

Wirral Council

Selective Licensing Business Case

October 2018

Contents

1	Foreword	4
2	Executive Summary	5
3	Introduction	6
4	Strategic Housing Context	8
5	Wirral's Socio Economic & Housing Profile	11
	Population projections	11
	Age profile	11
	Ethnicity	12
	Health Inequalities & Deprivation	13
	Household Incomes	15
	Fuel poverty	16
	Number of Households	16
	Tenure Breakdown	17
	Housing Types	17
	Empty Dwellings	18
	Profile and Stock Condition of the Private Rented Sector	19
	Housing Demand	20
	Rents and Sales Data	21
	Economic Circumstances	23
	Business Activity	23
	Strategic Regeneration Framework for Birkenhead	23
6	Why is Wirral Council introducing Selective Licensing into further areas?	24
	What have we been doing to improve the Private Rented Sector?	25
	Property Accreditation	25
	Empty Property Policy Approach	26

	Homelessness	27
	Healthy Homes	28
	Use of Existing Housing Act Powers	28
	What alternative options have we considered?	29
7	What is Selective Licensing?	30
	Legal Provisions	30
	License Conditions	30
	Fit & Proper Persons	30
	Enforcement of Licensing Requirement	31
8	The Proposal	32
	Licensing Fees	32
	Implementation Timetable	33
9	Benefits of Selective Licensing	34
10	Risk Analysis	35
	Displacement	35
	Risk Register	36
11	Consultation	37
12	Monitoring & Evaluation	37

1 Foreword

Since 2001, Wirral has seen a significant increase in its private rented sector of nearly 80%. This represents both an opportunity to create a strong and sustainable housing market and offer for the Borough but also a challenge in that some of these properties are being poorly managed and are in areas with higher rates of private rented stock, suffering low demand, criminal damage, high turnover and empty properties which are all directly affecting the local neighbourhood.

Wirral wants to see a healthy private rented sector with good quality properties and management standards. In order to achieve this there is a need to address some of the housing and related social issues which continue to affect areas especially those to the East of the Borough. Many landlords act responsibly and Wirral has worked in partnership over a number of years to drive up standards through the Landlord Accreditation Scheme where in total 3,805 properties have been accredited. While this is a great achievement there are many areas where accreditation has not worked and where tenants are reluctant or unwilling to report poor housing conditions. In four of these areas, Wirral has already introduced Selective Licensing which has been in operation for over two years. This scheme has highlighted the need for a rigorous, targeted approach to enforcing minimum standards. Licensing inspections have so far demonstrated that almost three in every four privately rented properties do not comply with licensing conditions, so clearly more needs to be done to protect vulnerable residents living in the private rented sector in certain parts of Wirral.

We will continue to use existing powers we have available to tackle irresponsible landlords and tenants and at the same time offer support and assistance to improve conditions and management practices. But we also need to do more. This Business Case therefore sets out a proposal to extend Wirral's Selective Licensing Scheme to an additional four small areas. At the same time we are committed to building on our existing relationships with those landlords operating in the Borough, particularly those in existing and proposed Selective Licensing Areas. We aim to focus complementary investment into these areas to make a clear commitment to tenants, residents and stakeholders in these neighbourhoods that we can make a positive change for the future by driving up management standards and practices in the private rented sector in their communities.

Councillor George Davies Wirral Council, Cabinet Member for Housing and Community Safety

2 Executive Summary

Wirral has a growing private rented sector within its housing market. There are around 23,000 privately rented properties in Wirral¹ 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, Wirral 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 three properties within Wirral's private rented sector fail to meet the Decent Homes Standard. 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. Wirral 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.

