

Wirral Council

Selective Licensing Business Case

June 2019

Contents

| | | |
|----------|---|-----------|
| 1 | Foreword | 4 |
| 2 | Executive Summary | 5 |
| 3 | Introduction | 7 |
| 4 | Strategic Housing Context | 9 |
| 5 | Wirral's Socio Economic & Housing Profile | 12 |
| | Population projections | 12 |
| | Age profile | 12 |
| | Ethnicity | 14 |
| | Health Inequalities & Deprivation | 14 |
| | Household Incomes | 16 |
| | Fuel poverty | 17 |
| | Number of Households | 18 |
| | Tenure Breakdown | 18 |
| | Housing Types | 19 |
| | Empty Dwellings | 20 |
| | Profile and Stock Condition of the Private Rented Sector | 21 |
| | Housing Demand | 21 |
| | Rents and Sales Data | 23 |
| 6 | Why is Wirral Council introducing continuing with Selective Licensing and introducing 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 | 29 |

| | | |
|-----------|--|-----------|
| | What alternative options have we considered? | 29 |
| 7 | What is Selective Licensing? | 31 |
| | Legal Provisions | 31 |
| | License Conditions | 31 |
| | Fit & Proper Persons | 31 |
| | Enforcement of Licensing Requirement | 32 |
| 8 | The Proposal | 33 |
| | Licensing Fees | 33 |
| | Implementation Timetable | 34 |
| 9 | Benefits of Selective Licensing | 35 |
| 10 | Risk Analysis | 37 |
| | Displacement | 37 |
| | Risk Register | 38 |
| 11 | How will we consult? | 33 |
| 12 | Monitoring & Evaluation | 40 |

Appendix 1 Evidence Base

Appendix 2 Maps and Address List of Proposed Selective Licensing Areas

Appendix 3 Consultation Plan

Appendix 4 Selective License Conditions

Appendix 5 Risk Register

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 eight of these areas, Wirral has already introduced Selective Licensing, the first scheme in 2015 and the second scheme in 2019. This scheme has highlighted the need for a rigorous, targeted approach to enforcing minimum standards. Licensing inspections in these areas have so far demonstrated that almost 70% of 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 in the 4 areas of the first Selective Licencing Scheme for a further 5 years as well as to an additional two new 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 Stuart Whittingham, Wirral Council, Cabinet Member for Housing and Planning

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 six properties within Wirral's private rented sector contains one of the most serious hazards. 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.

