

**Wirral Borough Council**

**Selective Licensing Business Case**

**June 2023**

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## **1 Foreword**

Between 2001 and 2011, Wirral saw a significant increase in its private rented sector of nearly 80%. The upward trend continued through to 2021 but at a slower rate, increasing by 22% over the subsequent 10-year period. Private rented properties are now a substantial part of Wirral's housing market, making up 19% of all homes in Wirral. They are the tenure choice for many people but have become the homes for others that have no choice due to the undersupply of social housing and the difficulties in getting on the home ownership ladder.

Previous and current Selective Licence schemes in Wirral have shown that some private rented properties are being poorly managed and of a poor quality. Evidence shows that these properties are often located in areas that also suffer from low demand, criminal damage, high turnover and empty properties. The combination of these factors, particularly in areas of low income and high proportions of private rented properties, can substantially affect the local area.

The Council continues to work with landlords throughout the Borough to drive-up standards through informal routes where possible. The Landlord Accreditation Scheme for example, accredited over 7,000 properties since the scheme began. There are currently 1,178 properties accredited. The Council's empty property grants have brought homes back into use as private rented properties, ensuring good quality conversions and upgrades. There remains, though, a need for targeted interventions through Selective Licensing in areas in need of support, as part of a multi-agency approach to improve areas. For example, in the 2015-2020 Selective Licensing Scheme, there were over 1,000 inspections of properties and 70% of those did not comply with licensing conditions.

Through a robust review of evidence, the Council has seen that some new areas now require support, whilst others require continuing intervention. This is why we are proposing the continuation of Selective Licensing in two areas and its introduction into two new areas from 2024 onwards.

***Councillor Tony Jones, Wirral Council, Chair of Economy, Regeneration & Housing Committee.***

## 2 Executive Summary

Wirral still has a growing private rented sector within its housing market. There are around 27,000 privately rented properties in Wirral<sup>1</sup> and the sector is vital in meeting the borough's housing needs, so it is important that what is on offer is of high quality.

Although many landlords operate professionally, the Council is concerned about a number of landlords who rent properties that fail to meet satisfactory standards of tenancy and property management.

Almost one in six properties within Wirral's private rented sector contains one of the most serious hazards<sup>2</sup>. This has a detrimental impact on the health and welfare of local communities. It also impacts negatively on a housing market that is already vulnerable in terms of vacant properties, low house prices and depressed rental values.

Poorly managed properties can lead to problems such as low demand, anti-social behaviour, fly-tipping, and can cause blight on the borough's neighbourhoods. The Council wants to ensure that it has a good quality private rented sector, that tenants can be confident in, and believes that a Selective Licensing Scheme can play a major part in helping achieve this.

Selective Licensing is a scheme where all private landlords within a defined boundary must have a license before they can let a property out. The license will have conditions attached to ensure the properties are in good condition, safe and well managed.

The Council operated its first Selective Licensing Scheme between 2015 and 2020 in four small areas and introduced a second scheme in four further areas in 2019. In 2020, a third scheme was introduced, in the same four areas as the 2015 scheme along with two additional areas. Schemes have been in operation for almost eight years and have had a significant impact in improving properties through compliance inspections and pro-active engagement with landlords, tenants and residents. Selective Licensing schemes have a maximum duration of five years and the 2019 scheme is due to end in March 2024.

The Council cannot simply extend Selective Licensing in the current areas. The Council must first demonstrate the case, using appropriate robust evidence, for either a continued or new intervention into other areas within the borough. This document therefore makes the case for continuing Selective Licensing within two of the 2019 geographical areas (Birkenhead West and Seacombe St Paul's), which evidence shows continue to experience the worst symptoms of low demand and poor property condition in the Borough. It also makes the case for introducing selective licensing into two new,

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<sup>1</sup> 2021 Census, Office for National Statistics

<sup>2</sup> Table 4, page 33, Integrated Dwelling Level Housing Stock Modelling & Database, Client Report for Wirral Council, BRE 2018

small areas (Bidston & St James West and Egremont North) which are showing similar symptoms.

The Council is undertaking a consultation exercise to ensure that everyone who is likely to be affected by a proposed scheme has an opportunity to express their views and understands the rationale or 'business case', which supports the introduction of a scheme. Information about different ways to participate in the consultation is set out in the Consultation Plan in Appendix 3.

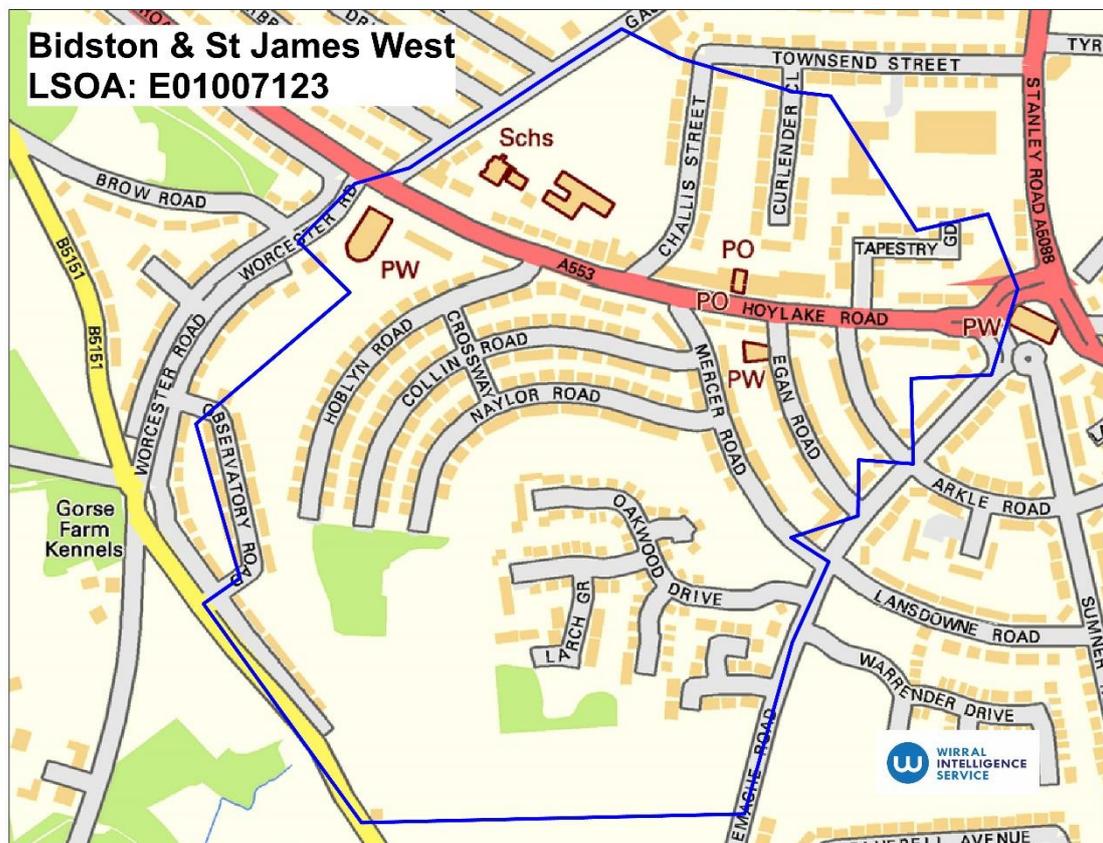
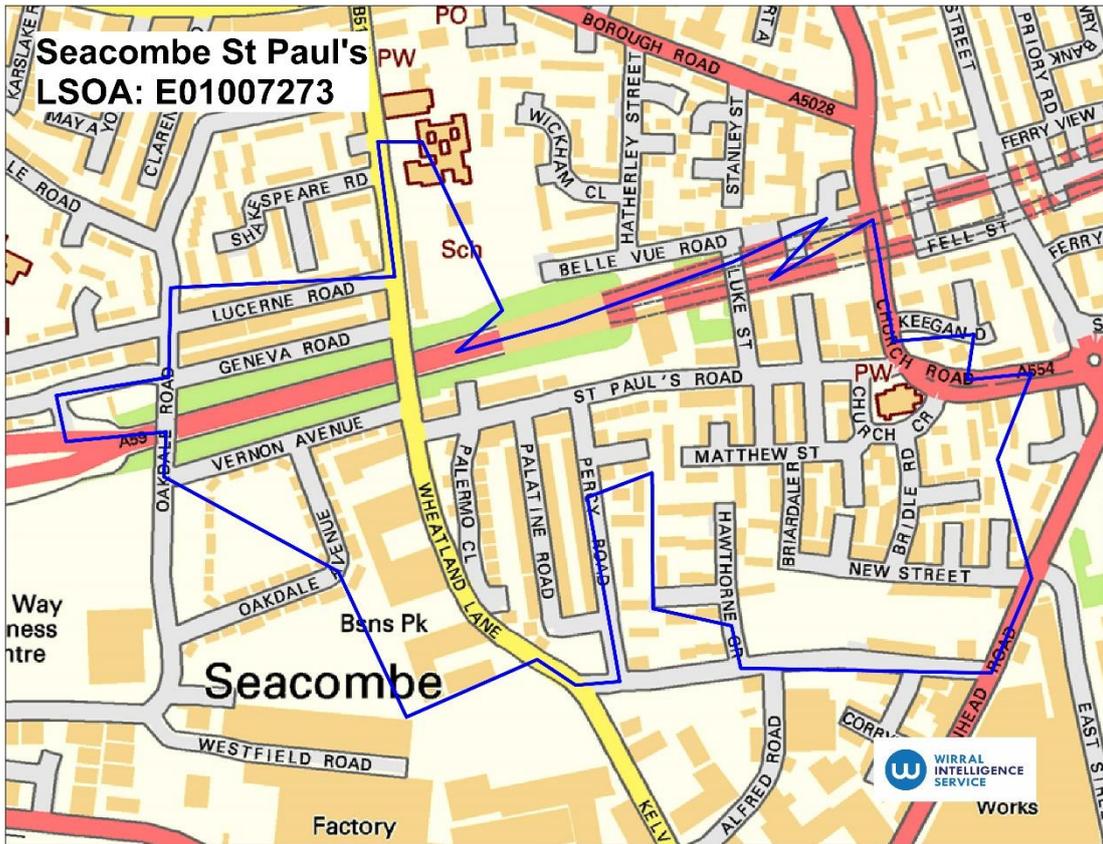
### 3 Introduction