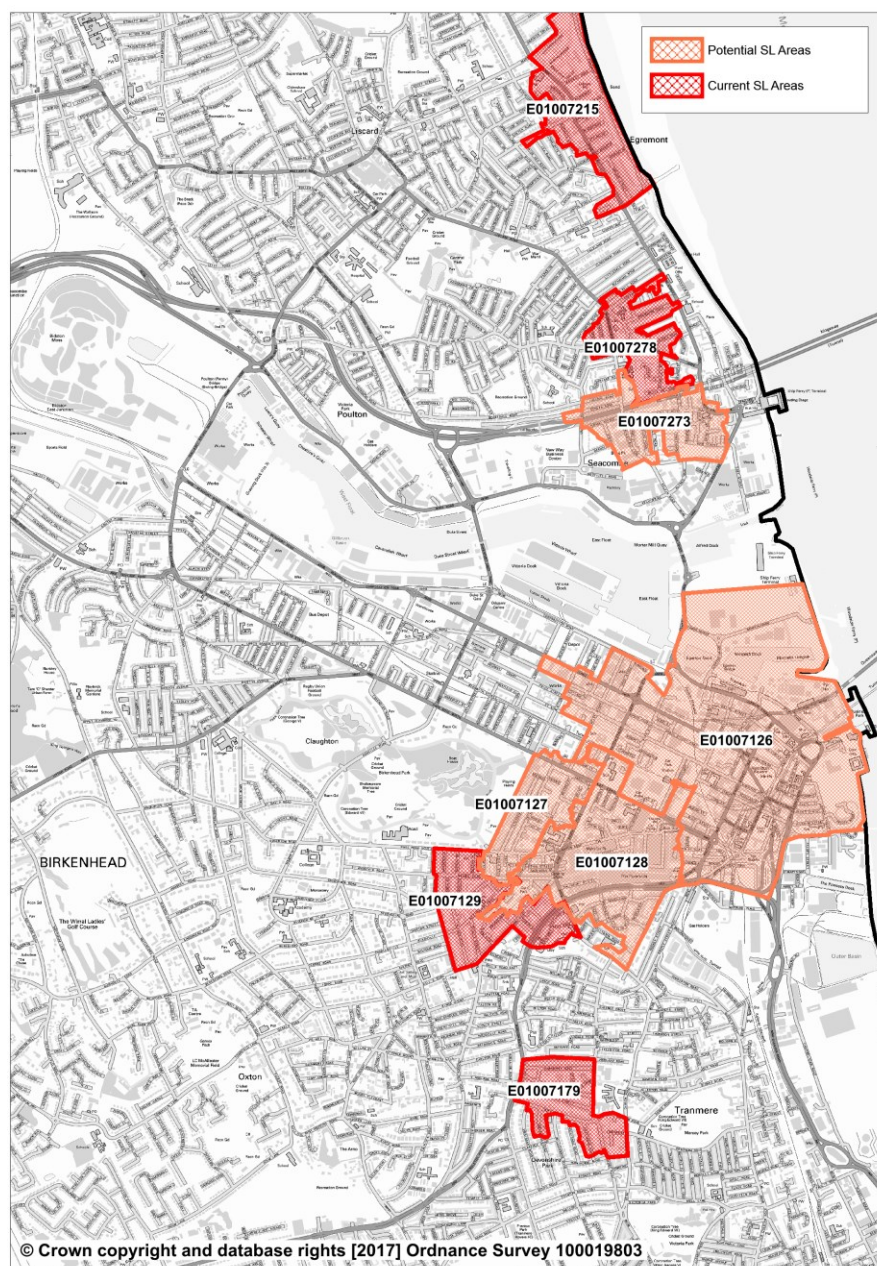
Wirral introduced its first Selective Licensing Scheme on 1st July 2015 in 4 small areas. The scheme has almost two years still to run but it is already making a significant impact in improving properties as compliance inspections are rolled out. Councillors in Wirral are keen to roll out this scheme into other specified areas, but the Council must first demonstrate the case for this intervention. This document therefore makes the case for introducing Selective Licensing within an additional four small geographical areas which the evidence shows are experiencing the worst symptoms of low demand and poor property condition in the Borough.

Wirral Council undertook a consultation exercise to ensure that everyone who is likely to be affected by the proposed scheme had an opportunity to express their views and understand the rationale or 'business case', which supports the introduction of a scheme.

¹ 2011 Census, Office for National Statistics

3 Introduction

This is the Business Case to support the proposal for the introduction of Selective Licensing Schemes in a further four small areas of the Borough shown outlined in orange below. (The red areas are Wirral's existing four selective licensing areas).



These areas have been identified through an evidence-based approach using research 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 the Evidence Base in the document library

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.

Larger maps of each proposed designated area, together with a list of streets / properties included in the proposed areas are available in the document library.

4 Strategic Housing Context

Wirral's Housing Strategy, published in July 2016, focusses activity in Wirral to achieve the 2020 Pledge, "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 has 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.

The private rented sector underpins each of these themes and in particular 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 available housing in the borough and as such a good quality private rented housing offer is a fundamental part of meeting housing need.

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: a 2020 Vision	Good quality housing which meets the needs of residents.	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.
Wirral Strategic Regeneration Framework	High Quality Housing	Access to good quality housing is a crucial component of strong and sustainable

		communities and maintaining and developing sustainable housing markets is at the heart of the Strategic Regeneration Framework. The framework also seeks to maintain, and where appropriate, increase levels of choice in the market whilst protecting the character of our successful neighbourhoods.
Wirral Growth Plan	Housing Growth	The provision of good quality housing that meets the needs of Wirral's current residents and those of the future workforce is a key enabler of growth. It is therefore critical that we work with partners to be clear about how housing investment should be quantified, prioritised and targeted.
Improving Life Chances	Tackle the immediate impacts of poverty.	The strategy needs to tackle the immediate consequences of poverty as well as the causes, to ensure that those families in poverty or 'just coping' have access to decent, suitable and affordable accommodation, and have enough to feed their families and heat their homes.
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 Strategy	Increasing Access to the Private Rented Sector	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 is now able to 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; 2017 Progress Report Action Plan.	Increasing standards in the Private Rented Sector.	The Plan states the Council will continue to offer support to households through Wirral Healthy Homes in the Selective Licensing areas in order to improve housing standards and in particular reduce excess cold hazards.

5 Wirral's Socio Economic & Housing Profile

Population

Wirral has a population estimated at 321,200 as at mid-2016². Between 2003 and 2016 the Borough's population increased by 1.81%, reversing the population decline experienced between 1991 and 2002³. The rate of growth has been slower than that of the UK which was 10.08% between 2003 and 2016⁴.

