



**Proposed Re-designation of Selective  
Licensing in Wirral to four existing areas  
and extension to two further areas within  
Wirral Council**

Report of Public and Stakeholder Consultation

November 2019

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# **Executive Summary**

## **Introduction**

Wirral's Cabinet gave approval on 22<sup>nd</sup> July 2019 for the Council to undertake a minimum of 10 weeks consultation on proposals to re-designate the four Selective Licensing areas that have been in operation since 2015 and extend the scheme into two further areas, all in East Wirral.

The Selective Licensing areas to be re-designated are:

- Birkenhead South (LSOA E01007129)
- Egerton North (LSOA E01007179)
- Egremont Prom South (LSOA E01007278)
- Seacombe Library (LSOA E01007278)

The two new areas will be:

- Tranmere Lairds (LSOA E01007291)
- Egremont South (LSOA E01007275)

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 that 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 which are available to view on the website.

A Selective License Business Case was prepared giving the reasons why the Council is looking to re-designate and 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 attending existing events to engage with residents, letters sent to landlord associations and focus groups were set up for local landlords and managing agents. In total 347 people and organisations have responded to the consultation, broken down as follows:

- 332 responses received to the on-line questionnaires
- 8 written submissions (emails and letters)
- 13 landlords and agents attended two landlord drop-in sessions

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 questionnaire, 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 surveys, the majority (61.15%) of respondents either strongly agreed or agreed with selective licensing proposals compared to 18.37% who either strongly disagree or disagreed.
- 49 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.
- There were 31 general comments submitted via the on-line questionnaire against the proposal to extend the Selective Licencing 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.
- 14 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.

### **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 8000 stakeholders were 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, posters put up in the proposed selective licensing areas, and community events attended by staff to capture views and landlords forums held.

There is a clear mandate for re-designating selective licensing in the four initial areas, and extending it into two 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 scheme on the basis that they are meeting the requirements already, they consider the existing regulatory powers are adequate, only poor landlords should have to be licensed through the scheme.

## Landlords and Agents Views

### Landlord Drop-In Sessions

Four landlord and agent drop-in sessions 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 different days, and several weeks.

Specific notification of the sessions was:

- An email sent to 2098 landlords who are known to receive Housing Benefit, or who have signed up to receive information for landlords from the Council. This will include many landlords who are already licensed.
- 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.

In total, 13 landlords and agents attended the drop-in sessions 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. All landlords who wanted to raise issues were accommodated, and those unable to attend a drop-in session were invited to speak with officers individually in order to have views recorded and included with other comments for the consultation 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 landlords and agents who attended the workshops were split between thinking the scheme was beneficial and a good idea, and that the re-designation means that the original objectives had not been achieved and that it is simply a scheme to keep Council officers in jobs, and made comments such as:

*"Licensing is a good idea."*

*"selective licensing can only be good for the areas."*

*"I have seen a difference in occupancy rates in [specific named] Road"*

*"If a change in original areas were to happen, it would have happened by now"*

*"What has been achieved in the first five years of the licensing scheme?"*

One additional suggestion by a landlord was to refund 'unused years of the licence fee if a property was sold'.

#### **Response:**

The licence fee is a set fee for the duration of the scheme, not an amount per year, so cannot be 'part-used'.

Some landlords felt that the Scheme should be targeting only poor landlords and only these landlords should have to hold a licence, with comments such as:

*"I feel I am paying for the bad landlords . . . the Council should focus on bad landlords, not the good ones!"*

*"Some bad landlords need an inspection to carry out the repairs"*

**Response:**

Without a scheme such as selective licensing, it is not possible to identify any landlords who have their property in a poor condition or have poor management practices as many tenants will not complain for fear of eviction, and sometimes the tenant is not aware of their rights. Good landlords will benefit in the longer term if bad landlords are driven out of the market.

Landlords and agents discussed in detail some issues they had experienced with tenants and felt the scheme would benefit from responsibilities being placed on tenants as well as landlords. There were further discussions about tenants damaging properties and the implications of this on the licence;

*"Some tenants cause damage even if managed correctly"*

*"sometimes damage occurs after the initial inspection"*

**Response:**

Responsibility of tenants for properties is included within a tenancy agreement, and this, along with tenant referencing would assist other landlords to know whether or not tenants are likely to cause damage to a property. The Council's Healthy Homes Scheme can help landlords with more challenging tenants if they are engaged early in the tenancy and floating support services can be accessed free of charge if needed and the tenant agrees.

During the workshops, landlords and agents discussed the proposed fees, 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 one drop-in session, landlords felt that the discounts should not be offered to larger landlords operating as a full-time business, whereas another group wanted further discounts available to those in the areas proposed to be re-designated where the property was compliant for the original licence and the landlord engaged.

*"Discounts for accreditation and early bird are fair"*

*"Can there be a further reduction in fees or a longer licence for good landlords?"*

*"larger landlords should not receive a discount"*

**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 initial scheme was introduced, however where possible, advances in IT and other efficiencies will be explored to keep the licence fee as low as possible.

The Council will only recoup the costs of operating the scheme.

There were general discussions about the scheme across the drop-in sessions, about how some tenants are now in poverty which included the ability to pay rent, adequately heat their property, which sometimes has a knock-on effect on a property causing issues such as damp and condensation.

**Response:**

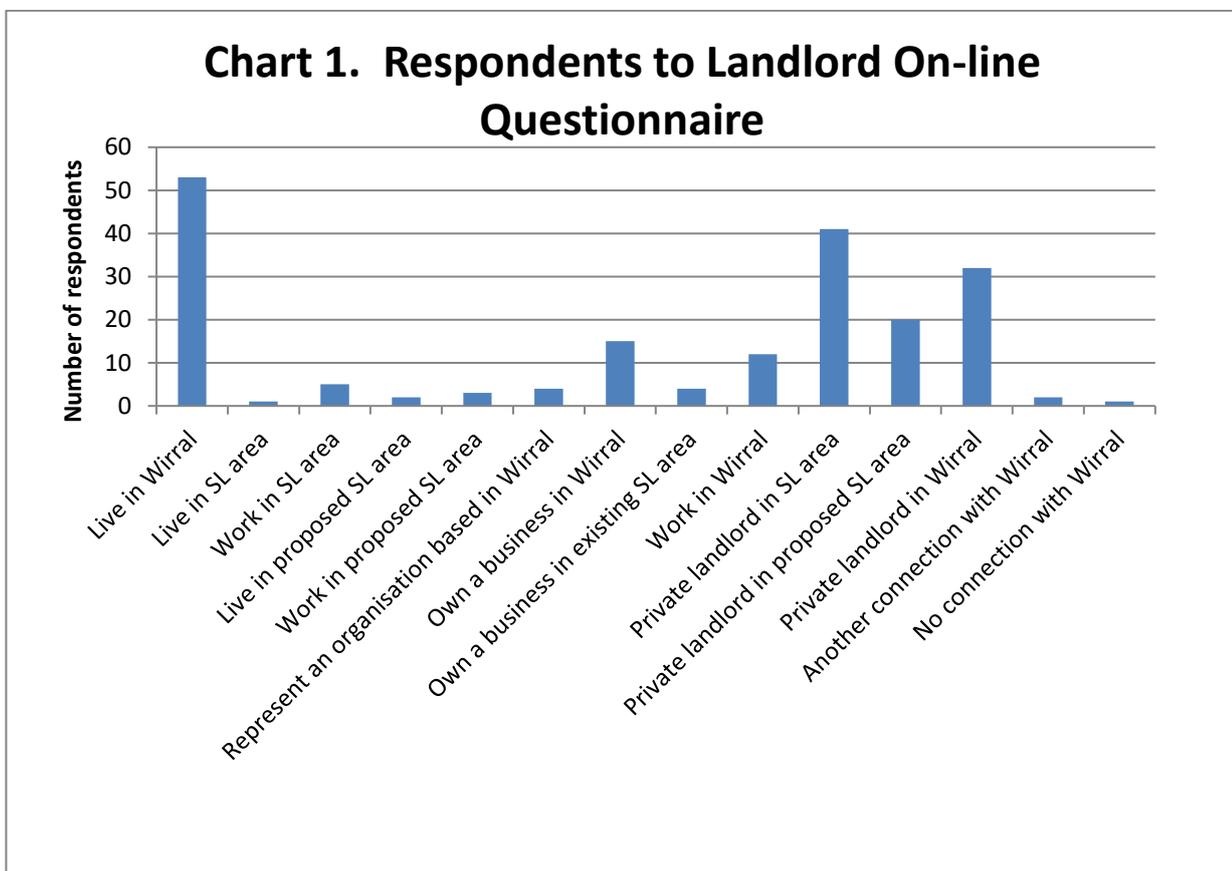
The Healthy Homes Team can help tenants with benefit maximisation and assistance with managing fuel debt / increasing energy efficiency in the home and other assistance to alleviate poverty.

