

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 23 June 2022

Subject: Final Evaluation of the Crumpsall Selective Licensing Area and Proposed Next Phase of Selective Licensing

Report of: Interim Director of Housing and Residential Growth and Strategic Director Neighbourhoods

Summary

To provide Members with the outcomes of the evaluation of the Crumpsall Selective Licensing area and to advise Members on the proposed future phases of selective licensing

Recommendations

The Committee is recommended to:

1. Note the findings of this evaluation of the Crumpsall selective licensing area
 2. Provide feedback or comments on the proposed future phases of selective licensing, the consultation plan and proposed timetable for designation.
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Wards Affected: Crumpsall, Moss Side, Levenshulme, Longsight, Cheetham and Rusholme

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

Selective Licensing (SL) provides an opportunity to target resources on identifying and tackling energy efficiency within rented properties, The Energy Performance ratings are required as part of the SL application process and properties found to be without an EPC or a rating below E are then subject to enforcement.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

An Equality Impact Assessment has been carried out for the next phase of selective licensing. This indicates broadly positive outcomes on protected or disadvantaged groups and sets out actions to address any potential adverse impacts.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Good quality and well managed private rented homes will contribute to the sustainability of neighbourhoods, ensuring residents have a settled and stable platform to contribute and thrive.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Improving the private rented housing offer helps to attract and retain talent.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Increasing the supply of good quality affordable homes for private rent will provide the opportunity for Manchester residents to access quality accommodation in neighbourhoods where people are happier to settle for a longer period of time.
A liveable and low carbon city: a destination of choice to live, visit, work	The right mix of quality, energy efficient housing is needed to support growth, meet carbon reduction targets, and ensure that our growing population can live and work in the city and enjoy a good quality of life.
A connected city: world class infrastructure and connectivity to drive growth	A balanced housing offer plays an important part within a well-connected city and its neighbourhoods. Improving housing available to rent helps to create neighbourhoods where residents will choose to live and where their housing needs are met.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Initial budget for the consultation process will be required; this is expected to be approx. £70,000 – £85,000. If after public consultation the Council decides to proceed with Selective Licensing these costs can be fully funded via the licence fee.

Financial Consequences – Capital

There are no direct capital consequences to the Council arising from this report

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

- Private Rented Sector Strategy 2020-2025 - Neighbourhoods and Environment Scrutiny – 4th March 2020
- Selective Licensing Pilot - Public Consultation - Neighbourhoods and Environment Scrutiny Committee, 21st June 2016 and Executive, 29th June 2016
- Selective Licensing - Outcome of Public Consultation - Neighbourhoods and Environment Scrutiny Committee, 6th December 2016
- Review of Selective Licensing Pilot areas - Neighbourhoods and Environment Scrutiny Committee, 4th March 2020
- Extension to Selective Licensing Schemes - Public Consultation - Neighbourhoods and Environment Scrutiny Committee, 2nd September 2020 & Executive, 9th September 2020

1.0 Introduction and Background

A key theme of the Council's Private Rented Sector Strategy is tackling poor quality management in the Private Rented Sector. One of the tools identified to assist with achieving this is Selective Licensing (SL). SL was introduced by the Housing Act 2004 which gave the Council the power to introduce the licensing of private rented homes within a designated area, with the aim of improving the management and condition of these properties to ensure they have a positive impact on the neighbourhood.

Following a consultation exercise from the 19th of August to the 31st of October 2016, Manchester City Council (MCC) introduced four pilot Selective Licensing (SL) areas, encompassing approximately 2,000 private rented properties. Each scheme was designated for 5 years, and the first scheme (in Crumpsall) ended on the 12th of March 2022. The other three pilot areas will all cease to operate by the 22nd of April 2023 (see below):

- Crumpsall – 13th March 2017 to 12th March 2022
- Moss Side – 8th Jan 2018 to 7th Jan 2023
- Moston – 23rd Apr 2018 to 22nd Apr 2023
- Old Moat – 23rd Apr 2018 to 22nd Apr 2023
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The process of designating each SL area required that the Council set out what improvements the scheme expected to deliver. There is then a requirement to evaluate the success of delivering upon these expectations. An interim review and evaluation of all pilot areas was considered by the Neighbourhoods and Environment Scrutiny Committee in March 2020. The endpoint of each scheme represents the next juncture at which an evaluation will be undertaken. As the Crumpsall scheme ended on 12 March 2022 it is the subject of the evaluation in this report.

2.0 Context

After analysing local intelligence from Crumpsall, officers identified a series of qualifying criteria which made the area of Crumpsall in question (see Appendix 1) eligible for designation as a SL area:

Crumpsall Selective Licensing Area – Qualifying Criteria and Measurable Improvement Objectives:

Anti-social behaviour (also linked to environmental and waste management) – The outcome of the scheme will be a reduction in, or elimination, of anti-social behaviour (caused by tenants in the private sector) in the designated area.

High levels of crime – The outcome of the designation (together with the other measures) will lead to a reduction in crime in the area.

Poor property conditions – The outcome of the designation will be a general improvement of property conditions in the designated area within the lifetime of the designation

High level of deprivation – The outcome of the designation will be (together with other measures) a reduction of the problems with housing in the private rented sector contributing to the high level of deprivation.

Measuring the improvement with respect to these objectives, along with an appraisal of the implementation of the scheme, forms the basis of this evaluation of the Crumpsall SL area.

3.0 Implementation of the Crumpsall Scheme

In an area subject to SL, all private landlords must obtain a licence, apart from in the case of some exemptions¹. If a landlord in the SL area fails to get a licence or fails to comply with the conditions bound by the licence, the local authority (LA) can issue civil penalties of up to £30,000 or prosecute the landlord where the fine is unlimited. In extreme cases the LA may issue a management order and assume management control of the property.

A Selective Licence in the Crumpsall designated area cost £650 and could be issued for up to 5 years². Licences of a shorter length were able to be issued where there were concerns about management arrangements. Applications were made online and determined by the Housing Compliance and Enforcement Team. Once an application was determined by MCC a licence was either granted or refused. Following grant of a licence, compliance inspections were carried out at those properties which had been flagged as part of the application process. Flagged properties were those where complaints have been received or where there were other indications from the application process that an inspection was required. The team determined that 50% (175) of all licensed properties in the Crumpsall SL area would be inspected during the 5-year designation.