Age Profile

Wirral's population profile differs from that of England, the North West and of Merseyside. It has a larger population of older people, both those aged 65-84 and those aged 85 and over⁵.

Table 2

Area	0-14	15-44	45-64	65-84	85 and over
Wirral	17.6%	33.6%	27.6%	18.3%	2.9%
Merseyside (Met County)	16.8%	38.4%	26.2%	16.2%	2.4%
North West	17.8%	37.8%	26.1%	16.0%	2.3%
England	18.0%	38.7%	25.4%	15.4%	2.4%

The predicted change in age profile from 2015 to 2035 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 27.8% of Wirral's population by 2035⁶.

Table 3 shows the age profile of the proposed areas for selective licensing as recorded by the 2011 Census⁷. All areas exhibit a younger age profile than the Wirral average.

² ONS mid-year population estimates

³ Wirral Compendium of Statistics 2014, Public Health, Wirral Council.

⁴ 2016 Annual Mid-year Population Estimates, Office for National Statistics

⁵ 2016 Annual Mid-Year Population Estimates, Office for National Statistics

⁶ Wirral Intelligence Service, 2017 (from ONS Sub-national Population Projections 2015)

⁷ Age by Single Year, (QS103EW), Office for National Statistics, 2011

Table 3

Area	0-14	15-44	45-64	65-84	85 and over
Hamilton Square	13.8%	50.5%	25.0%	12.0%	0.4%
Seacombe St Pauls	21.2%	42.9%	23.6%	11.5%	0.8%
Birkenhead West	25.4%	43.5%	22.8%	7.9%	0.8%
Birkenhead Central	17.1%	38.5%	26.5%	17.5%	1.9%
Wirral	17.3%	35.0%	27.5%	17.5%	2.7%

Table 4 shows the changes in population and age profile, between the Censuses of 2001 and 2011, of the proposed areas compared to Wirral, the North West and England. All of the proposed areas apart from Hamilton Square show an increase in population above the Borough average, with Birkenhead Central showing a particularly large increase. It also shows a significant growth in older population groups in Hamilton Square, Birkenhead West and Birkenhead Central.

Table 4

Area	All people	0-14	15-44	45-64	65-84	85 and over
Percentage change between 2001 and 2011						
Hamilton Square	1.11	5.76	46.3	2.53	32.2	-87.31
Seacombe St Pauls	-5.83	-24.66	2.27	17.04	8.84	-52.18
Birkenhead West	7.4	66.52	-2.86	16.28	49.57	-63.89
Birkenhead Central	14.73	-31.56	3.4	50.17	43.63	74.20
Wirral	2.40	8.24	1.91	13.12	6.16	19.13
North West	4.79	4.89	2.92	13.01	7.40	19.86
England	7.88	1.02	5.64	15.23	9.14	23.70

Ethnicity

The ethnicity of the population of three out of the four proposed selective licensing areas mostly reflects that of Wirral's population as a whole. Birkenhead Central differs, notably in that there is a much higher proportion of people of Asian or Asian British ethnicity⁸.

⁸ ONS, Census 2011

Table 5

Area	White	Mixed/multiple ethnic groups	Asian/Asian British	Black/African/Caribbean/Black British	Other ethnic group
Hamilton Square	96.7%	0.84%	0.84%	0.61%	1.00%
Seacombe St Pauls	95.96%	1.56%	1.78%	0.32%	0.38%
Birkenhead West	95.91%	1.21%	2.61%	0.19%	0.06%
Birkenhead Central	86.31%	1.70%	11.02%	0.79%	0.18%
Wirral	97.52%	0.75%	0.75%	0.26%	0.71%

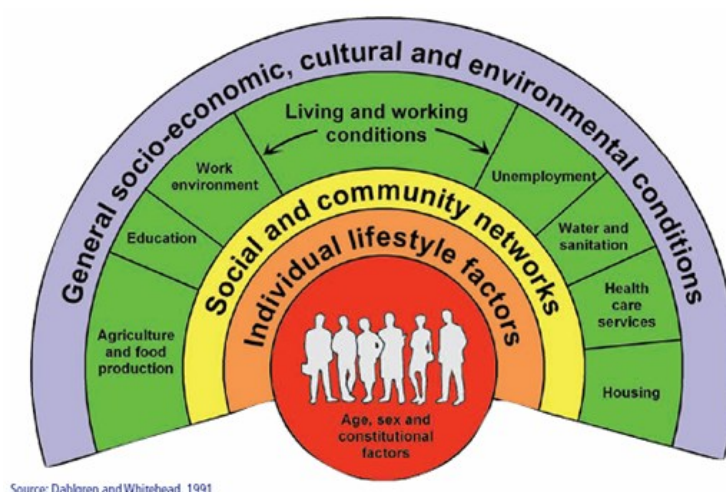
Health Inequalities and Deprivation

Along with factors such as education, unemployment and health care services, housing is a crucial determinant of health. The links between these 'wider determinants' 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.

In 2014-16 for example, there was 10 years difference in life expectancy between the most and least deprived areas of Wirral. Life expectancy in Heswall for example was 85.7, compared to just 75.7 in Bidston & St. James⁹.