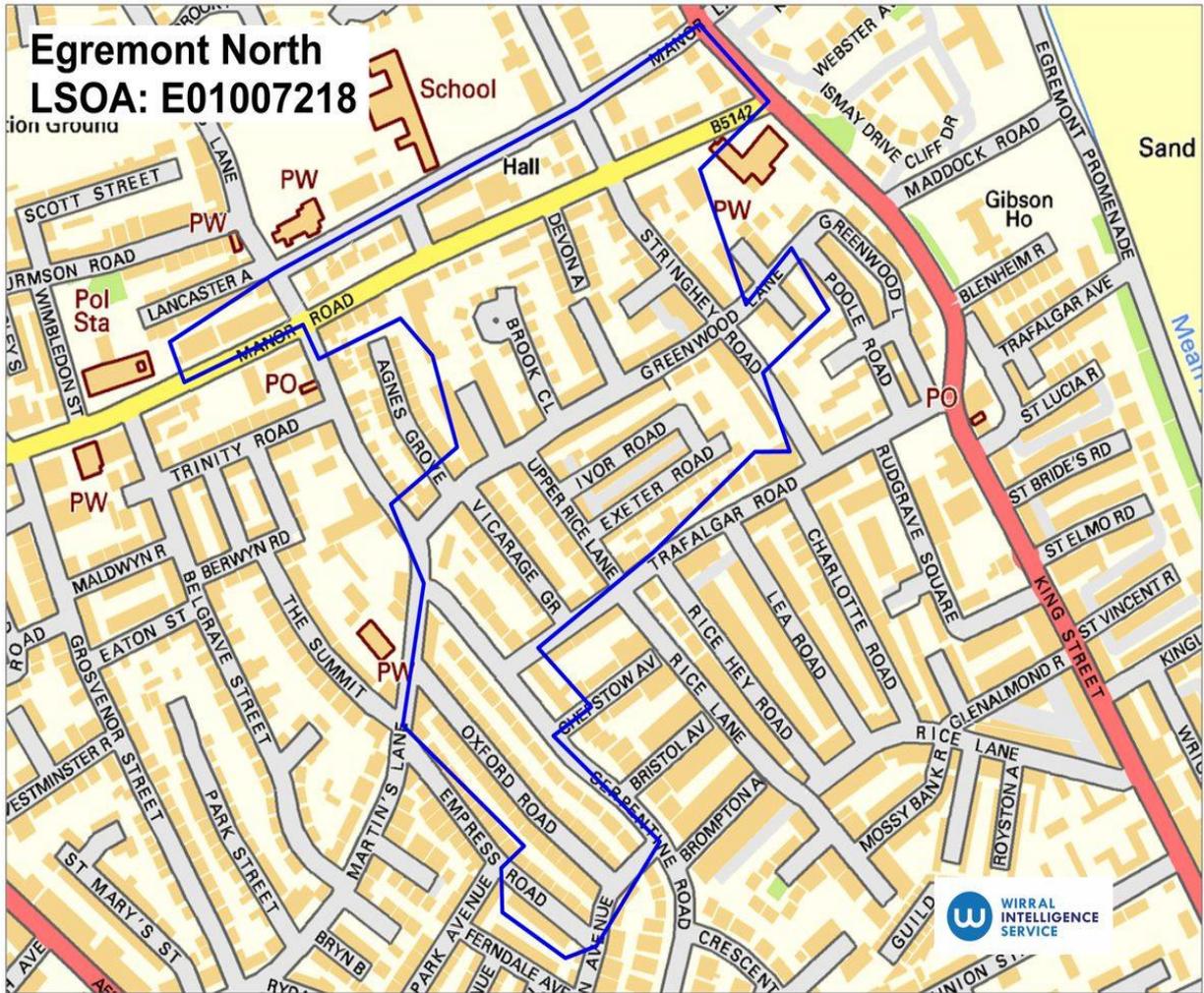
This is the Business Case to support the proposal for the continuation of Selective Licensing in two areas of the Borough (Birkenhead West and Seacombe St Paul's) and the introduction of Selective Licensing into two new areas (Bidston & St James West and Egremont North) to operate from 2024 until 2029, as shown in the maps below.

These areas have been identified by a Multi-Criteria Decision Analysis process through evidence collated by the Council's Wirral Intelligence Service. Some key aspects of this evidence have been incorporated into Section 5 of this report; however, a full breakdown of the methodology and findings of the evidence base can be found in Appendix 1, together with a matrix combining all the data-sets for the worst Lower Super Output Areas (LSOAs) for the Borough. The evidence demonstrates that there is a clear link between high levels of private rented properties in the proposed selective licensing areas and low demand with its associated socio-economic issues, as well as evidence of issues caused by the poor management of private rented properties.

Maps of each proposed designated area are shown below outlined in blue. More details can be found in Appendix 2 together with a list of streets / properties included in the proposed areas.







## 4 Strategic Housing Context

Wirral's Housing Strategy 2016 to 2021 aimed to provide "Good quality housing which meets the needs of residents". It is clear that access to good quality housing is a foundation on which people can build happy and successful lives and is a crucial component of strong and sustainable communities.

The Strategy had three clear themes:

- Building more homes in Wirral to meet our economic growth ambitions;
- Improving the quality of Wirral's housing offer for our residents;
- Meeting the housing and support needs of our most vulnerable people to enable them to live independently.

Whilst the Housing Strategy is currently under review and refresh, these key themes will still broadly underpin the strategy focus going forward but will take into account changes in the demographics of the borough as well as social, economic and health changes that all influence peoples housing needs and the choices they have available to them. Selective Licensing is key to this as it 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 private rented sector plays a major role in improving the quality of Wirral's housing offer. The sector does however often contain many vulnerable households, has the least security of tenure, has twice as many people living in hazardous homes than the owner-occupied sector and a third of all private rented homes are non-decent. Continuing pressure on the availability of affordable homes for rent in the social sector means it is important to support people to consider all housing options available and as such a good quality private rented housing offer is a fundamental part of this.

Table 1 below summarises the links between Selective Licensing and local strategies and policies.

**Table 1**

Local Strategy / Policy	Relevant aim of strategy / policy	What Will Selective Licensing Contribute
The Wirral Plan: 2021-2026	Working for safe and vibrant communities where our residents feel safe, and are proud to live and raise their families	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.