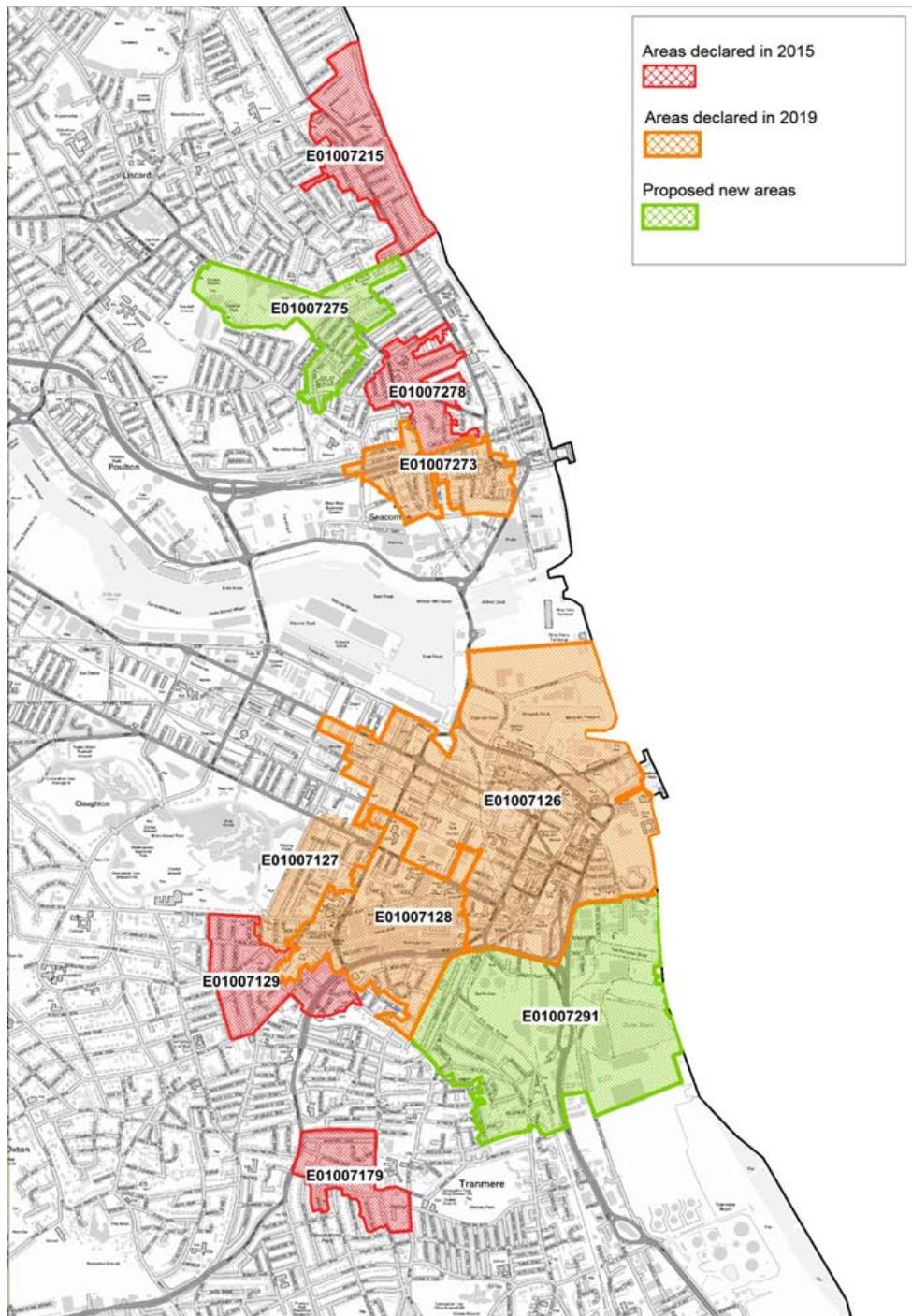
Wirral introduced its first Selective Licensing Scheme on 1st July 2015 in four small areas and introduced a scheme in four further areas in 2019. The 2015 scheme has been in operation for almost four years and has had a significant impact in improving properties through compliance inspections and pro-active engagement with landlords, tenants and residents. Selective Licensing schemes have a maximum duration of five years and the 2015 scheme is due to end in July 2020. Wirral Council cannot simply extend Selective Licensing in the current areas if it wishes and must demonstrate the continued need in the existing areas or, utilising the evidence, introduce a scheme into new areas. The Council must first demonstrate the case for this continued or new intervention. This document therefore makes the case for continuing Selective Licensing within all of the 2015 geographical areas which the evidence shows are continuing 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 small areas which are showing similar symptoms.

¹ 2011 Census, Office for National Statistics

Wirral 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 four areas of the Borough and the introduction of Selective Licensing into two new areas to operate from 2020 until 2025, as shown in the map below. (The red shading indicates the areas that began with Selective Licensing in 2015, the orange shading indicates the areas that began with Selective Licensing in 2019, and the green shading indicates the two proposed new 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 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 it's 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 shown in Appendix 2.