## Consultation Questionnaire Feedback from Landlords and Managing Agents

The questionnaire for landlords was composed two demographic questions followed by six 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.

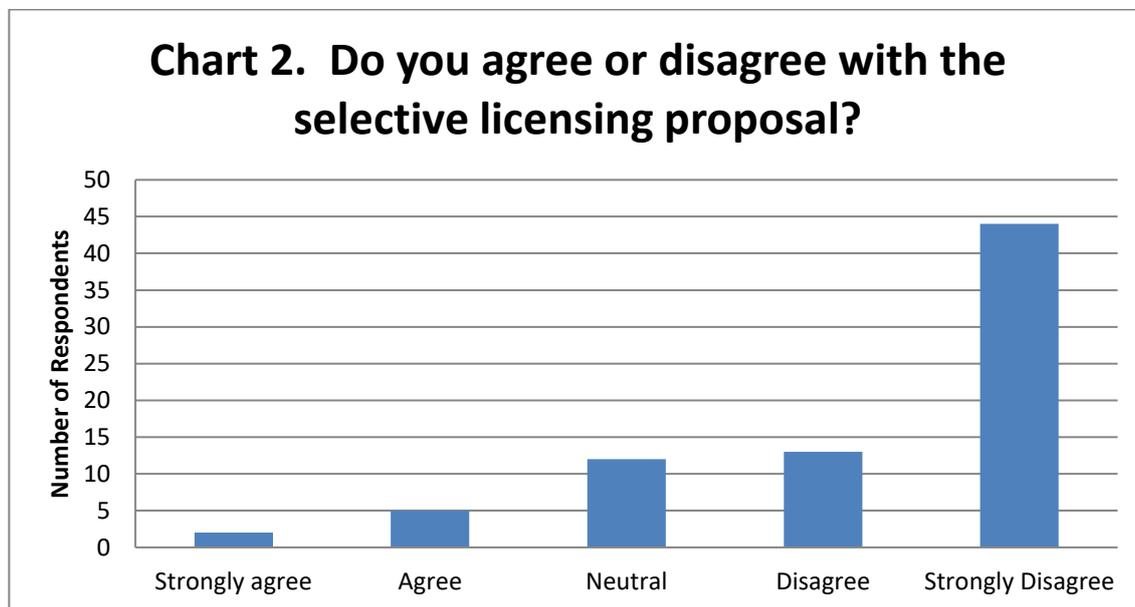
The questionnaire was provided online, but paper copies were made available and those received were entered into the online system on behalf of the respondent. All paper copies have been kept for audit. A blank copy of the questionnaire can be found as Appendix 2.

In total 91 Landlord online questionnaires were completed. Responses to Question 1 of the questionnaire is shown below in Chart 1; of the 91 landlords and agents that completed the questionnaire, 53 also live in Wirral, 41 have property in an existing selective licensing area and 20 have property in the proposed selective licensing area (one landlord/agent could tick both boxes so this does not necessarily represent 61 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 re-designate the four areas that have been in place since 2015, and extend selective licensing into two new areas; do you agree or disagree with the selective licensing proposal?’**



21% agreed or strongly agreed with the proposal, 58% disagreed or strongly disagreed to the proposal and 21% were neutral about the proposal. 15 landlord/agents did not respond to this question.

#### Comments about the proposal

Six landlords or agents expressed positive comments about the proposals, including comments such as:

*“Yes, I strongly agree with selective licensing, it will put bad landlords out of business”*

*“I agree with the principle of a licensing scheme as it ensures a standard for tenants”*

*“I am a landlord and I keep my houses to a very high standard and therefore I totally agree with stopping bad landlords.”*

28 landlords or agents expressed negative comments about the proposals, including comments such as:

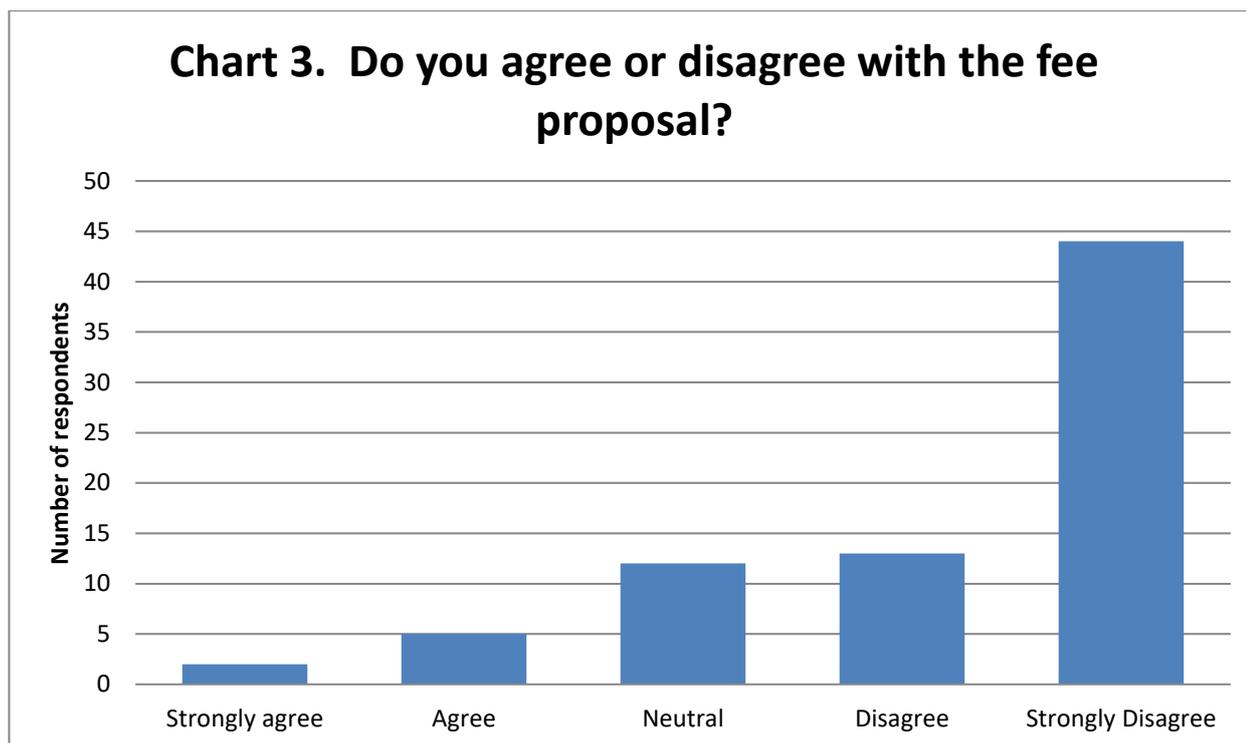
*“The introduction of selective licensing only cost me money and does not improve conditions for my tenants.”*

*“Most landlords would do everything required of them without a license and the current law and mortgage and insurance requirements ensure this.”*

*“The whole thing is a waste of time and money and imposes too much of an administrative and financial burden on landlords.”*

*“You don’t need to punish everyone in order to control the rogue landlords”*

**Wirral Council proposes to charge a fee estimated at £645 over a five year period. Do you agree or disagree that this is a reasonable fee for this period?**



9% agreed or strongly agreed, whilst a majority of 57% disagreed or strongly disagreed with the fee, and some landlords/agents further elaborated by providing comments.

*“As a landlord with a total of five premises in the existing and proposed areas the fees are too expensive. The government has already made it more expensive for landlords.”*

*“Good idea in principle but as with other licensing just quite expensive / could payment be spread paid monthly.”*

*“The fees are too high so I am interested to see what discounts will be available for early registration, membership of a professional body and for multiple properties”*

*“It is too expensive. Landlords who provide good neat and tidy accommodation should not be penalised.”*

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:

*“I feel this is more a way to make money for the council than it is a system of improving rents. There are already measures in place to ensure properties are fit for use. This license scheme is nothing more than a money grab by the council.”*

*“Licensing is a way of the council making money and placing unnecessary burden on landlords”*

*“Selective licensing is another way of getting money from Private Landlords to keep Council staff in jobs? “*

Four landlords thought that the cost of the licence would be passed on to the cost of renting in the private sector, with comments such as:

*“I feel that this is likely to push the cost of renting up. Many people who live in these areas do not earn the average wages stated in the proposal. Landlords are likely to pass the costs onto tenants with rent increases.”*

*“Introducing the new schemes are unnecessary and may result in rental increase indirectly.”*

Some landlords wanted to know what their fee would be spent on, and what they would receive from the Council in return for the licence fee.