The following Table 1 provides an overview of the number of suspected private rented properties identified in the Crumpsall SL area, the number of selective licence applications received, the number of licences issued, and the number of compliance inspections carried out.

Table 1- Licenced properties in the Crumpsall SL area

No. PRS	No Exempt	Applications Received	Licences Granted	Compliance inspections
356	49	380	372	177

In total over the course of the SL designation in Crumpsall, 380 applications were received for a licence and 372 were ultimately granted³. However, achieving this level

¹ For example, property rented to family members, registered providers and Council run housing

² Prior to the SL designation coming into force, work was undertaken to engage with landlords and encourage applications during the 3-month legal designation period. A discounted application fee of £400 was offered to encourage applications and reduce costs associated with identifying suspect properties.

³ As Table 1 illustrates, the number of premises initially identified minus the number of exempt properties does not add up to the number of licences granted. This is because, during the lifetime of the scheme there were properties that were initially exempt but changed status, or instances where more than one licence application was received for the same property if there had been a change of owner.

of compliance with the SL application process reflects a significant amount of hard work from officers in terms of identifying landlords in the area, directing communications and initiating enforcement where necessary. However, as the application process required that landlords undertook safety checks (e.g. providing gas safety certificates) which were not previously in place, the application requirements alone were effective in making private rented accommodation in the Crumpsall SL area safer and more professionally managed.

4.0 Property Conditions and Enforcement

Compliance Inspections:

A compliance inspection was carried out at those properties flagged as part of the application process, where complaints had been received or where there were indications an inspection was required. During compliance inspections officers assess property conditions under the Housing Health and Safety Rating System (HHSRS) in accordance with Part 1 of the Housing Act 2004⁴ as well as assessing compliance against licence conditions and having dialogue with the tenant to check what information their landlord had provided them with.

Table 2 demonstrates that 18% of properties inspected were non-compliant (i.e., a Category 1 hazard or a high Category 2 hazard was identified using HHSRS) and the inspection resulted in immediate enforcement action. Most properties (56%) were found to be broadly compliant with a low Category 2 hazards identified. In these cases, appropriate timescales were agreed with the landlord to complete the identified remedial works on the understanding that failure to act would warrant further action. Finally, 27% of the inspected properties in Crumpsall were found to be fully compliant – i.e. no hazards were identified or only minor Category 2 hazards that would not warrant further action, and the licence conditions were being complied with.

Table 2 - Level of Compliance in the Crumpsall SL area:

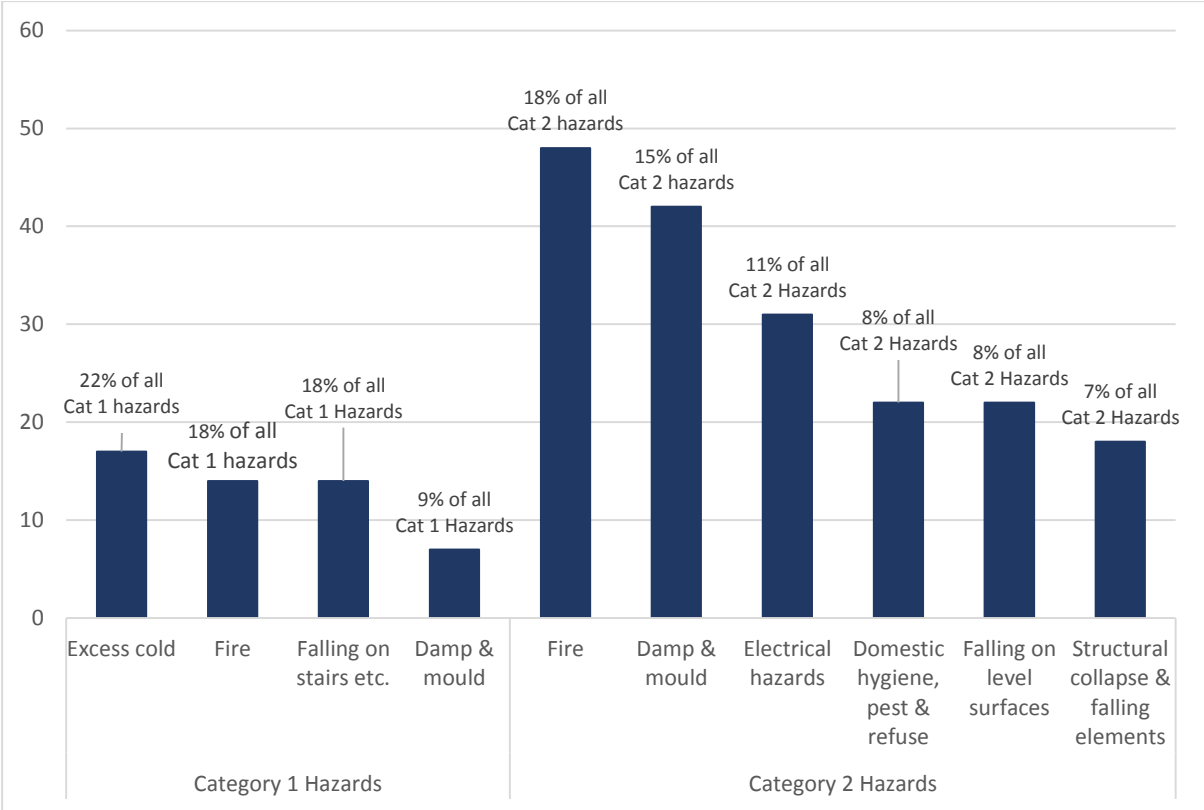
Compliance Status	Fully Complaint	Broadly Compliant	Non-compliant	Total
Total	47	99	31	177

Housing Health and Safety Hazards Identified:

In total 79 Category 1 hazards and 273 Category 2 hazards were identified by officers undertaking compliance inspections. The most common hazards identified are highlighted in Chart 1 below.

⁴ The HHSRS is a risk-based evaluation tool covering 29 categories of hazards, used by officers as an evaluation of the potential risks to health and safety from any deficiency identified in domestic dwellings, in order to take action to reduce/remove threat of harm to occupants. Officers use a formal scoring system within HHSRS to demonstrate the seriousness of hazards that can cause harm in dwellings. Where officers identify a serious hazard called a Category 1 hazard the local authority is under a duty to take enforcement action. Less serious hazards called Category 2 hazards the local authority have the option to take action.