Birkenhead Regeneration 2040 Framework	We will deliver a substantial and diverse array of additional homes, via new sustainable mixed-use family neighbourhoods and the renewal of existing residential areas.	Improving the quality of housing is an important element in the renewal of existing neighbourhoods.
Private Sector Housing Financial Assistance Policy	Assisting vulnerable households to remain in their homes by removing hazards, relating to disrepair, improving their affordable warmth and bringing long term empty properties back into use.	Selective Licensing will help to identify those in need of assistance and target resources where they are needed most to generate improvement to the quality of the housing stock in these areas, generate confidence and protect vulnerable residents.
Homelessness & Rough Sleeping Strategy 2020 - 2025	Improving access to and developing more settled accommodation solutions.	Licensing will support the ongoing development of a suitable private rented sector offer for all client groups, including advice and support to both clients and landlords. In addition, following the Localism Act 2011, the Council can discharge its homeless duty in the private rented sector; good quality private rented sector stock will increase the range of properties available to carry out this duty.
Home Energy Conservation Act 1995; 2021 Report	Increasing standards in the Private Rented Sector.	The Act recognises local authorities' ability to use their position to improve the energy efficiency of all residential accommodation. The Council will continue to offer support to households through Wirral Healthy Homes in the Selective Licensing areas

		<p>in order to improve housing standards and in particular reduce excess cold and damp &amp; mould hazards. It will also continue to promote available financial support for private landlords to increase the energy rating of their properties.</p>
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## 5 Wirral's Socio Economic & Housing Profile

### *Population*

Wirral has a population estimated to reach 320,200 by mid-2023<sup>3</sup>. Between 2011 and 2021 the Borough's population increased by 0.1%<sup>4</sup>. The rate of growth has been slower than that of England and Wales (6.3%)<sup>5</sup>.

### *Age Profile*

Table 2 shows how Wirral's population profile differs from that of England, the North West and of Merseyside<sup>6</sup>. It has a larger population of older people, for people aged 45-64, those aged 65-84 and those aged 85 and over.

**Table 2**

<b>Area</b>	<b>0-14</b>	<b>15-44</b>	<b>45-64</b>	<b>65-84</b>	<b>85 and over</b>
Wirral	16.98%	33.51%	27.53%	19.09%	2.9%
Merseyside (Met County)	16.6%	38.1%	26.2%	16.8%	2.5%
North West	17.60%	37.72%	25.99%	16.39%	2.3%
England	17.3%	38.3%	25.8%	16%	2.4%

The predicted change in age profile from 2021 to 2041 reflects the predictions for the North West and England in that there is likely to be a significant growth of the older population. Those aged 65 and over are predicted to make up 27.9% of Wirral's population by 2041<sup>7</sup>.

Table 3 shows the age profile of the proposed areas for selective licensing as recorded by the 2021 Census<sup>8</sup>. All areas exhibit a younger age profile than the Wirral average. The highest change in profile since the 2011 Census is people aged 80 to 84 years.

<sup>3</sup> [Population and household estimates, England and Wales: Census 2021, unrounded data](#)

<sup>4</sup> [Population](#) sizes and changes for regions and local authorities, ONS Census 2021

<sup>5</sup> [Population growth of England and Wales between 2011 and 2021](#)

<sup>6</sup> [Population and household estimates, England and Wales: Census 2021, unrounded data](#)

<sup>7</sup> [Population projections for local authorities: Table 2, ONS](#)

<sup>8</sup> [Age by Single Year, Office for National Statistics, 2021](#)

**Table 3**

Area	0-14	15-44	45-64	65-84	85 and over
Birkenhead West	26.9%	40.6%	22.5%	8.4%	1.6%
Seacombe St Pauls	24.2%	43.7%	22.6%	8.3%	1.3
Bidston & St James West	19.7%	41.8%	27.1%	10.6%	0.8%
Egremont North	23.9%	40.5%	23.6%	10.9%	1.1%
<b>Wirral</b>	17.4%	33.3%	27.3%	19.0%	3.0%

Table 4 shows the changes in population and age profile, between the Censuses of 2011 and 2021 of the proposed areas compared to Wirral, the North West and England<sup>9</sup>. It shows a particularly marked increase in the total population of Birkenhead West, reflecting a 6.7% increase in the number of households in this LSOA (see Table 12 further on in this report). Birkenhead West has also seen a shift in the age demographic with a reduction in those residents aged 0-14, and an increase in those aged 65-84. Conversely, Seacombe St Pauls has seen a large increase in residents aged 0-14, with a decrease in household numbers of 6.4%. Egremont North has had an increase in household numbers of 4.1%, with an increase in population of 2.1%. The biggest change and growth in the population in Wirral is for people aged 80 to 84. The biggest percentage change in the four proposed Selective Licensing LSOAs is those people aged 85+, although due to the small size of the LSOAs, the change in numbers isn't significant.

**Table 4**

Area	All people	0-14	15-44	45-64	65-84	85 and over
	Percentage change between 2011 and 2021					
Birkenhead West	4.4%	-2.8%	6.3%	4.5%	21.2%	7.7%
Seacombe St Pauls	0.6%	11.2%	-2.5%	-5.5%	-3.8%	36.4%
Bidston & St James West	-8.2%	-17.4%	-16.7%	2.1%	38.5%	242.9%
Egremont North	2.1%	-1.7%	-8.3%	-3.3%	35.8%	153.8%
Wirral	0.1%	-1.5%	-6.6%	-0.7%	16.1%	11.4%
North West	5.2%	5.5%	-0.3%	5.0%	18.9%	14.8%
England	6.6%	5.0%	-0.7%	8.4%	20.7%	16.3%

<sup>9</sup> [Census 2021, TS007a, Age by five year age bands, ONS, January 2023](#), and Census 2011 QS103EW, Age by single year, March 2011

## ***Ethnicity***

Table 5 provides an overview of ethnicity of the population in each of the proposed selective licensing areas. In two of the four proposed selective licensing areas the population is more diverse than the Borough as a whole, with Egremont North having the highest proportion of people of all ethnic groups, followed by Seacombe St Pauls.<sup>10</sup>

**Table 5**

<b>Area</b>	<b>White</b>	<b>Mixed/multiple ethnic groups</b>	<b>Asian/Asian British</b>	<b>Black/African/Caribbean/Black British</b>	<b>Other ethnic group</b>
Birkenhead West	95.8%	1.8%	1.8%	0.0%	0.5%
Seacombe St Pauls	92.7%	2.0%	3.5%	0.8%	1.1%
Bidston & St James West	95.0%	1.3%	2.3%	0.2%	1.3%
Egremont North	90.8%	1.8%	3.3%	1.2%	2.9%
Wirral	95.2%	1.5%	2.3%	0.4%	0.6%

## ***Health Inequalities and Deprivation***

Along with factors such as education, unemployment and health care services, housing is a crucial determinant of health. The links between these 'wider determinants' of health (see diagram below) and health outcomes and inequalities are long standing and well evidenced.

A range of local authority services can help reduce the inequalities in these determinants and improve people's health and wellbeing; including environmental health, leisure, planning, schools, transport and key to this report – housing.

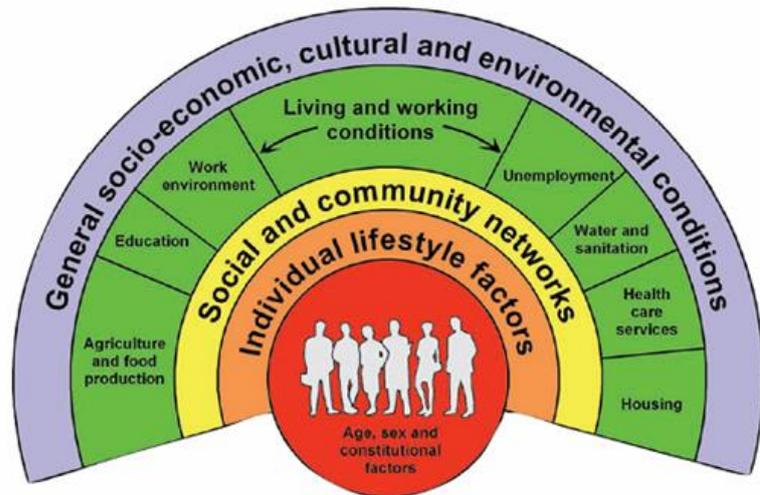
Those living in poverty are likely to live in the poorest quality housing in society and also face a range of other disadvantages which impact negatively on their health.

Over 2017-19 for example, there was a 10-year difference in life expectancy between the most and least deprived areas of Wirral. Life expectancy in Greasby, Frankby & Irby Ward for example was 85.1, compared to just 74.8 in Rock Ferry Ward<sup>11</sup>.