*“I would also like to know exactly how the licence fee will be spent.”*

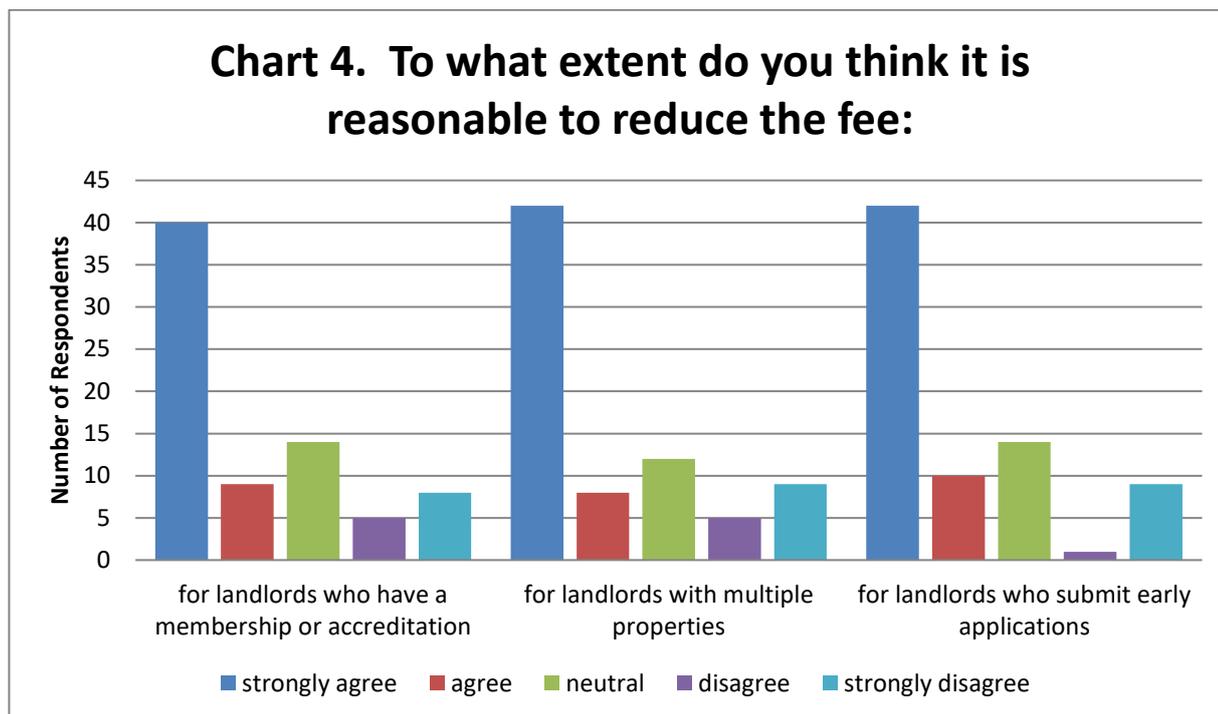
*“What services will the council be providing to Landlords in return for this hefty fee? It is tenants who will benefit and they should surely bare the costs? There is simply no more money to take from Landlords.”*

**Response:**

The Housing Act 2004 stipulates that local authorities may charge for the introduction and administration of a Selective Licensing Scheme including developing a business case and evidence base, consultation, legal declarations and statutory notices, granting of the license and compliance inspections. The Council 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 which will also be used for Selective Licensing, further streamlining the application process and generate a small saving to the overall cost of the license which will be passed on to 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?



64.5% 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 17% disagreeing to this proposal.

65.8% of landlord/agent respondents agreed that the licence fee should be reduced for landlords with multiple properties, although 18.4% disagreed or strongly disagreed with this reduction.

68.4% agreed with the proposal to reduce the licence fee for landlords who submit early licence fee applications, with just 13.2% disagreeing with this proposal.

Question 6, asked the landlords and agents whether they agreed or disagreed with the conditions around the following issues and principles about the properties. The following table shows the number of landlords and agents that agreed and disagreed with each statement.

Table 1. Question Six responses

<b>The licence holder must:</b>	Agree s/agree	Disagree s/disagree
Keep the property in a good state of repair	92%	3%
Keep any outside areas clean and tidy	43%	40%
Keep the property secure	77%	8%
Have an electrical safety certificate for the property	74%	11%
Fix any faults identified by an electrical inspection	92%	0
Deal with any pests and infestations	75%	6%
Ensure there are adequate kitchen facilities	86%	2%
Provide keys for any window locks and instructions on how to use burglar alarm if fitted	74%	9%

Table 1 shows that most landlords/agents agree with the majority of the conditions set out, although there were few comments made about the conditions, the general consensus was that:  
*“The landlord has a duty to keep the property in a habitable condition and secure. . . .”*  
*“I understand the ideal behind the licensing scheme and fully support the notion of providing safe and habitable accommodation for those who cannot afford their own properties.”*  
*“I agree with the principle of a licensing scheme as it ensures a standard for tenants.”*

**Keeping outside areas clean and tidy** was the only one of the proposed new condition not agreed with by the majority of respondents with 43% disagreeing with the statement. The following points were raised regarding this issue:

*“You propose to make landlords accountable for tenants’ behaviour”*  
*“It is the responsibility of the tenants, not the landlord to keep the inside and outside of the property clean and tidy whilst they are living at the property”*

Question 7, asked the landlords and agents whether they agreed or disagreed with the conditions around the following issues and relationship with the tenant. The following table shows the number of landlords and agents that agreed and disagreed with each statement.

Table 2. Question Seven responses

<b>The licence holder must:</b>	Agree s/agree	Disagree s/disagree
Fix any repairs identified when a new tenant moves in	84%	5%
Provide information about mandatory tenancy deposit protection	78.5%	6%
Provide information about refuse collection	63%	15.5%
Have arrangements for reporting repairs including in an emergency	89%	1.5%
Give 24 hours written notice before entering a property, except in an emergency	81.5%	6%
Provide operating instructions for any fixed form of heating, cooking, washing and or electrical appliance where provided as part of the tenancy.	74%	9%
Ensure emergency works necessary to protect the security of the premises are undertaken within 24 hours of notification	74%	7.5%

Table 2 shows that most landlords/agents agree with the majority of the conditions set out in this question with no additional comments made.

Question 7, asked the landlords and agents whether they agreed or disagreed with the conditions about the way in which the property is managed. The following table shows the number of landlords and agents that agreed and disagreed with each statement.

Table 3. Question Eight responses

<b>The licence holder must:</b>	Agree s/agree	Disagree s/disagree
Keep a copy of all references received for every occupier	57%	25%
Not allow more people to live in the property than specified by the tenancy agreement	83%	5%
Make sure that the tenant and their visitors don't cause a nuisance to their neighbours	63%	20%
Deal with any complaints of anti-social behaviour in a proper and timely manner	63%	15%
Make sure that the tenant complies with other conditions about living in the property	75%	3%
Carry out Right to Rent checks in accordance with Home Office requirements prior to agreeing to a tenancy	58%	17%
Carry out an inspection of the premises at least once per year to ensure it is free from disrepair	77%	8%
Keep records of any complaints received and action taken relating to anti-social behaviour	63%	15%

Table 2 shows that although the majority of respondents did agree or strongly agree with the conditions, the percentage of agreement for some of the conditions included in question eight is lower than in the previous two questions.

The condition with the lowest level of agreement and highest level of disagreement is to *Keep a copy of all references received for every occupier*, with just 57% of respondents in agreement and 25% that disagree, but no comments were made in relation to this condition.

The condition with the second lowest level of agreement is to *Carry out Right to Rent checks in accordance with Home Office requirements prior to agreeing to a tenancy*, with 58% agreement from landlords and agents, and 17% that disagree. There were no comments made in relation to this condition.

Although 63% of landlords and agents agreed that a landlord should deal with any complaints of anti-social behaviour in a proper and timely manner, those that disagreed felt strongly and of the ten people who disagreed (15%) nine made comments in relation to this, including:

*"The Council need to back up the landlord [re anti-social behaviour] up to the point of evicting the tenants"*

*"I don't see why landlords should be responsible in any way for tenants who display antisocial behaviour . . . or what the landlord can do to stop it . . ."*

*"It is reasonable to expect tenants to govern their own behaviour, such that anti-social behaviour is primarily a police and/or civil (Council) matter."*

## GENERAL COMMENTS FROM LANDLORDS

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

Supportive;

*"I strongly agree with selective licensing, it will put bad landlords out of business and leave a bigger market for decent landlords"*

*"I agree with the principle of a licensing scheme as it ensures a standard for tenants"*

*I am a landlord and I keep my houses to a very high standard and therefore I totally agree with stopping bad landlords"*

Non supportive;

*"I keep and maintain my properties to a standard that I or members of my family would live in. The introduction of selective licensing will only cost me money and does not improve conditions for my tenants"*

*"Most landlords do everything required of them without a license and the current law and mortgage and insurance requirements ensure this."*

*"so there is no advantage to the majority of the landlords, rather it adds to the expenses"*

There were specific comments made in relation to the re-designation of the four existing areas;

*"I have seen no benefit from the licensing and neither has our tenant"*

*"Having researched WBC statistics for existing licensing scheme it is clear that you have only inspected/visited a very low percentage of properties. So how is this improving standards and protecting tenants and residents."*

*"As a landlord of licenced property I have not received an update of what the scheme has achieved set against the original targets and what the targets are for continuing to licence property. If the properties are to need another five year licence then they have failed to achieve what they set out to achieve"*

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

*"Landlords will ultimately sell up and choose not to invest in properties under license or in such designated areas, creating wastelands, areas of increasing criminality and adding to the homelessness we read about so much."*

*"I've had enough of being a private landlord and I'm selling my properties one by one!"*

*"my property is up for sale and I will no longer be part of the private rental sector"*

There were three comments that the re-designation and extension of selective licensing will have a knock on effect of increasing rents and costs to tenants.