Chart 1 – Most Common Category 1 and 2 Hazards identified in the Crumpsall SL area:



The evidence on the level of compliance with licence conditions and hazards identified following inspections demonstrates very clearly that landlords in the Crumpsall SL area had been letting properties with serious hazards. Without the SL intervention it is highly likely therefore that these landlords would have continued to rent out properties containing these serious hazards and tenants would have continued to live in unsafe housing. Instead, Table 3 highlights the types of remedial works which have been required to eradicate the hazards identified during SL compliance inspections in Crumpsall.

Table 3 – Examples of remedial works requested to eradicate hazards identified during SL compliance inspections in Crumpsall:

Hazard identified	Example of works requested to eradicate hazards identified
Category 1 Hazards	
Excess Cold	Repair or replacement of heating systems. Provision of insulation or draught proofing Provision of new doors
Fire	Electrical repairs Installation of smoke alarms Cooker relocation and installation
Falling on stairs etc.	Installation of handrails and balustrades Closing gaps between stairs Improvements to lighting on stairs

Damp & Mould	Provision of insulation Repairs to guttering Repairs to leaking pipes
Category 2 Hazards	
Fire	Electrics Repairs, Installation of smoke alarms Cooker location and installation
Damp & Mould	Provision of insulation Repairs to guttering Repairs to leaking pipes
Electrical hazards	Repairs to defective electrics Installation of new sockets Boxing on electric meter
Domestic hygiene, pest and refuse	Clearance of domestic refuse Fix or replacement of boiler to reinstate hot water Improved flooring Pest control or pest proofing
Falling on level surfaces	Installation of threshold grips Securing carpet to the floor Fixing or replacement of damaged flooring Repair of leaks
Structural collapse and falling elements	Securing roof tiles Repairs to walls Replacement of guarding

Housing Enforcement:

During the designation, housing related enforcement was undertaken to improve property conditions. Properties found to have unaddressed hazards received intervention, including enforcement notices served on the landlord, together with an associated charge for officer time. Interventions in the Crumpsall SL area during its designation included:

- 20 Improvement notices under the Housing Act 2004 relating to housing standards
- 20 demand notices served relating to officer time for undertaking improvement notices.
- 8 Enforcement Notices relating to Statutory Nuisance
- 1 Enforcement Notice relating to Public Health in respect of a filthy and verminous property
- 2 Prohibition order and 2 suspended prohibition orders preventing the use of dangerous properties
- 1 Hazard awareness notice under the Housing Act 2004 making occupants aware of hazards that are in their control to remediate, such as owner occupiers, or where tenants are causing damage or preventing repairs.
- 2 properties were identified as needing HMO licences which were subsequently applied for and issued.

Civil Penalties:

The Housing and Planning Act 2016 introduced Civil Penalties of up to £30,000 from the 6th of April 2017 as an alternative to criminal proceeding via prosecution for certain offences under the Housing Act 2004. These offences are:

- Failure to comply with an Improvement Notice
- Offences in relation to licensing of HMOs
- Offences in relation to licensing of houses under Part 3 (Selective Licensing)
- Failure to comply with an overcrowding notice
- Breach of Management Regulations in respect of an HMO
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The criminal burden of proof (i.e., beyond all reasonable doubt) must be satisfied before a Civil Penalty Notice (CPN) can be issued as an alternative to prosecution. Various factors are also taken into consideration in determining the level of Civil Penalty to ensure it is set at an appropriate level⁵. In total 6 CPNs were issued equating to total fines of £36,050 for four different offences (see Table 4).

Table 4 - Number of Civil Penalty Notices (CPNs) issued during the Crumpsall SL designation:

Offence	Failure to apply for a selective licence	Breach of HMO Management regulations*	Failure to comply with an Improvement Notice	Breach of Licence Condition**	Total
Number of CPNs	2	1	2	1	6
Total fines	£10,000	£10,550	£5,000	£10,500	£36,050

* Regulation(s) breached under the Management of Houses in Multiple Occupation 2006

** Failure to supply the Council with an Electrical Installations Inspection Certificate on demand (this should be carried out every 5 years)

Housing Related Requests:

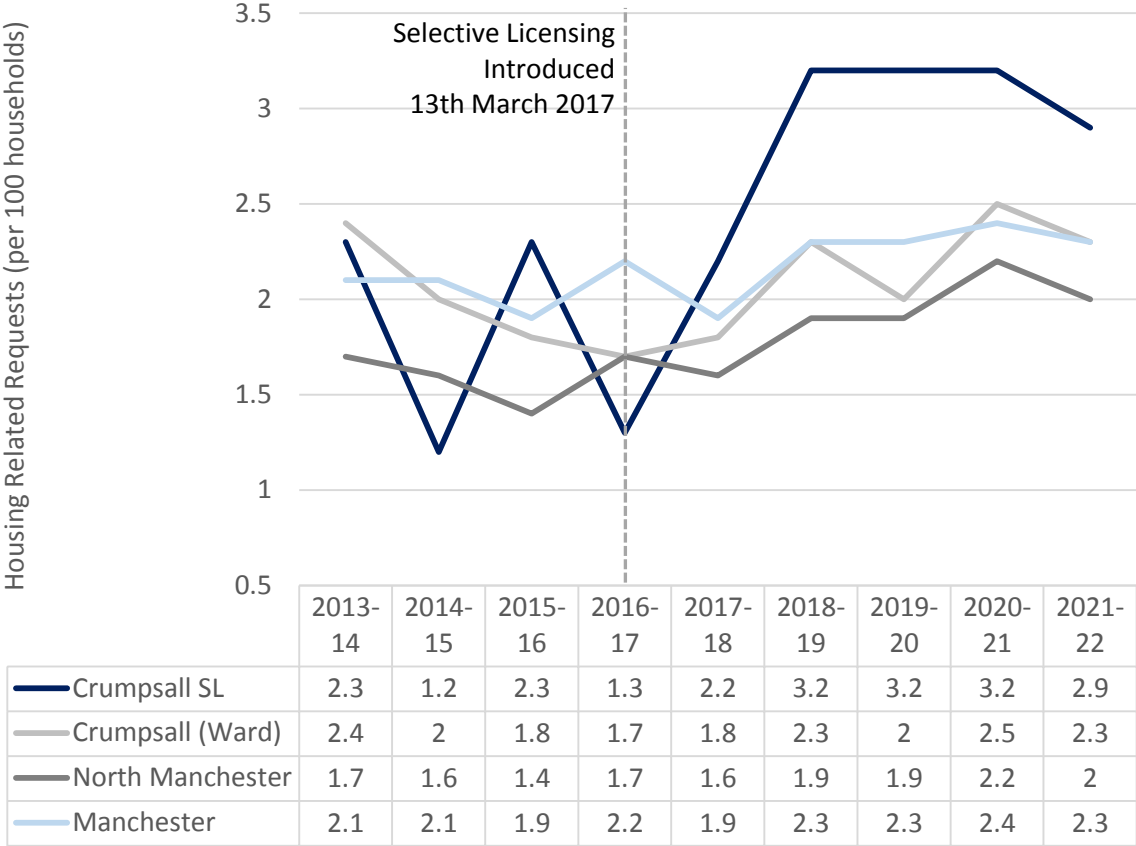
There was an increase in housing related requests⁶ received by MCC for the first two years of the Crumpsall SL designation (albeit from a low base - i.e. from 8 in 2016/17 to 19 in 2018/19). However, as compliance inspections were carried out and housing related enforcement undertaken the number of requests in the SL area stabilised and then started to come down (see Chart 2).