Source: Dahlgren and Whitehead, 1991

⁹ Wirral Intelligence Service, 2017

Table 8 shows that the proposed areas for selective licensing all score worse than the average for the Borough on the Index of Multiple Deprivation (IMD)¹⁰. There are 32,844 LSOAs in England and Wales of which the proposed areas are all within the top 5%.

Table 8

Area	Score	IMD Rank
Hamilton Square	65.01	294 out of 32,844
Seacombe St Pauls	62.82	389 out of 32,844
Birkenhead West	58.35	56 out of 32,844
Birkenhead Central	53.10	94 out of 32,844

Table 9

LSOA	Health, Deprivation and Disability	
	Score	Rank out of 32,844
Hamilton Square	2.97	16
Seacombe St Pauls	1.92	554
Birkenhead West	2.59	63
Birkenhead Central	2.35	146
Wirral LSOAs average	0.75	8,673
Wirral average	26.89	66 out of 326

The 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 scores and ranks for this domain for the proposed areas for selective licensing are in table 9. The areas are ranked within the top 2% of LSOAs nationally for Health, Deprivation and Disability.

¹⁰ Indices of Deprivation 2015, Super Output Areas, Neighbourhood Statistics, Office for National Statistics

Household Incomes

Data from 2016¹¹ (table 10) shows that in Wirral, the average annual earnings for full-time employees **living** in Wirral are higher than the North West average, at £27,373. Wirral has the highest earnings for employees in the Liverpool City Region, however, earnings for full-time employees **working** in Wirral are significantly lower than the North West and Great Britain. Wirral has the fourth lowest average earnings by workplace in the Liverpool City Region at £26,144 per annum. However, the difference in performance 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.

Table 10

Area	Average Annual Pay (workplace)	Average Annual Pay (resident)
Halton	£27,473	£26,650
Knowsley	£27,225	£24,700
Liverpool	27,157	£25,844
Sefton	£23,984	£26,473
St Helens	£23,991	£25,964
Wirral	£26,144	£27,373
North West	£26,173	£26,109
Great Britain	£28,291	£28,132

Although performing well in comparison to the Liverpool City Region authorities, Wirral continues to have a higher percentage of people claiming out of work benefits than the regional and national averages with high concentrations in deprived areas. Wirral currently has 23,320 people claiming out-of-work benefits (November 2016 latest data); this includes Job Seekers, Incapacity Benefit / Employment & Support Allowance and other income related benefits. This is approximately 12.1% of the working age population and has decreased by 0.3% since November 2015, which is equivalent to 820 claimants. These figures do not take into account the introduction of Universal Credit. As at August 2017, there were 3,166 people in Wirral claiming the 'Out of Work' element of Universal Credit, and a further 1,808 people claiming the 'In Work' element of Universal Credit¹².

¹¹ Annual survey of hours and earnings 2016, Office for National Statistics via Nomis

¹² Department for Work and Pensions, 2017

Fuel Poverty

The official definition of fuel poverty using the Low Income High Costs (LIHC) indicator defines a fuel poor household where:

- They have required fuel costs that are above average (the national median level); and
- Were they to spend that amount, they would be left with a residual income below the official poverty line.

Nationally, 21.3% of private rented households are defined as fuel poor. This is much higher than in the owner occupied sector (7.4%)¹³. In Wirral, it is estimated that fuel poverty affects 19% of private rented households compared to 13% of owner occupied households¹⁴.

The rates of fuel poverty within the proposed areas for selective licensing compared to the Wirral and English averages are as follows:

Table 11

Area	Rate of fuel poverty (all housing tenures)
Hamilton Square	7.7%
Seacombe St Pauls	17.1%
Birkenhead West	21.1%
Birkenhead Central	12.6%
Wirral	11.2%
Liverpool City Region	12.0%
England	11.0%

The main drivers of fuel poverty are income, fuel prices and energy efficiency. The depth and likelihood of being fuel poor increases markedly with lower energy efficiency levels. In 2015, 30.7 per cent of English households living in G-rated properties were fuel poor compared to only 2.6 percent of C-rated and above properties¹⁵.

Number of households

Table 12 shows information from the 2001 Census and the 2011 Census. It shows that there have been increases in household numbers across all LSOAs, most significantly in Hamilton Square where the population has increased by 33.41%.

¹³ BEIS 2015 Fuel Poverty Statistics, June 2017

¹⁴ Wirral Private Sector Stock Condition Survey 2013

¹⁵ BEIS 2015 Fuel Poverty Statistics, June 2017

Table 12

	2001	2011	% change
Hamilton Square	877	1,170	33.41%
Seacombe St Pauls	663	667	0.6%
Birkenhead West	606	670	10.56%
Birkenhead Central	768	926	20.57%
Wirral	139221	140583	0.98%

Tenure breakdown

The 2011 Census reported that 15.8% of Wirral's households rented privately (22,275). This has significantly increased since 2001 when it was 8.8%. The tenure breakdown in the proposed areas, in Wirral¹⁶ and in England¹⁷ in 2011 was as follows:

Table 13 shows that private rented households account for over one third of the housing stock in the proposed LSOAs, far above the rate for the whole of the Borough.