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 |

| | | |
|--|---|--|
| | | <p>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.</p> |
| Wirral Growth Plan | Housing Growth | <p>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.</p> |
| 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. | <p>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.</p> |
| Homelessness Strategy | Increasing Access to the Private Rented Sector | <p>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</p> |

| | | |
|--|--|--|
| | | the range of properties available to carry out this duty. |
| Home Energy Conservation Act 1995; 2019 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 322,796 as at mid-2017². Between 2004 and 2017 the Borough's population increased by 2.4³%,. The rate of growth has been slower than that of the UK which was 10.2% between 2004 and 2017⁴.

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% | 33.4% | 27.7% | 18.4% | 2.9% |
| Merseyside (Met County) | 16.9% | 38.1% | 26.2% | 16.3% | 2.5% |
| North West | 18.0% | 37.5% | 26.1% | 16.1% | 2.3% |
| England | 18.1% | 38.3% | 25.6% | 15.6% | 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 28.1% of Wirral's population by 2038⁶.

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 Estimates of the population for the UK, mid-2017, ONS June 2018

³ Estimates of the population for the UK, mid-2017, ONS June 2018

⁴ Estimates of the population for the UK, mid-2017, ONS June 2018

⁵ Estimates of the population for the UK, mid-2017, ONS June 2018

⁶ Wirral Compendium of Statistics, Wirral Intelligence Service, 2018

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 |
|--------------------------|--------------|--------------|--------------|--------------|--------------------|
| Birkenhead South | 19.7% | 43.6% | 24.5% | 11.3% | 0.8% |
| Egerton North | 18.7% | 46.1% | 24.3% | 9.5% | 1.5% |
| Egremont Promenade South | 19.6% | 36.7% | 24.4% | 15.8% | 3.6% |
| Egremont South | 20.4% | 45.2% | 23.1% | 10.6% | 1.3% |
| Seacombe Library | 23.3% | 43.0% | 21.3% | 11.3% | 1.2% |
| Tranmere Lairds | 16.9% | 49.3% | 22.8% | 13.7% | 0.6% |
| 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. It shows a particularly marked increase in the total population of Tranmere Lairds, reflecting a 22% increase in the number of dwellings in this LSOA (see Table 12 further on in this report). Tranmere Lairds has also seen a shift in the age demographic away from older people. Conversely, Egremont Promenade South has seen a large increase in the rate of households aged 45-64. It also shows a significant growth in older population groups in Birkenhead South, Egremont South and Seacombe Library.

Table 4

| Area | All people | 0-14 | 15-44 | 45-64 | 65-84 | 85 and over |
|--------------------------|--|-------------|--------------|--------------|--------------|--------------------|
| | Percentage change between 2001 and 2011 | | | | | |
| Birkenhead South | 15.86 | 8.83 | 16.38 | 18.58 | 20.41 | 30.00 |
| Egerton North | 0.08 | -14.54 | 8.38 | 5.37 | -11.51 | -17.39 |
| Egremont Promenade South | 17.44 | 7.59 | 11.85 | 53.15 | -0.40 | 48.72 |
| Egremont South | 1.4 | -18.3 | 4.6 | 23.6 | 3.8 | -5.0 |
| Seacombe Library | -0.47 | -13.13 | -4.37 | 23.14 | 11.33 | -10.53 |
| Tranmere Lairds | 29.4 | 0 | 50.1 | 27.8 | -18.7 | -56.5 |
| 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 in five out of the six proposed selective licensing areas mostly reflects that of Wirral's population as a whole. Tranmere Lairds differs, notably in that there is a much higher proportion of people of Asian or Asian British ethnicity⁸.

Table 5

| Area | White | Mixed/multiple ethnic groups | Asian/Asian British | Black/African/Caribbean/Black British | Other ethnic group |
|--------------------------|--------------|-------------------------------------|----------------------------|--|---------------------------|
| Birkenhead South | 96.43% | 1.75% | 0.81% | 0.56% | 0.44% |
| Egerton North | 96.67% | 2.05% | 1.15% | 0.13% | 0% |
| Egremont Promenade South | 95.05% | 1.42% | 2.37% | 0.81% | 0.34% |
| Egremont South | 96.16% | 1.86% | 1.60% | 0.19% | 0.19% |
| Seacombe Library | 96.98% | 0.70% | 1.86% | 0.46% | 0% |
| Tranmere Lairds | 93.23% | 1.20% | 4.91% | 0.48% | 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.