⁵ More detail is set out in the Council's Civil Penalty Policy:

https://www.manchester.gov.uk/downloads/download/6958/civil_penalties_policy_-_housing_and_planning

⁶ Housing related requests were for issues relating to dampness & leaks, domestic noise, doors and windows, fire precautions, heating & hot water, overcrowding and unlawful evictions.

Chart 2 – Housing related requests (rate per 100 households) for the Crumpsall SL area and comparable areas:



By way of comparison, in the last two years of its designation the Crumpsall SL area saw a decrease of 2 requests (-10.5%) during the pandemic whereas the Crumpsall ward reported an increase of 10%. Indeed, across Manchester, two-thirds of wards in Manchester reported an increase in housing related requests during a period when many residents were spending more time at home than ever before.

Minimum Energy Efficiency Standards:

Manchester is committed to becoming a zero-carbon city by 2038 and meeting this target means achieving a net zero carbon housing offer in the city. A key element of this will be focusing on improving the energy efficiency of new and existing homes so that residents have warmer, healthier, and cheaper to run homes.

Currently, the Energy Performance of Buildings (England and Wales) Regulations requires that a valid Energy Performance Certificate (EPC) must be in place to market a property for rent. The Domestic Minimum Energy Efficiency Standard (MEES) Regulations brought forward requirements from the 1st of April 2018 (1 year into the designation of the Crumpsall SL area) that any new tenancy could only be made where a property had a minimum EPC rating of E or above. From the 1st of April 2020 this changed again to mandate that all domestic private rented properties must meet a minimum of band E unless a valid exemption is in place.

SL therefore provided an opportunity to target resources on identifying and tackling energy efficiency within this framework – i.e., Energy Performance ratings were requested as part of the application process, and from the 1st of April 2020 it became a requirement to provide a valid EPC. Consequently, the licensing process allowed the council to identify 36 private rented properties in the Crumpsall SL area without an EPC, or with a rating below E. 22 properties were issued with the first stage of enforcement letters and have since improved. There are ongoing interventions with the remaining 14 properties to address energy improvements.

5.0 Waste Management and Antisocial Behaviour

A review of data on neighbourhood issues linked to waste management, fly tipping, Victim-Based-Crime (VBC) and Anti-Social Behaviour (ASB) has been undertaken. The information on ASB and Neighbourhood issues pre and post selective licensing does not provide a causal link between selective licensing and these issues, but it does provide a useful indicator of progress made against the SL criteria linked to these issues. This data is summarised below, with the full data analysis available in Appendix 2.

Fly tipping:

Over the five years of its designation, fly tipping⁷ increased by 7.1% in the Crumpsall selective licensing area (see table 5). This is higher than that of Crumpsall ward (-5.3%), but relatively lower when compared to the level of growth across North Manchester (12.1%) and Manchester as a whole (11.8%).

Table 5 – Fly tipping between 2016/17 and 2021/22:

Area	2016/2017	2021/2022	5-Year change	5-Year % change
Crumpsall SL	156	167	11	7.1%
Crumpsall Ward	1120	1,061	-59	-5.3%
North Manchester	10,587	11,866	1,279	12.1%
Manchester	25,518	28,525	3,007	11.8%

A deeper dive into the data illustrates that, in the two years following the designation of Crumpsall as a SL area, fly tipping decreased by over a quarter (from 161 in 2015/16 to 118 in 2018/19). Unfortunately, during the pandemic fly-tipping across the city (and nationwide) rose. There are many contributory factors to this including recycling centres either closing or operating with restricted opening hours, large numbers of residents working from home during lockdown, increased ordering of goods online and consequently generating more waste.

Despite SL having an initially positive impact on reducing flytipping the pandemic means it is not possible to determine whether this positive trend towards fewer fly tipping incidents in the Crumpsall SL area would have continued as during the pandemic numbers increased from 118 in 2018/19 to 167 in 2021/22. Another potential factor which could be skewing the data on fly tipping is the presence of

⁷ Data relates only to jobs that are reported as ‘complete’ by Biffa (the MCC contractor)

more focused activity related to Licensing (linked to inspections, Neighbourhoods officers engaging with tenants etc.) which may have resulted in an increase in reporting (rather than an increase in actual incidents of fly-tipping). This may explain why the biggest increase has been observed in 2021-22 – i.e., when inspections and proactive activity from Neighbourhoods officers “on the ground” had resumed following a pause during the pandemic. It should also be noted that there are a number of wider challenges linked to fly-tipping in the Crumpsall SL area (e.g. the prevalence of passageways, the lack of surveillance in many areas and unsecured land) which selective licensing alone cannot resolve.