Table 13

Area	Owner Occupied		Social rented		Private Rented		Other	
	No.	%	No.	%	No.	%	No.	%
Hamilton Square	199	17%	641	54.8	292	25.0	6	0.5%
Seacombe St Pauls	212	31.8%	244	36.6%	201	30.1%	9	1.3%
Birkenhead West	177	26.4%	303	45.2%	176	26.3%	7	1.0%
Birkenhead Central	178	19.2%	546	59.0%	193	20.8%	7	0.8%
Wirral		67.5%		15.2%		15.8%		1.5%
England		63.3%		17.7%		16.8%		2.2%

The proportions of private rented households in the proposed LSOAs are all above the Borough and national average.

Housing Types

The 2013 Private Sector Stock Condition Survey for Wirral estimates that the private rented sector in Wirral is mainly terraced houses at 42.8%, compared to

¹⁶ Tenure - Households 2011 (QS405EW), ONS, 2012

¹⁷ 2011 Census: Table KS402EW Tenure, ONS, 2012

24.8% in Wirral's housing sector as a whole¹⁸. Semi-detached houses make up the second largest house type in the private rented sector at 24.7% (41.0% for all tenures), followed by purpose-built flats at 15.4% (11.8% for all tenures), converted and mixed-use flats at 14.3% (4.3% for all tenures) and detached houses at 2.7% (16.7% for all tenures). The table below shows that both Hamilton Square and Birkenhead Central have high proportions of purpose-built flats whereas Seacombe St Pauls and Birkenhead West have high proportions of terraced properties.

The breakdown of house types for the proposed LSOAs compared to Wirral as a whole is as follows (all tenures):

Table 14

Area	Detached	Semi-detached	Terraced	Purpose-built flat	Converted / mixed-use flat	Other
Hamilton Square	1.7%	10.2%	27.2%	45.7%	5.1%	10.1%
Seacombe St Pauls	2.6%	18.1%	70%	6.5%	0.9%	2.0%
Birkenhead West	3.5%	13.8%	69.4%	5.3%	6.5%	1.8%
Birkenhead Central	3.0%	9.2%	36.0%	40.9%	9.1%	2.9%
Wirral	16.7%	41.0%	24.8%	11.8%	4.3%	1.4%

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 2016 was the 2nd highest in Merseyside and although was below the average for Merseyside it was higher than the English average, as shown in the table 6.¹⁹

Table 6

Area	Rate of long-term vacant dwellings
Knowsley	1.32%
Liverpool	1.55%
St Helens	1.23%
Sefton	1.39%
Wirral	1.41%

¹⁸ Dwellings, Household Spaces and Accommodation Type, 2011 (KS401EW), ONS, 2012

¹⁹ Table 615, Vacant Dwellings by Local Authority District, Department for Communities & Local Government, June 2016

Merseyside	1.48%
England	1.02%

As of April 2017, the rates of long-term privately owned vacant dwellings for the proposed Selective Licensing areas were as shown in table 7²⁰. It shows three of the target areas have higher rates of long term private vacants than the Borough as a whole.

Table 7

Area	Rate of long-term privately owned vacant dwellings
Hamilton Square	2.95%
Seacombe St Pauls	1.83%
Birkenhead West	1.52%
Birkenhead Central	2.09%
Borough	1.41%

Profile and Stock Condition of the Private Rented Sector

The main findings from the Wirral 2013 Private Sector Stock Condition Survey with regards to the private rented sector were as follows:

- Over 40% of private rented dwellings were built before 1919, compared to 19% in the owner occupied sector;
- 40% of private rented dwellings are occupied by a head of household aged between 25 and 34;
- Just under 60% of private rented tenants had been resident in the property for under two years;
- 66% of private rented tenants were in full-time work and 12.3% were registered unemployed, in comparison to the owner occupied sector where the figures were 56% and 1% respectively;
- Rates of Category 1 Hazard failure under the Housing Health & Safety Rating System were significantly higher within the private rented sector at 19.9% of homes compared to 7.5% within the owner occupied sector;
- 32.0% of private rented homes did not meet the Decent Homes Standard, compared to 20.6% of owner occupied homes.

²⁰ Council Tax data, Wirral Council, April 2017

Housing Demand

As at 25th October 2017, there were 3,451 households registered with Property Pool Plus Wirral (the choice-based lettings system for social housing) that were currently renting from a private sector landlord and wishing to move to social housing.

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 3,451 private sector tenants registered with the scheme (applicants may choose more than one reason):

Table 15

Reason for wishing to move	Number
Threat of Eviction by Landlord	189
Repossession / Eviction	93
Unable to afford Rent	952
Landlord Selling Property	306
Home in poor condition	457

The Property Pool Plus application form also asks a series of questions in relation to any disrepair issues in the current accommodation. The specific questions and answers given by the 3,451 private tenants registered are shown in table 16:

Table 16

Questions relating to disrepair	Yes	No	Not Answered
Are you living in a property in disrepair?	478	1989	984
If yes, does the disrepair affect your health or safety?	328	66	84
Have you reported the disrepair to your landlord?	415	14	49
If yes, have you reported this to your Local Authority?	0	478	0

Rents and Sales Data

Valuation Office Agency data provides information on monthly rents recorded between 1st April 2016 and 31st March 2017. It shows that average rents charged by Wirral's private landlords are higher than those charged in Liverpool and St Helens, higher than the Merseyside average but lower than those charged in Sefton and Knowsley and lower than the North West and English averages.

