successful in engaging with tenants and working with them for example to allow access to the property so their landlord can carry out essential repairs or routine safety checks. They will also work with tenants and engage specialist help to ensure that tenants who put their tenancy at risk understand their tenancy obligations.

Landlords may wish to obtain a disclaimer where improvements are refused by a tenant and kept as evidence. If however the improvement relates to Health and Safety or is a recognised danger to the tenant, then necessary enforcement should be taken by the landlord to complete the improvement.

There were also discussions around rents, with some landlords noting there has been no increase in the level of LHA rates for some time. Many landlords therefore charge a top up to the rent which has a cost implication when collecting it. One landlord shared his experience that 20% of his tenants in the Birkenhead area are in rent arrears, noting

that this is becoming a major problem for him and it is very costly to evict for non-payment of rent.

**Response:**

Local Housing Allowance Rates are informed by the Valuation Office Agency. How much tenants receive is based on where they live, household size, income and circumstances. Wirral Council Healthy Homes Team which operates in the Selective Licencing areas, can refer tenants on for benefits advice as well as budgeting advice where tenant have expressed difficulty with their rent payments and other household bills.

The majority of landlords would like to see good tenants living in their property who want to stay long term and with whom they can engage, and were interested to hear about the services offered in selective licensing areas by the Healthy Homes team. This team work with tenants, landlords and other key agencies to address behaviour issues not just in the home, but also the local area to improve communities and hopefully encourage tenants to stay long term.

The requirement for a landlord or agent to obtain references for tenants was generally felt to be a good thing, especially where tenants cause problems, but bad experiences have given several landlords and agents a lack of trust in the references obtained which they felt were given so that the existing landlord can 'get rid' of a problem tenant:

*"Landlords don't give fair references even if they have difficult tenants as they just want them to move on. The landlords agreed that they were guilty of this as well as the Registered Providers (RPs) - Housing Associations."*

*"Under the proposed scheme, would tenants require a guarantor?"*

**Response:**

While it is acknowledged that not all references are adequate, Licence conditions require that references are requested for any potential tenants and landlords should be discouraged from taking tenants with a poor reference up to individual landlords to decide whether new tenants would require a guarantor.

During the workshops, landlords and agents discussed the proposed fees and fee structure of a licence, and asked many general operating questions over payments for licence fees and discounts. Landlords and agents were split about the cost of the licence, as some thought the fee was reasonable whilst other felt it was expensive.

During the workshops, landlords and agents were keen to find out what discounts were available and whether they could pay the fee in staged payments but others did not see the discounts as a positive thing, comments and suggestions included:

*"I agree with the scheme and feel the fees are reasonable."*

*"I think fee is high and current discounts are definitely required to bring the fee down. Agreed with current discounts but there should be more than just a £50 discount for licence holders with more than one property. Landlord stated that discounts were irrelevant but if thought was getting value for money from the scheme would be fine."*

*“RentSMART in Wales £200 for their whole scheme and I cannot understand why Wirral’s fees are so high in comparison.”*

*“Landlords would be interested in the discount, what is going to be offered?”*

*“Will there be a facility to pay the licence fee by direct debit over a period of time.”*

*“I don’t want properties accredited. There should be one blanket charge across all properties with no discount.”*

*“Discounts should not apply to landlords who have been prosecuted previously.”*

*“Does it cost the tax payer or is the scheme fully funded through the licensing fee.”*

*“Fees should be set with no discounts.”*

*“Salford gives exemptions for 3 months.”*

Suggestions for further discounts included:

*“There should be a discount for membership of national body (eg NLA/RLA) without the need for the property to also be accredited.”*

*“Discount for landlords who take tenants on through Housing Options and PPP.”*

*“Discount based on individual property condition.”*

*“Discounts for attending courses and holding professional memberships.”*

*“Whether accredited or not, if the landlord is good, they should get a discount.”*

Several landlords and agents who attended the workshops believe that some landlords may increase rents to recoup the cost of licences, and the scheme may result in an increase in empty properties, or alternatively landlords will sell their properties.

**Response:**

The Housing Act 2004 stipulates that local authorities may charge for the introduction and administration of a Selective Licensing Scheme; however they cannot make a profit from such a scheme. The existing Selective Licensing scheme is subsidised by Council funding, however efficiencies gained from the processes of the existing scheme, which are now well established, means a reduction in the amount of funding required by the Council can be achieved while passing on savings where possible to landlords.

The Council has been reluctant to pass on increases in staffing and associated costs to landlords since the first scheme was introduced, however a new software system has been acquired for the extended HMO Licensing Scheme (due to go live in October 2018) which could also be used for Selective Licensing. This will further streamline the application process and generate a small saving to the overall cost of the license which will be passed on to landlords.

It is difficult making comparisons on fee levels for much larger schemes, as schemes are not being compared on the same basis, however Wirral's fees compare favourably with other similar sized selective licensing schemes Landlords can also apply for a Temporary Exemption for 3 months as with Salford's scheme providing there is evidence that the property is being actively marketed for sale.

The overall license fee for the proposed scheme has reduced to £645 per property for the five year duration of the scheme. Discounts on the fee include:

Accredited with the Council or a national landlord association scheme	£100 discount.
Early Bird Discount (for applications within 3 months)	£100
Multi-property discount for 2nd and subsequent properties	£50 discount

There will be an additional charge of £50 per property for payments by instalments and £50 per application for landlords who make paper applications or request assistance to make an on-line application in Council Offices.

Increasing rents will be a commercial decision by the landlord, however the benefits of the scheme will help to increase demand for housing and help to reduce the rate of long term empty dwellings. In turn this will help landlords recover the cost of the license fee without passing the cost on to the tenant.

This was not always considered a bad thing, as other landlords were interested in buying properties from those who did not want to be part of the scheme. This was at odds with other landlords and agents who felt that selective licensing puts off prospective landlords from buying properties in the area and comments were also made about money that would have been invested into the properties would now be diverted to pay for a licence fee:

*"I believe the scheme may free up cheaper properties which have been poorly managed in the past, which I would be interested in purchasing and manage well."*

*"Council needs to understand landlords have made an investment. If a house needs a lot of money to meet licensing conditions, the landlords will get rid of the property."*

*"The scheme would be a disincentive to invest."*

*"Can be pushing decent landlords out as wont be prepared to invest."*

*“£695 could be better spent on the property rather than the license fee.”*

Some landlords and agents expressed concerns about the cost to the Council, and whether or not the council will extend the scheme borough-wide.

*“Are Councillors concerned as the Council will have to part fund a new scheme as it cannot afford to pay for itself entirely, and the Council’s income has been cut.”*

*“I have concerns about Wirral carrying out a borough wide scheme as Liverpool has done.”*

**Response:**

There are currently no plans for selective Licensing to be a borough wide scheme as in some local authority areas.

Any decision on Council funding will be a matter for the Council’s cabinet and subsequently full Council to decide.

There is currently no evidence that landlords are not investing in their properties in the current Selective Licensing areas as a result of the scheme; rather there is evidence that properties continue to be bought in these areas and investments in improved property condition following compliance checks. The full review of the scheme in 2019 will look at this evidence more closely.

There were many general discussions about the scheme across the four workshops, about how landlords were operating in an increasingly difficult environment with increased regulation from central government and less favourable tax changes and welfare reforms, which included the introduction of Universal Credit which has limited direct payments and delays in payments. Landlords and agents repeatedly wanted to know what the Council would provide for the licence fee, and why the scheme was good for landlords, sometimes offering suggestions as to what they would like to see:

*“Landlords don’t evict easily due to loss of income: when notice to quit is given, the tenant stops paying rent immediately, landlord goes to court, 56 days with no rent, if tenant refuses to leave landlord has to pay for bailiff too. No help from the LA in these circumstances.”*

*“No margin in property; no relief on interest and landlords need 10% returns to make it worthwhile due to the need to intensively manage many tenancies.”*

*“Several landlords would like to see group repair ‘façade grants’ that the Council has delivered in Birkenhead in the past rolled out as these had been very successful.”*

*“I would like confidence in the Council improving street-scenes which will make roads and areas more desirable, as poor external decoration has a detrimental effect on tenants.”*

There were discussions around how difficult it was for tenants to know who is responsible for specific issues, where a landlord uses an agent. This could be addressed by having a licensee who then must take responsibility. Comments included:

*“Managing Agents pass the buck to landlords and take no responsibility.”*

*“Problems in the area with absentee landlords, some living abroad. Sometimes agents don’t care.”*

**Response:**

Whoever is responsible for the management of a property should hold the License. This can be the Management Agent. A License will be issued to the most appropriate person, i.e. the person responsible for the day to day management of the property whether the landlord or the agent. The licensee will be responsible for complying with the license conditions and will be the person committing the offence if found to be in breach of conditions. The Council has prosecuted both landlords and agents for non-compliance to date.

Some landlords were unhappy because the scheme doesn’t include homeowners or Registered Providers, *“because if selective licensing relates to certain areas, all properties in those areas should be subject to the conditions, not just private rented”*, and further felt it was unfair when they received the explanation that Registered Providers are outside the scope of the legislation.:

*“Registered Housing Providers aren’t regulated to the same degree in selective licensing Areas as private landlords and some of their properties are in a very bad condition.”*

*“I feel it is unjust that Registered Provider properties are exempt – some of these properties are also in severe disrepair.”*

**Response:**

Registered Providers of Social Housing are not required to apply for a licence as they are already regulated by the government’s Homes England.

If any issues of concern regarding how Registered Providers are operating in Wirral are raised, officers would in the first instance encourage tenants to contact their landlord direct. If however the matter is not addressed, tenants should contact the Regulator of Social Housing. The Regulator objectives are clearly set out in the Housing and Regeneration Act 2008. <https://www.gov.uk/government/publications/a-guide-to-regulation-of-registered-providers/a-guide-to-regulation-of-registered-providers>

Four key consumer standards are monitored; Tenant involvement and empowerment; Home standard; Tenancy standard; Neighbourhood and Community standard. The regulator role is responsive and reactive to referrals or any other information received. It will intervene where failure to meet the standard has caused or could have caused serious harm to tenants.

## **Licensing Conditions**

Amendments to the current licence conditions also formed part of the consultation, and landlords were keen to understand the changes, what has prompted them and how the existing scheme licence conditions were working.

Landlords accepted that the mandatory changes did need to be made, and landlords were encouraged to read the documents which formed part of the consultation in more detail, in order to be informed about what the changes were.

*“What are the proposed changes to licence conditions?”*

*“Will new licence conditions apply to existing licences?”*

*“I would like to know about the proposed changes to the fire regulations of HMO properties.”*

*“Concerns over new EPC regulations coming into force from April 2018.”*

On the whole, the proposed property conditions were felt to be reasonable and landlords did not believe they would pose an issue if introduced. Two particular issues divided landlords and agents:

- tenants not dealing with their own rubbish and the licence conditions regarding waste where the license holder could be penalised for the tenants behaviour
- the proposal to require an annual electrical certificate, when is not yet a legal requirement.

**Response:**

A copy of the proposed revised licence conditions (amended July 2018) can be found in the Councils web library.

New licence conditions will apply to all existing and future licences. It is important to note that the scheme will not include conditions that exceed statutory requirements, however when legislation changes landlords will be expected to comply accordingly

Any changes to legislation including for example HMO fire safety regulations will be publicised when relevant via e-bulletins and landlords newsletter.

The majority of landlords felt that the required visit to the property of once every 12 months was lenient, but understood that this was a minimum requirement of the licence conditions and they could carry out as many visits as their businesses required. One landlord or agent explained that they visit vulnerable tenants more often than annually if they feel it is beneficial, and another landlord informed the group that they inspect their properties every 12 weeks.

## **Landlords Selective Licensing Working Group**

In March 2014 prior to the commencement of the consultation of existing Selective Licence scheme, landlords were invited to participate in a Landlords selective licensing Working group via the landlords newsletter and Wirral's Landlord Forum. As a result the first 10 landlords and agents came forward to sit on the working group. Representatives ranged from agents with several hundred properties to smaller landlords with just a few of their own properties. Similar to the process of the existing scheme landlords/managing agents were asked via Landlords Link up newsletter whether they wish to participate in a steering group to discuss the introduction of selective licensing in to further areas of the Wirral. However, no representations were received from landlords or agents to join the group although members of the existing Steering Group agreed to reconvene meetings to discuss new proposals .

Subsequently three selective licensing Working Group meetings were held during the formal consultation period on 16th January 2018, 2<sup>nd</sup> March 2018 and 19<sup>th</sup> March 2018, the minutes of which were published on the web-site during the consultation period. During these meetings the rationale of the extension of selective licensing into four additional areas was discussed, together with discussions of proposals to change the existing licence conditions and potential fee structures/discounts.

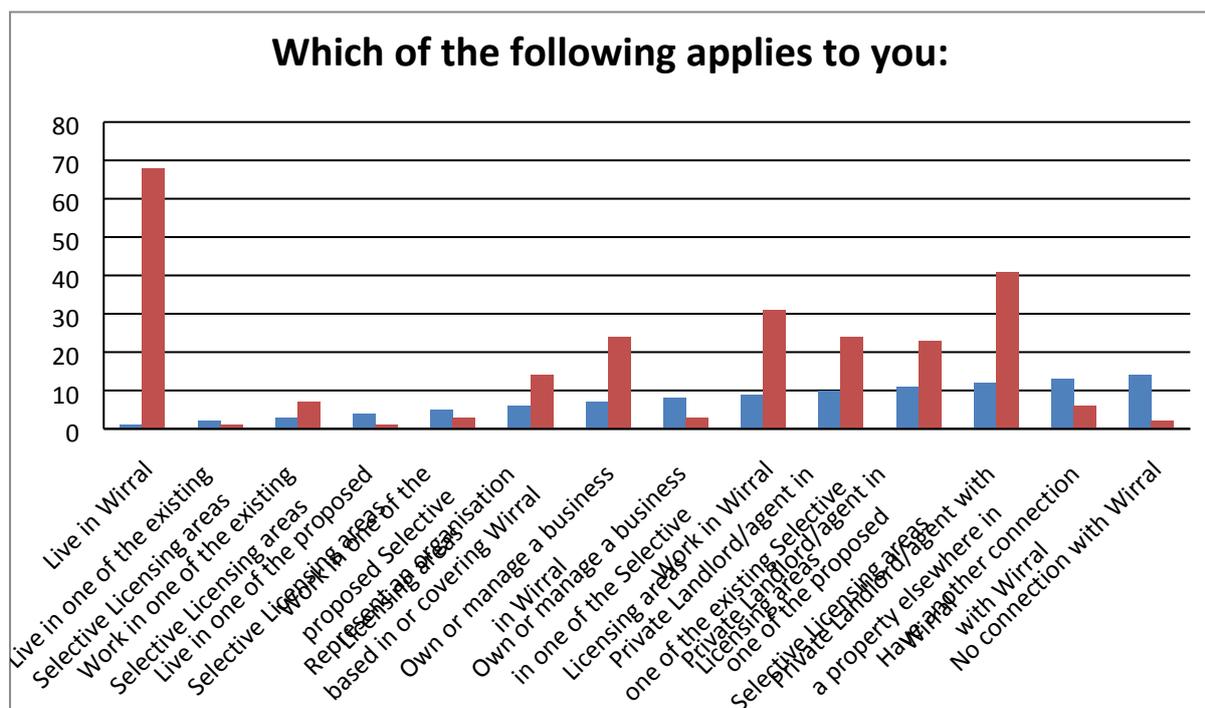
These minutes can be found in Appendix 2 of this report

## Consultation Questionnaire Feedback from Landlords and Managing Agents

The questionnaire was composed of eleven questions to which the respondent could strongly agree, agree, neither agree nor disagree, disagree and strongly disagree. There was also an option to tick 'don't know' and the ability to leave the question blank and move on through the form.

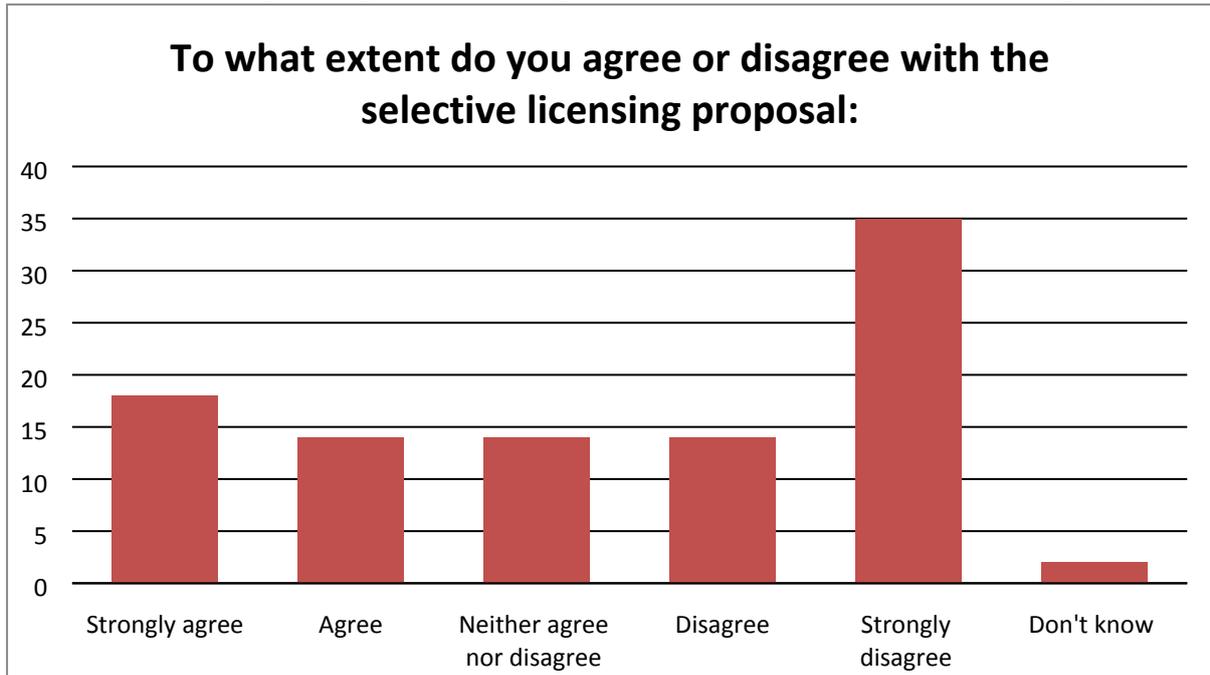
The questionnaire was provided online, but paper copies were made available and those received were entered into the online system on behalf of the respondent. All paper copies have been kept for audit. A blank copy of the questionnaire can be found as Appendix 3.