Street cleansing and untidy gardens

Looking at data from Manchester’s Customer Relationship Management (CRM) system there is little to indicate an improvement in terms of the number of issues linked to street cleansing and untidy gardens within the Crumpsall SL area. Requests for service related to street cleansing and untidy gardens increased by 222% from 2016/2017 to 2021/2022 in the Crumpsall selective licensing area. This compares to much lower increases in the Crumpsall Ward, North Manchester and Manchester as a whole (see Table 6). It may however be that the introduction of selective licensing has served to generate more requests for service to do with street cleansing and untidy gardens.

Table 6 – Street cleansing and untidy gardens between 2016/17 and 2021/22:

Area	2016/2017	2021/2022	5-Year change	5-Year % change
Crumpsall SL	22	71	49	222.7%
Crumpsall Ward	361	364	3	0.8%
North Manchester	4,240	4,512	272	6.4%
Manchester	11,777	12,669	892	7.6%

Environmental Enforcement:

In response to the requests for service outlined above, alongside some more proactive activity, the North Neighbourhood Compliance Team undertook enforcement activities relating to both proactive intervention in the SL area as well as responding to requests for service. During the five years of SL this included the following:

- 133 notices and 1 Fixed Penalty Notice (FPN) issued relating to control of waste from an occupier
- 53 FPNs relating to litter
- 33 enforcement notices relating to pests
- 7 enforcement notices relating to duty of care relating to failures from waste carriers
- 2 enforcement notices relating to cutting back of vegetation from properties overhanging the highway

It is important to note that due to data constraints, it is not possible to link ASB and crime to specific addresses impacted by SL. Given around 45% of housing in the pilot area was not affected by SL, we are unable to draw any robust conclusions around the causal links between the introduction of SL and the increased requests for service since 2016/17.

Victim-based crime and Antisocial Behaviour:

It is important to note that there have been some large fluctuations in the VBC and ASB recorded in Manchester across the SL period. This is in part due to changes in recording practices and software systems employed by Greater Manchester Police. The impact of the pandemic has also had a significant impact on crime levels as well, which needs to be considered as part of the evaluation. Nevertheless, by looking at the data for the Crumpsall SL area alongside some ward and city-wide figures it is possible to make some comparisons.

Between 2017/18 and 2021/22 the average number of acquisitive crime and criminal damage offences reduced by 7% in the Crumpsall SL, against the average number of offences seen between 2015/16 and 2016/17. In comparison, this group of offences reduced by only 1% in Crumpsall and Cheetham wards over the same period, and by 2% in the city as a whole.

Between 2017/18 and 2021/22, the average number of ASB incidents recorded across the city reduced significantly in comparison with the preceding two years. The city as a whole registered a 38% reduction, as did Cheetham and Crumpsall wards while the reduction in the Crumpsall SL was slightly larger, at 40%.

Data availability (and data quality issues) mean that it is not possible to link ASB and crime to specific addresses and therefore we are unable to evaluate the impact of SL specifically on criminal issues caused by tenants living in the private sector. However, anecdotal evidence (see case study in section 7.0) does suggest that the SL conditions associated with landlords managing ASB and crime has had a positive impact in the Crumpsall area.

It should also be noted that there are many factors involved in criminal activity and ASB which SL alone cannot be expected to resolve.

6.0 Deprivation and the Housing Market Impact

One of the criteria which led to the Crumpsall SL area being designated was that it was a neighbourhood experiencing a high level of deprivation. Indeed, the Index of Multiple Deprivation (IMD) data from 2015 (the closest available dataset) indicated that the two Super Output Areas (SOAs) which most closely fit the SL area were in the top 5% and top 10% most deprived areas in England (see table 9).

Table 7 – Crumpsall SL Area, Index of Multiple Deprivation:

Deprivation - IMD	2015		2019	
	Delaunays Rd Area (Manchester 006A)	Landsdowne Road (Manchester 008E)	Delaunays Rd Area (Manchester 006A)	Landsdowne Road (Manchester 008E)
National Rank (Where 1 = most deprived)	1519	1925	2631	1825
% Rank (e.g. 5% = top 5% most deprived)	5%	10%	8%	6%
Income	8%	10%	8%	6%
Employment	3%	8%	7%	9%
Health	1%	3%	8%	9%
Barriers to Housing & Services	34%	32%	24%	28%
Crime	10%	1%	14%	1%
Living Environment	26%	7%	26%	7%

A wide range of problems with the management of properties in the private rented sector in this area could have been contributing to this level of deprivation. Progress against improving the housing conditions and management of properties within the SL area has been covered above in section 4.

However, evaluating the impact of these changes on the level of deprivation in the SL area is challenging for a host of reasons. Firstly, the most recent IMD dataset available is for 2019 and therefore it only covers the first two years of the designation (when the impact of SL will have been only beginning to emerge). As illustrated in Table 7 this data indicates that one of the LSOAs which covers the SL area has slightly improved its ranking in terms of deprivation, whilst the other has deteriorated slightly. In terms of the living environment deprivation domain, which measures the quality of housing as well as local air quality and road traffic accidents, no change has been recorded. Beyond 2019 the impact of the pandemic (which disproportionately impacted already deprived communities) on the health and economic status of households makes deprivation incredibly difficult to disentangle and evaluate.

More broadly however, there is evidence from the impact of SL on the housing market which indicates that it has contributed positively to improving the neighbourhood. Far from being an area of low demand, the void rate in the Crumpsall SL area (0.5%) is at an historically low level - equivalent to the average across Manchester (excluding the city centre) and below both the Crumpsall Ward and North

Manchester average (both 0.6%). During SL the void rate in the area has decreased by 0.3 percentage points (ppt) – compared to 0.1 ppt across Manchester (excluding the city centre) and North Manchester.

This is the result of people wanting to live in the area, and for longer (reducing the transience of communities). Analysis of MCC Council Tax records indicates that the proportion of households in the Crumpsall SL area which changed occupants decreased from almost a quarter (24.8%) in 2017/18 during the first year of the SL designation to 21.4% in 2020/21 in the final year of the designation. This reduction of 3.5 ppt. is greater than the reduction in Crumpsall Ward (3.2 ppt), North Manchester (2.3 ppt) and Manchester as a whole, excluding the city centre (2.4 ppt) over the same period. A reduction in the transient nature of a neighbourhood is widely understood to be indicative of, and contribute to, an improvement in the well-being of the occupants and the wider community.