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<sup>10</sup> ONS, Census 2021

<sup>11</sup> [Wirral Compendium of Statistics, Wirral Intelligence Service, 2021](#)



Source: Dahlgren and Whitehead, 1991

Table 6 shows that the proposed areas for Selective Licensing are all highly ranked on the 2019 Index of Multiple Deprivation (IMD)<sup>12</sup>. There are 32,844 LSOAs in England, and three of the four proposed areas fall in the top 1% most deprived of areas in England, with Egremont North just outside of the top 10%

**Table 6**

LSOA Area	IMD Rank out of 32,844	IMD Decile
Birkenhead West	26	1
Seacombe St Pauls	95	1
Bidston & St James West	233	1
Egremont North	3,358	2

<sup>12</sup> English Indices of Deprivation 2019, Super Output Areas, Neighbourhood Statistics, Office for National Statistics

**Table 7**

LSOA	Health, Deprivation and Disability	Health Deprivation and Disability Decile (where 1 is most deprived 10% of LSOAs)
	Rank out of 32,844	
Birkenhead West	69	1
Seacombe St Pauls	130	1
Bidston & St James West	265	1
Egremont North	1,381	1

The Indices of Multiple Deprivation (IMD) is made up of seven individual 'domains' (or different dimensions of deprivation) which together make up the overall IMD. One of these domains is "Health, Deprivation & Disability" which measures premature death and the impairment of quality of life by poor health and considers both physical and mental health. The ranks for this domain for the proposed areas for selective licensing are in table 7<sup>13</sup>. All are ranked within the top 5% of LSOAs nationally for Health, Deprivation and Disability, with 3 of the 4 (Birkenhead West, Seacombe St Pauls and Bidston & St James West) all ranked in the top 1%

### ***Household Incomes***

Data from 2022<sup>14</sup> (table 8) shows that in Wirral, the average annual earnings for full-time employees **living** in Wirral (£32,013) are higher than the North West average (£30,716). Wirral has the third highest earnings for residents in the Liverpool City Region behind St Helens and Halton, however, earnings for full-time employees working in Wirral are significantly lower than the North West and Great Britain. Wirral has the lowest average earnings by workplace in the Liverpool City Region at £28,314 per annum. However, the difference in earnings between people living and working in Wirral implies that people living in Wirral are accessing high value employment outside of the borough and people working in Wirral are not in as highly paid employment.

<sup>13</sup> [English Indices of Multiple Deprivation, 2019](#)

<sup>14</sup> ASHE (via Nomis), 2022

**Table 8**

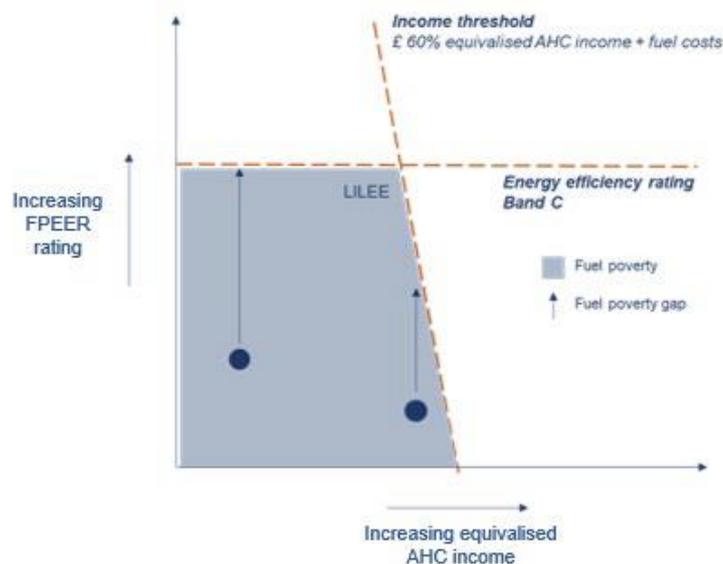
<b>Area</b>	<b>Average Annual Pay (those working in Wirral)</b>	<b>Average Annual Pay (Wirral residents)</b>
Halton	£34,183	£32,103
Knowsley	£30,259	£30,901
Liverpool	£31,993	£30,590
Sefton	£31,245	£31,031
St Helens	£29,321	£32,885
Wirral	£28,314	£32,013
North West	£30,716	£30,822
Great Britain	£33,106	£33,111

***Fuel Poverty***

Fuel poverty in England is measured using the Low Income Low Energy Efficiency indicator, which considers a household to be fuel poor if:

- it is living in a property with an energy efficiency rating of band D, E, F or G as determined by the most up-to-date Fuel Poverty Energy Efficiency Rating Methodology - this is depicted by the horizontal threshold in Figure 1 below; and
- its disposable income (income after housing costs and energy costs) would be below the poverty line as depicted by the vertical sloping threshold in Figure 1.

**Figure 1: The Low Income Low Energy Efficiency metric including the fuel poverty gap**



Nationally, 24.1% of private rented households are defined as fuel poor. This is much higher than in the owner occupier sector (owner with mortgage: 10.0%, owner outright: 7.6%)<sup>15</sup>. In Wirral, it is estimated that fuel poverty affects 21% of private rented households compared to 9% of owner-occupied households (using the previous government definition of fuel poverty which was known as “Low Income High Costs”)<sup>16</sup>.

The estimated rates of fuel poverty within the proposed areas for selective licensing compared to the Wirral and English averages are shown in Table 9 below. All areas are estimated to have fuel poverty rates above the Wirral average, affecting around a third of all homes in three of the areas.

**Table 9<sup>17</sup>**

Area	Rate of fuel poverty (all housing tenures)
Birkenhead West	32.9 %
Seacombe St Pauls	31.3 %
Bidston & St James West	34.3 %
Egremont North	19.1 %
Wirral	14.4 %

<sup>15</sup> Annual Fuel Poverty Statistics in England Report, 2023 (2022 data) (28 February 2023)

<sup>16</sup> Table 4, page 33, Integrated Dwelling Level Housing Stock Modelling & Database, Client Report for Wirral Council, BRE 2018

<sup>17</sup> Sub-regional Fuel Poverty England 2022 (2020 Data), BEIS

Liverpool City Region	15.6 %
England	13.2 %

### **Number of households**

Table 10 shows information from the 2011 Census and the 2021 Census<sup>18</sup>. It shows that there have been increases in household numbers across two out of four of the LSOAs, most significantly in Birkenhead West. There have been no significant number of new-build properties in Birkenhead West between 2011 and 2021 and so it is likely the increase has been caused by HMO conversions and house-to-flat conversions. In two LSOAs there have been decreases; the decrease in Bidston & St James West can be explained by the housing demolitions on the Crossways Estate.

**Table 10**

	2011	2021	% change
Birkenhead West	670	715	6.7%
Seacombe St Pauls	667	624	-6.4%
Bidston & St James West	733	669	-8.7%
Egremont North	654	681	4.1%
Wirral	140,583	143,251	1.9%

### **Tenure breakdown**

The 2021 Census reported that 18.9% of Wirral's households rented privately (27,091) This has increased since 2011 when it was 15.8% (22,275). The tenure breakdown in the proposed areas, in Wirral<sup>19</sup> and in England<sup>20</sup> in 2021 was as follows:

**Table 11**

Area	Owner Occupied		Social rented		Private Rented		Other	
	No.	%	No.	%	No.	%	No.	%
Birkenhead West	173	24.2%	303	42.4%	233	32.6%	6	0.8%
Seacombe St Pauls	180	28.8%	215	34.5%	228	36.5%	1	0.2%
Bidston & St James West	204	30.5%	295	44.1%	169	25.3%	1	0.1%
Egremont North	354	52.0%	48	7.0%	277	40.7%	2	0.3%
Four LSOAs	911	33.9%	861	32.0%	907	33.7%	10	0.4%

<sup>18</sup> Tenure – All Households, Census 2021 (TS054), and Tenure – All Households, Census 2011 (KS402EW), Nomis

<sup>19</sup> Tenure – All Households, Census 2021 (TS054), Nomis

<sup>20</sup> Tenure – All Households, Census 2021 (TS054), Nomis

combined								
Wirral	93,114	65.0%	22,065	15.4%	27,091	18.9%	982	0.7%
England	14,369,065	61.3%	4,005,663	17.1%	4,794,889	20.5%	266,468	1.1%

able 11 shows there are a total 907 Private Rented households in the proposed LSOAs, which makes up 33.7% of the total stock across the proposed areas, far above the rate for the whole of the Borough (18.9%). In Egremont North, the rate is particularly high, at 40.7%.