In total 529 online questionnaires were completed, of which 111 indicated they were landlords or agents of private rented properties. Of the 111, 68 also live in Wirral, 24 have property in an existing selective licensing area and 23 have property in the proposed selective licensing area (one landlord/agent could tick both boxes so this does not necessarily represent 47 landlords).



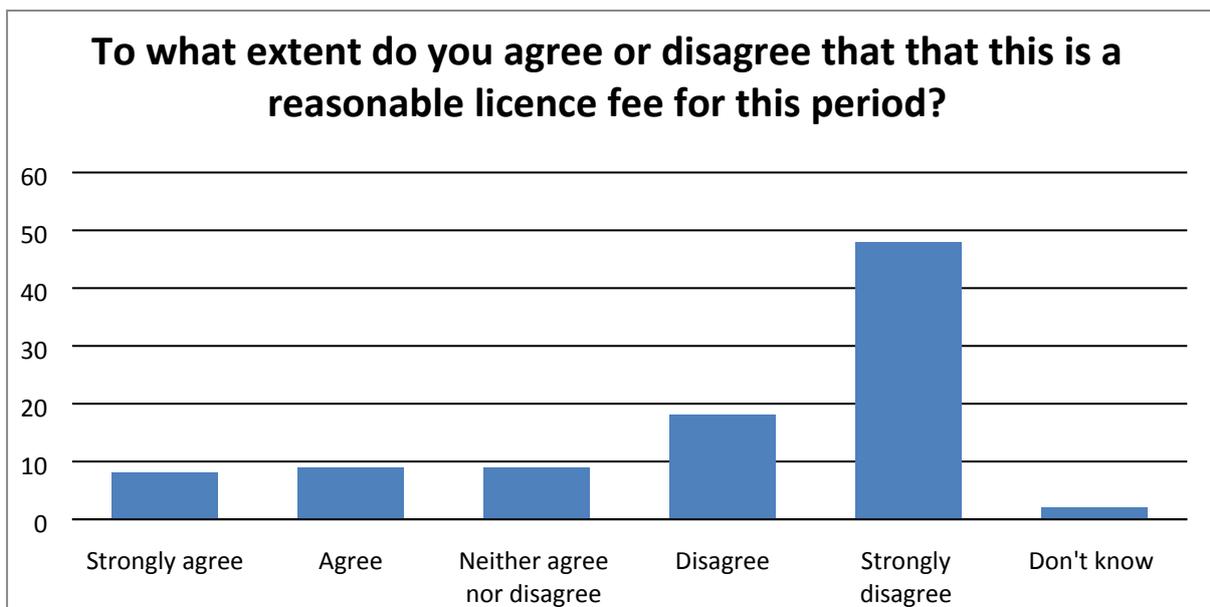
The following section details each question and information on the responses from landlords/agents, and includes their comments where appropriate.

**Wirral Council proposes to extend selective licensing into four new areas; to what extent do you agree or disagree with the selective licensing proposal?**



28% agreed or strongly agreed with the proposal, 44% disagree or strongly disagree to the proposal and 17% either did not know or neither agreed or disagreed with the proposal. 14 landlord/agents did not respond to this question.

**To what extent do you agree or disagree that that this [estimated between £500-£695 over a five year period] is a reasonable licence fee for this period**



18% agreed or strongly agreed, whilst a majority of 54% disagreed or strongly disagreed with the fee, and some landlords/agents further elaborated by providing comments.

*"Fees suggested are absurdly high."*

*“...however I believe that the costs involved with applying for a license is astronomical...”*

Several landlord/agents felt that this was simply a money making exercise for the Council, and that the Council does nothing for the licence fee, with comments such as:

*“... primarily a REVENUE RAISING EXERCISE. Another tax that, if anything, actually makes the issues of disrepair and the housing standard worse...”*

*“Council’s provide nothing for the licence fee.”*

*“Licensing is a scam by the Council to extort money from landlords.”*

**Response:**

The Housing Act 2004 stipulates that local authorities may charge for the introduction and administration of a Selective Licensing Scheme; however they cannot make a profit from such a scheme. The existing Selective Licensing scheme is subsidised by Council funding, however efficiencies gained from the processes of the existing scheme, which are now well established, means a reduction in the amount of funding required by the Council can be achieved while passing on savings where possible to landlords.

The Council has been reluctant to pass on increases in staffing and associated costs to landlords since the first scheme was introduced, however a new software system has been acquired for the extended HMO Licensing Scheme (due to go live in October 2018) which could also be used for Selective Licensing. This will further streamline the application process and generate a small saving to the overall cost of the license which will be passed on to landlords.

The Council will only recoup the costs of operating the scheme and is fully funded by the license fee with no extra cost to the local tax payer.

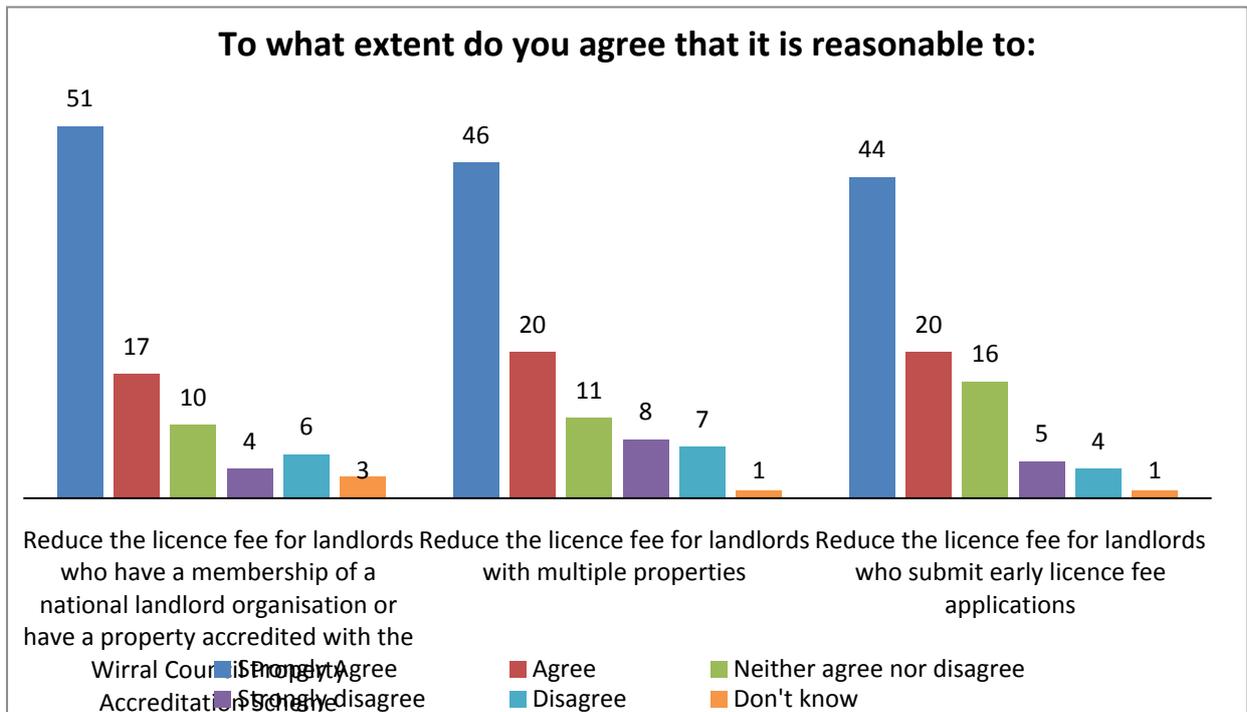
One respondent suggested that the licence fee should include an annual Council inspection so that the landlord would not have to carry out an inspection, and another suggested that the fee should apply only to the first property with all additional properties incurring no charge for the five year period. Another respondent suggested the fee should be means tested based on the income from the property.

Some landlords/agents felt that the scheme was a good idea but that expensive fees would impact on the rent for tenants, and another felt that the tenant should pay for the licence:

*“Good idea, but don't make it expensive, it will just make the rents go up.”*

*“Any charges must be to the tenants account not the landlords...”*

**To what extent do you agree or disagree that it is reasonable to reduce the licence fee for landlords who have a membership of a national landlord association or an accredited property, reduce the licence fee for those with multiple properties and those who apply for a licence early?**



61% of landlord/agent respondents agreed or strongly agreed to reduce the licence fee for those who have a membership of a national landlord association or an accredited property with just 11% disagreeing to this proposal.

75% of landlord/agent respondents agreed that the licence fee should be reduced for landlords with multiple properties, although 13% disagreed or strongly disagreed with this reduction.

57% agreed with the proposal to reduce the licence fee for landlords who submit early licence fee applications, with just 8% disagreeing with this proposal.

Since the previous licence conditions were published, the Government has included additional mandatory requirements for landlords which need to be reflected in the new licences, but the Council has the power to include additional conditions and wanted to include the changes to the conditions in the consultation so that all stakeholders were able to give their views.

Questions six to nine allowed landlords to give their opinion on specific licence condition proposals which are detailed in the table below.

30 landlord/agents, which represent 27% did not feel strongly enough to respond to any of the questions on licence conditions.

For the 73% of landlords who did respond to these questions, the table below shows how many landlords agreed and strongly agreed, and those who disagreed and strongly disagreed.

<b>The licence holder must:</b>	<b>Agree s/agree</b>	<b>Disagree s/disagree</b>
Provide operating instructions for any fixed form of heating, cooking, washing and or electrical appliance where provided as part of the tenancy.	45%	14%
Carry out Right to Rent checks in accordance with home office requirements prior to agreeing a tenancy	47%	13%
Carry out an inspection of the premises at least once per year to ensure it is free from disrepair	61%	3%
Ensure the provision of adequate kitchen facilities for the safe storage and preparation of food within the premises	59%	4%
Ensure emergency works necessary to protect the security of the premises are undertaken within 24 hours of notification	52%	9%
Keep records of any complaints received and action taken relating to anti-social behaviour	49%	8%
Keep the property in a good state of repair	67%	1%
Keep any outside areas clean and tidy	30%	32%
Keep the property secure	58%	6%
Provide keys for any window locks and instructions on how to use burglar alarm if fitted	60%	6%
Have an electrical safety certificate for the property	56%	6%
Fix any faults identified by an electrical inspection	36%	1%
Deal with any pests and infestations	42%	16%
Fix any repairs identified when a new tenant moves in	63%	1%
Provide information about mandatory tenancy deposit protection	65%	2%
Provide information about refuse collection	41%	16%
Have arrangements for reporting repairs including in an emergency	65%	0
Give 24 hours written notice before entering a property, except in an emergency	62%	5%
Keep a copy of all references received for every occupier	48%	9%
Not allow more people to live in the property than specified by the tenancy agreement	54%	8%
Make sure that the tenant and their visitors don't cause a nuisance to their neighbours	45%	9%
Deal with any complaints of anti-social behaviour in a proper and timely manner	50%	8%
Make sure that the tenant complies with other conditions about living in the property	58%	6%

The table shows that most landlords/agents agree with the majority of the conditions set out, and have further made the following comments and suggestions:

*“The conditions to the license should be basic requirements for any landlord to adhere to and much of the information is already provided by landlords.”*

*“...I've had a property licensed for 2 years. The conditions are essentially things I would see as standard in all my properties.”*

*“We agree an information pack should be provided, but if a letting agent manages the property, their contact details should be included instead of the landlord's.”*

*“The conditions should be the basic conditions all landlords have to adhere to We already have all the obvious conditions you have stated.”*

*“...The scheme however is a step in the right direction to safe, well maintained rental properties, some consideration on damage caused by tenants should be considered by the council when enforcing work on landlords...”*

Some comments provided did disagree with the license conditions. They included the following:

*“Electrical reports are not a legal requirement and as such should not be forced upon landlords.”*

**Keeping outside areas clean and tidy** was the only one of the proposed new condition not agreed with by the majority of respondents with 32% disagreeing with the statement. The following points were raised regarding this issue:

*“How can the landlord be held responsible for the behaviour of tenants eg rubbish dumped outside.”*

*“all HOMEOWNERS and tenants in the selective areas need to keep the outside (front and back) in a tidy order e.g. bins, rubbish and not let plants and shrubs overgrow and make it look unsightly.”*

*“As far as outside areas are concerned, it should not be the responsibility for the landlord to keep these areas clean & tidy. It is part of the Tenancy Agreement for the tenant to undertake this.”*

*“Duties for the tenant to discharge eg maintaining property and environs in good order as received are lacking.”*

*“Matching conditions should be placed on tenants to look after the property.”*

It is acknowledged that tenants are responsible for disposing of their household waste properly but the landlord is responsible for providing appropriate facilities for the storage of household waste (bins) at the start of the tenancy and instructing the tenant on collection dates, not leaving the bins on the street too long prior to and after collection and instructing their tenants on keeping external areas clean and tidy.

Three further conditions met with a higher level of disagreement than others. These included **the License Holder must deal with any pests and infestations** (16%), **provide operating instructions for any fixed form of heating, cooking, washing and or electrical appliance where provided as part of the tenancy** (14%) and **carry out Right to Rent checks in accordance with home office requirements prior to agreeing a tenancy** (13%). Several comments were received about some of these issues:

### **Pests and infestations**

*“Pest control, tenant refuses access.”*

*“How can the landlord be made to be liable for dirty tenant.”*

*“How can landlords control the personal hygiene that can lead to infestation.”*

*“Similarly infestations are the tenants responsibility, they should alert the landlord to the problem and then any 'good' landlord will assist the tenant to remedy the problem.”*

*“Pests must be managed by the tenant re payment for any service that deals with them re exterminate them.”*

### **Provide operating instructions**

*“I am a responsible landlord but the emphasis should be on the tenants as I have provided in the past full instructions on heating / boilers / washing machines and I have tenants default on their obligations and then when I eventually access the property all information is lost ! - tenants should be made responsible not landlords.”*

*“Some proposals infantilising tenant.”*

Many comments were received in relation to some of the conditions, several of which have been included below:

References are an often commented on condition, and there were many comments made in relation to references and the lack of reassurance they provide. One landlord/agent requested a list of bad tenants that can be accessed by landlords.

*“[Tenant] References are meaningless.”*

*“References are harder for first time tenants.”*

*“References are not always adequate to protect from bad tenants.”*

*“The council should have a list of bad tenants which is accessible by landlords.”*

Comments on disagreement with some of the conditions have been included below, with a strong feeling from the landlord/agents which responded to the questionnaire and commented that there should be more emphasis on the tenant to keep the property in good repair:

*“...24 hours to fix a “broken window” as you quote in one of your questions above us unrealistic...”*

*“Landlord can provide perfect kitchen and bathroom that can be allowed to deteriorate very rapidly by some tenants.”*

*“Most of the conditions are not the responsibility or business of the landlord”*

*“Tenants should be responsible for damage and disturbance.”*

*“It is the tenants' responsibility to report issues.”*

*“Tenants should bear responsibility for the damage they cause eg broken window.”*

*“If the tenant breaks the window - they need to pay for a new one.”*

*“The tenant by law should be made to have home insurance - to cover damage to their 'home'. I am providing the house, they need to respect it and pay for any damage caused.”*

Although the majority of respondents agreed with the proposed conditions to **Make sure that the tenant and their visitors don't cause a nuisance to their neighbours** and **Deal with any complaints of anti-social behaviour in a proper and timely**

**manner**, several landlords/agents commented on these conditions, and their comments have been included below:

*“According to Merseyside Police, the council have the most powers to deal with anti-social behaviour tenants/neighbours in privately rented property, but Wirral council simply mitigate that responsibility to landlords.”*

*“The licence holder should not be held fully responsible for the actions of the tenant on anti-social behaviour and other things listed above.”*

*“The landlord is not responsible for tenant behaviour.”*

*“Tenants need to be responsible for their own behaviour.”*

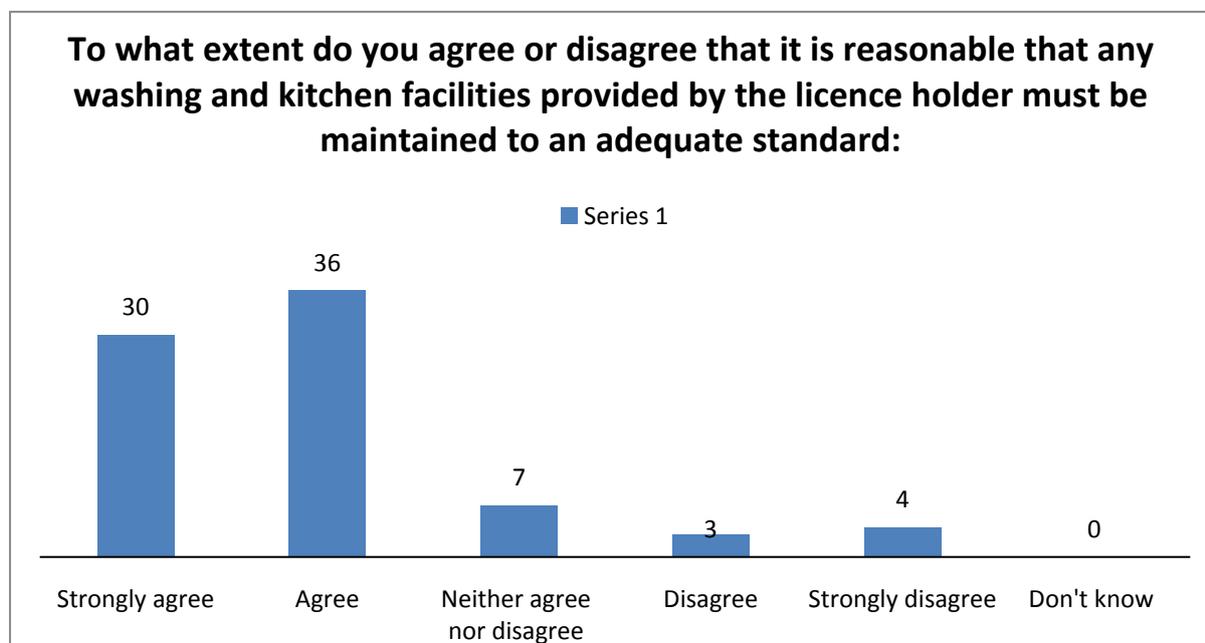
*“Tenant is responsible for own anti-social behaviour.”*

*“...Also, as a landlord, I feel a bit hopeless when asked to do things like: ‘make sure that the tenant and their visitors don’t cause a nuisance to their neighbours’. How can I, or my agent, do any more than you? If we worked as a team I would be happier.”*

*“Many of these situations are difficult or impossible for the licence holder to enforce! Where are the duties on the tenant to treat the property, neighbours etc. with respect.”*

*“For some circumstances i.e. removal of an anti-social tenant. the landlord cannot force the tenant to do anything - The landlord is at mercy of the law via the courts. It should not be the landlords responsibility to cover costs or adhere to permit compliance under conditions such as these.”*