Table 17

Area	Average	Lower quartile	Median	Upper quartile
Knowsley	£567	£475	£550	£625
Liverpool	£499	£358	£450	£575
Sefton	£553	£430	£525	£650
St Helens	£522	£425	£495	£578
Wirral	£526	£425	£495	£595
Merseyside	£520	£395	£495	£599
North West	£584	£450	£533	£650
England	£852	£500	£675	£950

Source: Table 2.7 Summary of monthly rents recorded between 1/4/16 and 31/3/17 by admin area for England. Valuation Office Agency

Table 18 shows average monthly rents for properties advertised through Zoopla, a website used by some of the largest landlords and managing agents in Wirral²¹. It shows all four proposed selective licensing areas have rents below the average for the Borough.

Table 18

Area	Average monthly rent for properties advertised in 2016/17
Hamilton Square	£504
Seacombe St Pauls	£462
Birkenhead West	£467
Birkenhead Central	£415
Wirral	£568

The data in table 19 refers to the total number of house sales for each of the proposed areas, compared to the total amount of private housing stock in that LSOA. The Wirral average was 9.4%, but as the table shows, three out of the

²¹ Zoopla Property Group PLC, © 2017

four proposed areas had rates lower than this, significantly so in Birkenhead Central. The same table also provides the average house prices for the proposed areas, showing that they were far below the average for the Borough.

Table 19

Area	% sales 2013-16 as a proportion of private housing	Average house prices 2013-16
Hamilton Square	9.6%	£108,500
Seacombe St Pauls	9.0%	£71,237
Birkenhead West	7.4%	£76,028
Birkenhead Central	4.5%	£121,092
Wirral	9.4%	£163,842

Table 20 shows information from Zoopla²². It shows higher lettings and void rates for the proposed Selective Licensing areas compared to the Borough average. Longer time periods to let a property or a high lettings turnover can indicate low demand, instability and/or poor quality accommodation in an area.

Table 20

Area	Ratio of lettings per private rented dwelling 2016/17	Weeks to let per private rented units 2016/17
Hamilton Square	13.2	3.0
Seacombe St Pauls	22.8	2.2
Birkenhead West	25.4	2.2
Birkenhead Central	25.2	3.6
Wirral LSOA average	102.0	1.7

²² Zoopla Property Group PLC, © 2017

Economic Circumstances

Economic circumstances vary significantly between the owner-occupied and private rented sectors, with private rented households exhibiting higher levels of economic disadvantage. 34.2% of private rented households are economically vulnerable, compared to 17.3% of owner-occupied households. 58% of private rented households are on low incomes compared to 23.8% of owner-occupied households.²³

Business Activity

Business start-ups are used as an indication of the level of entrepreneurial activity in an area. Business births, a key measure of business activity, were less in Wirral than in the North West and UK.

2015 ONS Business Demography data which shows Business start-ups and closures for Wirral compared to the North West and UK are shown in table 21.

Table 21

Area	Business Birth	Business Closures
Wirral	1,315	935
Northwest	36,500	25,720
UK	383,075	252,040

Strategic Regeneration Framework for Birkenhead

The three Birkenhead LSOAs proposed for selective licensing are within the priority areas under Wirral's Strategic Regeneration Framework for Birkenhead Town Centre and Hamilton Square. Housing is one of the "linking key drivers" in the Framework. The Framework sets out the priorities and challenges for economic growth in the Borough, to help guide and proactively drive investment and activity across Wirral to deliver the Council's ambitions for the local economy. Selective Licensing would therefore help Wirral achieve its ambitions in these areas by providing better managed privately rented properties.

²³ Wirral Private Sector Stock Condition Survey 2013

6 Why is Wirral Council introducing Selective Licensing into further areas?

At least 18.6% of Wirral's private housing stock is privately rented which has increased from 13.8% in 2008 and from 11% in 2001. The current Selective Licensing scheme has issued over 25% more licenses than was forecast using the 2011 Census information on private rented properties, suggesting that this sector is still growing. Housing conditions across the private sector are generally better than the national average however in Wirral, where 77% of properties meet the decent homes standard. This rate falls to 68% in the private rented sector. These properties tend to be the older, terraced and flatted housing stock. Decency levels fall to 58% in older pre-1919 properties with only 53% failing the decent homes standard in flats in converted buildings.

Wirral also has a high number of empty properties, which are concentrated in the older, terraced housing stock on the east side of the borough. Wirral Council, over recent years, targeted interventions in those areas which have a high concentration of empty properties. Realistically however 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.