### ***Housing Types***

Table 12<sup>21</sup> shows that both Birkenhead West and Seacombe St Pauls have high proportions of terraced properties, which are generally older Victorian dwellings. The breakdown of house types for the proposed LSOAs compared to Wirral is as follows (all tenures):

**Table 12**

<b>Area</b>	<b>Detached</b>	<b>Semi-detached</b>	<b>Terraced</b>	<b>Purpose-built flat</b>	<b>Part of a converted or shared house, including bedsits</b>	<b>Other</b>
<b>Birkenhead West</b>	7.8%	15.6%	58.5%	8.1%	7.3%	2.6%
<b>Seacombe St Pauls</b>	3.4%	20.2%	67.3%	7.5%	1.3%	0.3%
<b>Bidston &amp; St James West</b>	7.3%	49.5%	35.7%	6.6%	0.3%	0.5%
<b>Egremont North</b>	3.4%	35.5%	39.4%	7.2%	11.7%	2.8%
<b>Wirral</b>	17.4%	41.6%	23.5%	11.9%	3.9%	1.8%

### ***Empty dwellings***

The measurement used to assess the prevalence of empty dwellings in an area is “dwellings that have been unoccupied and substantially unfurnished for over six months”. These are known as long-term vacant dwellings. The rate of long-term vacant dwellings in Wirral in 2022 was the 4th highest in the Liverpool City Region and although was below the average for the region, it was higher than the English average, as shown in the table 13.<sup>22</sup>

<sup>21</sup> Accommodation type – All Households, Census 2021 (TS044), Nomis

<sup>22</sup> Table 615, Vacant Dwellings by Local Authority District, Ministry of Housing, Communities & Local Government, October 22

**Table 13**

<b>Area</b>	<b>Count</b>	<b>Rate of long-term vacant dwellings<sup>23</sup></b>
Halton	482	0.84%
Knowsley	972	1.41%
Liverpool	5,129	2.32%
Sefton	1,998	1.57%
St Helens	877	1.05%
Wirral	1,901	1.28%
Liverpool City Region	11,359	1.51%
England	248,149	1.01%

As of October 2022, the rates of long-term privately owned vacant dwellings as a proportion of privately owned properties for the proposed Selective Licensing areas were as shown in table 14<sup>24</sup>. It shows three of the target areas, Seacombe St Pauls, Bidston & St James West and Birkenhead West have higher proportions of long-term private vacant properties than the Borough as a whole.

**Table 14**

<b>Area</b>	<b>Proportion of long-term privately owned vacant dwellings</b>
Birkenhead West	4.3%
Seacombe St Pauls	9.9%
Bidston & St James West	7.7%
Egremont North	0.9%
Wirral	0.9%

### ***Profile and Stock Condition of the Private Rented Sector***

The main findings from the Integrated Dwelling Level Housing Stock Modelling & Database 2018 for Wirral, compiled by BRE, with regards to the private rented sector were as follows:

<sup>23</sup> As a percentage of the total number of chargeable dwellings, Council Taxbase Local Authority Level Data 2022, Ministry of Housing, Communities & Local Government, November 2022.

<sup>24</sup> Council Tax data, Wirral Council, October 2022

- 34% of private rented homes are occupied by low-income households, compared with 16% in the owner-occupied sector and 78% in the social sector.
- Rates of Category 1 Hazard failure under the Housing Health & Safety Rating System were higher within the private rented sector at 15% of homes compared to 12% within the owner-occupied sector and 6% within social stock;
- Disrepair was estimated to be present in 7% of private rented homes, compared to 5% of owner-occupied homes and 2% of social homes.
- The private rented sector in Wirral performs better than the owner-occupied sector with regards to estimated energy efficiency ratings. Based on SimpleSAP<sup>25</sup>, 28.3% of private rented dwellings are in the higher Energy Performance Certificate bands A-C, compared to 15.9% of owner-occupied dwellings.

### ***Housing Demand***

As of 1<sup>st</sup> June 2023, there were 14,533 households registered with Property Pool Plus Wirral (the choice-based lettings system for social housing). 4,851 were currently renting from a private sector landlord and wishing to move to social housing. This accounts for 33% of the waiting list, with 751 households in Bands A to C.

Property Pool Plus policy provides for priority to be given to people who are homeless or at risk of homelessness, living in overcrowded conditions or in some cases those living in serious disrepair where remaining in the home is not feasible/safe. Higher priority is given to these categories than those with no housing need.

As such, the Property Pool Plus application form asks a series of questions in relation to the reasons why a household wishes to move from their current accommodation. Table 15 gives a breakdown of the reasons selected which directly relate to tenure for the 4,851 private sector tenants registered with the scheme (applicants may choose more than one reason):

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<sup>25</sup> The Standard Assessment Procedure (SAP) is the government-recognised method by which the energy efficiency of a residential dwelling is measured, on a scale of 1 to 100, where 100 is the most energy efficient. "SimpleSAP" is an estimate of a residential dwelling's likely SAP score, not based on the full required range of data for a SAP calculation. It should only ever be considered an estimate of the SAP score and used as a guide.

**Table 15**

<b>Reason for wishing to move</b>	<b>Number</b>
Threat of Eviction by Landlord	350
Repossession / Eviction	193
Unable to afford Rent	1,489
Landlord Selling Property	908
Home in poor condition	1,018

The two key reasons the Property Pool Plus applicants wanted to move were due to them being unable to afford the rent (31%), followed by of applicants choosing to leave their home due to poor condition (21%).

The Property Pool Plus application form also asks a series of questions in relation to any disrepair issues in the current accommodation. Based on the question in relation to disrepair, 16% of residents that responded said they were living in a property that was in disrepair, with 85% of these stating that their health & safety was affected by the condition of the property they lived in. The specific questions and answers given by the 4,851 private tenants registered are shown in table 16:

**Table 16**

<b>Questions relating to disrepair</b>	<b>Yes</b>	<b>No</b>	<b>Not Answered</b>
Are you living in a property in disrepair?	754	3,828	269
If yes, does the disrepair affect your health or safety?	642	81	31
Have you reported the disrepair to your landlord?	615	23	4
If yes, have you reported this to your Local Authority?	184	427	31

Working with private sector landlords in the Selective Licensing areas to improve the property standards and conditions could reduce the number of applicants on

the Property Pool Plus waiting list that are requesting to move due to the condition of their property by up to 21% and improve the health and safety of residents where their health & safety is being compromised by up to 13%.

### **Rents and Sales Data**

Valuation Office Agency data provides information on monthly rents recorded between 1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2022<sup>26</sup>. It shows that average rents charged by Wirral's private landlords are lower than the averages for Merseyside, the North West and for England. In Merseyside, only St Helens has a lower average rent. The sample used to produce these statistics is not statistical and may not be consistent over time. As such, the Valuation Office Agency states that this data should not be compared across time periods or between areas. However, the Office for National Statistics produce experimental statistics on private rents which show that private rental prices paid by tenants in the UK rose by 4.7% in the 12 months to February 2023 and in the North West by 4.8%<sup>27</sup>.

**Table 17**

<b>Area</b>	<b>Average</b>	<b>Lower quartile</b>	<b>Median</b>	<b>Upper quartile</b>
Knowsley	£645	£525	£600	£725
Liverpool	£657	£495	£600	£750
Sefton	£676	£520	£540	£775
St Helens	£601	£475	£575	£675
Wirral	£642	£495	£600	£730
Merseyside	£648	£495	£600	£725
North West	£699	£520	£635	£800
England	£946	£610	£800	£1,100

<sup>26</sup>Valuation Office Agency – Private rental market statistics 1<sup>st</sup> October 2021 to 30 September 2022

<sup>27</sup> Index of Private Housing Rental Prices, UK: February 2023, Office for National Statistics

## **6. Why is the Council continuing with Selective Licensing and introducing further areas?**

### **Context**

Wirral's privately rented sector has increased from 16.8% in 2011<sup>28</sup> to at least 18.9% in 2021 and in the next proposed Selective Licensing areas, the private rented sector makes up at least 35% of the housing stock. Housing conditions across the private sector are generally better than the national average however in Wirral, where 89% of properties are free of Category 1 hazards, this rate falls to 85% in the private rented sector<sup>29</sup>. These properties tend to be the older, terraced and flatted housing stock.