**To what extent do you agree or disagree that it is reasonable that any washing and kitchen facilities provided by the licence holder must be maintained to an adequate standard**



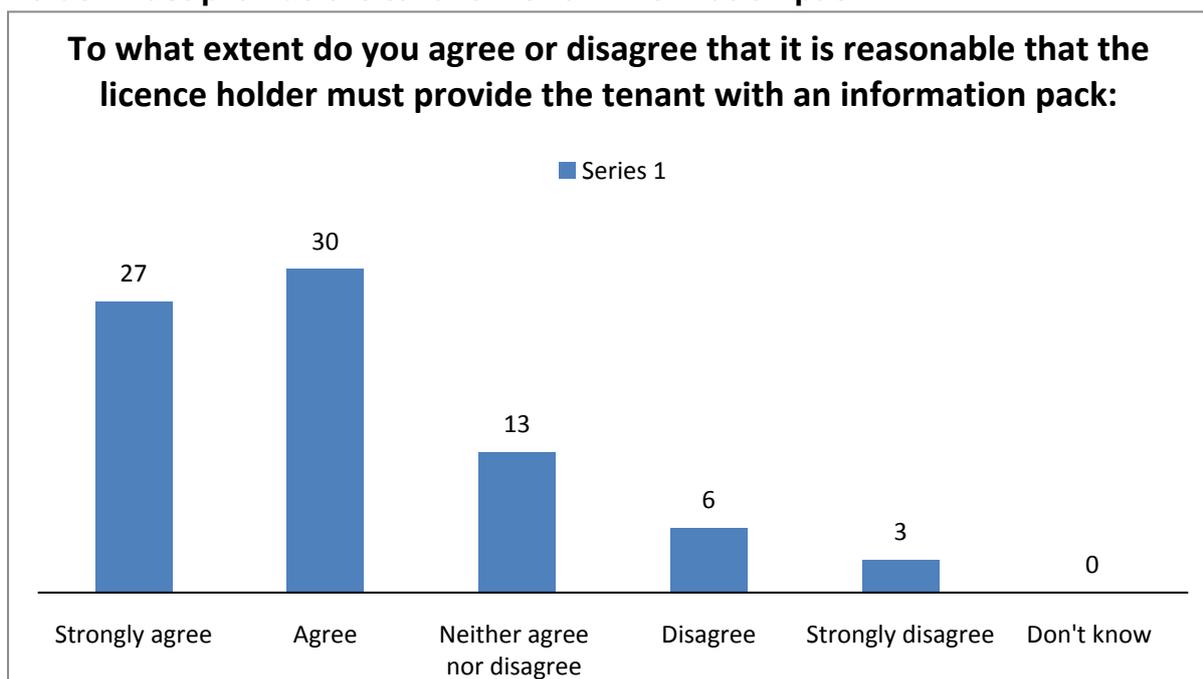
59% agreed or strongly agreed with this proposal whilst 6% disagreed or strongly disagreed. Two comments made about this have been included below:

*“...in my experience when cookers and fridges are included in the property, in too many cases these are not looked after and are left by the outgoing tenant in a disgusting state, often needing to be scrapped. Sometimes I have found the incoming tenant has their own appliance which they wish to use & the one supplied must then be removed. If the price of these items is added to the rent this can mean the rent is unaffordable. In the case of high rental properties these items are normally included in the property. If they are not kept clean then the high rent will provide for the replacement. I think it is really important that tenants are given the choice.”*

*“The statements I've disagreed to are ones I feel the tenant should comply with, not the license holder. If I visit the property once a year I can't be responsible for maintaining the kitchen facilities. I also have no problem with a tenant moving a partner into my property without their partner becoming named on the tenancy.”*

*“Selective licensing is an added cost to good landlords that provide the things required anyway. Additionally, the facilities provided should only be maintained to an adequate standard provided the tenant has ensured they have not misused the facilities i.e. through damage, poor household hygiene etc.”*

**To what extent do you agree or disagree that it is reasonable that the licence holder must provide the tenant with an information pack?**



60% agreed or strongly disagreed that it was reasonable to provide this information, whilst 8% disagreed or strongly disagreed. A further 28% or respondents did not feel strongly enough to agree or disagree to this question.

## GENERAL COMMENTS FROM LANDLORDS

Landlords had strong views and provided comments to support those view regarding the proposals to extend selective licensing into four new areas, both supportive and non-supportive. Examples of those views are detailed below:

### Supportive

*"I'm a very supportive agent and believe the council are doing the best thing for the local area."*

*"Selective licensing should be Wirral-wide."*

*"The license is a good idea to improve the quality of properties."*

*"Landlords have a responsibility, there is no doubt about that,, but the level of responsibility should be flexible dependent upon the tenant, such as if the tenant is compliant with the terms of the tenancy i.e. look after the property, pay rent on time etc."*

*"I thoroughly agree with what Wirral council are trying to achieve with introducing the selective licenses."*

### Non supportive

*"I am concerned at the big brother approach to a commercial contract funded by the owner."*

*"Most cost effective way to improve areas is for the Council to use existing legislation and enforcement powers."*

*"I can't understand how charging landlords an extra £100 per year per property is going to improve living standards for tenants."*

*"Selective licensing is an obstacle to investment."*

*"Selective licensing makes good landlords pay for the bad."*

*"Accreditation is adequate."*

*"The selective licencing scheme is deterring mortgage lenders which I imagine will contribute to further problems. Certain lenders completely refuse to lend on property in these areas which will lead a stagnation of the housing market in these areas as people will be unable to sell. Furthermore, the designation of certain areas could move the problems to other areas."*

*"Areas have in many cases benefited from the investment of private landlords for example Patten Street was previously a row of boarded up houses. It would be easier and fairer if the charge was administered per annum and it applied to all property in the borough but at a lower rate. Just because a property is in a licencing area does not mean the electrics for instance are safe."*

Some comments further suggested that the extension of selective licensing into four new areas will result in landlords leaving the market,

*"It will dissuade good landlords from owning properties in these areas, contribute to vacancy and cause disreputable ones to go 'underground'. Poorly thought out, misguided, and non-evidence based change."*

*"If provision of renting becomes burdensome, the landlord will cease to provide it."*

*“Should these changes move to the area I have houses I will certainly sell them and buy in an area with better tenants such as Chester.”*

*“If my property is included, I will sell it.”*

*“I will increase rent or sell the property which will reduce the number of properties for rent.”*

*“...but I will sell up when the council starts interfering.”*

Many landlords have commented that an extension of selective licensing into four new areas will have a knock on effect of increasing rents and costs to tenants.

*“...some landlords who maintain their houses well and others who don't. This won't change that. All this will do is cost more money which will just end up in more empty houses and higher rents for tenants as landlords will be forced to push this cost to the tenants and will leave them with less money to keep properties in a good state of repair.”*

*“This scheme will result in nothing more than higher rents hurting both landlords and tenants.”*

*“I will increase rent or sell the property which will reduce the number of properties for rent.”*

*“Why should landlords that keep their properties to a high standard be subject to this extra costing. I would have to put my rent up for my tenants as having several properties this would cost a lot of money.”*

*“When I was charged a licence fee, I doubled the fee and added it to the rent the tenant has to pay me.”*

Some of the comments received are perceptions by landlords that the scheme will hold no benefit to them, and therefore, specific properties should not be included. One suggestion was to inspect properties on a complaint system

*“Perhaps a better way to police the private rented sector would be for the council to investigate each property as and when the tenant makes a complaint to the council.”*

*“Why not bring this in if tenants complain about the property they are in and make that landlord of that property have to join this scheme . Leave the landlords that are doing a good job alone or is it yet again the few ruin it for the many.”*

*“I own a one bed leasehold apartment in the selective licensing area. The site is managed via service charge and I pay a managing agent. All proposals in selective licensing are met by the two layers of management. I therefore do not feel a benefit to my property.”*

*“my property that falls into the new area is priory wharf in Birkenhead, this should be excluded from the licence area it is a very good development and doesn't need to be improved.”*

## **EXISTING SELECTIVE LICENSING SCHEME VIEWS FROM LANDLORDS**

Landlords did provide views and comments regarding the existing selective licensing scheme. This included complaints that the Scheme doesn't work due to the lack of information or evidence available to show the impact that the existing selective licensing scheme has had.

*“Licensing doesn’t work, adjoining property has furniture in garden and has since 2015 when SL licensing was introduced.”*

*“Can you publish information about properties found to be substandard, and the penalties attached.”*

*“The areas that the licence is currently in place have not changed, there are still rent arrears and the surrounding areas still have anti-social tenant issues. The only person that this will have an impact on is Landlords who will end up either not being able to afford their mortgage payments with the added costs implemented or having to sell due to the extra costs.”*

*“I would be supportive as a landlord if you provided evidence for how the existing scheme is benefiting tenants, flushing out rogue landlords and improving the communities. I have not been given a link to such research in the consultation which leaves me a bit uneasy.”*

*“Where are the supposed improvements from the existing licencing areas?? “As the results of the existing areas have not been proven to achieve the objectives set out, why is it being expanded. The Council need to focus its attention on the existing areas.”*

## **Residents Views**

An integral element of the consultation was to engage with members of the community, specifically those who would be directly affected by the proposed Scheme. Five drop-in events were organised in various locations across the proposed selective licensing areas to give residents from each of the four areas an opportunity to attend an event in their locality. Residents were able to discuss the proposals and make any comments which would be recorded. Paper copies of the on line questionnaire were printed and made available where required. The events were held in Charing Cross Methodist Church, Birkenhead Town Hall, St Paul's Children's Centre, Birkenhead YMCA and Wallasey Town Hall.

Notification of these sessions was undertaken by:

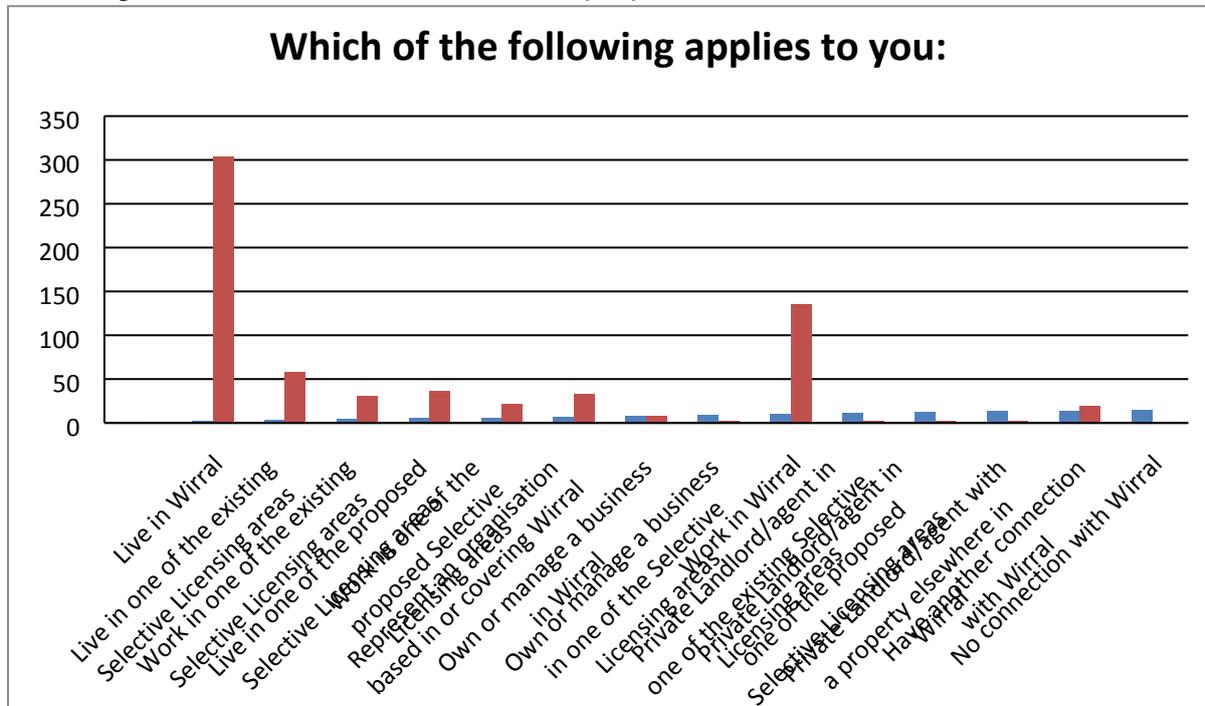
- Leaflets posted through the door of every property within the proposed four areas and in the existing four areas.
- Advertising on the Council's website ([www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing))
- Posters with the information detailing the drop in sessions were placed in and around the four areas in shops and local businesses who agreed to display them,
- Tweeted to all those who follow Wirral Council's twitter account,
- Posted on Facebook,
- Specific invitations to tenants when visited by Council officers.

32 residents attended the drop-in sessions. Council Officers explained the reasons why the proposals had been put forward for consultation, showed the extent of the areas for potential inclusion and also respond to any issues or questions about the proposals directly. All those who attended the drop-in sessions were invited to complete a questionnaire in order to quantify and record their views.

**Consultation Questionnaire: Summary of Residents Views**

Of the 529 completed online questionnaires, 79% indicated that they were not landlords or agents of private properties.

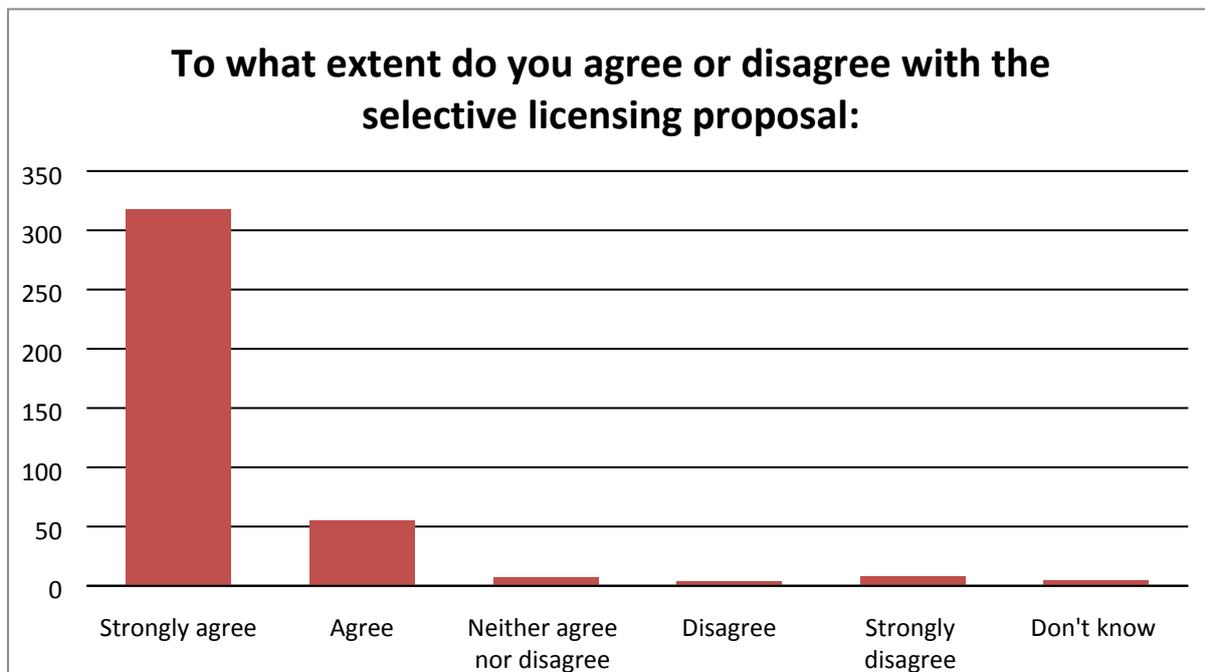
72.7% respondents live in Wirral, and of those, 19% live in one of the existing selective licencing areas and a further 11.8% in a proposed area.



The following section details feedback on the questions from residents, and includes their comments where appropriate.

**Wirral Council proposes to extend selective licencing into four new areas . . . to what extent do you agree or disagree with the proposal.**

A majority of 89.2% either agreed or strongly agreed, with just 2.8% who disagreed or strongly disagreed.



Of those 58 respondents who live in a current selective licensing area, 55 were in agreement with the proposals whilst just two disagreed or strongly disagreed, and of the 36 who live in one of the proposed selective licensing areas, 33 agreed or strongly agreed whilst just three disagreed or strongly disagreed.

From the majority of residents who agreed with the proposals, many provided explanations for their view, including:

*"I live in an existing licensing area. This scheme is fantastic. The council inspectors found multiple fire and electrical safety faults which would have serious consequences. I had previously been asking the landlord to carry out the repairs which had been ignored until forced by the council. This scheme must be introduced in all areas available!"*

*"It really is about time these conditions were brought into play as some Landlords think they are doing People a favour rather than having an income, agreements between Landlord and tenant are very important so I am in favour of Licences. Thank you."*

*"This is long overdue."*

*"Glad something had been proposed - I'm fed up of being a tenant in several houses/flats when the landlord does little or nothing to keep his/her property safe."*

*"This should of happened years ago to protect vulnerable people from falling victim to scum bag landlords and living in squalor that housing benefit pay for. All landlords should be registered and be checked on."*

*"It should be implemented"*

*"It's an excellent idea"*

*"Rights of renters need to be protected. Any initiative to promote/require responsible behaviour from landlords deserves support"*

*"Please, please, please crack down on absentee landlords who allow their properties to become blights on the neighbourhoods they are within. It is a huge problem".*

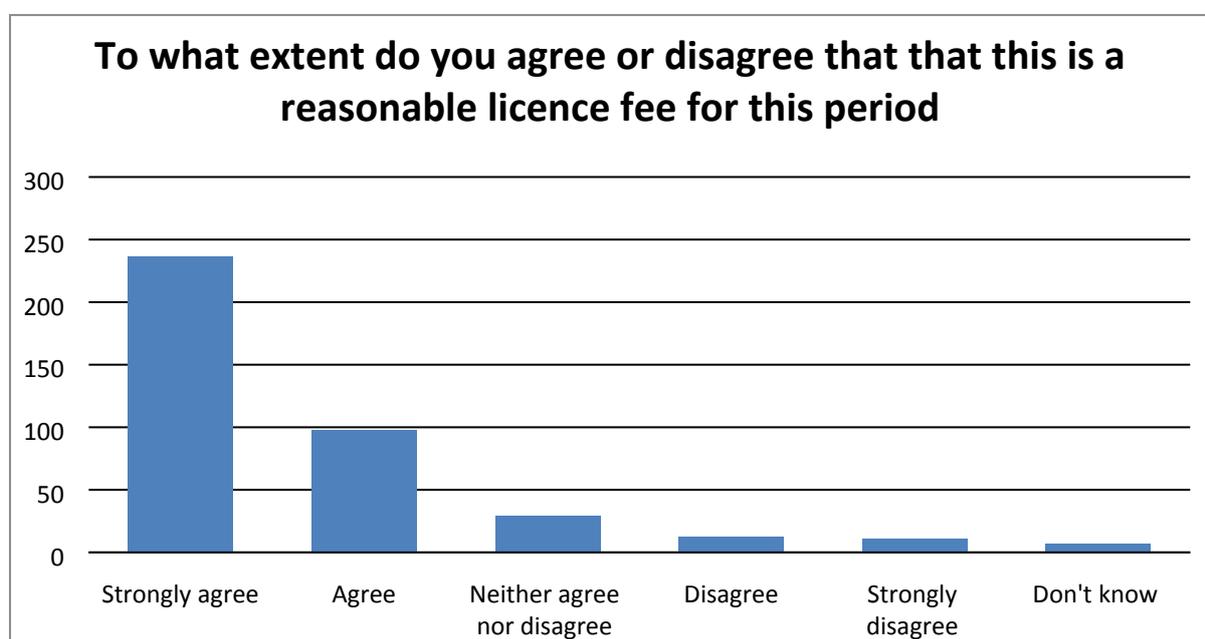
From the 2.8% who disagreed with the proposals, some provided explanations for their views why they disagreed, including:

*“I find the whole scheme to be intrusive, financially a money grab by the council, and the scheme is not warranted or fit for those with less than two properties to let.”*

*“Everything seems to be the responsibility of the landlord and licencing is just another scam for the council to make money. Seems a good reason not to become a landlord. All of the costs will end up back with the tenant.”*

*“It is very sad that private landlords who look after their tenants and the rented properties are having to pay this license because of very bad landlords. I would like to know where this license money is going!!!”*

79.9% of those who responded to the questionnaire agreed or strongly agreed that the suggested fee was reasonable, with just 5.5% who thought it was unreasonable.