It is important to note that, as the SL area has become a more attractive place to live, it is likely that rental values have increased in the PRS⁸. However, since March 2020 (earliest available data), the proportion of households in the PRS able to cover their rent with LHA has increased from 63% to over 75% by February 2020. This evidence therefore demonstrates that any increases in rents have not been disproportionate with increasing incomes from benefits.

7.0 Feedback from Neighbourhoods Teams and Case Studies

In the lead up to the mid-point evaluation of the SL pilot areas (on-site) compliance inspections had been taking place and the North Neighbourhood Team were working proactively in neighbourhoods, including the Crumpsall SL area. As such there was a rich vein of experience and direct knowledge of the impact of SL to draw upon. At this point the North Neighbourhood Team reported that there had been a visual improvement in the SL areas they covered (i.e. Crumpsall and Moston), complaints had reduced and there had been a reduction in the time spent on investigations, enforcement and multi-agency interventions. Two case studies were also provided to the mid-point evaluation by the Housing Compliance & Enforcement team detailing investigations in the Crumpsall SL area which resulted in fines for failing to apply for a licence and breach of an Improvement notice.

Unfortunately, since that mid-point evaluation which was considered by the Neighbourhoods and Environment Scrutiny Committee in March 2020, the pandemic has impacted all of the teams responsible for the implementation of SL and associated services. Resources necessarily refocused to responding to Covid-19 and teams across the Council moved to working remotely which necessitated a more reactive approach to neighbourhood management from Neighbourhoods Teams. As such qualitative insight on the impact of SL in Crumpsall post March 2020 is harder to come by.

Nevertheless, the North Neighbourhoods Team has advised that SL in Crumpsall has resulted in fewer requests for services and freed up resources for multiple agencies working in the area. Most notably this reduction in demand relates to one portfolio

⁸ Unfortunately we have been unable to analyse rents in the SL area due to a lack of properties in the area advertised on Rightmove

landlord in particular (see case study below). Feedback from the North Neighbourhoods Team has also indicated that residents that once only engaged with the Council to complain about issues in Crumpsall now have a much more positive relationship. Their focus has shifted to working with the council on community-based projects such as a community gardens and undertaking project work to enhance the street scene.

Case Study: Portfolio landlord

A known large portfolio landlord was identified as having 20 properties requiring a licence in the Crumpsall designation. While the landlord applied for all licences and wanted to engage with the Council, the resource required to intervene at his properties was identified as a substantial issue.

The properties were not being maintained and residents were transient. Two blocks of properties were identified where waste management was a particular issue and the area was attracting fly tipping on a weekly basis. Residents would gather at the fronts of the buildings and cause ASB. As a result, complaints to the Council emanating from this landlord's properties were high and represented a considerable amount of the ASB and waste issues in the area.

The Housing Compliance and Enforcement Team inspected the portfolio of properties and found poor conditions, with illegal extraction of electricity and rough sleeping happening in the basement of the building. Enforcement notices were served on the landlord to address maintenance issues. Multi agency interventions were required with early help being engaged to work with vulnerable residents within the properties.

The landlord, coming to the end of his career, was not taking an active management role in the properties. Engagement with the landlord around concerns had previously not resulted in improved standards.

However, with the introduction of SL, the landlord was invited to meet with Council officers to discuss concerns in detail. The Council advised that they were minded to refuse him a licence on the basis that appropriate competence could not be demonstrated in order for the individual to be considered a fit and proper landlord. In response, the landlord instructed an agent to manage lettings across his portfolio. However, this agent did not manage maintenance and respond appropriately to the waste and ASB issues which were causing concern.

The landlord's processes and procedures for managing his portfolio were therefore reviewed and direction given to the landlord. At this time the landlord engaged with a new agent giving them additional responsibilities to respond to problems from the property.

The Council agreed to issue a licence for a reduced period of 1 year to monitor the properties and management standards during that time. The continued pressure on the landlord has had a positive impact on the local neighbourhood with a significant reduction in the amount of officer resource required to intervene at the properties.

Over the course of the 1-year licence the landlord recognised the amount of work required to maintain his properties to a decent standard and sold 1 of the blocks containing 6 flats, which in turn became accommodation for North Manchester hospital staff under a new private landlord. 14 licences were maintained to a good standard for the remainder of the designation.

8.0 Communication and Engagement

Over the course of the SL pilot area designations the council has promoted the schemes to remind residents and the general public of the schemes and what they seek to achieve. This has included press releases and widespread use of social media which has maintained the profile of the SL schemes throughout the designation period. This has included the following:

1. A press release in November 2018 regarding civil penalties was picked up by About Manchester⁹:

ABOUT MANCHESTER

Manchester's unscrupulous landlords ordered to pay £97,500 – 15th November 2018:

“In Crumpsall, an area of Selective Licensing, a landlord was issued a penalty of £10,500 for failing to provide an electrical safety certificate – in breach of Selective Licensing conditions – and for failing to comply with an improvement notice on their property on Houghton Road.”

2. The Manchester Evening News ran an article in September 2019 covering the activity of MCC's Rogue Landlord team and the SL schemes¹⁰:

Manchester Evening News

Desperate people, overcrowded rooms - Manchester's modern-day slums exposed – 14th September 2020:

“Manchester council is currently planning to extend the selective licensing scheme to new areas after it was found to be having an impact in places.

In 2019, two years after it was introduced to Crumpsall, there was a significant decrease in antisocial incidents.

‘Rowdy and inconsiderate’ behaviour and noisy neighbour complaints fell by 64 per cent and 51 per cent respectively, while fly-tipping dropped from 250 incidents to 194 in 2019.”

⁹ <https://aboutmanchester.co.uk/manchesters-unscrupulous-landlords-ordered-to-pay-97500/>

¹⁰ <https://www.manchestereveningnews.co.uk/news/greater-manchester-news/desperate-people-overcrowded-rooms-manchesters-18881260>

3. The Manchester Evening News also ran a similar article in January 2021¹¹:

Manchester Evening News

Selective licensing scheme aimed at cracking down on rogue landlords could expand across Manchester – 21st January 2021:

“Nearly 1,800 properties are already covered under selective licensing schemes in Crumpsall, Moss Side, Moston and Old Moat.”