*"I feel this is likely to push the cost of renting up . . . landlords are likely to pass the costs onto tenants with rent increases"*

*"introducing the new schemes are unnecessary and may result in rental increase indirectly"*

*"The rent on those properties that need to pay the licence will increase as landlords will just pass on the cost in the rent".*

## **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. During previous consultations, very few residents attended the drop in events that were scheduled, so for this consultation, officers attended various existing events across all areas to engage with attendees. Events included:

Regular attendance at the Heart of Egremont daily lunchtime drop in events;  
Regular attendance at weekly Reachout Work Clubs in Birkenhead Library;  
Regular attendance at weekly Connexions in Seacombe Library;  
One Wirral Festival in Birkenhead Park;  
Children's Centre Summer Park events in Birkenhead and Wallasey Central Parks;  
Attendance to waiting rooms at Council One Stop Shops and libraries;  
Attendance at Food Banks operating in the areas;  
Regular attendance to waiting rooms in local GP surgeries in the areas;

Housing Standards Officers and Healthy Homes Officers also captured opinions when attending pre-arranged visits, and carried out door-knocks in the potential and existing Selective Licensing areas.

Paper copies of questionnaires were left with Community Groups, GP surgeries and local shops and businesses to capture the opinions of as many local people as possible.

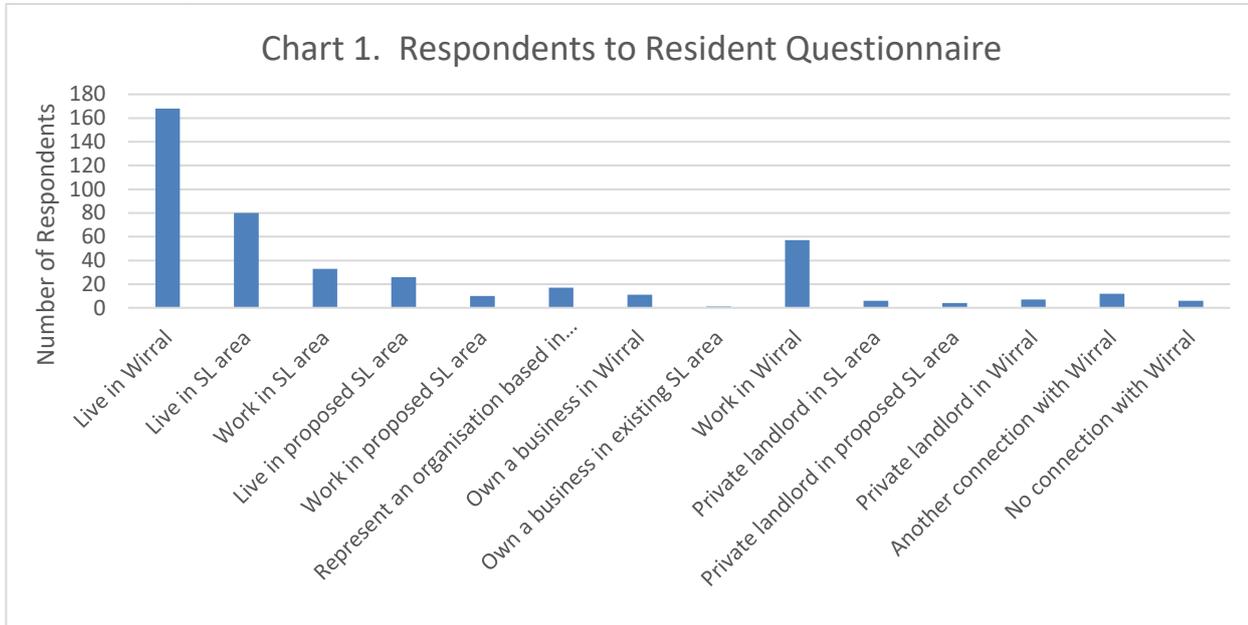
During the consultation, Council Officers explained the reasons why the proposals had been put forward for consultation, showed the extent of the areas for potential inclusion and also respond to any issues or questions about the proposals directly. All those who were spoken to at an event listed above or on the doorstep were invited to complete a questionnaire in order to quantify and record their views.

In total, 241 questionnaires were completed by residents.

## Consultation Questionnaire: Summary of Residents Views

Of the 241 respondents to the resident questionnaire, 70% respondents live in Wirral, and of those, 33% live in one of the existing selective licencing areas and a further 11% in a proposed area.

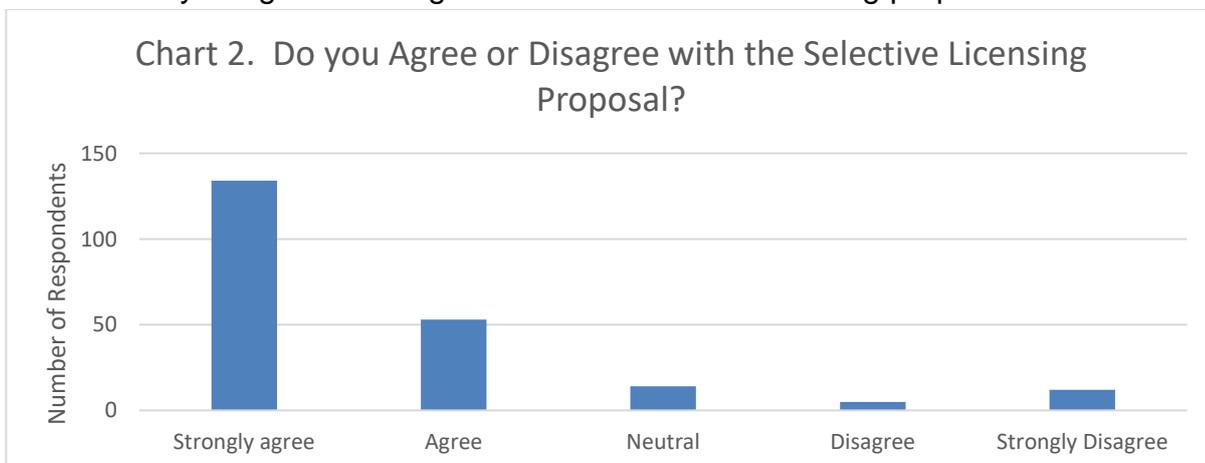
Chart 1: Respondents to the Resident Questionnaire



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

The first question asked was *Wirral Council proposes to continue Wirral's selective licensing scheme through re-designation of the four areas that have been in place since 2015 and extending the scheme into two further areas . . . to what extent do you agree or disagree with the proposal.*

Chart 2: Do you agree or disagree with the selective licensing proposal?



218 respondents answered this question, and a majority of 86% either agreed or strongly agreed, with just 8% who disagreed or strongly disagreed.

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

*“There are still too many landlords ticking boxes that need to provide quality accommodation and repairs that don’t create a negative impact on their tenants”*

*“Landlords should be responsible for clearing furniture etc which has been dumped outside by their tenants when they leave . . . residents should not have to endure these eyesores for months before they are removed”*

*“Emphasis on good property maintenance. Keeping property clean and tidy and in good decorative order . . . ensuring tenants are considerate of their neighbours’ rights. Addressing noise, anti-social behaviour, drug dealing and criminal behaviour.”*

*Properties should be kept to a high standard outside ie not keeping bins and rubbish on the front of property and thereby bringing an area down”.*

Of the 80 respondents who indicated that they live in a current selective licensing area, 92% were in agreement with the proposals whilst just 2.5% disagreed or strongly disagreed, and of the 23 respondents who indicated they live in one of the proposed selective licensing areas, 88.5% agreed or strongly agreed whilst no respondent disagreed or strongly disagreed.