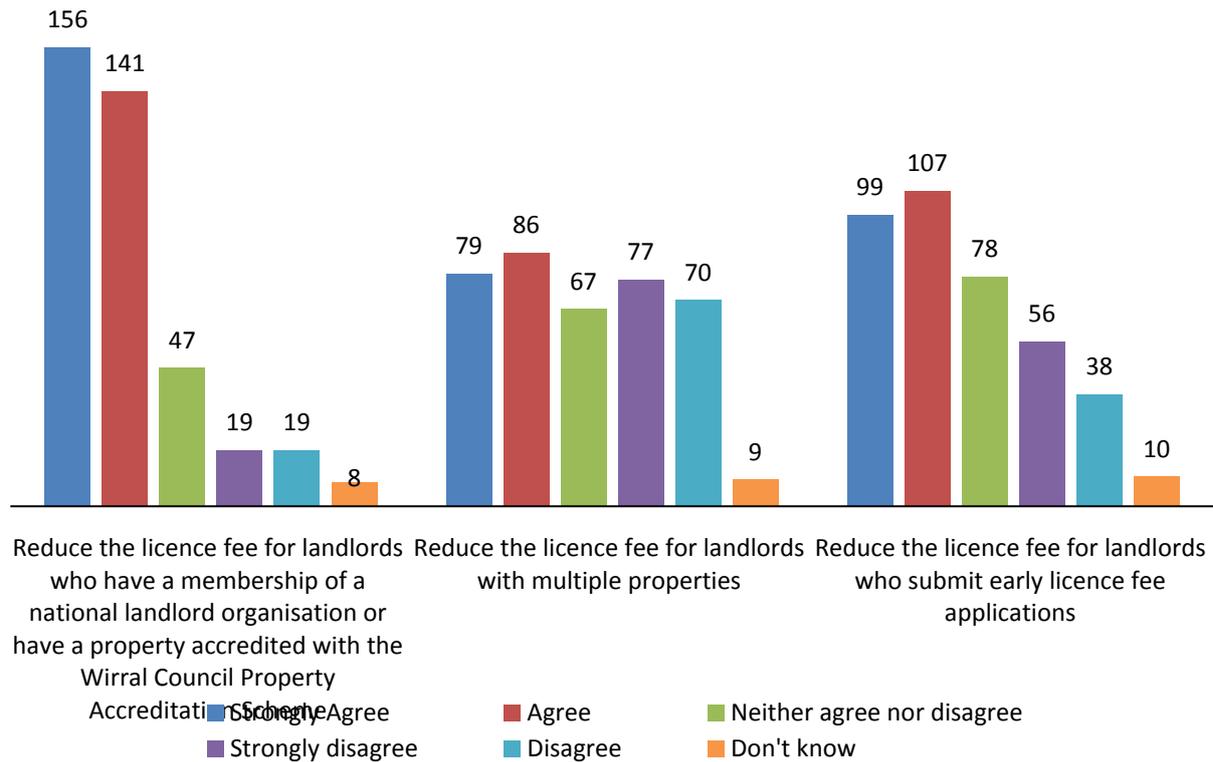
71% of respondents also thought it was reasonable to offer a discount for those with membership of a national landlord organisation or an accredited property with Wirral Council's Property Accreditation Scheme with a further 9% disagreeing and 11.2% who had no strong feelings and selected neither agree or disagree.

There were only two comments provided regarding fees:

*“If landlords feel the fee is the problem, they should add the weekly fee onto the tenants rent.”*

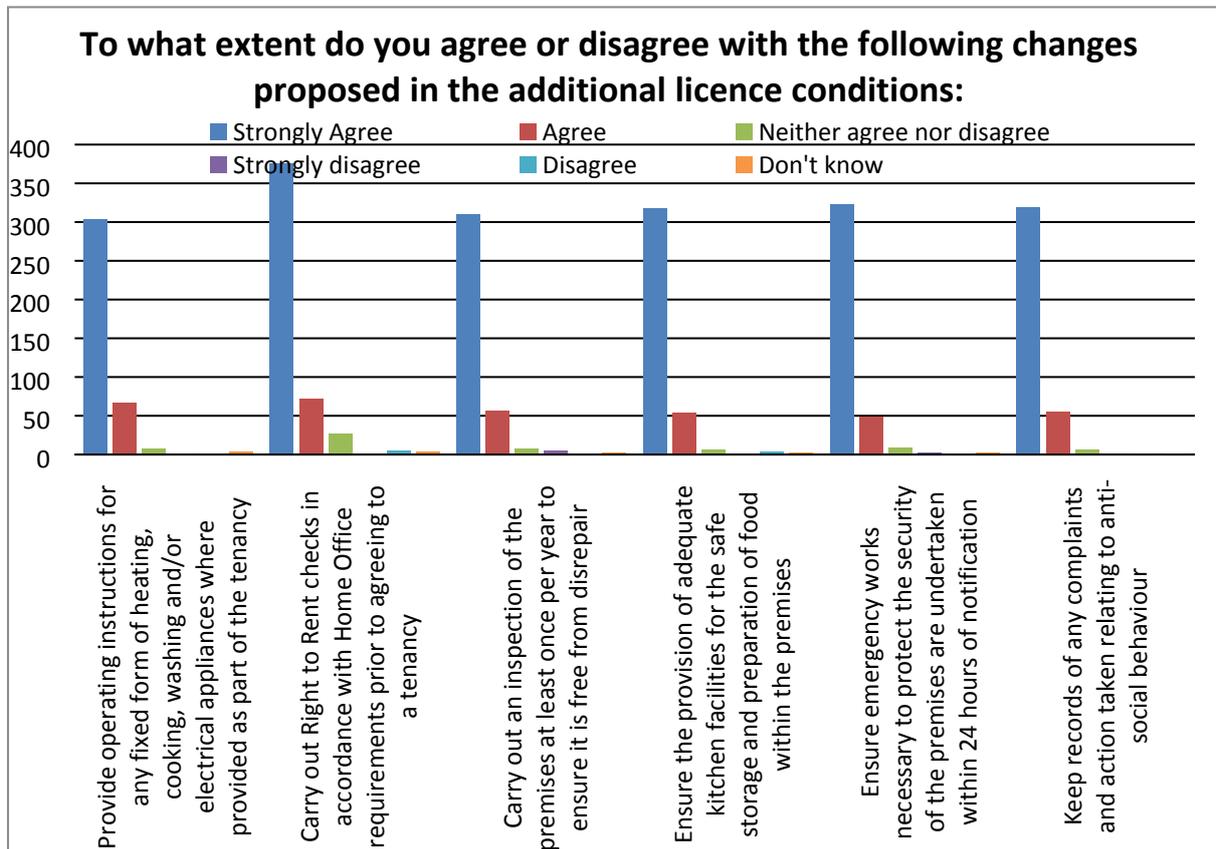
*“I think they should get discounts if proved to be a good landlord.”*

### To what extent do you agree that it is reasonable to:

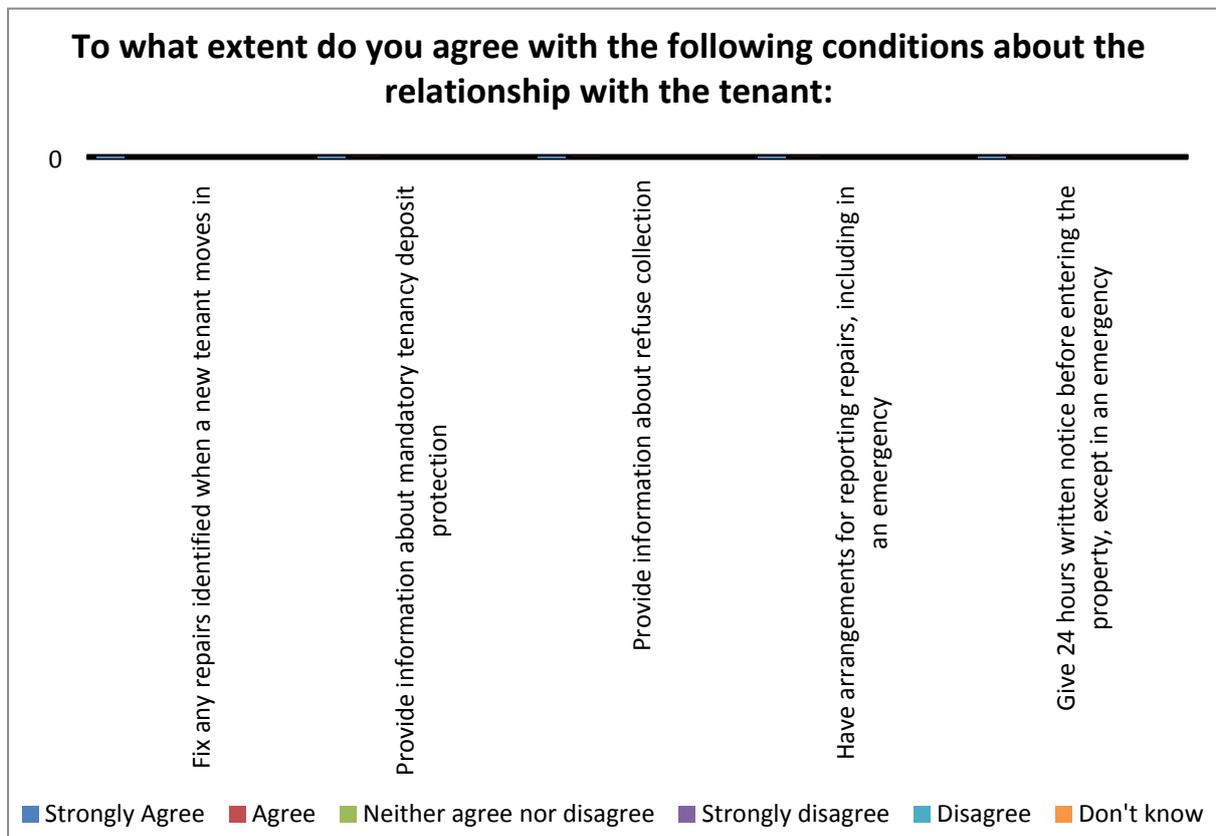


There was a more even split between those who felt it was reasonable to reduce the licence fee for landlords with multiple properties with just 39.4% who felt it was reasonable and 35.2% who disagreed, with one respondent leaving the following comment:

*“I don't think it's fair that if you have more properties you pay less as they make more money and landlords with 1-2 properties will lose out and from experience these landlords are best as they don't treat as a moneymaking venture who are always too busy.”*



When responding to the licence conditions, the vast majority strongly agreed or agreed with all conditions.



The following comments however were provided for consideration and inclusion in the consultation report:

*"[tenants] Need out hours emergency number."*

*"Landlords should be held accountable for the condition of the property , nobody should have to live in unfit conditions wherever they are from or whoever they are and should not be discriminated against due to circumstance."*

*"Being a retired joiner I have worked in many rented properties most of which were unfit for human habitation."*

*"24 hours notice before entering a property is not enough"*

*"Landlords must bear a certain responsibility should they move in anti-social people (drug users, criminals, louts) to quiet areas."*

*"Information on boiler service etc should be readily available to prospective tenants. As should meter types, ie prepayments or available via direct debits."*

**Response:**

Selective Licensing contributes to addressing the need for quality, affordable and safe homes which in turn assists in driving forward improvements to the quality of life, health and levels of achievement for our residents. The above points have all been considered within the licensing conditions, however notice of entry is a legal requirement.

Selective Licensing will help increase property standards within the private rented sector as a whole helping to create attractive and desirable neighbourhoods with stable communities where people will chose to live.

Encouraging landlords not to take tenants with a poor reference improves the choice for tenants with good references.

Respondents also made some suggestions regarding what they would expect to see in the selective licensing scheme, some of which are already in place. Other suggestions included.

*"Landlord details to be on a public register and any complaints regarding their tenants' behaviour be recorded within a log which forms part of the inspectable documents - the number and level of complaints should be taken into account when the licence is due to be renewed."*

*"As we lived as a tenant for several months and all of these conditions were not met, then I think that all of these proposals are essential for the tenant and the Landlord, and are reasonable."*

*"A Hotline number to the council should also be provided in the pack in the event the landlord is not adhering to the conditions for purposes of making a complaint."*

*"The council need to provide tenant and landlord with complaint support contact details"*

*"Managing agents should have to prove they have passed on a complaint about a tenant to the landlord when it is made by one of the neighbours."*

*“Neighbours of a rented house must have a way of having the tenant removed if they are causing a disturbance in the area - Most managing agents don't do a thing about this.”*

**Response:**

Tenants can make a complaint about a privately rented property or landlord at any time if there are problems at the property, or you believe that the owner or manager is no longer a ‘fit and proper’ person.

Private tenants fly-tipping or leaving rubbish which has an effect on other neighbours in the area was a popular topic with lots of views. Some respondents suggested ways in which the Council could deal with this, including:

*“Landlords could pay council for full membership that supports landlord with waste issues and discounted Eric service to reduce fly-tipping.”*

*“Possible landlord discounts if they join a council run scheme were they can get a reduced cost Eric collection when clearing their property, or tenants have bulky items to get rid of This would also help reduce instances of fly tipping.”*

*“TO PROVIDE ALL WHEELIE BINS EVEN AFTER THEFT, DAMAGE ETC.”*

*“The landlord must pay for extra wheelie bins as required.”*

*“Deal with fly tipping more efficiently and faster.”*

The following comments were made at Question 12 [**Are there any other comments that you would like to make about the proposed extension of selective licensing to other areas or changes to the licence conditions?**] which respondents wanted the consultation to take into account.

*“Not sure how much it [selective licensing] has improved standards in existing areas, but as proposed areas are low-value properties, landlords should be held responsible for being 'interested' in the effect any tenants, and associated behaviours, are having on both home owners and long term renting tenants, as traditionally itinerant population generally associated with low-value tenanted properties causes further detriment to property prices.”*

*“I feel strongly that there should be reasonable rates imposed upon private landlords based on how much they pay in mortgage/fees and the size of the property.”*

*“I do strongly believe all landlords need to be partly responsible for who they let these properties too. Many simply do not care and will put in anyone.”*

## **Representations and Letters**

In total, ten written submissions were received from landlords, partner agencies, Councillors, Members of Parliament and organisations representing both tenants and landlords.

Three of those (two emails and one letter) received were in relation to the inclusion of Priory Wharf in the proposals for the Hamilton Square area. Two of these were from landlords with properties in the development, and the third from the management company of the development. All three submissions request that the Priory Wharf development is removed from the areas; mainly due to the following points:

- The development is a mixture of both owner occupied and private rented accommodation, and the private rented accommodation is not difficult to let and therefore not low demand.
- The majority of the private rented properties on the development are let to long term tenants and there is not a high turnover of residents.
- It is a good quality development and there is a continuing programme of maintenance and repair.
- The development is professionally managed with 24 hour security, so anti-social behaviour is not an issue.
- The majority of private rented units in the development already exceed the proposed standards of selective licensing.

Supportive written submissions were received from two Councillors and one local Member of Parliament in relation to extending selective licensing into one specific area in North Birkenhead to tackle issues of property disrepair, fly-tipping and dog fouling. Local organisations have lobbied their councillors and MP in order to raise this issue, which will be looked at and considered if the scheme is to be extended further.

Three further emails were received from landlords of private rented property, two commenting on the cost of licence fees with one of those further expressing disagreement with the scheme and informing the Council that they will sell their property.

The third email received was from a landlord who informed the Council he has issued Section 21 notices to all tenants in the proposed areas as he does not wish to be a landlord if selective licensing is introduced there. Reasons for this included the existing areas became worse following the introduction of selective licensing and both landlords and clients in the areas see no positives and have in fact noticed an increase in anti-social behaviour.

One pertinent and important representation was received from the National Landlords Association (NLA) which exists to protect and promote the interests of private residential landlords.

With more than 50,000 individual landlords from around the United Kingdom and over 100 Local Authority associates, the NLA role is to provide a comprehensive range of benefits and services to members and strive to raise standards within the private rented sector.

The NLA seeks a fair legislative and regulatory environment for the private rented sector while aiming to ensure that landlords are aware of their statutory rights and responsibilities.

The National Landlords Association (NLA) full letter of representation can be seen in Appendix 4 however the overview which has been taken direct from their letter states:-

*Having considered the evidence presented, and having undertaken our own evaluation of the circumstances faced by the residents/landlords of Wirral, our position can be summarised by the following brief points:*

- *Landlords have very limited authority when dealing with matters related to antisocial behaviour, especially if it happens outside the curtilage of the property. We welcome the council's approach that will work with landlords and tenants to resolve these issues.*
- *The proposed scheme will help reduce waste, with landlords being able to access facilities at the end of a tenancy.*
- *Support in mental health as well as drugs and alcohol issues which affect tenants will reduce issues within the wards affected.*
- *The support being made available to help landlords with problem tenants will reduce the problems being moved around the borough.*
- *We welcome that those landlords that have joined trade associations and look to keep up-to-date with the law will receive acknowledgement in the fee.*

*Licensing is a powerful tool. We support the proposed introduction of licensing schemes that benefit landlords, tenants and the community. In this case we are minded to support the proposal if the council follows through on the proposals that they have indicated. The way the council has made efforts to support the good landlords will help resolve specific issues.*

### **Petitions**

No petitions were received as part of the consultation process.