“Manchester council issued 26 fines worth £242,200 between April 2019 and March 2020.”

4. Following the press release in February 2022 announcing that the four latest landlord licensing areas were in operation¹² the Manchester Evening News ran a further article on SL in the city which included reference to the Crumpsall SL area along with the other pilot areas:

Manchester Evening News

Landlords forced to pay up hundreds as crackdown on unfit housing continues – 2nd February 2021:

“Four selective licensing schemes are already in force across in Manchester, covering areas in Crumpsall, Old Moat, Moston, Moss Side and Rusholme. In these areas, 1,871 licenses have been issued and 554 properties have been inspected during the licensable periods, leading to 51 enforcement letters.

So far, 18 fines totalling £108,000 have been handed out to landlords who failed to comply with the terms of the licence and 12 suspended prohibition orders threatening closure have been issued, mostly due to overcrowding.”

9.0 Summary

The actions brought forward by SL are ultimately designed to increase the professionalism in which privately rented properties are managed. In the Crumpsall SL area 380 applications were received for a license and 372 were ultimately granted – with an immediate impact upon the management of those properties and the safety of those who lived within them.

Interventions were then targeted at landlords who were identified during the SL process as potentially failing to meet their management obligations and were designed to put pressure on them to improve their practices or remove themselves from the market. With that in mind there is no doubt that the SL intervention in

¹¹ <https://www.manchestereveningnews.co.uk/news/greater-manchester-news/selective-licensing-scheme-aimed-cracking-19663730>

¹² <https://www.manchestereveningnews.co.uk/news/greater-manchester-news/landlords-forced-pay-up-hundreds-22951093>

Crumpsall has acted to significantly improve the professionalism in which privately rented properties are managed.

With respect to the Crumpsall SL area there were specific expectations linked to:

- Improving property conditions
- Improving waste management
- Reducing crime and antisocial behaviour
- A reduction in the problems in the PRS leading to deprivation

The data on hazards identified following SL compliance inspections demonstrates very clearly that landlords in the Crumpsall SL area had been letting properties with serious hazards (and would likely have continued to if it weren't for the SL intervention). Instead, remedial works and housing enforcement has significantly improved the property condition of multiple homes in the PRS in the Crumpsall SL area.

Unfortunately, some initial progress with improvements to waste management was impacted by the pandemic which had negative consequences for levels of fly-tipping and other waste related issues across the city. The data on crime and ASB similarly doesn't paint a clear picture, but it has proved hard to disentangle the impact of SL on Crime / ASB linked to licensed properties and wider challenges in the area. Nevertheless, there are clear examples (see the Case study in section 7) of SL directly leading to a reduction in anti-social behaviour and waste management issues caused by tenants living in specific PRS homes in the designated area in Crumpsall.

Finally, in terms of the link between PRS properties and deprivation in the Crumpsall SL area, the evidence presented throughout this evaluation demonstrates how SL has improved the neighbourhood and the standard of homes which people live in. There is evidence (from reducing numbers of voids and reduced turnover of properties) that there is increased demand for properties, leading to the area becoming a more attractive place to live. This is beginning to become evident in terms of a positive effect on rent levels and capital values¹³. It is hoped that this will encourage further investment into the area, allowing the private rented sector to thrive and the positive momentum generated by the SL intervention to continue beyond the designation.

10.0 Lessons Learned and Issues to Consider

The midpoint evaluation identified a series of lessons learned which have been adopted across the pilot areas during their designation and will be replicated in future phases of selective licensing. The one outstanding item of feedback received from tenants and landlords at the point of that evaluation, was that there is a need to increase awareness of the schemes among tenants, and there is a need to communicate more with landlords - especially around positive impacts, the use of the licence fee and ongoing work to tackle those landlords who do not comply. An

¹³ Average sales prices in the Crumpsall SL area increased by 49% between March 2017 and March 2022 compared to 30% across Manchester as a whole (not including the city centre).

engagement officer has therefore been included in the new schemes to promote engagement with landlords and residents.

This work will include being part of regular engagement events with neighbourhood teams to promote SL, such as community gatherings, residents' meetings and door knocking exercises. Council officers will continue to work collaboratively across the council to ensure that SL is promoted and discussed with residents as part of engagement with residents across service areas. Regular intervals of communications will be sent to residents to inform tenants about licensing and provide an access point to the council should a resident have concerns they wish to raise, as well as directing residents to the Councils web pages for more detailed information.

Ongoing engagement with licensed landlords by way of newsletter updates will continue to be sent via email. Council officers will have open dialogue with landlords to understand what landlords want from the council to help keep them informed about their responsibilities, and explore the potential uptake of small, focused landlord forums. Licence conditions around required information landlords must supply as part of the tenancy are designed to ensure effective communication and expectations of the tenancy with tenants. Breach of licence conditions will be pursued where there are failings of the landlords in this respect. Breach of licence conditions for failing to provide appropriate statement of particulars and other required information to tenants will be publicised to act as a warning to other landlords.

More broadly, there is a clear requirement to be able to target communication more effectively. For example, there are particular issues linked to identifying landlords at the start of a designation who haven't submitted an application in order to ensure that the licensing process is engaged with. Streamlining this would be better for landlords (who may have missed initial communication on SL through no fault of their own), whilst it would also be much less resource intensive for the Council.

Looking forward, the Renters Reform Bill, represents a potential opportunity in this regard. An element of these reforms will be the introduction of a new property portal to help landlords understand their obligations, give tenants performance information to hold their landlord to account, and help councils crack down on poor practice. Whilst we are waiting for the detail on this proposal¹⁴ there are clear implications for such a portal when it comes to communication with landlords (along with enforcement).

There are also proposals from Government to tighten the rules around energy efficiency in rental homes whereby all new tenancies in PRS homes could be required to move from an E rating to a C rating as early as 2025. This would have significant implications for driving forward retrofitting and the zero-carbon agenda in SL areas and the PRS as a whole.