From respondents who live in the existing areas, some comments in support of the scheme have been included below:

*“I think the scheme is great and should be spread out a lot more with lots more staff”*

*“Every person deserves a decent landlord”*

*“Vetting and requiring references before renting properties”*

*“Great idea”*

There were several comments from those who lived in selective licensing areas with regards to tenant behaviour and the vetting of tenants:

*“All tenants should be vetted properly ,checks made to see if they have been evicted from previous properties, there should be a black list for landlords to have access to, i.e. tenants who have not paid their rent, not looked after the property ,inside and out, involved with drugs or any criminal activity, the landlords should be obliged to put the names of bad tenants into the list, for everyone to be aware that they could be getting a bad tenant”*

*“Pick tenants that are drug free! [specific area] has become a dealer’s paradise as all the houses converted to flats are now occupied by drug dependant individuals who are turning the road junction into a drug dealing streets! These are descent houses turned into a ghetto with landlords who don’t care less who occupies their cheap apartments they have a duty of care to the community”*

*“Should be made easier for homeowners/neighbours to know how/where to report bad tenants. Where evidence of bad/anti-social behaviour exists should be easier to have these tenants dealt with”*

From the 8% who disagreed with the proposals, only one comment was provided:

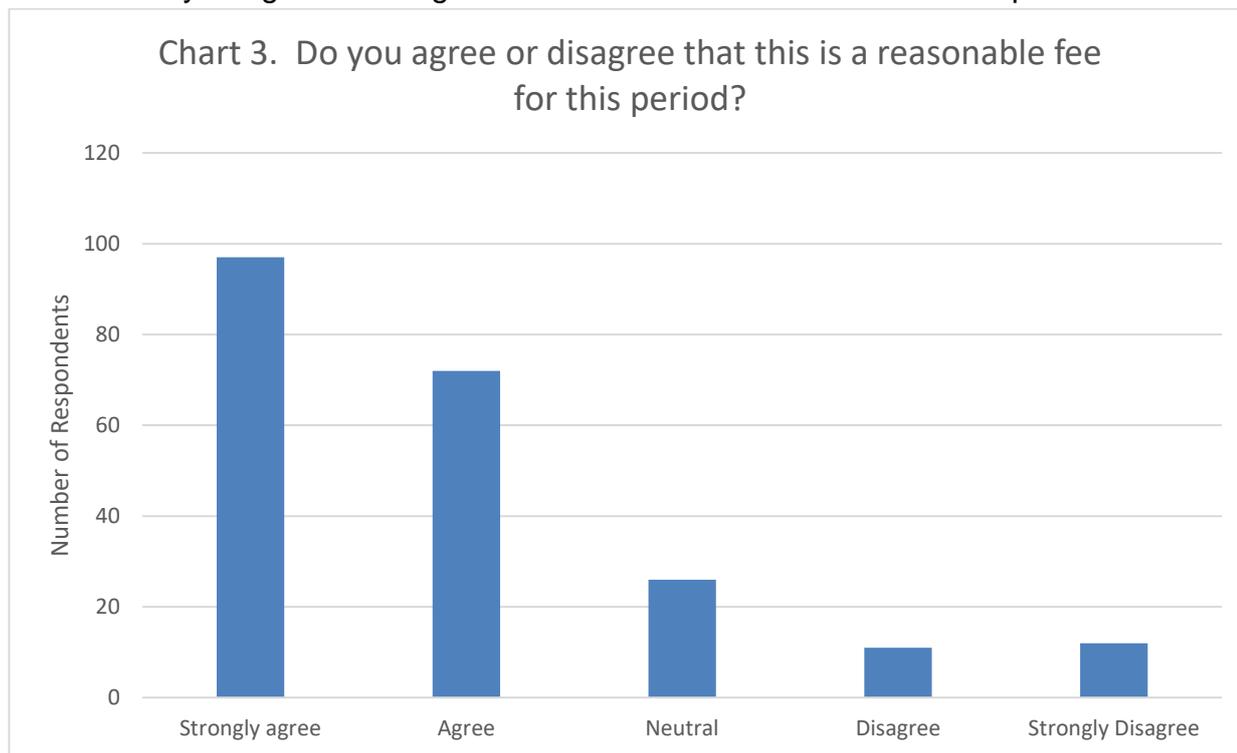
*“Landlords need to deal with their tenants if bad”*

**Response:**

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

The next question asked respondents whether they agreed or disagreed with a licence fee proposed at around £645 over a five-year period.

Chart 3: Do you agree or disagree that this is a reasonable fee for this period?



77.5% of those who responded to the questionnaire agreed or strongly agreed that the suggested fee was reasonable, with 10.5% of respondents who thought it was unreasonable.

There were several comments provided regarding fees, both in favour and against, including:

*“Fees should be more”*

*“I think the fee is quite high”*

*“I would charge the landlord more so they would do more checks”*

*“I think the fee is excessive because if you’ve bought a property and rent it out then there can be very little profit”*

*“Only bad landlords should have to pay the fee”*

65% 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 just 10% disagreeing to this proposal.

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 40.5% who felt it was reasonable and 34% who disagreed, with one respondent leaving the following comment:

*“Only really good landlords should get a discount”*

When responding to the licence conditions, the vast majority (66%) thought the licence conditions were adequate, with 12% who did not believe they were adequate. 22% of respondents did not know whether the conditions were adequate or not.

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

*“Multi-property landlords should contribute to the community around their properties too, such as planting trees or flowers or clearing alleyways.”*

*“Where breaches of the requirements are encountered, subsequent costs for action and inspection visits should be met by the landlord.”*

*“It would be nice if landlords got more involved in the area.”*

*“I would support any proposal that encourages positive actions to bring about improvements to the area because we have been plagued with irresponsible landlords who have played a major part in sucking the life out of once thriving communities.”*

**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.

There is no requirement for private landlords to carry out any work outside of their properties in the general area.

## **Representations and Letters**

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

One of the letters was relating to the inclusion of Mariners' Park estate in the re-designation of Egremont Promenade South. This is an estate owned and managed by the Nautilus Welfare Fund, a charity which provides housing, care and support to retired merchant mariners and their dependents. The appeal for the estate not to be included provides evidence for each key driver to implement selective licensing in an area. Following investigation of their evidence, it is recommended that Mariners' Park estate be excluded from the re-designation of the four initial areas.

Supportive written submissions were received from two residents asking for the scheme to be extended to include their areas. One of the areas is included in the proposed Egremont South LSOA, and the other is in the Egerton North LSOA which is an existing Selective Licensing area. Further correspondence was entered into with this resident to assist with the issues that he was concerned about.

One letter was received from Frank Field MP which stated that Mr Field was fully in favour of the proposals and further requested that three more areas could be considered. Following investigation into the areas, these were not included in the priority matrix in the Business Case and therefore not experiencing the same issues as the selected areas.

An email was received from the office of Margaret Greenwood MP on behalf of one of her constituents. This email was not supportive of the proposals and raised a complaint about the scheme being a failure other than being an income source for the Council, and that there are existing laws in place to tackle landlords who offer sub-standard tenancies. A full response was sent to Margaret Greenwood's office, which disputed the existing scheme being considered a failure, and sought to explain how a scheme works, what has been achieved to date and what expectations there were for areas.

One further email was received from a landlord of private rented property, who explained that he did not see selective licensing as positive for an area, and that he had seen 'zero improvement' in the areas where his properties are located. The landlord does however offer his local knowledge and suggested another area which he would like to be considered for selective licensing as it is need of help. Following investigations into the area recommended for consideration, in the overall matrix, this LSOA does appear in the top ten worst LSOAs for five of the tables in the evidence base (overall deprivation, educational attainment KS4, worklessness benefits, environmental health complaints and housing interventions), but when the data is entered into the overall matrix, the LSOA is 13th (this means there are 12 other LSOAs which are worse than this one), and the Council is currently working only on the top ten. This will however be an area that will be monitored by the Council for future intervention.

Two representations were received from professional bodies representing landlords and letting agents; the Residential Landlords Association (RLA) which exists to protect and promote the interests of private residential landlords, and ARLA Propertymark, the professional and regulatory body for letting agents.

With more than 35,000 individual landlords from around the United Kingdom the RLA's role is to provide a comprehensive range of benefits and services to members and strive to raise standards within the private rented sector.

The RLA 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 Residential Landlords Association (RLA) full letter of representation can be seen in Appendix ?, and includes general objections to licensing schemes on the basis that there is little evidence that licensing schemes improve housing standards, and the council already has the necessary tools to tackle poor housing management.

Their letter requests that the Council remove the cost to pay the licence fee in instalments, and the cost to submit a paper application.

Their response further requests that the Council remove the Condition requirement to provide the Council with a copy of an Electrical Installation Condition Report or Periodic Inspection Report because it cannot be enforced through licensing and is therefore unlawful.

## **Response**

The provision to pay a licence fee by instalments is a discretionary means provided by the council to assist landlords. A landlord is not compelled to pay the Selective Licensing fee by instalments and may pay the licence fee in full thus avoiding the £50 fee required to process the instalment plan. The process in setting up an instalment plan includes input from both the Housing Standards Team and Finance team, the £50 fee covers the cost to process the licence by instalment and no profit from this additional charge is made.