In July 2015, Wirral Council introduced Selective Licensing into four areas of the Borough and has up to September 2017, licensed 1,326 private rented properties. Over 250 properties have been inspected with only 28% of these properties meeting minimum standards. There have been 25 individual prosecutions so far for landlords who have failed to get a licence and other Housing Act 2004 offences. It is still too early to assess whether or not the scheme has had its intended impact of reducing low housing demand. An initial review of the scheme which included feedback from residents, stakeholders and landlords, was undertaken in 2017. Whilst feedback was positive in many aspects such as satisfaction with areas and improving property conditions, what has become apparent is that housing conditions were worse than expected.

Due in part to the early successes of the current Selective Licensing scheme, Wirral Council's Intelligence Service were again commissioned to undertake research into a wide range of evidence from a variety of data sources to help identify further areas of low demand where a Selective Licensing Scheme would be justified and where the Council could make a significant impact in specific neighbourhoods through the introduction of a scheme. The evaluation this time involved an analysis of 18 individual data sets (shown in the Evidence Base in the document library) including the number of long term empty properties, low sales values and sales rates, high numbers of private rented properties, a high turnover of private rented properties and longer than average times that privately

rented properties took to be re-let as well of other socio-economic data that reflects areas suffering from low-demand.

Each of the indicators 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 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 criteria that was evaluated.

The evidence highlighted four LSOAs that scored significantly worse than the other 5% LSOAs. The LSOA scoring highest on the matrix was Hamilton Square with three other LSOAs (Seacombe St Pauls, Birkenhead West and Birkenhead Central) scoring very closely.

The introduction of a Selective Licensing Scheme in specific, targeted areas of low demand would help to stabilise these neighbourhoods by declaring an intention to drive up property management practice and property standards in the private rented sector. In addition it would 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 to solve 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

Wirral 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. Wirral has accredited 3,805 properties since the scheme began however due to the level of churn in the private rented sector, there are currently only 1,717 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 6% 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.

Experience of operating Wirral's accreditation scheme has demonstrated that poor landlords are unlikely to join a voluntary scheme, which is why the mandatory approach using Selective Licensing powers is needed as an additional tool to address poor standards in the private rented sector.

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 priority intervention areas where vacancy levels are significantly above the borough average. This includes the current selective licencing areas, with 27 Empty Property Grants being approved in the existing four Selective Licencing areas since the start of the licencing scheme of which 18 refurbishments have now been successfully completed and the properties brought back into use. Two of the existing four selective licensing areas have also previously been targeted as priority intervention areas under the Government's Empty Property Cluster Programme, which was specifically aimed at areas with clusters of long term empty properties. This has attracted empty property grant funding and other funding to bring properties back into use in these areas. Other tools used by the Council in its strategic approach to tackling empty properties include:

- Support and assistance through the Housing Renewal Team to enable property owners to decide which option is the most suitable for their specific circumstances.
- Owners can sell their property to a Registered Provider or 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.

- The Council has also implemented a Council Tax premium for long term empty properties to encourage their return to use. After a property has been empty and unfurnished for two years an empty property premium of an additional 50% above the full Council Tax cost will be charged.

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 Division offers a range of interventions including:

- A Private Rented Access Scheme (PRAS) which is available to potential tenants who are vulnerable and are looking for homes 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. Within the last two years 163 individuals have secured homes in the private rented sector across the borough as a result of the assistance of the PRAS.
- The availability of a range of floating support services that are able to deliver housing related support to vulnerable people with complex needs that may be experiencing difficulties in maintaining their accommodation. During 2016/17, floating support services assisted over 280 people across Wirral that were struggling to sustain their housing. Of this number, 19 households were living in the Selective Licensing areas. The Council has recently recommissioned its floating support services to ensure a greater focus on homelessness prevention.

The implementation of the Homelessness Reduction Act 2017 represents a significant increase in legal duties placed on the Council to prevent and relieve homelessness. 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 Homeless Strategy. The Council works in partnership with a number of private landlords, and would like to see this service expand. Selective Licensing will ensure that the private rented sector is delivering better management standards which will enable an increased emphasis on homeless preventions linked 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 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, whilst limiting their time spent in costly Council temporary accommodation.

Healthy Homes

Wirral's Healthy Homes Scheme has been in operation since 2010 when it was piloted in a targeted intervention area 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 scheme employs 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.

Within the current Selective Licensing areas, between September 2015 and September 2017, the Council have completed a total of **1,884** Healthy Homes surveys and visits and made **2,382** referrals to over 48 referral partners which include Energy Projects Plus, Tomorrow's Women, Stop Smoking Services, Inclusion Matters and other Local NHS Services.

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 but delaying completion or evicting tenants and sometimes selling the property on to a new owner. In these cases, the Council may have to invest a significant amount of time into tracking down new owners before any enforcement action can be taken. Selective licensing helps 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 Wirral 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 at October 2017, 485 of private rented tenants registered on Wirral's Housing Register said they were living in disrepair, but only 79 had complained to the Council and this coupled with the fact that many tenants of poor landlords feel vulnerable to eviction, has steered the Council to consider the introduction of selective licensing in the worst areas suffering from low demand 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. Wirral believes that this approach is justified and necessary in further neighbourhoods in order 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 September 2017 (Evidence Base in the document library) 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 renewed 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 Selective Licensing Team will be responsible for ensuring compliance with the designation. Wirral's Selective Licensing Conditions are in Appendix 1 of the Cabinet Report of 1st October 2018. These were subject to consultation as part of the wider consultation exercise to agree any amendments to the current conditions.