Wirral also has a high number of long-term empty properties; however, this has decreased from 1,920 in October 2019 to 1,901 in October 2022<sup>30</sup>. The long-term empty properties are concentrated in the older, terraced housing stock on the east side of the borough. The Council, over recent years, has targeted interventions in those areas which have a high concentration of empty properties. The reality is however that tackling this problem alone is unlikely to reverse the trend, particularly in areas which are experiencing other symptoms of low demand such as low house values and a high number of privately rented properties where the turnover households is high. This all contributes to a feeling of transience and instability in a neighbourhood.

### **Existing schemes**

The Council introduced its first Selective Licensing Scheme on 1<sup>st</sup> July 2015 in four small areas (2015-20 scheme) and introduced a scheme in four further areas in 2019 (2019-24 scheme). In 2020, two further areas were introduced, along with the continuation of the scheme in the first four areas (2020-25 scheme).

The 1<sup>st</sup> scheme (2015-20) licensed over 1,300 private rented properties. Over 1,000 properties were inspected with only 30% of them meeting minimum standards. There were 57 individual prosecutions for landlords who failed to get a licence and other Housing Act 2004 offences.

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<sup>28</sup> Census 2021, ONS

<sup>29</sup> Integrated Dwelling Level Housing Stock Modelling & Database, Client Report for Wirral Council, BRE 2018

<sup>30</sup> DLUHC Statistics, October 2004 – October 2022

So far, the 2<sup>nd</sup> scheme (2019-24) has licenced 1084 private rented properties. 533 have been inspected with 31% found to be meeting minimum standards when inspected. There have been 18 successful prosecutions and 1 Landlord Banning Order confirmed after an appeal.

Over first full two years of the 3<sup>rd</sup> scheme (2020-25), 1,370 private rented properties have been licenced. Due to the COVID-19 pandemic, inspections were unable to be resumed until September 2021 and so were lower over the same time period than the 2015-20 scheme. Nonetheless, 57 properties required informal action to improve property standards.

### **Feedback from Residents, Landlords and Agents**

The Council believes in regularly surveying opinions of residents and landlords with properties in Selective Licensing areas. The most recent survey for the 2019-24 scheme was carried out in December 2022. The findings indicated that most residents (58%) perceived the area had stayed the same since the introduction of Selective Licensing.

In relation to property improvements 19% of residents reported that they had received improvements to their property. The home improvements included fire safety, electrical danger, damp & mould and disrepair. However, 15% of residents recorded the key issues that got worse also included damp & mould, followed by a cold home and disrepair.

63.6% of residents reported that they were satisfied with the area they lived in. The perception of the residents regarding what they thought had got worse in the area included drug use/dealing, youth annoyance and dog fouling.

The landlord/agent responses had also concluded that the area had remained the same, however (30%) of landlords had implemented improvements to their property since the introduction of the Selective Licensing Scheme. Landlords/agents indicated that anti-social behaviour in the area had improved however issues such as dog fouling, fly-tipping and scruffy buildings had become worse. Both the landlords/agents and the residents perceived environmental issues had become worse.

### **Data analysis**

The Council's Intelligence Service were again commissioned to undertake a Multi-Criteria Decision Analysis of evidence from a variety of data sources to help identify further areas of low demand and poor property condition. This analysis has been used to inform where a Selective Licensing Scheme would be justified to be introduced or, where the evidence showed, to be continued. The analysis involved a review of 16 individual data sets (shown in appendix 1) including the number of long-term empty properties, low sales values and sales rates, high

numbers of private rented properties, property condition as well as other socio-economic data that reflects areas suffering from low demand.

Each of the data sets were scored either one or two points depending on their specific relevance to low demand as this is one of the main factors for which Local Authorities can apply for Selective Licensing. Consequently, all of the indicator measures used to indicate low demand and poor property condition as deemed by the Government were scored the highest.

All of the LSOAs in Wirral were ranked based on these indicators and the worst performing 10 LSOAs were entered onto a master matrix document. This represented the 5% worst performing LSOAs in terms of the low demand and property condition criteria that was evaluated.

The evidence highlighted that two LSOAs, namely Bidston & St James West and Egremont North, that hadn't been subject to Selective Licensing previously, scored worse than some LSOAs that are part of current schemes. There is therefore justification for including them in the consultation along with two LSOAs still scoring highly from the current 2019-24 scheme, namely Birkenhead West and Seacombe St Pauls. The other LSOAs scoring highest on the matrix, that were not the areas declared in 2019, were all areas within the 2020-25 scheme (Birkenhead South, Tranmere Lairds, Egremont Promenade South and Seacombe Library). The matrix shows some improvement in two LSOAs within the 2020-25 scheme (Egerton North and Egremont South). Improvements in two LSOAs within the 2019-24 scheme (Hamilton Square and Birkenhead Central) mean that they have been excluded from the consultation as the current Selective Licensing Scheme has lifted these areas, so intervention is no longer required at this time.

### **Use and effectiveness of Selective Licensing**

The former Ministry of Housing, Communities & Local Government commissioned independent consultancy Opinion Research Services to review the use and effectiveness of Selective Licensing and to give recommendations for positive change. The report suggested that Selective Licensing has offered Local Authorities general benefits in terms of raising standards. Several key factors identified in the research that effect change have been incorporated into the Council's Selective Licensing approach from the beginning. These include:

- Ensuring careful planning and preparation including providing a robust evidence base and consultation programme is built in as part of the process.
- Engagement with existing landlords and tenants in the area for continuation and those in the new areas.

- A programmed inspection regime to ensure all properties in the schemes are inspected regularly, to ensure all hazards are identified and rectified by the landlord.
- Penalties will continue to be issued for non-compliance.
- Introducing targeted & measurable outcomes.
- Continuation of the residents and landlord surveys to identify what is working well and promote the support services available to landlord and tenants. Identify what improvements are required in the Selective Licensing Scheme areas and review the administrative process.
- Adoption of a co-ordinated approach in connection with dealing with homelessness & health outcomes.

The introduction of a further Selective Licensing Scheme in specific, targeted areas of low demand and poorer property standards would help to stabilise these neighbourhoods in Wirral by declaring an intention to drive up property management practice and property standards in the private rented sector. In addition, it would continue to align other interventions including targeted activity to help bring empty properties back into use and Healthy Homes interventions. The use of Selective Licensing would help with other neighbourhood issues contributing to low demand and poor property condition within a neighbourhood through a multi-agency approach with wider public, community and voluntary sector stakeholders and residents in the designated areas.

### ***What have we been doing to improve the Private Rented Sector?***

#### ***Property Accreditation***

The Council has operated a Property Accreditation Scheme since 2003 which is a voluntary scheme where landlords can sign up to a code of standards and sets a minimum standard for property condition and management practice. Since launch the Council has accredited over 7,000 properties, including renewals. There are currently 1,178 properties accredited. Whilst recognised as a successful scheme by other local authorities due to the high number of properties accredited, this still only represents just over 4% of the private rented stock in the borough. It also appeals to better landlords and agents operating in the property market as these landlords are more willing to make the necessary investment in their properties to ensure their properties comply with the standards. The accreditation scheme also introduced a tenancy bond scheme, tenant referencing, landlord forums, newsletters and training events in an effort to support accredited landlords to let their properties in a responsible way. The covid pandemic disrupted both the annual forum and steering group but a forum is being planned for late 2023 and the steering group is to be resurrected to

provide an opportunity for strategic engagement and dialogue to consult on the objectives of the Housing Standards Team.

Experience of operating the Council'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.

The accreditation scheme is currently suspended for the majority of new applications; however, the renewal of existing property accreditations can be undertaken by landlords self-assessing their properties and extending their current property accreditation further. Selective Licensing also promotes membership of national accreditation schemes (as opposed to the local scheme), such as that operated by the National Residential Landlords Association, by offering a discount off the licence fee where accreditation has been achieved.

### ***Empty Property Policy Approach***

The Council also offers a range of options to aid property owners in bringing their empty dwellings back into occupation.