⁸ ONS, Census 2011

In 2015-17 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 85.5, compared to just 75.3 in Rock Ferry⁹.



Source: Dahlgren and Whitehead, 1991

Table 8 shows that the proposed areas for Selective Licensing are all highly ranked 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 10%, with five out of the six areas being within the top 5%.

Table 8

| Area | IMD Rank out of 32,844 |
|--------------------------|------------------------|
| Birkenhead South | 96 |
| Egerton North | 1,297 |
| Egremont Promenade South | 1,341 |
| Egremont South | 3,036 |
| Seacombe Library | 1,267 |
| Tranmere Lairds | 1,008 |

⁹ Wirral Compendium of Statistics, Wirral Intelligence Service, 2018

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

Table 9

| LSOA | Health, Deprivation and Disability |
|--------------------------|------------------------------------|
| | Rank out of 32,844 |
| Birkenhead South | 86 |
| Egerton North | 1,195 |
| Egremont Promenade South | 511 |
| Egremont South | 2,719 |
| Seacombe Library | 1,424 |
| Tranmere Lairds | 273 |

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 ranks for this domain for the proposed areas for selective licensing are in table 9. All apart from Egremont South are ranked within the top 5% of LSOAs nationally for Health, Deprivation and Disability.

Household Incomes

Data from 2018¹¹ (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 £27,685. Wirral has the second highest earnings for employees in the Liverpool City Region behind Sefton, 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 £25,655 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.

¹¹ ASHE (via Nomis), 2018

Table 10

| Area | Average Annual Pay (workplace) | Average Annual Pay (resident) |
|---------------|-----------------------------------|----------------------------------|
| Halton | £28,890 | £27,482 |
| Knowsley | £32,367 | £26,638 |
| Liverpool | £27,236 | £26,703 |
| Sefton | £25,651 | £28,746 |
| St Helens | £24,770 | £25,899 |
| Wirral | £25,655 | £27,685 |
| North West | £27,315 | £27,492 |
| Great Britain | £29,648 | £29,661 |

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, 19.4% of private rented households are defined as fuel poor. This is much higher than in the owner occupied sector (7.7%)¹². In Wirral, it is estimated that fuel poverty affects 21% of private rented households compared to 9% of owner occupied households¹³.

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

¹² BEIS 2016 Fuel Poverty Statistics, June 2018

¹³ Integrated Dwelling Level Housing Stock Modelling & Database, Client Report for Wirral Council, BRE 2018

Table 11

| Area | Rate of fuel poverty (all housing tenures) |
|--------------------------|--|
| Birkenhead South | 20.3% |
| Egerton North | 20.8% |
| Egremont Promenade South | 20.8% |
| Egremont South | 19.1% |
| Seacombe Library | 21.7% |
| Tranmere Lairds | 18.6% |
| Wirral | 13.1% |
| Liverpool City Region | 14.3% |
| England | 11.1% |

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 2016, 30.9 per cent of English households living in G-rated properties were fuel poor compared to only 2.7 percent of C-rated and above properties¹⁴.

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 four out of six of the LSOAs, most significantly in Tranmere Lairds.