The £50 administrative fee for making a paper-based application covers the cost for checking the application and entering the information provided within the form onto the Council's database. The fee has been calculated for the time taken in performing this task and no profit is made.

With regards to this specific issue I can confirm that Section 87 (7)(a) of the Housing Act 2004 states:

*"When fixing fees under this section, the local housing authority may (subject to any regulations made under subsection (5)) take into account—*

*(a) all costs incurred by the authority in carrying out their functions under this Part, and*

*(b) all costs incurred by them in carrying out their functions under Chapter 1 of Part 4 in relation to Part 3 houses (so far as they are not recoverable under or by virtue of any provision of that Chapter)."*

With regards to condition O of the Selective Licence Conditions (Amended January 2019), this specific condition only refers to properties which are defined as a house of multiple occupation (HMO) subject to section 254 to section 257 of the Housing Act 2004. An HMO, under these definitions, are required to comply with Management Regulations of 2006 and 2007 and this is a condition of those regulations and not a condition to improve/upgrade houses or installing of new facilities and/or equipment as in the Brown v Hyndburn Borough Council case. Properties that are not defined as HMO, subject to section 254 to section 257 of the Housing Act 2004 do not need to comply with Condition O of the Selective Licence Conditions (Amended January 2019).

ARLA Propertymark is the UK's foremost professional and regulatory body for letting agents, representing over 9,000 members, and campaigns for greater regulation in this growing and increasingly important sector of the property market to protect its members.

ARLA Propertymark's full letter of representation can be seen in Appendix 3 and includes general objections to discretionary licensing schemes which they do not believe are effective in promoting higher quality accommodation, and further argues the issues in the private rented sector do not lie with existing regulation but the lack of enforcement by Local Authorities.

ARLA Propertymark suggest that instead of re-designating or introducing selective licensing schemes, local authorities should adopt a collaborative approach with letting agents, landlords and professional bodies to tackle issues in the private rented sector together.

**Response**

Having considered ARLA Propertymark's representation, the Council is already working with landlords, letting agents and professional bodies to tackle issues in the private rented sector, and believes that selective licensing is a tool to assist in the improvement of property conditions and low demand in an area.

**Petitions**

No petitions were received as part of the consultation process.

## **Appendices**

Appendix 1 Points raised at landlord drop in events

Appendix 2 Householder Questionnaire

Appendix 3 Landlord Questionnaire

Appendix 4 Written Representation

## Appendix 1 Points raised at landlord drop-in sessions

### Points raised/comments made:

- Landlord asked about timescales for properties to be inspected
- The group agreed that the discounts for accreditation and early bird were fair.
- The group thought that it would be useful if more training was available to landlords for CPD, suggesting that updates on Housing Benefit/ Universal Credit and how to deal with Anti-social Behaviour would be beneficial.
- The group all agreed that Healthy Homes services were useful, and asked whether tenants could be referred in to scheme
- The group asked why redesignation was required if Selective Licensing was intended to improve standards, however accepted that standards were far worse than initially predicted and agreed that good work has been done.
- The group agreed that there was still work to be done in the initial areas to tackle anti-social behaviour particularly.
- Landlord does not agree with the benefits/discounts for large landlords
- Landlord did not agree with the need to extend the licensing areas; discussed the benefits and that it takes a lot of time of getting in to properties and working with both landlords and tenants and getting the work done etc. and 5 years is not long enough for the desired effect/outcome
- Landlord expressed views regarding tenant behaviour and problems for example tenant damage even if managed correctly from one HHSRS inspection to the sign-off visit tenant damage can cause further works required
- Tenant poverty is a major problem including ability to pay rent and sufficiently heat home
- Landlord highlighted there are good and bad landlords but it shouldn't always fall on landlord for tenant behaviour / damage and this is not taken into consideration enough
- Landlord highlighted that some repairs are annoying such as a broken letter box or other minor repairs which are included in the conditions
- For landlords with a large number of properties it is a constant requirement of continually doing repairs and this is not taken into consideration
- Landlord stated he felt held to ransom to repairs and there was not enough of a 'pat on the back' for good landlord
- The tone of the Minded 2 Serve letter is intimidating and patronizing
- On whole landlord said it was a success of his properties that have been inspected and agreed that some landlord need inspection for 'kick up the bum'
- Re-licensing when building sold is unfair including not getting refund for non-used years
- Inspection and re-inspection were inconsistent amongst officers
- Landlord praised that officers were fairly flexible and 'not down the neck for works' – bonus point of selective licensing
- Expect to have a better discount available for renewed areas who have been inspected and been compliant either on inspection or of notice and have engaged in the process, where no hazards exist anymore
- In renewal and new schemes discussed that we are no longer guaranteeing every property
- Landlord discussed that sometimes formal is better i.e. email for small amounts of works
- Discussion around not a profit making enterprise; landlord asked how we differentiate to ensure that monies from selective licensing are only spent on the licensing scheme

- Discussed with landlord how we identified selective licensing areas including lower super output areas (LSOA) and statistical analysis of a variety of things
- Discussed the benefits of selective licensing in improving the quality of streets and households but landlord was sceptical about where to put problem tenants without making them homeless
- Landlord felt that the scheme is a good idea
- Discussed the use of closure orders and Anti-social Behaviour and progress in this area
- Discussed the targeting of problem areas
- Healthy Homes Scheme phone number would be better if given to all landlords so that they can refer tenants who may be able to use this service and to help in landlord/Tenant relations
- Landlord raised problems regarding the Direct Debit (DD) including its now a DD per property and not total of all properties and that it is also over one year and not the 5 year term which can create hardship discussed people cancel DD and that cost money and officer time but he argued that either way can get the money and to make it hard for those who pay license or cancel DD
- Landlord discussed that he cannot see where he can increase rent as cannot in these areas due to demand and poverty etc.
- Needs to be more incentives to improve existing stock i.e. free insulation/boilers and not sporadic and landlord highlighted that council schemes do improve areas
- Discussed fire doors and FDIS in regards to 257 HMO's including the difficult in FDIS who will do three doors
- Discussed that there is now a higher occupancy rate in [specific] Road
- Discussed retaliatory evictions do not get heard of around here especially in selective licensing areas
- Landlord brought up problems regarding tenant not paying rent because of repairs but don't inform landlord of needing repairs
- Damp is difficult to identify and deal including tenant behaviour exacerbating the problem
- Damp/ condensation due to tenant behaviour is also further fuelled by poverty and fuel poverty
- Discussed needed a more robust attitude to problem tenants including the use of Section 21s
- Landlord highlighted that the statistic of 70% of landlords that haven't complied with works could be major or minor problems for example, no silicone sealant does not reflect the level of risk of more serious repairs issues such as cat 1 cat 2 hazards
- Landlord highlighted that landlords with only one or two properties are usually the poor landlord who are hard to deal with
- Thinks posters in selective licensing areas are good idea
- Bulky service is a good service and that this service along with Healthy Homes Scheme needs to be further advertised to landlords
- Landlord felt that selective licensing can only be good for the areas identified which need Council intervention
- Landlord believes that nothing has been achieved since the scheme started. He explained that when the first round of licensing was introduced landlords were told that they would see a rise in property prices, areas would become more desirable with people wanting to move into the area to live and antisocial behaviour would decrease. Asked what we will have achieved once the first 5 years of the licensing scheme have passed?

- Landlord felt that if a change in the selective licensing areas were to happen they would have happened by now.
- Landlord felt like he is paying for bad landlords to be give chance after chance and that the council should be focusing on the bad ones and not the good ones.
- Landlord feels that the selective licensing scheme is open ended and that there will be no end to it. He asked how long the scheme is due to be extended for and if he will have to keep paying each time to renew the license for his properties.
- Landlord thought the purpose of the selective licensing scheme was to find the bad landlords and to deal with them.
- Landlord asked where the fee money goes and what is it used to pay for?
- Landlord stated/asked that this is in the interest of the council and the council staff to have the selective licensing scheme. He asked if the decision had already been made due to it being in the interest of the councillors, council employees etc... He advised that we (as council) staff would want the licensing to go ahead for job security.
- Landlord asked what is considered as an 'emergency' in relation to tenants contacting him in 'emergency' situations. He explained that on numerous occasions he has had drunken tenants contact him at 3am when they have locked themselves out of their property. He asked if he needs to be accessible 24 hours a day and if instances like this would count as an emergency. It was advised that this is a conversation and something that would need to be made clear to tenants. He also explained that he does not think it is fair that his home address needs to be stated on the license as this is accessible to tenants. He explained that he has a friend who is a landlord and they have had tenants turn up to their house drunk in the early hours of the morning as they have lost their key. He has asked if there is a way to not have his home address on the license and accessible to tenants.
- Landlord asked if there can be a further reduction in license fees or a longer license period for good landlords (for example- good Landlords having a license for 10 years rather than 5 if they have proved themselves to be decent)
- Landlord asked for more rewards for good Landlords
- Landlord felt that their area would benefit from the scheme
- Landlords have two properties in an existing selective licensing area but had received no notification of selective licensing prior to this event.
- Landlord asked about empty property grants to bring their property back into use

# Have Your Say about Selective Landlord Licensing

Wirral Council is proposing to improve living standards by re-designating Selective Licensing in four small areas of the borough and extending the scheme into two further areas.