An additional incentive for accredited landlords is the option of an Empty Property Grant for properties that have been long term empty for over six months. Whilst this assistance is available borough wide, grants have been targeted at empty properties in strategic priority intervention areas where vacancy levels are significantly above the borough average. This includes the current selective licencing areas, with 113 Empty Property Grants being approved in the existing Selective Licencing areas since the start of the licencing scheme of which 66 refurbishments have now been successfully completed and the properties brought back into use. Enhanced Empty Property Grant funding is available for properties in the Selective Licensing areas and access to the additional funding is dependent on the applicant providing nomination rights for private rented accommodation to the Council for a period of 12 months to assist with the council's statutory homelessness responsibility. Other tools used by the Council in its strategic approach to tackling empty properties include:

- Support and assistance through the Housing Standards Team to enable property owners to decide which option is the most suitable for their specific circumstances.
- Owners can sell their property to a private developer through the Developers list who will then refurbish the property for sale or let.
- Accredited properties can be advertised to thousands of potential tenants through the Council's Property Pool Plus website and the Housing Options Team can also help find a tenant for the property.

- The Council have also acquired and refurbished long term vacant properties for sale to first time buyers/owner occupiers through the Home Ownership using Sustainable Empty Dwellings (HOUSED) initiative.
- Should vacant property owners not wish to take up an offer of assistance from the Council to return the property to use, then enforcement action has been successfully employed using a range of legislation to achieve the ultimate objective of the property being occupied. This includes the possibility of an enforced sale to enable a properties return to use.
- The Council has also implemented a 100% additional Council Tax premium for long term empty properties to encourage their return to use (empty between 2- 5 years); a 200% Council Tax Premium for properties that have been empty between 5 and 10 years and a 300% Council Tax Premium for properties that have been vacant for over 10 years.

### ***Homelessness***

An unregulated private rented market often means an unsupported environment for the most vulnerable in society. In order to tackle some of the key problems associated with vulnerable people entering and remaining in the private housing sector the Council's Supported Housing and Homelessness service offers a range of interventions including:

- A Private Rented Access Scheme which is available to potential tenants who are vulnerable and are looking to rent privately in Wirral. This scheme assists the more vulnerable households in the Borough, especially those unable to raise the necessary deposit or meet their rent and helps to prevent and relieve homelessness. During 2019 and 2023, 175 individuals have secured homes in the private rented sector across the borough as a result of the assistance of the Private Rented Access Scheme.
- The availability of a range of floating support services that can deliver housing related support to vulnerable people with complex needs that may be experiencing difficulties in maintaining their accommodation. 38 such households in the 2019-24 Selective Licensing areas received support via referrals through the Healthy Homes Team. The Council has recently recommissioned its floating support services to ensure a greater focus on homelessness prevention.

The Homelessness Reduction Act in 2021 resulted in a significant increase in the legal duties placed on the Council to prevent and relieve homelessness and residents living in temporary accommodation. The private rented sector makes a significant contribution to meeting the housing needs of more vulnerable households, including homeless households that the Council has a statutory duty

to assist. This is where private renting directly supports the Council's Homelessness & Rough Sleeping Strategy.

The Council works in partnership with a number of private landlords and would like to see this service area expand. Selective Licensing will ensure that the private rented sector is delivering better management standards which will enable an increased emphasis on homeless preventions that are attributed to tenancy breakdown or poor housing standards. Homelessness prevention activity assists to limit the financial impact of homelessness on wider Council services and agencies, whilst directly benefitting households.

The Selective Licensing scheme will also increase the number of landlords working with the Council with well-managed, good quality accommodation. In the future access to private rented properties will play a key role in the discharge of statutory homeless duties. The ability to offer good quality private rented accommodation, not only assists to minimise disruption to homeless household, but minimises their time spent in costly Council temporary accommodation, while waiting for settled housing.

### ***Healthy Homes***

The Council's Healthy Homes Scheme has been in operation since 2010 when it was piloted in a targeted intervention area in New Brighton that was experiencing high levels of empty properties, privately rented properties and deprivation, including being one of the worst areas in the borough for health deprivation. The service operates through a multi-agency approach, co-ordinating services across a range of agencies and initially used Council officers from a range of services including police, fire service and other agencies to undertake a door knocking approach in an effort to contact every household within the boundary area. Sub-standard privately rented properties were then brought up to standard and other services offered to provide a range of support and assistance aimed at tackling the wider determinants of poor health which included poor housing conditions.

Between July 2019 and 31st March 2023, the Council has completed more than 2,236 Healthy Homes surveys and home visits and made in excess of 4,000 referrals to/consultations with over 113 partners which include Energy Projects Plus, Tomorrow's Women, Stop Smoking Services, Inclusion Matters and other local NHS services. The vast majority of this work was undertaken in the Selective Licensing areas.

This approach complements Selective Licensing and offers a holistic service to improve the health and wellbeing of residents in addition to addressing low demand and poor property condition.

### ***Use of Existing Housing Act Powers***

In addition to the above schemes, 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 by 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 help to avoid this 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.

***What alternative options have the Council considered?***

All of the initiatives identified in this document have contributed to improving standards and management practices in the private rented sector and it is proposed that these services will still be used to complement Selective Licensing.

With the rapid growth however in the sector since 2001 and following changes over recent years, Council enforcement activity generally has been driven by tenant or partner agency complaints to tackle poor landlords. As of 1st June 2023, 754 private rented tenants registered on the Council's Housing Register said they were living in disrepair, but only 184 had complained to the Council. 1,018 private tenants gave "home in poor condition" as a reason for wishing to move. These reasons, together with the fact that many tenants of poor landlords feel vulnerable to eviction, has steered the Council to consider selective licensing in the worst areas suffering from low demand and poor property condition to ensure those neighbourhoods don't decline further.

A co-ordinated Selective Licensing approach where landlords must register, meet conditions, and where the ultimate sanction is that the responsibility of managing a property can be removed from them with a management order, represents a much clearer and stronger sanction. The Council believes that this approach is justified and necessary in further neighbourhoods to prevent these areas from spiralling into further decline. This approach will also help to empower residents and the wider community to come forward and report poor practice, knowing that there are robust sanctions in place.

Wirral has very distinct housing markets which are clearly concentrated in small pockets in the east of the borough as evidenced in various research studies conducted in Wirral and the Merseyside sub-region into low demand. Although the former Housing Market Renewal programme has not operated since 2011

the recent Supporting Evidence from the Council's Intelligence Service in March 2023 (Appendix 1) still supports the fact that there is significant polarisation of the housing markets in different parts of the borough. The Council therefore needs to focus resources in the areas displaying the worst problems of low demand and poor property condition.

## **7.0 What is Selective Licensing?**

### ***Legal Provisions***

Selective licensing is a regulatory tool provided within Part 3 of the Housing Act 2004. Section 80 of the Act allows local housing authorities to designate areas for selective licensing that are suffering from one or more of the following factors: low housing demand, significant and persistent antisocial behaviour, poor property conditions, high levels of migration, high levels of deprivation or high levels of crime. A designation can be in force for a maximum of 5 years, but it can be re-declared for a further 5-year period after this time if there is evidence to support this. By making the designation, all privately rented accommodation in the designated area not fitting into the definition of a Mandatory Licensable House in Multiple Occupation (HMO) will require a selective licence.

Owners of rented properties will be required to make an application to the Council for a licence and will need to nominate either the manager or the owner to be the licence holder. Landlords will require a licence for any properties they rent out within the designated area.

### ***License Conditions***

The licence is valid for up to 5 years and will contain a series of conditions that the licence holder will be required to comply with. These conditions will include items relating to the management of the property, fire safety and anti-social behaviour. There will also be a requirement that landlords provide references for tenants that move on from their properties. The Housing Standards Team will be responsible for ensuring compliance with the designation. The Council's draft Selective Licensing Conditions are attached in Appendix 4. Proposed changes to the existing Licensing conditions reflect changes to regulations relating to the provision of carbon monoxide detectors.

### ***Fit & Proper Persons***

In addition to ensuring compliance with the license conditions, the Council will need to determine the proposed licence holder as a 'fit and proper' person in terms of their suitability to manage their properties before issuing a licence. In deciding for the purposes of section 88(3)(a) or (c) whether a person is a fit and

proper person to be the licence holder or the manager of the house, the local housing authority must have regard to:

- (a) Any offences involving fraud or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003.
- (b) Any 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.
- (c) Any contravention of any provision of the law relating to housing or of landlord and tenant law.
- (d) Any person involved in the management of the property has sufficient level of competence to be so involved.
- (e) Any person involved in the management of the house is a fit and proper person to be so involved.

### ***Enforcement of Licensing Requirement***

Where a breach of licence conditions is identified, for example misleading information on a licensing application form, the licence holder may be prosecuted with a fine of up to £5,000 per breach. Failing to apply for a licence, when a property is being let, could lead to prosecution and an unlimited fine. (Previously the limit was £20,000 but this upper limit has been lifted).