Table 12

| | 2001 | 2011 | % change |
|--------------------------|--------|--------|----------|
| Birkenhead South | 718 | 761 | 5.99 |
| Egerton North | 632 | 612 | -3.16 |
| Egremont Promenade South | 740 | 784 | 5.95 |
| Egremont South | 637 | 680 | 6.75 |
| Seacombe Library | 680 | 658 | -3.24 |
| Tranmere Lairds | 746 | 917 | 22.9 |
| 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

¹⁴ BEIS 2016 Fuel Poverty Statistics, June 2018

tenure breakdown in the proposed areas, in Wirral¹⁵ and in England¹⁶ in 2011 was as follows:

Table 13 shows that private rented households account for at least a quarter 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. | % |
| Birkenhead South | 235 | 30.9% | 222 | 29.2% | 287 | 37.7% | 17 | 2.2% |
| Egerton North | 252 | 41.2% | 122 | 19.9% | 231 | 37.7% | 7 | 1.1% |
| Egremont Promenade South | 283 | 36.1% | 196 | 25.0% | 293 | 37.4% | 12 | 1.5% |
| Egremont South | 388 | 57.1% | 30 | 4.4% | 238 | 35.0% | 24 | 3.5% |
| Seacombe Library | 273 | 41.5% | 141 | 21.4% | 235 | 35.7% | 9 | 1.4% |
| Tranmere Lairds | 295 | 32.2% | 322 | 35.1% | 240 | 26.2% | 60 | 6.5% |
| 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 table below shows that both Birkenhead South and Tranmere Lairds have high proportions of purpose-built flats. Egremont South and Seacombe Library are dominated by terraced properties.

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

¹⁵ Tenure - Households 2011 (QS405EW), ONS, 2012

¹⁶ 2011 Census: Table KS402EW Tenure, ONS, 2012

Table 14

| Area | Detached | Semi-detached | Terraced | Purpose-built flat | Converted / mixed-use flat |
|--------------------------|----------|---------------|----------|--------------------|----------------------------|
| Birkenhead South | 1.5% | 24.4% | 27.1% | 23.2% | 20.6% |
| Egerton North | 2.9% | 23.2% | 52.9% | 15.5% | 4.8% |
| Egremont Promenade South | 4.7% | 23.7% | 34.3% | 16.4% | 15.1% |
| Egremont South | 1.5% | 22.8% | 61.9% | 4.5% | 8.1% |
| Seacombe Library | 3.0% | 13.4% | 68.0% | 6.1% | 3.5% |
| Tranmere Lairds | 2.8% | 14.5% | 48.8% | 30.9% | 2.4% |
| Wirral | 16.7% | 41.0% | 24.8% | 11.8% | 4.3% |

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 2018 was the 3rd highest in Merseyside and although was below the average for Merseyside it was higher than the English average, as shown in the table 6.¹⁷

Table 6

| Area | Rate of long-term vacant dwellings ¹⁸ |
|------------|--|
| Knowsley | 1.31% |
| Liverpool | 1.74% |
| St Helens | 1.16% |
| Sefton | 1.53% |
| Wirral | 1.43% |
| Merseyside | 1.51% |
| England | 0.90% |

As of April 2019, the rates of long-term privately owned vacant dwellings as a proportion of privately owned properties for the proposed Selective Licensing

¹⁷ Table 615, Vacant Dwellings by Local Authority District, Ministry of Housing, Communities & Local Government, March 2019

¹⁸ As a percentage of the total number of chargeable dwellings, Council Taxbase local authority level data 2018, Ministry of Housing, Communities & Local Government, November 2018.

areas were as shown in table 7¹⁹. It shows all of the target areas have higher proportions of long term private vacants than the Borough as a whole.

Table 7

| Area | % of long-term privately owned vacant dwellings |
|--------------------------|--|
| Birkenhead South | 8.42% |
| Egerton North | 7.47% |
| Egremont Promenade South | 5.08% |
| Egremont South | 3.00% |
| Seacombe Library | 5.65% |
| Tranmere Lairds | 16.67% |
| Borough | 1.54% |

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:

- 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 SimpleSAP²⁰, 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 at 20th May 2019, there were 3,063 households registered with Property Pool Plus Wirral (the choice-based lettings system for social housing) that were

¹⁹ Council Tax data, Wirral Council, April 2017

²⁰ An estimate of a residential dwelling's likely SAP score, not based on the full required range of data for a SAP calculation or a reduced SAP calculation (RdSAP), it should only ever be considered an estimate of the SAP score and used as a guide.

currently renting from a private sector landlord and wishing to move to social housing.