## **Appendices**

- Appendix 1 Notes of Landlord and Agent consultation workshops
- Appendix 2 Minutes of Landlord Working Group
- Appendix 3 Consultation Questionnaire
- Appendix 4 Email to landlords & agents with accredited agents
- Appendix 5 E-mails to Stakeholders notifying of consultation
- Appendix 6 Press Release Selective Licensing scheme
- Appendix 7 Content of Plasma Screen Messages in Council One Stop Shop
- Appendix 8 Website Consultation
- Appendix 9 Selective Licencing postcard distributed to all residents in existing and proposed areas
- Appendix 10 Poster placed in all local Council offices and shops and public buildings in and around the existing and proposed areas.
- Appendix 11 Selective Licensing Adverts for press
- Appendix 12 Written responses
- Appendix 13 Landlord Linkup Spring 2018 edition
- Appendix 14 Evidence of Social Media
- Appendix 15 Letter to neighbouring local authorities
- Appendix 16 Evidence of email sent to all landlords on the Housing Benefit recipient list, and all members of the public who have expressed a wish to be contacted in relation to housing matters.

## **Appendix 1 – Notes from landlord workshops**

The following notes have been taken from the landlord and agent workshops, and express the views of the landlords and agents present. All comments and discussions have been anonymised.

### **Workshop 1**

- Landlords can bring properties up to required standards however sometimes the tenant damages the property, with licensing expecting the landlord to carry out and pay for the repairs – sometimes this can be a never-ending cycle and affects the landlord's return on investment.
- One other issue which may lead to standards not being met is the landlord not being able to access the property.
- Didn't realise property accreditation was an ongoing scheme (thought it was just a way to get a discount on the licence). Will get properties accredited within next few months if in proposed new areas to get ahead of the game.
- Asked if there was any evidence of the existing scheme working.
- Licensing puts off prospective landlords / investors from buying properties in the areas.
- Council needs to understand landlords have made an investment. If a house needs a lot of money to meet licensing conditions, the landlords will get rid of the property.
- "Big complaint" is that licensing doesn't take account of tenants, there is no accountability for them, "getting away with murder". I will probably sell-up as it's too expensive to keep repairing property due to tenants' behaviour. "Tenants get away scot-free".
- Landlords don't evict easily due to loss of income: when notice to quit is given, tenant stops paying rent immediately, landlord goes to court, 56 days with no rent, if tenant refuses to leave landlord has to pay for bailiff too. No help from the LA in these circumstances.
- Where tenant is receiving HB and not paying the rent, the LA needs to take word of landlord, tenant's word is always taken as the truth. More assistance in general needed from HB team.
- Thought fee was high and current discounts were definitely required to bring the fee down. Agreed with current discounts but there should be more than just a £50 discount for licence holders with more than one property. Landlord stated than discounts were irrelevant but if thought was getting value for money from the scheme would be fine.
- Agreement for annual electric certificates.
- Thought there should be greater promotion of the benefits of the scheme.

### **Workshop 2**

- Concerned that the licence requires an electrical certificate when this is not a current legal requirement.
- Will there be a facility to pay the licence fee by direct debit over a period of time.
- Landlords would be interested in the discount, what is going to be offered?

- Concerned that money that would have previously been invested in the property will now be diverted to pay for the licence fee.
- Some tenants do not want the bother of improvements, so this could be a problem if the property did not come up to the required standard.
- Suggested there should be a discount for RLA members without the need for the property to also be accredited.
- What are the proposed changes to licence conditions?
- When the new scheme comes in, will existing direct debit payments go down?
- Concerns about the introduction of Universal Credit and its impact on landlord income stream.
- Tenants should be held accountable for their behaviour not landlords.
- Will new licence conditions apply to existing licences?
- Some landlords present believe that some landlords may increase rent to recoup the licence costs.
- The required visit of once per 12 month is lenient.
- Would like to know about the proposed changes to the fire regulations of HMO properties.
- Why is the Council encouraging people to stay in and fight a fire by requiring fire blankets and fire extinguishers when Fire Safety advice is get out and stay out?
- Will the inspectors pick up on issues such as damp in properties?
- How will inspectors gain access to properties?
- Managing Agents pass the buck to landlords and take no responsibility.
- Property inspections should be carried out, but they cost a lot of money.
- Concerns over new EPC regulations coming into force from April 2018.

### Workshop 3

- Landlord has a property in [redacted] Road (he is in the process of having his current tenant evicted due to the condition of the property) thinks the road has improved over the past two years and is not against the scheme, but the costs involved. Landlord would like to know if under the proposed scheme, would tenants require a guarantor. Officer confirmed they would not, but under the new conditions, references would be mandatory; ideally from the previous landlord.
- Landlord queried whether or not the scheme would include homeowners and Registered Providers. Officer explained the RPs are already subject to the HCAs own legislation. Landlord made the point that if selective licensing relates to certain areas; *all* properties in those areas should be subject to the conditions, not just private rented.
- Landlord made reference to 'Rentsmart' in Wales; they charge £200 for their whole scheme and he cannot understand why ours are so high in comparison. Officer explained the various potential discounts being looked at as part of the proposals and asked if there were other incentives for discounts the landlords thought could be included. Landlord suggested discounts for landlords who take tenants on through Housing Options and PPP. Landlord suggested discounts on individual property condition. Landlord also suggested discounts for attending courses and holding professional memberships.

- Landlord believes discounts should not apply to landlords who have been prosecuted previously
- “Properties may be decent, but if you haven’t got tenants in who want to look after them, they will end up in poor condition”. Officer explained about the work the Healthy Homes team do and gave examples of working with tenants in the current areas to support changes in behaviour and to address any issues relating to ‘problem neighbours’ and ASB.
- Regular correspondence is needed from the selective licensing team regarding updates on the scheme; Landlord was not aware of the Healthy Homes team and the work they have already done in the current selective licensing areas.

#### **Workshop 4**

- Overall, landlords in the group were supportive of the intentions of selective licensing however there was concern that the Council was not doing enough to support landlords with poor tenants in these areas.
- Landlords don’t give fair references even if they have difficult tenants as they just want them to move on. The landlords agreed that they were guilty of this as well as the Registered Providers (RPs) - Housing Associations e.g. Magenta Living)
- There was concern that Registered Housing Providers aren’t regulated to the same degree in selective licensing Areas as private landlords and some of their properties are in a very bad condition.
- There was concern that the Police don’t share information on problem tenants as landlords were aware that they had been involved with their tenants but they had been unable to find out what trouble they had been in.
- Landlords asked why the Council could not keep a register of bad tenants as they had been asking for this for years, and they considered it was the one thing that would make a major difference to improving these areas if the Council could stop these tenants from moving round every 6 months to another unsuspecting landlord.
- Landlords said they had seen the impacts of reductions to front line services e.g. police, mental health services and social workers which was having an impact on their tenancies. They were increasingly having to take on the role of social workers and seemed to be having an increased number of tenants with mental health, drug or alcohol addictions.
- Landlords raised a question about how many absentee landlords there were in an area and asked if the landlord needed to reside in the UK to hold a license.
- Landlords asked if a license was revoked if the landlord was not a fit and proper person, then could they just ask a friend to manage the property.
- Landlords said they were operating in an increasingly difficult environment with increased regulation from central government and less favourable tax changes. They said they appreciated it wasn’t the Council doing this, but nevertheless it made their operating environment much more difficult.
- The changes to the licensing conditions were discussed and landlords encouraged to read these in more detail.

- Landlords made the comment that the Council did not publicise enough the good news stories that had been discussed at the workshop and these should be publicised on a regular basis.
- Landlords asked if group repair 'façade grants' that the Council had delivered in Birkenhead could be rolled out as these had been very successful.

### **Workshop 5**

- We [good landlords] are paying for the poor landlords
- The mental health of tenants is a big problem
- Rents – there has been no increase in rents for some time, therefore need to charge a top up
- In Birkenhead, 20% of tenants are behind with their rent
- Tenants with additional support needs that the landlords do not get paid for.
- Distrust of Council – no-one's going to benefit
- Peel Holdings – need to build out to help employment as jobs are needed desperately. He has many unemployed tenants.
- No margin in property; no relief on interest and landlords need 10% returns to make it worthwhile due to the need to intensively manage many tenancies.
- Had to fill in 38 forms for the first scheme; this needs to be a more streamlined system next time.
- Gas safety checks are completed on demand.
- Landlord queries why there is a legal requirement to have a name on a licence?
- Rent arrears are becoming a massive problem and very costly to evict for non-payment of rent.

### **Workshop 6**

- Landlords of a property in one of the proposed areas were present. They have a tenant who has been in for some time now, but find it difficult to engage with her, officer explained about the services the Healthy Homes team can offer to assist landlords and tenants to work together.
- Landlord asked what is expected from landlords with properties in the selective licensing areas. Officer explained the mandatory conditions. Landlords also wanted to know how long they had to meet the conditions and the costs associated with the scheme. Officer explained the selective licensing procedure in terms of paperwork and property inspections; risky inspections are visited first and any works required will be given a reasonable timescale to be completed. Officer also explained that fees are still subject to the consultation process.
- Officer asked what they, as landlords, would like to see from the scheme. Two landlords agreed they would like to see good tenants living in their property who want to stay long term, a tenant they can engage with. Officer explained that the Healthy Homes team and officers from the selective licensing team work with tenants, landlords and other key agencies to address behaviour issues not just in the home, but also the local area to improve communities and hopefully encourage tenants to stay long term.

- Officer explained more about fee structures; discounts and instalments would be available. Landlords did not feel the fees were as bad once you broke it down year by year.
- Landlord asked if an officer would be able to come out to their property to advise what works would need to be done to bring it up to the standard required if it did not meet it already. Officer explained about Landlord Accreditation and further resources available to landlords, such as online training. Compliance checks will also be carried out by inspectors to advise what needs to be done and an improvement notice will be issued with a reasonable timescale.

### **Workshop 7**

- Comment on tenant's hoarding, difficult for landlords to deal with.
- Licensing is a good idea.
- Generally, has made average landlords perform better.
- Question on why some properties in a street are in and some are out of areas (officers explained LSOAs).
- Selective licensing can only be good for the areas.
- Current fee is a bit steep – thinks if properties are good then it's too expensive (I think he meant they should pay less if they're in a good state of repair and well managed).
- Whether accredited or not, if the landlord is good, they should get a discount. Doesn't want to get properties accredited. Should be one blanket charge across all properties.
- Good idea if there is a discount for membership of national body (NLA/RLA).
- Problems in the area with absentee landlords, some living abroad. Sometimes agents don't care.
- Thinks proposed licensing conditions are needed, especially the one about reasonable decoration post-works.
- Only issue is tenants not dealing with rubbish (in respect of having a licence condition regarding waste where the license holder could be penalised for the tenant's behaviour re: waste).

### **Workshop 8**

- Many examples of poor tenants and poor communication – landlords are often not advised if repairs are needed etc.
- Discussion around tenancy support provided for free in the selective licensing area if landlords feel their tenants would benefit from support to maintain their property.
- The majority of landlords would like to be able to keep a good tenant and would like tenants to stay long-term.
- The most common problem is dumping in the rear yard.
- The scheme is a good idea as long as landlords receive support.
- Licensing conditions are difficult to understand, and landlords would like help.
- Tenants not in when gas safety check is due which is frustrating for landlords when they have organised and notified tenants.

- Some streets in the selective licensing area are ok and don't need to be licensed.
- Who lives in the properties and how will a licence make a property better?
- Does it cost the tax payer or is the scheme fully funded through the licensing fee.
- £695 could be better spent on the property rather than the license fee.
- Can be pushing decent landlords out as won't be prepared to invest.
- Feels discriminatory against good landlords
- Fees should be set
- Salford gives exemptions for 3 months
- Ongoing consultation throughout
- Craven and Paterson Streets should be included.
- Landlords want to avoid poor tenants.

### **Workshop 9**

- To what extent has the existing scheme affected empty properties in the areas.
- Why are we rolling out the scheme now when we said we wouldn't for at least five years.
- What has been the impact of the existing scheme generally.
- Will the existing Scheme automatically run on when the five year period is up?
- Tenants are responsible for 60% of the poor property condition in rented properties, and they should already be able to report any issues to the Council.
- Will selective licensing insist that the tenant will keep the property in a good condition?
- Will the Council work with the landlord to assist in evicting a tenant if required?
- How do tenants view Health Homes? As part of the authority or as help?
- Sometimes landlords cannot get into their properties to carry out repairs; this means that the property may not meet the required standard. How will the Council deal with this?
- Questions over payments for licence fees and discounts.
- Are Councillors concerned as the Council will have to part fund a new scheme as it cannot afford to pay for itself entirely, and the Council's income has been cut.
- A consequence of selective licensing will be increased rent.
- New EPC legislation may lead to empty homes if a landlord cannot afford to make it compliant.
- Concerns about Wirral carrying out a borough wide scheme as Liverpool has done.
- Landlord believes the scheme may free up cheaper properties which have been poorly managed in the past, for other landlords to purchase and manage well.
- Confidence in the Council improving streetscenes which will make roads and areas more desirable, as poor external decoration has a detrimental effect on tenants.
- How were areas selected?

## **Workshop 10**

- There was discussion around repairs and some of the issues seen in the shared photographs from existing cases being prosecuted.
- The group agreed that if tenants cause problems, then referencing becomes more important
- Landlord has no issues with what the proposals are and understands why these areas were selected.
- Landlord informed the group only 30% of properties in the area are compliant based on existing areas and inspections carried out.
- Landlord feels it is unjust that Registered Provider properties are exempt – some of these properties are also in severe disrepair.
- Landlord feels that in some areas such as Hamilton Square, this will put investors off.
- Discussion around how Healthy Homes can help tenants sustain a tenancy.
- Landlord believes bad properties attract bad tenants and it is all area based.
- Landlord agrees with the scheme and feels fees are reasonable.
- There were questions over some licence conditions details
- Landlord visits vulnerable tenants more often than annually if they feel it would be beneficial, and another Landlord inspects properties every 12 weeks.
- Following a discussion around tenants not wanting to let landlords in, Officer explained how Health Homes are sometimes able to gain access to the property by engaging with the tenant. Whilst in the property, officers are able to identify hazards under the HHSRS which the tenant might not be aware of as a hazard.

## **Workshop 11**

- 2/3 in favour of the extension to the scheme.
- Lots of landlords underestimate what is needed
- Landlords and agents like the accreditation scheme.
- The scheme would be a disincentive to invest
- CO as mandatory on each floor – all agreed
- Reasonable to decorate where there has been disrepair.
- If landlords are not checking the property regularly then they are not managing the property well. Damage such as mould can occur in a matter of weeks!
- Group felt records should be kept of all inspections as they are required already for property insurance conditions.

## Appendix 2 - Minutes of the Selective Licensing Steering Group

### Landlords Selective Licensing Steering Group Minutes

Wallasey Town Hall

Tuesday January 16<sup>th</sup> 2018, 2.00pm

#### In Attendance:

Emma Foley	Wirral Council
Ian Gordon	Wirral Council
Steve Bowers	Wirral Council
Helen Evans	Landlord
Karen Spearing	Landlord
Peter Davies	Landlord

#### Apologies:

Jason Abbott	Landlord
Joe Bindley	Landlord
Stephen Mathieson	Landlord
Carole Donnelly	Landlord

#### 1.0 Welcome & introductions

1.1 Everyone introduced themselves and EF explained that the aim of these meetings were to steer the development of the proposals to roll out Selective Licensing to other areas of the borough. She confirmed that the consultation exercise will run until 22nd March 2018 will inform whether the scheme is introduced or not. Anything agreed at these meetings with landlords would be captured in the consultation and fed back to other landlords. EF asked the group if they were happy for the minutes to go on the Council's website. This was agreed.

#### 2.0 Rational for Consulting on Extending Selective Licensing in Wirral

- 2.1 The reasons for extending Wirral's Selective Licensing Scheme were discussed. EF said that Cabinet asked Housing Officers to explore the feasibility of extending SL in June 2016 as evidence emerged from the existing Selective Licensing scheme of the very poor compliance rates with licensing conditions so far – less than 1 in 4 comply with conditions. EF noted that since implementation of the current scheme DCLG had refreshed their guidance for local authorities looking to implement Selective Licensing Schemes.
- 2.2 Wirral's Public Health Intelligence Team were commissioned to produce independent study to look at low housing demand and poor property condition in Wirral. This **Evidence Base** was completed in September 2017 and showed that the initial 4 areas remained in top 10 of problem areas along with identifying additional areas which exhibited problems in relation to the housing market and property conditions etc.

- 2.3 This report formed the basis of a **Business Case** that was taken to Cabinet on 27<sup>th</sup> Nov 2017 when it was agreed to do a statutory consultation on extending SL to 4 more areas which started in mid Dec 2017-March 2018.
- 2.4 There has **not** been a decision made to extend, it will depend on the consultation feedback.
- 2.5 All landlords present supported the principle of Selective Licensing but said that the fees needed to be looked at so that good landlords were not penalised as a result of the poor landlords. They also said that more landlords needed to be made aware of the benefits of the scheme.
- 2.6 EF noted the good work undertaken in current licencing areas by the Healthy Homes Team through signposting and support provided to tenants providing additionality to the current scheme. Successes included a number of new tenants and residents groups, clean-up days and empowerment of residents to address Anti-Social behaviour was a sign that residents were keen to improve their neighbourhood. She also said financial assistance for landlords such as empty property grants and cosy-homes heating grants had made an impact on property condition in these areas.

### **3.0 Consultation**

3.1 The various consultation methods were discussed which included the following:

- Leaflets to all residents in proposed areas – hand delivered
- Landlord drop-in sessions
- Survey, available electronically and paper copies
- Landlord Link-up newsletter
- E-mail to all known landlords
- Landlord associations including accredited and licensed landlords & landlords on the HB database
- Press releases
- One Stop Shops
- Posters in proposed areas
- Local press & Wirral View magazine

3.2 Landlords suggested that we should also liaise with local estate agents and possibly arrange a meeting.

### **4.0 Licensing Fees**

4.1 EF Explained how the licensing fees are they set. They are based on the actual costs to administer the scheme – The Council cannot make a profit. Wirral's fees are similar to other similar sized Council schemes e.g. Sefton. Wirral will not set its fees until after the consultation has closed as the final fee will depend on how many discounts are offered. If landlords favour discount schemes similar

to the existing schemes, then this has an impact on the overall fee income brought in to the Council. The proposed fee structure, discounts / additional charges are all subject to consultation and they will be discussed in more detail at the next meeting. EF stated the ability to pay the licence fee by instalments which was suggested by the previous Selective Licensing Steering group has been a positive of the current scheme to which the group agreed.