In addition to the above fines, local authorities and tenants can claim back up to 12 months benefits/rents paid during the period a property has not been licensed. Ultimately, landlords who continuously fail to licence a property can have control of their property temporarily taken away from them through a Management Order.

During the course of the designation, the Housing Standards Team will be carrying out a programme of pro-active inspections and will take a firm approach where un-licensed properties or breaches of conditions are found, meaning that landlords in these circumstances are likely to be prosecuted or face a civil penalty. These enforcement activities will not be met from the revenue from fees and will be funded through Council investment into the Housing Standards Team.

## **8.0 The Proposal**

The designation will be used to improve the area by raising the standard of property management of privately rented properties, improve property conditions through pro-active inspections and help to reduce the number of empty properties in the area by giving residents and local businesses confidence that the Council is focusing on improving the area through a range of complementary activities and investment.

Every privately rented flat, house or room (unless already licensed as an HMO under the existing mandatory scheme or classed as a business let such as tied accommodation) will require a licence to operate in the area and landlords will be responsible for making an application to the Council for a selective licence.

Initially it is expected that compliant landlords will apply for the relevant licence shortly after the designation, however it will be necessary to introduce a comprehensive enforcement programme to capture un-licensed properties. Enforcement will be carried out on a phased approach in order to effectively coordinate the tackling of identified problems.

### ***Licensing Fees***

The Council has identified funding to meet some of the costs involved in running the scheme however the legislation allows the Council to recover certain other costs by charging fees.

The Council's fees will be based on the actual costs of administering a scheme in the four proposed areas of the borough. The Council will have regard to the fees set or proposed by other local authorities operating Selective Licensing Schemes in the region on a similar small area approach. The Council will also review the current scheme and look for opportunities for efficiencies to keep licensing fees as low as possible.

It is also proposed to offer the following discounts on license fees:

- Applications made during the first 3 months of the scheme for each property;
- Landlords with multiple properties;

- Existing accreditation with the Council or a national landlord association;
- Property is in Energy Performance Certificate Band A, B or C.

The following charges are also proposed:

- Charge for yearly direct debits;
- A pre-application fee;
- Variation fee;
- A Temporary Exemption Notice fee;
- One-year licenses where there have been previous contraventions.

Licenses will be applicable for five years unless enforcement action against the landlord has been taken within the previous two years due to poor property management practices. In this case an initial one-year license will be issued which will be reviewed annually but can be upgraded to a full licence on meeting all the licensing conditions.

The final fee will be determined as part of the consultation process and detailed discussions with the Landlord Selective Licensing Working Group.

### ***Implementation Timetable***

July 2023	Approval by the Council's Economy, Regeneration & Housing Committee to undertake public consultation within 4 areas of the borough.
July 2023	Formal consultation begins for 10 weeks
October 2023	Analyse consultation results & feedback
October 2023	Finalise scheme to take account of consultation feedback, preparation of report to summarise consultation findings
December 2023	Report to the Council's Economy, Regeneration & Housing Committee for final consideration of scheme
December 2023	Notice of proposed designation to run for three months
April 2024	Commencement of Licensing scheme (three months after designation as required by the Housing Act 2004)

## **9.0 Benefits of Selective Licensing**

Selective Licensing provides the Council with the powers to regulate the private rented sector. For it to succeed in its goals of improving demand for an area and make an impact on the area as a whole, it is important that the Council supports landlords and disseminates good practice in order to achieve the best possible outcomes.

It is expected that introducing these schemes into the four selected areas will have benefits to the community, landlords, tenants and owners, both directly and indirectly.

The defined aim of the scheme and a key outcome for the project is to take measures that will lead to an improvement in management and property conditions in the area during the 5-year period of the proposed designation. A benefit for landlord's, tenants and the wider community will be a dedicated point of contact within the Council's Selective Licensing Team for complaints, advice and support.

If this proposal is taken forward, the Council would look to offer the following support services:

- A named Selective Licensing Officer in proposed Selective Licensing areas that will raise awareness in the community about minimum standards and act as a contact for complaints and queries about property management and standards
- Financial support (up to £7,000) will be provided towards renovation costs of empty properties that have been vacant for more than 6 months and Heating & Renovation Assistance (grants) where tenants meet the qualifying criteria. The Council will not provide financial assistance for landlords to carry out improvements where their property falls below the minimum statutory standard,.
- The Council has four Healthy Homes Community workers currently employed to work exclusively in the existing Selective Licensing Areas, with their remit expanded into the additional proposed new areas if the scheme is approved. The workers act as a referral hub to multiple

agencies to support tenants and residents living in designated areas and reduce health inequalities.

- The Council will offer information and advice to landlords and residents in 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 appropriate cases can also be referred to the Troubled Families Project or Council commissioned tenancy support services Practical training sessions for landlords.
- A Tenancy Support Service is available to vulnerable tenants to help them sustain their tenancy when required.
- Tenant information to increase tenant awareness of their rights, where to seek help and their responsibilities to behave and act within the terms of their tenancy agreements.

## **10.0 Risk Analysis**

Risks have been summarised in the Risk Register in Appendix 5 showing the current and proposed controls that would be implemented subject to the additional scheme getting approval to proceed. Risks have been reviewed and analysed over the course of the previous three Selective Licensing Schemes and expertise over the last eight years has helped to mitigate risks to as low a level as possible.

One of the risks to the scheme is a Judicial Review if landlords want to challenge that the Council has not followed due process in implementing a scheme, including the consultation process.

There is also a risk that with the introduction / continuation of Selective Licensing in the four areas, landlords who are keen to avoid bringing their properties up to the minimum statutory standard and adhering to the mandatory conditions will decide to sell their properties, leave their properties empty, or decide to move elsewhere.

There have also been some landlords of very poor-quality rented properties who have sold their properties when they were made aware of the extent of work required to bring them up to a minimum standard. A number of these properties have been bought by more reputable landlords who have now brought the properties up to a good standard. Generally, however the level of vacant properties has stayed broadly similar in existing areas. The Council will also ensure that in areas where there is the potential for displacement to occur, the Selective Licensing Team will raise awareness with tenants and service providers of landlord's statutory responsibilities which can still be enforced even if these areas haven't been declared as selective licensing areas.

Where landlords decide to leave their properties empty long term to avoid paying a license fee the Council will take enforcement action on any that are in disrepair and causing blight in the community. Landlords with properties which have been vacant for more than two years will also have to pay a Council Tax Premium of 200% of the standard rate.

The Housing Standards Team will play a key role in convincing landlords of the economic benefits of investing in their properties, renting them out responsibly and retaining them for the long term to generate an income that over time will

offset the Selective Licensing Fees as well as generating confidence and greater stability in the area, creating the right conditions for the housing market in these areas to grow.

All the risks would be managed through the Council's existing performance management framework.

### **11.0 How will we consult?**

There will be a formal consultation process on the Council's proposed Selective Licensing scheme which will last for a minimum period of 10 weeks to commence, subject to Economy, Regeneration & Housing Committee Approval, in July 2023.

Further information about the consultation process and how to get involved will be set out on the Council's website. Everyone who is likely to be directly affected by proposals and those immediately adjacent to the proposed areas will be contacted and invited to participate in the consultation through a variety of consultation methods as set out in the Consultation Plan in Appendix 3.

Information on the proposed Selective Licensing scheme will be available at [www.wirral.gov.uk/selectivelicensing](http://www.wirral.gov.uk/selectivelicensing)

Further information can be obtained through the following ways:

**Email:** [selectivelicensingsurvey@wirral.gov.uk](mailto:selectivelicensingsurvey@wirral.gov.uk)

**Post:**

Selective Licensing Survey

Wirral Council

PO Box 290

Wallasey

CH27 9FQ

## **12.0 Monitoring & Evaluation**

As with the current Selective Licensing schemes, it is proposed that a robust set of annual indicators would monitor how effective the scheme was if it were implemented. It is proposed that the following indicators are measured and reported on an annual basis:

1. Number of properties licensed in each designated area;
2. Number of properties compliant on first visit;
3. Number of properties compliant overall;
4. Number of properties where informal action has been taken to improve properties;
5. Number of properties where Improvement Notices have been served;
6. Number of hazards removed from properties;
7. Number of successful prosecutions;
8. Number of long-term empty properties;
9. Number of empty properties brought back into use in Selective Licensing areas.