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, however allocations within Property Pool Plus enable rehousing for banding categories to support sustainable communities.

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 3,063 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 | 188 |
| Repossession / Eviction | 103 |
| Unable to afford Rent | 822 |
| Landlord Selling Property | 321 |
| Home in poor condition | 421 |

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 3,063 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? | 318 | 1982 | 763 |
| If yes, does the disrepair affect your health or safety? | 255 | 42 | 21 |
| Have you reported the disrepair to your landlord? | 288 | 19 | 11 |
| If yes, have you reported this to your Local Authority? | 64 | 213 | 41 |

Rents and Sales Data

Valuation Office Agency data provides information on monthly rents recorded between 1st October 2017 and 30th September 2018²¹. It shows that average rents charged by Wirral's private landlords are higher than those charged in Liverpool, higher than the Merseyside average but lower than those charged in Sefton, St Helens and Knowsley and lower than the North West and English averages.

Table 17

| Area | Average | Lower quartile | Median | Upper quartile |
|-------------|----------------|-----------------------|---------------|-----------------------|
| Knowsley | £581 | £495 | £550 | £650 |
| Liverpool | £499 | £371 | £450 | £595 |
| Sefton | £561 | £450 | £540 | £650 |
| St Helens | £533 | £425 | £495 | £595 |
| Wirral | £531 | £425 | £500 | £600 |
| Merseyside | £522 | £395 | £495 | £599 |
| North West | £605 | £450 | £550 | £695 |
| England | £844 | £525 | £690 | £950 |

²¹ Table 2.7 Summary of monthly rents recorded between 01.10.17 and 30.09.18 by admin area for England, Valuation Office Agency, December 2018

6 Why is Wirral Council continuing with Selective Licensing and introducing further areas?

At least 16.8% of Wirral's housing stock is privately rented which has increased from 11% in 2001²². A more recent estimate in 2018 shows that it could now be as high as 18.1%²³. The Selective Licensing scheme that commenced in 2015 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 89% of properties are free of Category 1 hazards, this rate falls to 85% in the private rented sector²⁴. These properties tend to be the older, terraced and flatted housing stock.

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 licensed over 1,300 private rented properties. Over 825 properties have been inspected with only 30% of these properties meeting minimum standards. There have been 50 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 as indicators used have a time-lag. 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. In addition, a landlord and resident survey carried out in May and June 2019 found that while there has been an improvement in property condition, there is still a need for improvement in the external environment to make these areas more attractive.

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 and poor property condition where a

²² Census 2011, ONS

²³ Figure 2, Integrated Dwelling Level Housing Stock Modelling & Database, Client Report for Wirral Council, BRE 2018

²⁴ Integrated Dwelling Level Housing Stock Modelling & Database, Client Report for Wirral Council, BRE 2018

Selective Licensing Scheme would be justified and where the Council could make a significant impact in specific neighbourhoods through the introduction of a scheme or where the evidence showed, the continuation of a scheme in any of the 2015 areas. The evaluation this time involved an analysis of 17 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 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 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 that hadn't been subject to Selective Licensing previously scored worse than the other LSOAs, namely Egremont South and Tranmere Lairds. The other LSOAs scoring highest on the matrix that were not the areas declared in 2019, were all areas where Selective Licensing were introduced in 2015 (Birkenhead South, Egerton North, Egremont Promenade South and Seacombe Library). The matrix shows some improvement upon the data gathered in 2014 however as they still score higher than LSOAs, there is a justification for including them in the consultation.

The introduction of a Selective Licensing Scheme in specific, targeted areas of low demand and poorer property standards 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 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

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 7,271 properties since the scheme began, including renewals, however due to the level of churn in the private rented sector, there are currently only 1,613 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.