Fit & Proper Persons

In addition to ensuring compliance with the license conditions, Wirral 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 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 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. These enforcement activities will not be met from the revenue from fees and will be funded through Council investment into the Selective Licensing 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 a 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.

Wirral's fees will be based on the actual costs of administering a scheme in four small areas of the borough. Wirral 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 has reviewed the current scheme and looked for opportunities for efficiencies in an effort to keep licensing fees as low as possible. This includes the introduction of license specific software to reduce administration costs for the scheme.

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;
- A national landlord association accreditation membership;
- Accreditation under the Council's Property Accreditation Scheme.

The following charges are also proposed:

- Charge for yearly direct debits;
- A pre-application fee;
- 1 year licenses where previous contraventions;
- A charge per application for landlords who make paper applications or request assistance to make an on-line application in Council Offices.

If any details of a licence need changing then the landlord or managing agent has to apply for a variation of the licence; for example if the number of units of accommodation within a property changes, or the managing agent changes. In this instance a separate fee will be charged to vary the license.

Where the property is sold the licence is not transferable and the new owner will need to apply for a new licence. If the designation is agreed in autumn 2018, the designation will become operative in spring 2019. The scheme will be publicised within the designated area to maximise awareness of it.

Licenses will be applicable for 5 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 1 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 has been determined as part of the consultation process.

Implementation Timetable

November 2017	In principle approval by Wirral's Cabinet to undertake public consultation within 4 areas of the borough.
Jan 2018	Formal consultation begins for 10 weeks
March 2018	Analyse consultation results & feedback
April – May 2018	Finalise scheme to take account of consultation feedback
Summer 2018	Preparation of report to summarise consultation findings
1 st October 2018	Report to Cabinet for final consideration of scheme
15 th October 2018	Approval by full Council, subject to Cabinet decision earlier in October
Late October / early November 2018	Notice of proposed designation to run for 3 months
April 2019	Commencement of Licensing scheme (minimum of 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 a number of 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.

The Council is able 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
- Whilst the Council will not provide financial assistance for landlords to carry out improvements where their property falls below the minimum statutory standard, financial support (up to £3,000.00) will be provided towards renovation costs of empty properties that have been vacant for more than 6 months and Heating and Renovation Loans for heating improvements where tenants meet the qualifying criteria.
- 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 increased 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

Displacement

There is a risk that with the introduction of Selective Licensing into the four additional 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.

As with the original Selective Licensing areas, the Council will declare the new areas as an extension of the existing 'pilot areas' on the understanding that if successful and funding is available in the future, Selective Licensing could be extended further in the borough to additional low demand neighbourhoods. 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, to avoid paying a license fee and complying with management conditions, the Council will continue to ensure all long term empty properties are actively targeted for intervention and brought back into use. This is the current approach taken for priority areas which have high volumes of empty properties.

The Council will take enforcement action on all long term vacant properties 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 150% of the standard rate.

The Council does however want to work positively with landlords in Selective Licensing Areas and subject to resources being available, will make Empty Property Grants available to landlords to help towards the improvement costs associated with bringing their long term empty properties (vacant 6 months or more) up to the required standard. It is intended that there will be a cut off for applications for the empty property grant after six months of the Selective Licensing areas being declared, unless extenuating circumstances are evidenced. The Council will also try to assist in finding suitable tenants for empty properties via its Housing Options Service.

The risk of displacement in Wirral with the controls outlined above are therefore considered to be relatively low, especially as Selective Licensing Areas are already experiencing low demand making it less advantageous for landlords to sell properties quickly in these areas for a reasonable return. The Selective Licensing 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.

There is little evidence from other similar Local Authorities with Selective Licensing Schemes that displacement has occurred, in fact Local Authority areas such as Blackburn with Darwin have recently re-designated and expanded its existing area.

Risk Register

Other risks have been summarised in the Risk Register in the document library showing the current and proposed controls that would be implemented subject to the additional scheme getting approval to proceed.

One of the major 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.

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

11.0 Consultation

Wirral completed a formal consultation process on the Selective Licensing proposals which lasted for a period of 14 weeks following Cabinet Approval in November 2017.

The Consultation closed on 21st March 2018 and a summary report and full report can be found on the Council's website:

www.wirral.gov.uk/selectivelicensing.

12.0 Monitoring & Evaluation

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

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

It is acknowledged by government that selective licensing may take longer than the five year licence period to have any positive impact on many of the low demand indicators such as property price and the time it takes to let properties. Indicators on property condition are likely to respond quicker to the introduction of selective licensing as action is taken to remove hazards in the home throughout the life of the scheme. The council will re-visit all indicators early in year 5 of the scheme which will allow time for the impacts of selective licensing to filter through. This will also feed into the review of the scheme in year 5 to inform a decision on whether or not it continues beyond the five-year designation.

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

As well as statistical indicators, the council will obtain qualitative evidence on the impact of selective licensing in the new areas through a resident and landlord survey towards the end of year 2 and in year 5.

The council will judge success on the following:

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