## **5.0 Licensing Conditions**

5.1 SB explained the proposed changes to the Selective Licensing conditions. Some of the mandatory changes to the Licensing conditions have been proposed as a result of Legislative changes from Government. These include:

- Minimum EPC rating of E.
- Co2 alarms
- Right to rent checks-Immigration act

5.2 Other changes are proposed which reflect some problems that the Selective Licensing team have encountered with the current scheme. These include:

- Requirement to ensure properties are secure when vacant.
- Reasonable internal decoration after repairs
- LL must inspect a minimum once per 12 month period.
- HMO properties- provide Fire Risk Assessment when temporary battery smoke alarms are fitted.

5.3 The proposed changes will be circulated with these minutes and landlords will have a further opportunity to discuss the changes in more detail at the next steering group meeting. EF stated that the Council is looking for landlords input to ensure the licence conditions are suitable and achievable.

5.4 There was a consensus from landlords present that the requirement for electrical certificates should be included in the licensing conditions, as this legislation is likely to be brought in as a mandatory requirement in the near future anyway.

**6.0 Date of next meeting: TBC.**

**Landlords Selective Licensing Steering Group Minutes**  
**Wallasey Town Hall**  
**Friday 2<sup>nd</sup> March 2018**

**In Attendance**

Emma Foley	Wirral Council
Ian Gordon	Wirral Council
Steve Bowers	Wirral Council
Peter Davies	Landlord
Jason Abbott	Landlord
Carole Donnelly	Landlord
Stephen Mathieson	Landlord

**Apologies**

Helen Evans	Landlord
Karen Spearing	Landlord
Joe Bindley	landlord

**1.0 Welcome & Introductions**

EF welcomed the new members of the group and explained the purpose of the group and what had been discussed so far at the previous meeting.

**2.0 Minutes of last meeting and matters arising**

2.1 Minutes of last meeting were agreed as a true record. SM commented on the previous minutes particularly that landlords were in agreement with the principles of the scheme. He said that many professional landlords were struggling making their profit margins due to difficulties with HB benefit caps & Universal Credit and other regulations that had been introduced by Government in recent years. He said that Wirral hadn't had long enough with the current scheme to be able to properly evaluate if the scheme was working, and the Council didn't spell out what the scheme was achieving. JA stated that although he backed rationale for SL areas, he asked for clarification why after 2.5 years of current scheme the decision been taken to declare new areas before initial 5 years are up? EF said that Councillors had been concerned from the compliance inspections, of which there have now been over 500, that the property condition in these areas is a major concern with only around 30% of properties complying.

2.2 EF agreed that the Council needs to do more to publicise the positive aspects of the scheme for landlords such as the free assistance on offer for tenancy support, healthy homes, cosy-homes heating and empty property grants. CD suggested a newsletter would be useful and EF confirmed that the Council would look at this. JA and CD said that they were also in favour of the scheme.

2.3 CD agreed that the correct proposed areas have been selected to consult on. She would like to see the scheme addressing issues such as Alley-gates and fly-tipping.

**3.0 Consultation**

3.1 SB explained the consultation that had taken place already. Consultation Update – 300 online forms completed. He said that following the last steering

group meeting a landlords and agents session had been arranged of 13<sup>th</sup> March. There had also been meetings with both the NLA and RLA who had made some recommendations which the Council were looking into such as parking permits for landlords which inspecting properties with residents parking schemes and permits for tipping waste when a tenant has left huge amounts of rubbish at a property. There was a discussion about co-regulation and whether we should offer discounts for those who were accredited with a national landlords body such as the NLA or RLA.

- 3.2 EF said that following the first steering group meeting, one landlord had approached her to say that landlords on the group should be able to represent all landlords in Wirral and had asked for their contact details to be publicised. All steering group participants did not agree to their email addresses being disclosed to other landlords.
- 3.3 CD commented that cost of fees seems to have been spent on neglected properties with poor landlords. SB discussed the enforcement approach to current SL areas, focus has been on properties where issues identified, while many of the accredited properties have still not had an inspection. He said that the cost of enforcement is not included in the license fee, the Council has to pay for this separately and where necessary recover the costs through the courts.
- 3.4 EF outlined good work being done by HH Team to support tenants and owner occupiers and the additional benefits being brought to areas which is funded through Public Health.

#### **4.0 Fees**

- 4.1 EF requested thoughts on discounts offered through original scheme and asked if they were appropriate, fair and provided an incentive for landlords to voluntarily license their properties. She said the Council would listen to all reasonable proposals. CD asked if possible to review the cost of accrediting properties against the saving offered against the fee?
- 4.2 SM asked if the money received through financial penalties for landlords could be offset against fee costs. SB stated that only costs recovered from legal proceedings are received by the Council.
- 4.3 JA queried the multi property discount structure and whether it's possible to review level of discounts for landlords with numerous properties and how this is offered? EF said that the discount was based on the actual cost to the Council of doing a 'fit and proper person check' but that this could be reviewed. Consensus of participants agreed that multi property discounts should be increased possibly offering larger discount to landlords with large portfolios of properties.
- 4.4 SM stated difficult to make a judgement of what level of discount is suitable without knowing the amount needed to cover council costs. EF confirmed that original scheme had been subsidised by Council but no funding is available for any subsequent areas declared therefore the likely fee will be based on calculated cost of scheme. She said that the fee could only be fixed once the number of discounts was agreed so the fee structure needed to be fixed first.

SM commented that for landlords difficulties will be encountered finding income for cost of scheme as low rental income obtainable in SL areas and LHA does not provide any flexibility for increase in rentals with levels having been stagnant for a long period of time.

- 4.5 SM noted that in respect of comment that payment by instalments has been a positive, this should be taken as a given for the proposed scheme.

## **5.0 License Conditions**

- 5.1 SB explained the operational reasons for amendment of conditions following initial 2 years of original scheme. SB highlighted the main changes to the new conditions and specifically alerted the group to changes in respect of 3.3 alley-gates and also 3.10 HMO's and smoke detection amongst others. There were proposed changes to re-decorating after plastering and securing a property if it was open to access.
- 5.2 CD queried condition whereby LL address details etc. has to be displayed in property, SB stated this condition only relates to HMO's.
- 5.3 SB requested the groups' thoughts on condition regarding location of bins (condition 3.7d) After discussion it was agreed to amend the conditions so that tenant is required to contact council should replacement bin be required and also amount of time allowed to be left out for collection restricted to 18 hours. JA expressed concern over ability of licence holder to police how long the tenant leaves bins on the kerbside causing an obstruction. CD commented that section 3.7 a - the licence holder to be responsible for garden / hedges is unreasonable as some responsibility should be taken by tenants to care for gardens within properties.
- 5.4 There was discussion of the Brown v Hyndburn BC case of how it could impact on licence conditions. SB/EF advised that we would consult Council legal services with regards to the issue and action accordingly.
- 5.5 Proposed Licence condition 3.2 (k) Emergency board-ups all agreed that this is a good inclusion.
- 5.6 Proposed Licence condition 3.10.1 (e) and (f). Fire Risk assessments majority agreed.
- ## **6.0 Date of next Meeting**
- 6.1 It was suggested that a final Steering group meeting would be useful for final comments and any further suggestions about the fee structure.

## Landlords Selective Licensing Steering Group

### Minutes of Meeting

19<sup>th</sup> March 2018, 14:00 – 15:00, Wallasey Town Hall

#### Present:

Ed Kingsley	Wirral Council
Steve Bowers	Wirral Council
Peter Davies	Private landlord
Carole Donnelly	Private landlord
Stephen Mathieson	Private landlord
Helen Evans	Private landlord

#### Apologies

Emma Foley	Wirral Council
Ian Gordon	Wirral Council
Jason Abbott	Private landlord
Karen Spearing	Private landlord
Joe Bindley	Private landlord

#### 1.0 Minutes of last meeting and matters arising

- 1.1 The minutes of the previous meeting held on 2<sup>nd</sup> March 2018 were agreed as a true record.
- 1.2 Minute 2.2 – SB reported that the Council will be producing a newsletter.
- 1.3 Minute 4.2 – SM sought clarification on where costs went that were recovered from Court cases. SB said that the Council don't charge for enforcement within the Selective Licensing fee, except for the cost of prosecuting for not having a licence. General enforcement costs come out of the main Council budget and any court costs would be offset against this general budget. SM thought it unfair that they couldn't be used to financially support Selective Licensing and to reduce the costs of the scheme.

#### 2.0 Consultation

- 2.1 SB reported that there had been a further consultation workshop for landlords and agents which had taken place on 13<sup>th</sup> March 2018 at Wallasey Town Hall. Five attendees were present and the extension of Selective Licensing to further areas was broadly welcomed.
- 2.2 EK reported that around 450 consultation questionnaires had been submitted as of last week and the Healthy Homes Team were busy encouraging further people to complete questionnaires through their day-to-day work prior to the consultation deadline of 21<sup>st</sup> March 2018. EK also reported that one last publicity drive was taking place this week through social media.
- 2.3 EK stated that the results of the consultation were to be taken to the Council's Cabinet in late June with either a recommendation to introduce or a recommendation not to introduce into the new areas, depending on the

consultation outcome. If the outcome was the former and Cabinet agreed, the decision would need to be approved at the meeting of full Council in early July.

### **3.0 Fees**

- 3.1 SB asked the group if they had any further thoughts on fees since the last meeting. SM thought there could be better discounts for multiple properties, for example a discount for 1-5 more properties, a higher discount for 6-10 properties and so on. SM also wondered if there was a way to offer discounts for better landlords. SM and HE both made the point that costs for landlords with multiple properties can be substantial and they have to come off the bottom line as rents couldn't be increased due to LHA rates which were actually decreasing.
- 3.2 CD suggested a discount for landlords with accredited properties in the current selective licensing areas.
- 3.3 SM wondered if overall scheme costs could be lowered, and therefore fees, by using a risk-based approach to inspections. SM gave an example of the monitoring regime for EPC surveyors where every twelfth EPC was verified by the accreditation company with a property inspection. If the EPC carried out by the surveyor didn't match the EPC by the accreditation company then more frequent inspections were carried out. Something similar could operate within Selective Licensing; instead of carrying out an inspection of every property, landlords with more than one property could have one of their properties inspected and if all licence conditions were met then their other properties wouldn't need inspecting, or just a percentage. If licence conditions weren't met then the inspection rate would be higher.
- 3.4 The group agreed that the "early bird" discount was a good idea.
- 3.5 SB asked for thoughts on a discount for RLA or NLA membership. There was a feeling amongst the group that it would be better if the discount was kept to properties accredited under the Wirral Council scheme as standards and conditions for membership of the national bodies were unclear and perhaps not as stringent and that it was better to support a local scheme.
- 3.6 SM asked if the proposed fee structure could be brought back to the group for discussion once drafted. SB to check with EF. *(EF has confirmed since the meeting that this can be done.)*

### **4.0 Licence conditions**

- 4.1 Having reviewed the conditions at the last meeting, all present thought they were reasonable.
- 4.2 SB stated he would be reviewing all proposed licence conditions with a Council solicitor to ensure none have to be removed in light of the Court of Appeal ruling on some of Hyndburn Council's licence conditions.
- 4.3 CD suggested that on the licensing documentation for landlords there should be some wording to reflect the fact that the LA didn't need to give notice to access properties as it may prompt landlords to get a licence who may otherwise avoid licensing.

Closing Date:  
21st March 2018

## Selective Licensing Questionnaire

### HAVE YOUR SAY!

and be entered into a prize draw to win **£100 of high street vouchers!**

Before any final decisions are made, Wirral Council would like to hear your views on the proposals, so whether you are a resident, landlord or business we would like you to complete a questionnaire which provides an opportunity for you to **HAVE YOUR SAY** about the proposals and be entered into a prize draw to win £100 of High Street vouchers.

The feedback received will help Wirral Council to decide if and how the extension of the Selective Licensing should go ahead and what the final licence conditions will be.

This questionnaire should only take 10 minutes to complete and can be found online at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing) or at any Wirral One Stop Shop or Library.

Please ensure your name and contact details are completed below in order to be entered to the prize draw.

**NAME:**

**CONTACT DETAILS:**

Please complete this questionnaire online at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing)  
if you do not have access to a computer then please post it back to:  
Selective Licensing Consultation, PO Box 290, Brighton Street, Wallasey CH27 9FQ  
or hand in to any Wirral Council One Stop Shop or Library.

[wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing)

# Selective Licensing

## Tell us what you think!

Wirral Council is proposing to extend Selective Licensing into four new areas in Wirral as well as making some changes to conditions of licences and would like to know what you think about:

### 1. Extending Selective Licensing in Wirral

Extending Selective Licensing to other areas aims to improve living standards in the following four proposed areas:

- Hamilton Square
- Seacombe St Paul's
- Birkenhead West
- Birkenhead Central

Documents relating to the proposal, including detailed maps and address lists showing those properties included in the extended areas are available online at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing) or alternatively by emailing: [SLconsultation@wirral.gov.uk](mailto:SLconsultation@wirral.gov.uk)

### 2. Making Changes to the Licence Conditions

Licence conditions for the current scheme were previously consulted on and agreed in 2015. Since then, there has been some new legislation introduced by Government on things like the use of carbon monoxide alarms and Right to Rent checks, so it is proposed that the licence conditions are updated with some additional clauses.

For all proposed additions and amendments to the licence conditions, please see the full document on [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing).



## BACKGROUND INFORMATION

### What is a Selective Licensing Scheme?

These are schemes where owners or managers of private rented homes in designated areas are legally required to get a licence for each property they rent out in those areas.

The Scheme has been running in four areas of Wirral since 2015, and has had a great response, resulting in 1300 licences issued and over 340 property inspections being carried out. Of those 340 inspections, almost 70% of the properties needed some works or improvements to management practices in order to meet the required standards.

### Why is it being extended?

Wirral has areas of low housing demand and almost one in three properties in Wirral's private rented sector fails to meet the decent homes standard, which can have a terrible impact on the health and welfare of tenants and the wider communities. This scheme aims to improve homes in these areas by ensuring private landlords meet satisfactory standards of tenancy and property management. The pilot, which focussed on the four worst areas for low housing demand, has been running now for over two years and resulted in improvements to more than 238 properties.

Wirral Council would now like to widen efforts in improving private rented homes in more areas suffering the same low housing demand issues as well as poor property condition.

### How were the areas identified?

The four new areas were identified in a similar way as the original areas, using research by the Council's Intelligence Team which identified key areas suffering from low housing demand and poor property condition, as well as higher than average rates of private rented homes. A full breakdown of the evidence, methodology and findings is included in the Business Case which can be found on the Council's website at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing).

### What benefits will it have?

Poor property management has a very negative effect on areas where the housing market is already weak and contributes to high numbers of empty properties, high turnover of tenants and depressed rental and sale values. Selective Licensing will tackle poor management and is expected to deliver lots of benefits, including:

### Benefits for landlords

- Improved confidence in the market and potential growth in property values
- A level playing field where all landlords in the area are required to operate to the same decent standard
- Improved communications with Council services
- Better understanding of their statutory responsibilities through training and briefing sessions
- Improved reputation of private landlords

### Benefits for tenants

- Improve the quality of housing and management conditions
- Better understanding of the standards they should expect
- Better understanding of their responsibilities
- Written tenancy agreements, inventories and protected deposits
- Confidence that the Council will help if licence conditions are not met

### Benefits for the wider community

- Landlords encouraged not to take tenants with poor references
- Shorter void periods and less tenant turnover
- Improved quality of life, image and desirability of the area
- Fewer empty properties and blight
- Less anti-social behaviour
- Increase in the length of tenancies resulting in more settled communities
- Dedicated Healthy Homes Team to improve health for the wider community

### Will landlords have to pay for a licence?

The Council proposes to recover some costs by charging a Licensing Fee. The cost of the licence will be determined following the consultation. It is also proposed to offer the following discounts on licence fees:

- Applications made during the first three months of the scheme for each property
- Landlords with multiple properties
- Landlords who have a membership of a national landlord organisation or have the property accredited with the Wirral Council property accreditation Scheme

The following charges are also proposed:

- Charge for yearly direct debits
- Variation Fee
- A Temporary Exemption Notice Fee
- Assisted completion of application forms

The licences issued under the existing scheme will continue to apply until 30th June 2020.

### **Changes to the Licence Conditions**

The licence contains a series of conditions the licence holder would need to comply with, including property management, fire safety and anti-social behaviour.

As part of this consultation, the existing licence conditions will be updated to reflect mandatory changes in legislation which must be implemented, and also the additional conditions that Wirral Council would like to introduce.

A document showing all of the suggested changes to the Licence Conditions can be found at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing).

### **What would happen to private landlords who let their property without a licence or don't meet the licence conditions?**

Failure to apply for a licence or meet licence conditions could lead to an unlimited fine and a criminal conviction.

### **What are the next steps?**

If feedback from the consultation supports the introduction of a Selective Licensing scheme in a further four areas, and Members approve a final scheme, it is hoped that it will be introduced late in 2018.

More information about the consultation process, including how to get involved, is available via:

Online: [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing)

Email: [SLconsultation@wirral.gov.uk](mailto:SLconsultation@wirral.gov.uk)

By post: Selective Licensing Consultation  
PO Box 290  
Brighton Street  
Wallasey  
CH27 9FG

**1. If you are responding as a private landlord or a letting or managing agent, please answer the three questions below:**

How many licensed properties do you own or manage in Wirral?  
(HMO or Selective Licence)

How many other private rented properties do you own or manage in Wirral?

How many properties do you own or manage elsewhere in the UK?

**2. Which of the following apply to you? (Please tick all boxes that apply)**

- Live in Wirral
- Live in one of the existing Selective Licensing areas
- Work in one of the existing Selective Licensing areas
- Live in one of the proposed Selective Licensing areas
- Work in one of the proposed Selective Licensing areas
- Represent an organisation based in or covering Wirral
- Own or manage a business in Wirral
- Own or manage a business in one of the Selective Licensing Areas
- Work in Wirral
- Private Landlord/agent in one of the existing Selective Licensing areas
- Private Landlord/agent in one of the proposed Selective Licensing areas
- Private Landlord/agent with a property elsewhere in Wirral
- Have another connection with Wirral
- No connection with Wirral

**3. Wirral Council proposes to extend Selective Licensing into four new areas which are experiencing low housing demand and poor property condition. Selective Licensing will require all landlords to have a licence in order to let out homes in these areas.**

To what extent do you agree or disagree with the Selective Licensing proposal?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**4. Wirral Council proposes to charge a fee estimated between £500-£695 over a 5 year period depending on any discounts that can be applied. (See below)**

**This would be £100-140 per year or between £2-£3 per week before any discounts are applied.**

To what extent do you agree or disagree that this is a reasonable licence fee for this period?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

**5. To what extent do you agree or disagree that it is reasonable to:**

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
Reduce the licence fee for landlords who have a membership of a national landlord organisation or have a property accredited with the Wirral Council Property Accreditation Scheme.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduce the licence fee for landlords with multiple properties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduce the licence fee for landlords who submit early licence fee applications?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**6. The Housing Act 2004 requires that every licence must include certain mandatory conditions which are outside of the Council's control and therefore no questions have been included about these changes.**

Since the previous licence conditions were published, the Government has included requirements for landlords to install a carbon monoxide alarm where there is a solid fuel burning combustion appliance, and demand references from potential tenants.