The Crumpsall SL area is the first to end its designation. As such it raises new questions about how we maintain the positive momentum generated in the PRS now that SL is over. Key to this will be maintaining the standards achieved through

¹⁴ The government has committed to publishing a White Paper shortly

proactive Neighbourhood Team and Neighbourhood Compliance Team interventions and working collaboratively with other partners through place-based approaches to public services (Bringing Services Together for People in Places). Any learning from this will then be applied to other SL areas as they end their designation.

11.0 Selective Licensing Rolling Programme & Evidence Base

Looking forward we have a long-term plan to continue to roll out new phases of SL across the city. This is a key element of both our approach to tackling poor quality management in the Private Rented Sector and part of our response to the Covid-19 pandemic which highlighted again the importance of good quality housing to the health and wellbeing of our residents.

In September 2020, a report to the Neighbourhoods and Environment Scrutiny Committee outlined 12 areas which it proposed would form the next phases of the rollout of Selective Licensing across Manchester. The first four of these areas were designated this year:

- The Ladders - Gorton and Abbey Hey – 773 PRS properties
- Hyde Road - Gorton and Abbey Hey – 94 PRS properties
- Trinity – Harpurhey - 430 PRS properties
- Ben Street area - Clayton and Openshaw - 105 PRS properties

The same report provided a set of local statistics on tenure, deprivation, incidence of Crime and Anti-Social Behaviour and the number of claimants in the Private Rented Sector for a further 8 areas which will form the next phase of the rollout:

- Area 1 - Moss Side: Claremont Road / Great Western St – 346 PRS properties
- Area 2 - Levenshulme: Matthews Lane – 264 PRS properties
- Area 3 - Longsight: The Royals – 138 PRS properties
- Area 4 - Cheetham - Esmond/Avondale – 162 PRS properties
- Area 5 - Cheetham: Heywood St/Cheetham Hill Rd – 631 PRS properties
- Area 6 - Rusholme: Birch Lane – 129 PRS properties
- Area 7 - Rusholme: Laidon/Dickenson – 83 PRS properties
- Area 8 - Cheetham: Flats Over Shops: Cheetham Hill Rd – 131 PRS properties

These next 8 proposed SL areas already have approval from the Executive based on the previous analytical work which confirmed they met the necessary criteria for SL. Appendix 3 lists the criteria for each of the 8 areas and provides an update on the local statistics which confirms that each area continues to have a high proportion of property in the private rented sector and that the qualifying criteria for the designation of each of those areas for SL remains appropriate.

One thing to note as we progress with these SL areas and their criteria for designation has been the difficulty in making causal links between the limited data which we have on crime and ASB and the impact of SL. With this in mind we will need to work collaboratively with other neighbourhood focused services (including the police), in conjunction with SL to deliver on these objectives.

However, we will also need to be more nuanced and realistic about our expectations in terms of what SL can realistically be expected to achieve in terms of reductions in crime / ASB. This means that, rather than necessarily targeting an overall reduction in crime and ASB (which can be influenced by a wide range of factors), the specific aim is for the licence conditions relating to crime / ASB¹⁵ to have been met – i.e. the focus is on issues perpetrated by residents of licensed PRS properties, or visitors to those properties.

12.0 Proposed Consultation Approach & Member Engagement

Consultation is a legal requirement and must take place before designating any of the 8 future areas for SL. It should include local residents, tenants, landlords and managing agents, members of the community who live in or operate business or services in the designated area and local residents and businesses in the surrounding area who will be affected. The consultation period must be for a minimum of 10 weeks and any representations made must be considered. The costs of consultation can be recouped from licence fees however, if the outcome of a consultation led to not declaring a SL scheme, this cost would have to be borne by the council.

As with all previous SL activity and the pilots in particular, local member involvement and consultation will be key. Consultation with local ward members will be undertaken at all key junctions throughout the process for the next 8 schemes, particularly in wards with multiple proposed schemes.

Consultation Plan:

One of the consultation methods will be contacting residents, landlords, letting agents and businesses across the 8 areas directly via letter. The letter will explain what SL is, how it could improve the neighbourhood, how it would operate and how they may be affected. The letter will also direct them to an online consultation page to complete an online form to obtain their views. The webpage will contain information regarding selective licensing and the process the council will need to undertake to operate such a scheme.

Another method of consulting with the wider community, used for the current SL schemes, will be drop in events held in local libraries and community centres, advertised in the local press and local public buildings. It is proposed that we will hold these again, ensuring any covid secure arrangements required are in place. Virtual consultation sessions could also be undertaken if required. We will also consult the national landlord associations who support and advocate for a number of private rented sector landlords across the country.

¹⁵ The licence holder must ensure occupiers are aware of behaviour that may constitute nuisance and/or antisocial behaviour, what is acceptable use of the premises and what the likely consequences of causing nuisance or ASB may be.

The licence holder must take all reasonable steps to deal with nuisance and/ or antisocial behaviour perpetrated by occupiers and/ or visitors to the premises. This includes taking proactive action (e.g. warnings, legal action) as soon as the licence holder becomes aware of a problem and by co-operating fully with the relevant agencies e.g. MCC or GMP.

Following the closure of the consultation period the responses will be evaluated and published on the Council's website, the responses will be considered and will inform officer recommendations to Executive Members before making a final decision as to whether to proceed with selective licensing.

13.0 Proposed Resources and Timeline for Next Phase

Significant resources, not all of which can be funded from the selective licensing fee, are needed to successfully deliver the selective licensing programme. These resources will be drawn from Strategic Housing, Policy Performance and Reform, Housing Compliance and Enforcement and the Neighbourhood Teams.

The proposed timeline for bringing on the next phase of selective licensing is set out below:

- Late June / early July 2022 - Preparation for consultation (arranging drop-in sessions, comms, web work etc.)
- July to mid-October 2022 - Consultation (10 weeks)
- October to December 2022 - Evaluation of Consultation responses, publication of results on website, formal responses to consultation representations etc.
- February / March 2023 - Report to Economy Scrutiny on outcome of the consultation.
- 1st April 2023 – Next phase of SL areas designated. The legal process requires a 3-month designation period which is used as an opportunity to encourage landlords and agents to apply for a licence at a discounted fee.
- 1st of July 2023 - Formal designation

14.0 Recommendations

The Committee is asked to note the findings of this evaluation of the Crumpsall SL area.

The Committee is asked to provide feedback or comments on the proposed future phases of SL, the consultation plan and proposed timetable for designation.