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.

The areas are:

-  Birkenhead South
-  Egerton North
-  Egremont South

-  Egremont Promenade South
-  Seacombe Library
-  Tranmere Lairds

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:

email: [slconsultation@wirral.gov.uk](mailto:slconsultation@wirral.gov.uk)

 WIRRAL



## **Background Information**

Selective Licensing is a scheme to improve private rented homes within specific designated neighbourhoods by requiring landlords to obtain a licence and comply with certain agreed conditions. Documents relating to the proposal, including detailed maps and address lists are available at [wirral.gov.uk/selectivelicensing](http://wirral.gov.uk/selectivelicensing).

The Scheme has been running in four small areas since 2015 and to date officers have issued 1236 licences in those areas and carried out 830 inspections. 70% of the properties inspected required works in order to meet standards.

## **Why is it being re-designated in the original four areas and introduced to two new areas?**

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 an impact on the health and welfare of tenants and wider communities. This scheme aims to improve homes in these areas by ensuring private landlords meet satisfactory standards of tenancy and property management. The existing Scheme which commenced in 2015 has resulted in improvements to more than 580 properties.

The six areas were identified using research from the Council's Intelligence Service which identified key areas which had the poorest levels of property condition, higher than average levels of private rented stock, and low housing demand. 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).

This evidence is supported by a recent survey of residents in the original four Selective Licensing areas which has shown that while there has been an improvement in the

property condition, there is still a need for improvement in the external environment to make these areas more attractive.

## **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. It can also have an effect on the health and safety of residents if properties are in a poor condition.

Selective Licensing will tackle poor management and is expected to deliver lots of benefits including:

### **Benefits for Landlords**

- Free tenancy support service
- Free bulky waste collections
- Free healthy homes visits
- Enhanced Empty Property Grants up to £5,000
- 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.

- Support to maintain tenancies e.g. budget management, benefit checks, fuel debt advice.

### **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 the health of 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 for a licence in the initial scheme was £695 over the duration of the scheme and the Council will continue to work hard to streamline costs for future designations and keep the fee as low as possible.

The Council also proposes 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.
- Assisted completion of application forms.
- Completion of a paper application.

### **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. A full copy of 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?**

It is a criminal offence to let a privately rented property in a designated Selective Licensing area without a licence.

Failure to apply for a licence or failure to comply with the conditions of the licence could lead to an unlimited fine on conviction or a Civil Penalty Notice of up to £30,000.

The Council, or tenants (including former tenants), may apply for a Rent Repayment Order (RRO) to reclaim up to 12 months' rent from the landlord where a property is, or was, required to be licensed."

### **What are the next steps?**

If feedback from the consultation supports a Selective Licensing Scheme in the proposed six areas and Members approve a final scheme, it is expected to be operational from 1<sup>st</sup> July 2020.

More information about the consultation process, including how to get involved is available via:

Online	<a href="http://wirral.gov.uk/selectivelicensing">wirral.gov.uk/selectivelicensing</a>
Email	<a href="mailto:SLconsultation@wirral.gov.uk">SLconsultation@wirral.gov.uk</a>
By post Consultation	Selective Licensing Po Box 290, Brighton Street, Wallasey, CH27 9FQ

**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

**Wirral Council proposes to continue Wirral's selective licensing scheme through re-designation of the four areas that have been in place since 2015 and extending the scheme into two further areas. Selective licensing will require all landlords to have a licence in order to let out homes in these areas between 1st July 2020 and 30th June 2025.**

**Do you agree or disagree with the selective licensing proposal? (please circle)**

- Strongly agree
- Disagree
- agree
- strongly disagree
- neither agree nor disagree
- don't know

**Wirral Council proposes to charge a fee estimated at £645 over a 5 year period depending on any discounts that can be applied. This would be around £130 per year or £2.50 per week before discounts can be applied.**

**Do you agree or disagree that this is a reasonable fee for this period?**

Strongly agree                      agree                      neither agree nor disagree  
Disagree                              strongly disagree                      don't know

**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 the 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"/>

**A full copy of the selective licensing conditions can be found on the Council's website.**

The licence conditions are about the quality of properties, how they are managed and the responsibilities of tenants.

**Do you think the licence conditions are adequate?**

Yes                     

No                     

Don't know                     

**Please tell us of any suggestions you have for additions or amendments to the conditions.**

Please return this questionnaire **to Selective Licensing Consultation, P O Box 290, Brighton Street, Wallasey, CH27 9FQ** or hand in to any Wirral Council One Stop Shop or Library.

## Selective Licensing Consultation

\* Required

1. **Which of the following apply to you? \***

*Check all that apply.*

- Live in Wirral
- Live in one of the existing selective licensing areas (including the proposed areas for re-designation)
- Work in one of the existing selective licensing areas (including the proposed areas for re-designation)
- Live in one of the proposed selective licensing areas (additional two areas only)
- Work in one of the proposed selective licensing areas (additional two areas only)
- Represent an organisation based in or covering Wirral
- Own or manage a business in Wirral
- Own or manage a business in one of the existing selective licensing areas (including the proposed areas for re-designation)
- Work in Wirral
- Private landlord/agent in one of the existing selective licensing areas (including the proposed areas for re-designation)
- Private landlord/agent 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

2. **For landlords and agents, please indicate in which existing selective licensing area(s) your properties are located)**

*Check all that apply.*

- Birkenhead South
- Egerton North
- Egremont Promenade South
- Seacombe Library
- Hamilton Square
- Seacombe St Paul's
- Birkenhead West
- Birkenhead Central

maps and address lists are available on the website

**Wirral Council proposes to continue Wirral's selective licensing scheme through re-designation of the four areas that have been in place since 2015 and extending the scheme into two further areas. Selective licensing will require all landlords to have a licence in order to let out homes in these areas between 1st July 2020 and 30th June 2025.**

3.

**Do you agree or disagree with the selective licensing proposal? \***

*Mark only one oval.*

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

**Wirral Council proposes to charge a fee estimated at £645 over a 5 year period depending on any discounts that can be applied. This would be around £130 per year or £2.50 per week before discounts can be applied.**

4.

**Do you agree or disagree that this is a reasonable fee for this period? \***

*Mark only one oval.*

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

**To what extent do you agree or disagree that it is reasonable to:**

5. \*

Mark only one oval per row.

	strongly agree	agree	neutral	disagree	strongly disagree	don't know
Reduce the licence fee for landlords who have a membership of a national landlord organisation or have property accredited with the Wirral Council Property Accreditation Scheme	<input type="radio"/>					
Reduce the licence fee for landlords with multiple properties	<input type="radio"/>					
Reduce the licence fee for landlords who submit early licence fee applications	<input type="radio"/>					

## A full copy of the selective Licensing conditions can be found on the Council's website.

Wirral Council would like your views and comments on the proposed licence conditions.

6.

To what extent do you agree or disagree with the conditions around the following issues and principles about the property? The licence holder must: \*

Check all that apply.

	strongly agree	agree	neutral	disagree	strongly disagree
Keep the property in a good state of repair	<input type="checkbox"/>				
Keep the outside areas clean and tidy	<input type="checkbox"/>				
Keep the property secure	<input type="checkbox"/>				
Have an electrical safety certificate for the property	<input type="checkbox"/>				
Fix any faults identified by an electrical inspection	<input type="checkbox"/>				
Deal with any pests and infestations	<input type="checkbox"/>				
Ensure there are adequate kitchen facilities	<input type="checkbox"/>				
Provide keys for any window locks and instructions on how to use any burglar alarm	<input type="checkbox"/>				

7.

**To what extent do you agree or disagree with the conditions around the following issues and principles about the relationship with the tenant? The licence holder must: \***

*Check all that apply.*

	strongly agree	agree	neutral	disagree	strongly disagree
Fix any repairs identified when a new tenant moves in	<input type="checkbox"/>				
Provide information about mandatory tenancy deposit protection	<input type="checkbox"/>				
Provide information about refuse collection	<input type="checkbox"/>				
Have arrangements for reporting repairs, including in an emergency	<input type="checkbox"/>				
Give 24 hours written notice before entering the property, except in an emergency	<input type="checkbox"/>				
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"/>				
Ensure emergency works necessary to protect the security of the premises are undertaken within 24 hours of notification	<input type="checkbox"/>				

8.