The scheme is currently suspended to new applications based on prior knowledge of the need to implement new requirements in respect of HMO legislation from central government and also respond to the demands of the new Selective Licensing Scheme introduced on 1st April 2019 alongside continuing pressure on staffing resources. Although the scheme is temporarily suspended to new applications, renewal of existing property accreditations continue to be processed enabling landlords to self-assess their premises and extend their current property accreditation. The suspension is currently under review to determine when new applications allocated to the waiting list will be inspected and the temporary suspension lifted.

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 57 Empty Property Grants being approved in the existing Selective Licencing areas since the start of the licencing scheme of which 27 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 Wirral Council for a period of 12 months to assist with the council's statutory homelessness responsibility. 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 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 50% additional 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 100% above the full Council Tax cost can now be charged due to recent amendment in Government legislation.

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 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. In 2018/19, 51 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 2018/19, floating support services assisted over 440 people across Wirral that were struggling to sustain their housing. Of this number, 28 households in the 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 implementation of the Homelessness Reduction Act in 2018 resulted in a significant increase in the legal duties placed on the Council to prevent and relieve homelessness and 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 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

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 July 2015 and May 2019, the Council have completed a total of **1,884** Healthy Homes surveys and visits and made **4,566** 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 May 2019, 318 private rented tenants registered on Wirral's Housing Register said they were living in disrepair, but only 64 had complained to the Council. 421 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. 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 (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 Selective Licensing Team will be responsible for ensuring compliance with the designation. Wirral's draft Selective Licensing Conditions are attached in Appendix 4. Proposed changes to the existing Licensing conditions have been highlighted and will be 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 the six proposed 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 will also review the current scheme and look for opportunities for efficiencies in an effort 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
- Accreditation with the Council or a national landlord association

The following charges are also proposed: -

- Charge for yearly direct debits
- A pre-application fee
- Variation Fee

- A Temporary Exemption Notice Fee
- 1 year licenses where previous contraventions

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

Implementation Timetable

| | |
|--------------------------|---|
| July 2019 | In principle approval by Wirral's Cabinet to undertake public consultation within 6 areas of the borough. |
| August 2019 | Formal consultation begins for 10 weeks |
| October 2019 | Analyse consultation results & feedback |
| November - December 2019 | Finalise scheme to take account of consultation feedback |
| January 2020 | Preparation of report to summarise consultation findings |
| February 2020 | Report to Cabinet for final consideration of scheme |
| March 2020 | Notice of proposed designation to run for 3 months |
| | |
| July 2020 | 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 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 now in a position to be 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) will be provided towards renovation costs of empty properties that have been vacant for more than 6 months and Heating & Renovation Loans 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 / continuation of Selective Licensing in the six 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, 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 200% 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. 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. Local Authority areas including Blackburn with Darwin have re-designated and expanded existing Selective Licensing areas.

Risk Register

Other 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.

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 How will we consult?

There will be a formal consultation process on Wirral's proposed Selective Licensing scheme which will last for a minimum period of 10 weeks to commence, subject to Cabinet Approval, in August 2019.

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

Further information can be obtained through the following ways:

Email: selectivelicensing@wirral.gov.uk

Post:

Selective Licensing

Delivery Services

Wirral Council

PO Box 290

Brighton Street

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. The full 18 data-sets that were used to determine low demand and poor property condition for the purpose of selecting the four selected licensing areas would be updated on a periodic basis, i.e. after two years and then repeated in year four of the scheme. It is also proposed that the following condensed set of indicators are be measured and reported on an annual basis:

- 1 Number of properties licensed in each designated area
- 2 Number of properties improved
- 3 Reduction in empty properties (N.B it is anticipated that this figure may increase in the first year if some landlords sell their properties to avoid paying a licence fee)
- 4 Number of residents supported through Healthy Homes, ASB team or tenancy support services or partner agencies as a result of Selective Licensing