Wirral Council does however have the power to include additional conditions to those set by Government. A full copy of the amended conditions can be found at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing).

Wirral Council would like your views and comments on the proposed licence conditions.

**To what extent do you agree or disagree with the following changes proposed in the additional licence conditions?**

**The licence holder must:**

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
Provide operating instructions for any fixed form of heating, cooking, washing and/or electrical appliances where provided as part of the tenancy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carry out Right to Rent checks in accordance with Home Office requirements prior to agreeing to a tenancy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carry out an inspection of the premises at least once per year to ensure it is free from disrepair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ensure the provision of adequate kitchen facilities for the safe storage and preparation of food within the premises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ensure emergency work (necessary to protect the security of the premises) is undertaken within 24 hours of notification (eg broken window)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Keep records of any complaints received and action taken relating to anti-social behaviour	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**7. To what extent do you agree with the conditions around the following issues and principles about the property?**

**The licence holder must:**

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
Keep the property in a good state of repair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Keep any outside areas clean and tidy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Keep the property secure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide keys for any window locks and instructions on how to use any burglar alarm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have an electrical safety certificate for the property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fix any faults identified by an electrical inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deal with any pests and infestations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**8. To what extent do you agree with the following conditions about the relationship with the tenant?**

The licence holder must:

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
Fix any repairs identified when a new tenant moves in	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide information about mandatory tenancy deposit protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide information about refuse collection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have arrangements for reporting repairs, including in an emergency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Give 24 hours written notice before entering the property, except in an emergency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**9. To what extent do you agree or disagree with the following conditions about the way in which the property is managed?**

The licence holder must:

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
Keep a copy of all references received for every occupier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Not allow more people to live in the property than specified by the tenancy agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Make sure that the tenant and their visitors don't cause a nuisance to their neighbours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deal with any complaints of anti-social behaviour in a proper and timely manner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Make sure that the tenant complies with other conditions about living in the property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**10. Wirral Council is proposing that the licence holder must keep all washing and kitchen facilities in the premises in a safe condition, in good working order and reasonable repair as far as reasonably practicable.**

**To what extent do you agree or disagree that it is reasonable that any washing and kitchen facilities provided by the licence holder must be maintained to an adequate standard?**

- Strongly agree       Agree       Neither agree nor disagree  
 Disagree       Strongly disagree       Don't know

**11. Wirral Council is proposing that the licence holder must provide information to the tenant at the start of the tenancy, for example, a copy of the licence, a notice with the name, address and emergency contact number of the licence holder, copies of current gas/electric safety certificates, energy performance certificate, tenancy agreement and details of the arrangements for waste disposal.**

**To what extent do you agree or disagree that it is reasonable that the licence holder must provide the tenant with an information pack?**

- Strongly agree       Agree       Neither agree nor disagree  
 Disagree       Strongly disagree       Don't know

**12. Are there any other comments that you would like to make about the proposed extension of selective licensing to other areas or changes to the licence conditions?**

Please return this questionnaire to **Selective Licensing Consultation, PO Box 290, Brighton Street, Wallasey, CH27 9FQ** or hand in to any **Wirral Council One Stop Shop** or **Library**.

## Appendix 4 - Email to landlords and agents

From: Meek, Sarah A. on behalf of regen-selectivelicensing  
To: SLConsultation  
Cc:  
Subject: Notification of Wirral Council Consultation on Proposals to Extend Selective Licensing in Wirral

Sent: Tue 12/12/2017 15:04

Dear landlords and agents,

**Council consultation on proposals to extend selective licensing in Wirral**

On 27<sup>th</sup> November 2017, Wirral's Cabinet agreed to consult on proposals to extend selective licensing to four new areas and to consult on some changes to the existing licence conditions. The consultation will run from 11<sup>th</sup> December 2017 until 21<sup>st</sup> March 2018.

The proposed new areas are:

- Birkenhead Central
- Birkenhead West
- Hamilton Square
- Seacombe St Paul's

For more information about the areas, including a full list of properties and maps, please go to [www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing)

The Council can only introduce a scheme if following a consultation exercise, there is support to do so. The Council therefore is consulting with everyone who may be affected to invite them to have their say on the proposals by completing a questionnaire. As a landlord, we would also like to invite you to attend one of the following landlord workshops where you can discuss the proposals and what they mean for you:

<b>Monday 15<sup>th</sup> January</b>	<b>10am-12pm</b>	<b>OR</b>	<b>5pm-7pm</b>
<b>Thursday 1<sup>st</sup> February</b>	<b>10am-12pm</b>	<b>OR</b>	<b>5pm-7pm</b>

If you would like to attend, please book a place by contacting us by email [SLconsultation@wirral.gov.uk](mailto:SLconsultation@wirral.gov.uk) or phone 0151 691 8156.

As with the previous scheme, the Council wants your views and comments. To have your say, please complete the online questionnaire at [www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing) and as well as the workshops, accredited landlords will be asked to participate in a steering group to discuss the proposed scheme in more detail. If you are an accredited landlord and would like to put your name forward for the steering group, please contact us with your details by emailing [SLconsultation@wirral.gov.uk](mailto:SLconsultation@wirral.gov.uk).

There are separate drop-in events for residents who live in the existing areas or the proposed new areas to find out more. We will be contacting them directly with information and an invitation to attend, but all information, including drop-in event dates is available on the website [www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing).

Licence conditions for the current scheme were previously consulted on and agreed in 2015. Since then, there has been some new legislation introduced by Government on things like carbon monoxide alarms and the Right to Rent, so it is proposed that the licence conditions are updated with some additional clauses. Please see the full document with all proposed changes on [www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing).



## Appendix 6 - Press Release Selective Licensing scheme

### Council to consult on proposals to tackle poor standards of private rented housing in Wirral

Wirral's Cabinet has given the go ahead for a comprehensive consultation on plans to extend selective licensing for private landlords to a further four proposed areas in the Borough, and to amend the current licence conditions.

The proposed areas are Birkenhead Central, Birkenhead West, Hamilton Square and Seacombe St Paul's.

Cabinet Members were advised that so far, in the existing scheme areas, 1300 licences have been granted, and 340 properties have received a compliance check. Of those properties which have been inspected, over 70% have required improvements to the property or management practices to bring them up to the required standard. Homes that fail to meet the required standard have a detrimental impact on the health and welfare of those who live in them, which impacts on local communities.

The proposal also aims to help tackle low housing demand. The suggested areas have a vulnerable housing market with high numbers of vacant properties and low house prices and rental values.

The extension to selective licensing would legally require landlords in the proposed areas to apply for a licence from the Council to rent their property out to tenants. Licences can be revoked if properties are not up to a good standard.

Licence conditions for the current scheme were previously consulted on and agreed in 2015. Since then, there has been some new legislation introduced by Government on things like carbon monoxide alarms and Right to Rent so it is proposed that the licence conditions are updated with some additional clauses. This will not incur any additional licence cost to existing licenced landlords.

The extension to selective licensing in specific, targeted areas would help to stabilise these neighbourhoods by declaring an intention to drive up property management practice and property standards in the private rented sector as well as helping to solve other issues contributing to low demand within a neighbourhood.

The Council will start consulting on the proposal on **11<sup>th</sup> December** and will engage with a range of stakeholders including tenants, residents, landlords, service providers, Council staff and Members and National and Regional Landlord organisations. The consultation will include more detailed and direct targeting with landlords, tenants and other stakeholders who live or operate in the proposed selective licensing areas and their immediate surroundings.

More information on this consultation is available on the Council website at [www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing)

# Evidence of press release news article on Wirral Council homepage 11/12/17

**But first, he needs a loving foster family in Wirral.**

youcanfoster.org

## News

- Consultation begins on extending Selective Licensing scheme**  
11 December 2017
- Residents from New Ferry and Port Sunlight come together for Christmas lights switch-on.**  
11 December 2017
- Community Grant fund supporting local projects in Pensby and Thingwall**  
08 December 2017
- New Ferry regeneration details published ahead of public meeting**

## What's on

- West Kirby Christmas Trail 2017**  
Sat 2nd Dec - Fri 22nd
- Wirral Shares Reading(Shakespeare Group) at Birkenhead Central Library**  
Mon 11th Dec 1:00pm - 3:30pm
- Easygoing Pilates**  
Mon 11th Dec 2:00pm - 3:00pm
- Young at Heart Club**  
Mon 11th Dec 2:00pm - 4:00pm
- Storytime at Bromborough Library**  
Mon 11th Dec 2:15pm - 2:45pm

## Have Your Say about Selective Landlord Licensing

...and be in with the  
chance to win £100  
High Street vouchers!



Wirral Council is proposing to improve living standards by making changes to the Selective Landlord Licensing scheme, including extending the areas it covers.

This means that the landlord or manager of a private rented home in these areas would need to apply for a licence to rent out their property.

You can view maps and addresses all of the properties affected and tell us what they think about the proposals online at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing)

Or ask for a paper copy at any Wirral library or One Stop Shop.

All questionnaires will be entered into a **prize draw for £100 of High Street vouchers!**

For more information:

Email: [slconsultation@wirral.gov.uk](mailto:slconsultation@wirral.gov.uk)

Call: (0151) 691 8156

Visit any of these special resident drop-in sessions:

**Tuesday 16th January 2018 (4pm-7pm)**

Charing Cross Methodist Church, Claughton Road, Birkenhead

**Wednesday 17th January 2018 (4pm-7pm)**

Birkenhead Town Hall, Hamilton Square, Birkenhead

**Monday 22nd January 2018 (3pm-6pm)**

St Paul's Children's Centre, St Pauls Road, Seacombe

**Thursday 25th January 2018 (4pm-7pm)**

Birkenhead YMCA, Whetstone Lane, Birkenhead

**Friday 26th January 2018 (4pm-7pm)**

Wallasey Town Hall, Brighton Street, Wallasey

## Appendix 8 - Website Consultation

The original text below was replaced by the text in the image when the consultation ended

*Wirral Council is proposing to extend Selective Licensing into four new areas in Wirral, as well as making some changes to conditions of licences, and would like to know what you think.*

*Please complete the online questionnaire to tell us what you think about the proposals, and be in with a chance to win £100 High Street Vouchers.*

[Link to Questionnaire](#)

### Selective Licensing consultation

**Monday 11 December 2017 to Wednesday 21 March 2018**

The Selective Licensing consultation is now closed. The outcome of the consultation, will be reported to Cabinet at the end of June 2018.

#### Extending Selective Licensing in Wirral

The four proposed areas are:

[Birkenhead Central](#)

[Birkenhead West](#)

[Hamilton Square](#)

[Seacombe St Paul's](#)

Please click on each area for a detailed map and list of addresses included in the proposed areas.

#### Background

Wirral has areas of low housing demand and almost one in three properties in Wirral's private rented sector fails to meet the decent homes standard, which can have a huge impact on the health and welfare of tenants and wider communities. Selective Licensing aims to improve homes in these areas by ensuring private landlords and agents meet satisfactory standards of tenancy and property management.

The four new areas were identified in a similar way as the original areas (please click here for more information on the existing scheme), using research by the Council's Intelligence Team which identified key areas suffering from low housing demand and poor property condition, as well as higher than average rates of private rented homes. A full breakdown of the evidence, methodology and findings is included in the Business Case below.

[Selective Licensing Business Case – November 2017](#)

## Find Out More

### Residents

Drop-In events have been arranged for residents to find out more about the scheme and how the proposals may affect them:

- Tuesday 16th January 2018, 4pm to 7pm at Charing Cross Methodist Church, Claughton Rd, Birkenhead
- Wednesday 17th January 2018, 4pm to 7pm at Birkenhead Town Hall, Hamilton Square, Birkenhead
- Monday 22nd January 2018, 3pm to 6pm at Seacombe Children's Centre, St Paul's Road, Seacombe
- Thursday 25th January 2018, 4pm to 7pm at Birkenhead YMCA, Whetstone Lane, Birkenhead
- Friday 26th January 2018, 4pm to 7pm at Wallasey Town Hall, Brighton Street, Wallasey

### Landlords

Workshops have been arranged for landlords to discuss the details of the scheme and how the proposals may affect them:

- Thursday 1 February 2018, 10am – 12pm or 5pm – 7pm

If you are a landlord or agent, and would like to attend one of the workshops, please email [SLconsultation@wirral.gov.uk](mailto:SLconsultation@wirral.gov.uk) to book a place, stating the date and time you would like to attend.

Once the booking is confirmed, all details, including the venue will be provided.

 [Minutes of the Landlord Steering Group 2 March 2018](#)

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 [Minutes of the Landlord Steering Group 16 January 2018](#)

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## Making Changes to Licence Conditions

Licence conditions for the current scheme were previously consulted on and agreed in 2015. Since then, there has been some new legislation introduced by Government on things like the use of carbon monoxide alarms and Right to Rent checks. It is therefore proposed that the licence conditions are updated with some additional clauses. Please see the document below which shows all proposed additions and amendments to the licence conditions.

 [Proposed Licence Conditions](#)

---

## Appendix 9 - Selective Licencing postcard distributed to all residents in existing and proposed areas

Front



**Have Your Say about Selective Landlord Licensing... and be in with a chance to win £100 of High Street vouchers!**

Wirral Council is proposing to improve living standards by extending Selective Landlord Licensing to four new areas of Wirral.

This means that the landlord or manager of a private rented home in your neighbourhood would need to apply for a licence in order to rent out their property.

**WIRRAL**

Back

You can view maps and address lists showing all of the properties in the current and the proposed selective licencing areas online at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing)

We are asking people to tell us what they think about the proposed extension of selective licencing in Wirral as well as changes to the current selective licence conditions, by completing the online questionnaire at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing)

Paper copies of the questionnaire are also available from any Wirral library or One Stop Shop\*.

If you would like to speak to someone about the proposals, or would like more information before you complete the questionnaire, please email: [sconsultation@wirral.gov.uk](mailto:sconsultation@wirral.gov.uk)  
call: **(0151) 691 8156** or visit a drop-in session.

To find out more visit any of these special drop-in sessions:

**Tues 16 January 2018 (4-7pm)**  
Charing Cross Methodist Church  
Claughton Road, Birkenhead

**Wed 17 January 2018 (4-7pm)**  
Birkenhead Town Hall  
Hamilton Square, Birkenhead

**Mon 22 January 2018 (3-6pm)**  
St Paul's Children's Centre  
St Pauls Road, Seacombe

**Thurs 25 January 2018 (4-7pm)**  
Birkenhead YMCA  
Whetstone Lane, Birkenhead

**Fri 26 January 2018 (4-7pm)**  
Wallasey Town Hall  
Brighton Street, Wallasey

*\*All completed online and paper questionnaires will be entered into a prize draw for £100 of High Street vouchers.*

3870at175x

Appendix 10 - Poster placed in all local Council offices and shops and public buildings in and around the existing and proposed areas.

## Have Your Say about Selective Landlord Licensing...and be in with a chance to win £100 of High Street vouchers!

Wirral Council is proposing to improve living standards by making changes to Selective Landlord Licensing in Wirral, including extending the areas it covers.

This means that the landlord or manager of a private rented home in these areas would need to apply for a licence to rent out their property.

To find out more visit any of these special drop-in sessions:

- Tues 16 January 2018 (4-7pm)**  
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Birkenhead YMCA  
Whetstone Lane, Birkenhead
- Fri 26 January 2018 (4-7pm)**  
Wallasey Town Hall  
Brighton Street, Wallasey

You can view maps and addresses all of the properties affected and tell us what you think about the proposals online at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing) or ask for a paper copy of our questionnaire at any Wirral library or One Stop Shop\*.

**For more information:**  
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**call:** (0151) 691 8156

*\*All completed questionnaires will be entered into a prize draw for £100 of High Street vouchers!*



**WIRRAL**

# Appendix 11 - Selective Licensing Adverts for press

**Landlord Licensing**

Wirral Council is proposing to improve living standards by extending Selective Landlord Licensing to four new areas in Wirral.

This means that the landlord or manager of a private rented home in these areas would need to apply for a licence to rent out their property:

- Birkenhead Central
- Birkenhead West
- Hamilton Square
- Seacombe St Paul's

Maps of each area and a full list of the properties affected are available at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing)

Wirral Council is consulting with everyone who may be affected, to invite them to have their say on the proposals. The consultation is open until **21 March 2018**.

For more information about the consultation process, including how to get involved:  
Visit: [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing)  
Email: [slconsultation@wirral.gov.uk](mailto:slconsultation@wirral.gov.uk)  
Write: Selective Licensing Consultation  
Wallasey Town Hall,  
Brighton Street  
Wirral, CH44 8ED



NEWS 13

2018, JANUARY 31, 2018

**Landlord Licensing**

Wirral Council is proposing to improve living standards by extending Selective Landlord Licensing to four new areas in Wirral.

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Email: [slconsultation@wirral.gov.uk](mailto:slconsultation@wirral.gov.uk)  
Write: Selective Licensing Consultation  
Wallasey Town Hall,  
Brighton Street  
Wirral, CH44 8ED



Advert placed in Your Move (Property Magazine)

Simply call our dedicated team on 0333 202 6391  
or E-Mail us on [liverpool@clarriots.co.uk](mailto:liverpool@clarriots.co.uk)

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## Landlord Licensing

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Wirral Council is consulting with everyone who may be affected, to invite them to have their say on the proposals. The consultation is open until **21 March 2018**.

For more information about the consultation process, including how to get involved:

Visit: [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing)  
Email: [selectivelicensing@wirral.gov.uk](mailto:selectivelicensing@wirral.gov.uk)  
Write: Selective Licensing Consultation  
Wellway Town Hall,  
Brighton Street,  
Wirral, CH44 8ED

**WIRRAL**



## Appendix 12 - Written responses

19.2.2018

Dear Sirs

**Re: Priory Wharf, Birkenhead.**

I am writing in response to your request for comment regarding the proposal to introduce selective licensing in four specified areas.