**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: \***

*Check all that apply.*

	strongly agree	agree	neutral	disagree	strongly disagree
Keep a copy of all references received for every occupier	<input type="checkbox"/>				
Not allow more people to live in the property than specified by the tenancy agreement	<input type="checkbox"/>				
Make sure that the tenant and their visitors don't cause a nuisance to their neighbours	<input type="checkbox"/>				
Deal with any complaints of anti-social behaviour in a proper and timely manner	<input type="checkbox"/>				
Make sure that the tenant complies with other conditions about living in the property	<input type="checkbox"/>				
Carry out Right to Rent checks in accordance with Home Office requirements prior to agreeing to a tenancy	<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"/>				
Keep records of any complaints received and action taken relating to anti-social behaviour	<input type="checkbox"/>				

**Are there any other comments that you would like to make about the proposals for selective licensing?**

9.

comment

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**Thank you for taking the time to complete the questionnaire.**



Wirral Council

Date  
10th October  
2019

Dear Sir or Madam,

### **Selective Licensing consultation**

Thank you for the opportunity to respond to the above consultation.

Though we appreciate the issues that Wirral Borough Council have mentioned and the impact they can have on tenants, landlords and the housing market in areas proposed, the Residential Landlords Association is opposed to the introduction of this scheme and has many general objections to Licensing overall, which are detailed below.

#### **Raising Standards**

There is little evidence that licensing schemes improve housing standards. The focus of staff becomes the processing and issue of licences, while prosecutions centre on whether a property is licensed or not, rather than improving management standards and property conditions. Additionally, the decent homes standard is a measure of the standard of housing and has no legal applicability to PRS housing. The Housing Health and Safety Rating System (HHSRS) is the relevant standard for the PRS.

The Council already has the necessary tools to tackle poor housing management and conditions in the PRS. Rather than introduce a bureaucratic licensing scheme that will see scarce resources focused on processing applications, the council should continue to direct these limited resources at identifying private rented properties and taking effective enforcement action.

#### **Enforcement Powers**

There are over 150 Acts of Parliament and more than 400 regulations affecting landlords in the private rented sector.

Councils should use the enforcement powers already granted to them by the Housing and Planning Act 2016 and Housing Act 2004 to their full extent, rather than rely on Licensing Schemes to regulate landlords in addition to these powers. The Council has also not taken into consideration the amount of informal enforcement activity undertaken between local authorities and private landlords.

#### **Pressure on non-licensed areas**

Landlords, especially those with properties outside the licence area will become risk-averse in terms of the tenants they let to. Tenant problems such as anti-social behaviour are impossible for the landlord to address alone and landlords will not wish to risk a breach of licensing conditions that may affect their ability to let properties elsewhere. Some may seek to evict already challenging tenants, which would mean additional costs to other council services, as they pick up the pieces created by the disruption to the lives of already vulnerable tenants.

### **Fee structure**

In the document titled *Selective Licensing Scheme Fee Structure*, there is a £50 charge for paying the licence fee in instalments. Only one licence fee can be charged per application.

The power to charge a fee is set out in s63(3) and s87(3) of the Housing Act 2004, with the fee-charging ability limited by s63(7) or s87(7). These state that a fee must reflect the cost of running a scheme, with the local authority not being permitted to make a profit. The fee can be used for the operation of the scheme itself, necessary inspections, promoting education and all enforcement activity to ensure the scheme is effective. Fees are only chargeable in respect of the application itself, and not in respect of ancillary matters.

No other charges can be implemented under the licensing regime, a point confirmed by the RPT (as was) in *Crompton v Oxford City Council* [2013]. Because of this, Oxford amended its fee structure to reflect this ruling. While we appreciate the need of local authorities to use their resources efficiently, this does not extend to the charging of fees that are not lawfully permitted.

The council should, therefore, remove the charge to pay the licence fee in instalments.

The administrative fee for making a paper-based application for a licence at £50 per application penalises applicants with limited technological knowledge or access to a computer. The council should not charge an additional fee on top of the £645 licence fee because the application is submitted in paper form.

### **Licence Conditions**

#### *EICR/PIR Requirement*

In the document titled "*Licence Conditions amended January 2019*" condition O) states that the licence holder 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 Council within 28 days of the expiry date; Ensure that any remedial works identified on the EICR or PIR are attended to subject to the required remedial action*".

Section 90(1) Housing Act 2004 is clear that a licence "may include such conditions as the local authority consider appropriate for regulating the management, use or occupation of the house concerned." In contrast to s67 Housing Act 2004, the equivalent provision in Part 2 of the Act,

no mention is made in s90(1) HA of the use of conditions to regulate the "conditions and contents" of the property. This is emphasised in the Court of Appeal case of *Brown v Hyndburn Borough Council* [2018] EWCA Civ 242.

Following the Court of Appeal's reasoning in *Brown*, any licence condition that seeks to regulate the condition or contents of the house is unlawful, and the local authority has no power to impose such a condition. Any such conditions should be removed. We note that the MHCLG recently drew the attention of local authorities to this case in one of their quarterly PRS newsletters.

Likewise, In *Brown* Mr Justice Hildyard confirmed that the s90(5) of the Housing Act 2004 is not itself a source of any power, residual or otherwise permitting the local authority to include licence conditions that seek to identify, remove or reduce hazards. These are covered by Part 1 of the Act and should be enforced using Part 1 powers, and the Housing Health and Safety Rating System. Councils should not rely on Part 3 licensing powers to enforce Part 1.

Therefore, Wirral council should remove this condition.

### **Conclusion**

The RLA reiterates its objection to the proposed scheme.

There are alternatives to licensing. The RLA supports a system of self-regulation for landlords whereby compliant landlords join a co-regulation scheme which deals with standards and complaints in the first instance, while those outside the scheme remain under the scope of local authority enforcement. We also support the use of the council tax registration process to identify private rented properties and landlords. Unlike licensing, this does not require self-identification by landlords, making it harder for criminals to operate under the radar.

Yours faithfully,

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## Consultation on proposed discretionary licensing scheme

### Response from ARLA Propertymark

#### Background

1. ARLA Propertymark is the UK's foremost professional and regulatory body for letting agents; representing over 9,000 members. ARLA Propertymark agents are professionals working at all levels of letting agency, from business owners to office employees.
2. Our members operate to professional standards far higher than the law demands, hold Client Money Protection and we campaign for greater regulation in this growing and increasingly important sector of the property market. By using an ARLA Propertymark agent, consumers have the peace of mind that they are protected, and their money is safe.

#### General concerns

3. ARLA Propertymark does not believe that discretionary licensing schemes are an effective way of promoting higher quality accommodation. They are often poorly resourced, and consequently the schemes become an administrative exercise that penalises compliant landlords and allows rogues to continue operating under the radar. Enforcement and prosecution remain low where the schemes operate, doing little to improve the minority of substandard properties in the private rented sector, which licensing schemes aim to target.
4. Many licensing schemes fail due to the lack of adequate resources needed to undertake the necessary enforcement activity. Due to the EU Services Directive,<sup>1</sup> the fee to apply for a property licence cannot exceed the cost to process the application, this means that the cost of enforcing the schemes must come from elsewhere. Councils operating discretionary licensing schemes have often indicated that the schemes cost more to operate than the funding generated from licence fees, such as in Blackpool.<sup>2</sup>
5. Licensing schemes heavily focus on the administration involved, often directing staff away from enforcement to process applications. Councils have indicated that processing a single

application can take between 15 minutes and one hour. This can be incredibly time consuming and costly when thousands of properties require licensing.

6. Often, the rogue landlords that the schemes are created to target continue to operate under the radar. Already compliant landlords pay their licensing fees, funding the administration of the scheme while more than often those providing poor housing ignore their legal requirements.
7. The Housing and Planning Act 2016<sup>3</sup> allows civil penalty fines levied for offences in the private rented sector to be retained by the Local Authority for further enforcement. Research conducted by the Housing, Communities and Local Government Committee in April 2018<sup>4</sup> highlighted that Local Authorities on the whole rarely issue landlords and agents with penalties. Existing licensing schemes have demonstrated that only a small number of prosecutions ever occur, with 50 per cent of all prosecutions in 2016-17 coming from Newham Borough Council out of 33 boroughs with discretionary licensing across all of England.
8. Consequently, we would argue that the issue does not lie with existing legislation, rather the lack of enforcement. Local Authorities pinpoint lacking enforcement as a product of stretched resources. Although this should have been remedied with the introduction of the Housing and Planning Act 2016, many Local Authorities do not exercise their powers to bring additional resources into enforcement of the private rented sector.
9. ARLA Propertymark believes that instead of introducing further discretionary property licensing, Local Authorities should adopt a collaborative approach with letting agents, landlords and professional bodies to tackle issues within the private rented sector. This approach recognises and rewards landlords and agents that already adhere to good practice and enables local authorities to better target their resources on effective intelligence-led enforcement.