I own two flats at Priory Wharf, off Church Street, Birkenhead which I note fall just within the proposed Hamilton Square zone. These flats have been rented out successfully for the past sixteen years. There have been no issues at all which would have benefited from my holding a licence.

One of the flats was let, until three years ago, to a lady who left only because she was getting married. She was very sorry, indeed rather emotional, at having to leave and had previously commented that she saw the flat as her home for life. The gentleman who now lives there is also very happy with the accommodation.

The other flat is currently occupied by a lady who has been living there happily since 2009.

Even a cursory inspection of Priory Wharf will show that it is a good quality residential development. Many of the properties are owner occupied.

The management of Priory Wharf is carried out by Keppie Massie who are, as you may know, a leading national firm of surveyors and property consultants with offices in Liverpool, Manchester, London and Glasgow. They conduct their responsibilities in a highly professional manner.

There is a continuing programme of maintenance and repair. For example, all the windows of the properties have either been replaced recently or are scheduled to be replaced in the near future. Keppie Massie even arrange security for the entire development and anti-social behaviour is virtually unknown.

The legislation introducing SELECTIVE licensing clearly envisages that local authorities may introduce it in problem areas. Priory Wharf is clearly not such an area.

As Priory Wharf lies just on the edge of the proposed Hamilton Square zone, may I respectfully suggest that the boundary of the zone be amended so that it stops at Church Street itself and thereby excludes Priory Wharf.

I look forward to hearing from you.

RECEIVED

Can somebody please review the Hamilton square area, it really does not need to include priory wharf development, this is a good development of properties that has its own security measures and does not need to be included in the selective licence programme

thanks

Dear George Davies, Re proposed new L/Lord licencing areas. Sorry to bother you but I've tried to find out where the new area boundaries are but can't so would you be able to help? Two sides to every story, I'm 72 and suffered epileptic seizures for 25 yrs so I went into rentals and own a property in Birkenhead and rent out at £85pw but after finance, exp's, tax etc I'm left with just £40pw (if rents paid) most s/employed earn that in just 1 hr and I'm considering selling up as the license fee is so high plus so many rules and reg's therefore need to know where. Can't deny I'm not as keen as I was, give them a palace they give back a ruin! I keep rent lower than average so 'working' people can afford it. Thanks for your time. Yours [REDACTED]

¶

Dear George/Lisa

Please see the attached email from [REDACTED], manager of the St James Centre, which I believe is self-explanatory.

Please let me know whether there is any possibility of the Selective Licensing Areas being extended, as suggested by Anna.

Please let me know if you require any further details.

Many Thanks.

Brian Kenny

Labour Councillor for Bidston & St. James

Wirral Labour Group Vice Chair

Email: [briankenny@wirral.gov.uk](mailto:briankenny@wirral.gov.uk)

Tel: 0151 638 5488

Mobile: 07850 091517

From: [REDACTED] <mailto:anna@nbd.org.uk>

Sent: 24 January 2018 05:30

To: [REDACTED]

Cc: [REDACTED]

Subject: Fwd: Proposals to improve neighbourhoods in parts of Birkenhead and Wallasey - what do you think?

Morning,

We have been out and about in the Norman Street area over the last week or so and as [REDACTED] has shown, and as you are aware, there are considerable issues with fly tipping/alleyway rubbish and dog fouling. We are also aware of issues tenants face living in privately rented accommodation especially with black mould. We've been in touch with the Councils Healthy Homes team for advice to pass back to residents but more needs to be done.

I was aware of the consultation (below) and wondered if there was an opportunity for the selective licensing areas to be extended to cover 2 particular areas within a North Birkenhead - that of the Triangle and Gauthy Road areas including Townsend Street. What lobbying can we do to request this? [REDACTED] is going to raise this at the BNNA meeting on Thursday night too.

We look forward to working with you to improve our community.

Thanks for your support.

Best wishes,

[REDACTED]

Hi George & Lisa,

I wish to lodge my support of the views of my fellow Cllr Brian Kenny, normally we would not double up on emails, but the strength of feeling is running high in the areas noted. Many thanks

Julie McManus

Cllr Julie McManus  
Labour Councillor for Bidston & St. James  
Email: [Juliemcmanus@wirral.gov.uk](mailto:Juliemcmanus@wirral.gov.uk)  
Telephone: 0151 677 3660  
Mobile: 0754 902 2697

Sent: 23 January 2018 16:50

To: SLConsultation

Subject: Consultation

Good afternoon

Before I can make comment as part of this consultation can you tell me how often this licence fee would become payable by a landlord? PAT testing is on an annual basis etc and tenants change so how would this work?

At present it seems a very high charge to the landlords. What does the Council provide to the landlord for this fee?

Are costs the same in every local authority?

Many thanks

Good afternoon

We are the managing agents on behalf of Priory Wharf Management Co Ltd. We have a very hands on approach to management and we are actively involved with the site on a daily basis.

Residents mainly have one contact which is myself as the surveyor, they are not passed around to different members of our team as we prefer to keep consistency.

Our contact details are provided to all residents, we also arrange 24/7 security and CCTV monitoring.

For out of hours emergencies and repairs, Proguard are instructed.

Following your proposal to introduce Landlord Licensing within the Hamilton Square area covering the Priory Wharf site, we have been discussing the plans with Directors and Leaseholders.

We asked Leaseholders to come forward with any points or suggestions they would like to make in relation to this proposal, please find the reasons against the introduction of the Licensing Scheme on Priory Wharf below;

- Priory Wharf is a private complex of relatively new (20-28 year old) leasehold properties. It has a single entrance from Church Street and is bounded by railings and fences down to the Mersey.
- It is a well-managed complex (award winning Keppie Massie – members of the RICS) in partnership with resident directors and board). It has attractive gardens, landscaping and ample parking. The site - enjoys 24 hour security monitoring, ongoing and anticipatory maintenance of both buildings and grounds. It has an onsite gym, is well lit during hours of darkness, and has a mixture of tenanted and owner occupied accommodation.
- The amenities are funded by the not insignificant Service Charge payable by every leaseholder.
- Some tenanted properties are also managed by a property agents at an additional cost to ensure tenants are suitable and in turn have any repairs/maintenance attended to in a timely fashion.
- Priory Wharf is desirable and popular place to live and does not suffer from any of the negative criteria for selective licensing - in fact it already exceeds the proposed standard.
- It should be removed from the mapped area, as its inclusion would be detrimental, removing its reputation as an 'oasis' in a downtown area, drive down property prices and may even leave properties vacant. In fact create the situation that the licensing scheme is designed to avoid.
- Amendment of the map would not be difficult as Priory wharf is the only residential area on the tail end of the map going down to the Mersey, which encompasses the child support agency and wasteland. It is also noticeable that the area includes many non-residential areas e.g. docks.
- There are many one bed apartments at Priory Wharf and other newly built purpose built blocks so rents are lower than for a 3 bed property thereby bringing down the rent averages.
- Directors of Priory Wharf have always worked closely alongside local counsellors and wish to improve the area.

We look forward to receiving your response.

Dear Sirs

It is with regret that today we have issued section 21 notices to all our tenants in the new proposed areas. The reason for this decision is the areas were we have tried to work with you have become worse and both us and our clients can see no positives and are concerned by the increase in anti social behavior. We do not wish to continue to be a landlord in the proposed expansion of the scheme and it is with regret that family's that our customers in the new proposed area will be forced to find new homes clearly this is not a decision that has been taken lightly.

And of course I am available should you wish to enter into further dialogue.

**Response to Wirral Council's proposal for selective licensing**

**March 2018**

1. → The National Landlords Association (NLA) exists to protect and promote the interests of private residential landlords.
2. → The NLA represents more than 72,000 individual landlords from around the United Kingdom. We provide a comprehensive range of benefits and services to our members and strive to raise standards within the private rented sector.
3. → We seek a fair legislative and regulatory environment for the private rented sector, while aiming to ensure that landlords are aware of their statutory rights and responsibilities.
4. → We thank Wirral Council for providing us with the opportunity to comment on the selective licensing proposal, which we are minded to support.
5. → Having considered the evidence presented, and having undertaken our own evaluation of the circumstances faced by the residents/landlords of Wirral, our position can be summarised by the following brief points:
  - → Landlords have very limited authority when dealing with matters related to antisocial behaviour, especially if it happens outside the curtilage of the property. We welcome the council's approach that will work with landlords and tenants to resolve these issues.
  - → The proposed scheme will help reduce waste, with landlords being able to access facilities at the end of a tenancy.
  - → Support in mental health as well as drugs and alcohol issues which affect tenants will reduce issues within the wards affected.
  - → The support being made available to help landlords with problem tenants will reduce the problems being moved around the borough.
  - → We welcome that those landlords that have joined trade associations and look to keep up-to-date with the law will receive acknowledgement in the fee.
6. → Licensing is a powerful tool. We support the proposed introduction of licensing schemes that benefit landlords, tenants and the community. In this case we are minded to support the proposal if the council follows through on the proposals that they have indicated. The way the council has made efforts to support the good landlords will help resolve specific issues.

Submission from Frank Field MP to Wirral Council's consultation on Selective Licensing

**Recommendation 1:** Birkenhead North (between Norman Street and Laird Street) should be established as a Selective Licensing area with immediate effect

A central recommendation of this submission is that the group of roads between Norman Street and Laird Street, in particular Dundonald Street and Methuen Street, should be established as a Selective Licensing area with immediate effect.

Much of the older terraced housing stock in this area is let to tenants by private landlords, often via letting agents. It has been reported to me that there is a high turnover of tenants in the area. This is partially due to the poor condition of the housing stock, the struggle that some tenants face to get repairs done, and the resulting feeling that landlords are unaccountable for the state of their properties.

In and around Dundonald Street alone, it has been reported from various properties that there is:

- a hole in the roof that has been there for two years, letting in water whenever there is rain;
- an infestation of rats and mice;
- thick black mould on the walls despite the property being well ventilated;
- wood rot on the front and back doors, letting cold air into the property, with the tenant attempting to make do by stuffing paper into the largest gaps;
- furniture, including cupboards and radiators, hanging off the walls;
- widespread damp; and
- gipping that leaks water and sewage in and around the property.

It strikes me that in such cases, particularly when much of the rent is covered by housing benefit, landlords may well be running down the value of the capital base and trying to avoid investing any money in the asset. Tenants feel powerless in such situations to take action against the landlord.

A group of us will be meeting with tenants in and around Dundonald Street later this week, to gain further evidence on the condition of the private accommodation in the area.

**Recommendation 2:** Individual clusters of streets should automatically be considered for Selective Licensing, as soon as evidence comes to light of poor housing conditions within those clusters

The second recommendation of this submission seeks to shape the future rollout of the Selective Licensing scheme, so that greater accountability gradually becomes the norm in the relationship between private landlords and tenants across Wirral.

Several constituents have reported to me the impact of poor housing conditions on their health. Indeed, such conditions are widely known to trigger, or exacerbate, physical illnesses which include eczema. Respiratory health has been shown to be particularly affected in both adults and children.

In one recent case, a constituent and her five children had to sleep in one room because each of their other bedrooms was plastered with mould. The children's breathing had suffered because of the mould. The property was described as 'a death trap' due to the hazardous state of the electrics, and neither the heating system nor the cooker had been fixed by the landlord.

A second constituent reported similarly that their children's breathing began to suffer, after their calls and messages to the landlord about severe damp went unanswered for six months.

In a third case, a constituent living above a takeaway had to put up with a strong smell of gas for several weeks after significant maintenance works had been carried out on the ground floor premises. The landlord, in this case, had also refused for nine months to address the broken boiler in the property which had left my constituent without heating or hot water over the Christmas period. My constituent was driven to their wit's end by this episode and, as a result, moved out of the property.

Just as poor conditions trigger a deterioration in tenants' physical and mental health, they should trigger also an automatic consideration of Selective Licensing in that area as soon as they come to light.

# Selective Licensing Consultation Have your Say

ON 27th November 2017, Wirral's Cabinet agreed to consult on proposals to extend Selective Licensing to four new areas and to consult on some changes to the existing licence conditions.

**The proposed new areas:**

- Birkenhead Central
- Birkenhead West
- Hamilton Square
- Seacombe St Paul's

For more information about the areas, including a full list of properties and maps, please go to [www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing).

The Council can only introduce a scheme if following a consultation exercise, there is support to do so. The Council therefore is consulting with everyone who may be affected to invite them to have their say on the proposals by completing a questionnaire, and would also like to invite you to attend one of the following landlord workshops where you can discuss the proposals and what they mean for you:

**Thursday 1st February,  
10am - 12pm or 5pm - 7pm**

As with the previous scheme, the Council wants your views and comments. To have your say, please complete the online questionnaire at [www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing) and as well as the workshops, accredited landlords will be asked to participate in a steering group to discuss the proposed scheme in more detail. If you are an accredited landlord

and would like to put your name forward for the steering group, please contact us with your details by emailing [SLconsultation@wirral.gov.uk](mailto:SLconsultation@wirral.gov.uk)

Paper copies of questionnaires can be found in any Wirral One Stop Shop or Library, or contact us by email [SLconsultation@wirral.gov.uk](mailto:SLconsultation@wirral.gov.uk) or phone 0151 691 8156 to ask for a copy.

If you would like to attend, please book a place by contacting us by email [SLconsultation@wirral.gov.uk](mailto:SLconsultation@wirral.gov.uk) or phone 0151 691 8156.

There are separate drop-in events for residents who live in the existing areas or proposed new areas to find out more. We will be contacting them directly with information and an invitation to attend, but all information, including drop-in event dates is available on the website [www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing).

Licence conditions for the current scheme were previously consulted on and agreed in 2015. Since then, there has been some new legislation introduced by Government on things like carbon monoxide alarms and the Right to Rent, so it is proposed that the licence conditions are updated with some additional clauses. Please see the full document with all proposed changes on [www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing).

**The consultation closes on  
21st March 2018.**

# Appendix 14 – Evidence of Social Media

## Facebook Post Evidence 18/01/2018

The screenshot shows a Facebook post from the official page of Wirral Council. The post is dated 'Yesterday at 12:48pm'. The main text of the post reads: 'Wirral Council wants to improve living standards in parts of Birkenhead and Seacombe by extending Selective Landlord Licensing in those areas. This means that the landlord or manager of a private rented home would need to apply for a licence to rent out their property. Find out more and tell us what you think by visiting the Wirral Council website at: <http://socs.in/NaGJ...> See More'. Below the text is a graphic with the text 'Have Your Say about Selective Landlord Licensing ...and be in with the chance to win £100 High Street vouchers!' and a photo of a family. The post has 1 share and 3 comments. The comments are from Carmen Lockyer and Nicky Bowyer. The right-hand side of the page shows the 'Community' section with '8,853 people like this' and '8,961 people follow this'. There are also sections for 'About', 'Pages liked by this Page', and 'CONTACT PAGES'. The browser address bar shows 'https://www.facebook.com/wirralcouncil/' and the system clock at the bottom right shows '14:09 18/01/2018'.

## Evidence of Tweet 11/12/17

The screenshot shows the Twitter profile page for Wirral Council (@WirralCouncil). The profile picture is the council's logo. The bio reads: 'News from Wirral Council in northwest England. This account is monitored Mon-Fri 9am-5pm. For services or to report a fault visit [wirral.gov.uk](http://wirral.gov.uk)'. The profile statistics are: 15K Tweets, 535 Following, 16K Followers, 712 Likes, and 1 List. The main content is a tweet from 12m ago: 'Have your say on plans to extend landlord licensing scheme to four more areas of Wirral... [socs.in/DvZ9E](http://socs.in/DvZ9E)'. Below this is a retweet from PHE North West (@PHE\_NorthWest) dated 2h ago, which includes a link to a news article about a child named Charlotte Rowley-Jones. The right-hand side of the page shows 'Who to follow' with accounts like Wirral Globe, Wirral Talk, and Wirral Chamber. The browser address bar shows 'https://twitter.com/WirralCouncil' and the system clock at the bottom right shows '14:25 11/12/2017'.

## Appendix 15 – Letter to neighbouring local authorities



Wirral Council

David Ball  
Assistant Director  
Environmental Services  
PO Box 290  
Brighton Street  
Wallasey  
CH27 9FQ

[www.wirral.gov.uk](http://www.wirral.gov.uk)

Date: 20 February 2018

Our Ref:

Service: Housing Services

Tel No: 0151 691 8156

Dear Colleague,

### Consultation on Selective Licensing Proposals

Wirral Council is currently consulting on proposals to extend Selective Licensing into four new areas and as part of that consultation we are required to consult with anyone who may be affected by the proposals. We are therefore inviting views from neighbouring authorities.

The proposed areas are Birkenhead Central, Birkenhead West, Hamilton Square and Seacombe St Pauls, all of which have higher than average numbers of private rented properties, low demand and poor property condition. Further details including the business case for selecting the areas and address lists and maps can be found at [www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing).

To participate in the consultation, we would ask you to complete a questionnaire which can be found on the website link above, or respond in writing with your comments directly to me before the end of the consultation period on 21st March 2018.

To ensure the consultation is publicised as widely as possible, we would also appreciate it if you could share this information with any private landlords that you work with and have contact details for.

I would like to thank you for any assistance you can provide in sharing the consultation and for participating on behalf of your local authority, and look forward to hearing from you. If you have any queries or require further information, please do not hesitate to contact my officer on 0151 691 8697 or email [stellaedwards@wirral.gov.uk](mailto:stellaedwards@wirral.gov.uk).

Your sincerely

A handwritten signature in black ink, appearing to read "Emma Foley".

Emma Foley  
Strategic Housing Services Senior Manager

Appendix 16 – Evidence of email sent to all landlords on the Housing Benefit recipient list, and all members of the public who have expressed a wish to be contacted in relation to housing matters.

Proposals to improve the standard of private rented accommodation. [View this email in your browser](#)

## Selective Licensing

### Have Your Say

...on proposals to improve property management standards



Wirral Council is proposing to improve living standards by extending Landlord Licensing into the following areas:

- [Elkerhead Central](#)
- [Elkerhead West](#)
- [Hamilton Square](#)
- [Seacombe St Paul's](#)

Selective Landlord Licensing aims to improve these areas by ensuring that owners or managers of private rented properties meet satisfactory standards for the condition of their property and its management, by legally requiring them to get a licence for each property that they rent out in the proposed areas.

You can view map and full list of the properties in each area by clicking the links above.

More information, including a link to a short questionnaire to tell us what you think of the proposal, is available at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing).

The consultation is open until 21st March 2018.

For more information about the consultation process, including how to get involved:

- visit: [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing)
- email: [elconsultation@wirral.gov.uk](mailto:elconsultation@wirral.gov.uk)
- write: Selective Licensing Consultation, Wallasey Town Hall, Brighton Street, Wirral CH44 8ED.



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