

CLAHRC BITE BRIEFING

Brokering Innovation Through Evidence

A summary of CLAHRC NWC research

FEBRUARY 2017

Assessing the effectiveness of Selective Licensing in England – A review of the evidence

What is Selective Licensing?

Introduced by the **Housing Act 2004**, selective licensing is a scheme by which local authorities can require all privately rented properties in a specified area to be licensed.

Legislation states that the selective licensing area must have 'low housing demand' and/or a 'significant & persistent problem of anti-social behaviour, directly or indirectly attributable to the way private rented property is managed'.

In **2015** this definition was further expanded to include areas experiencing: poor property conditions, large inward flows of migration, significant levels of deprivation and/or high crime rates.

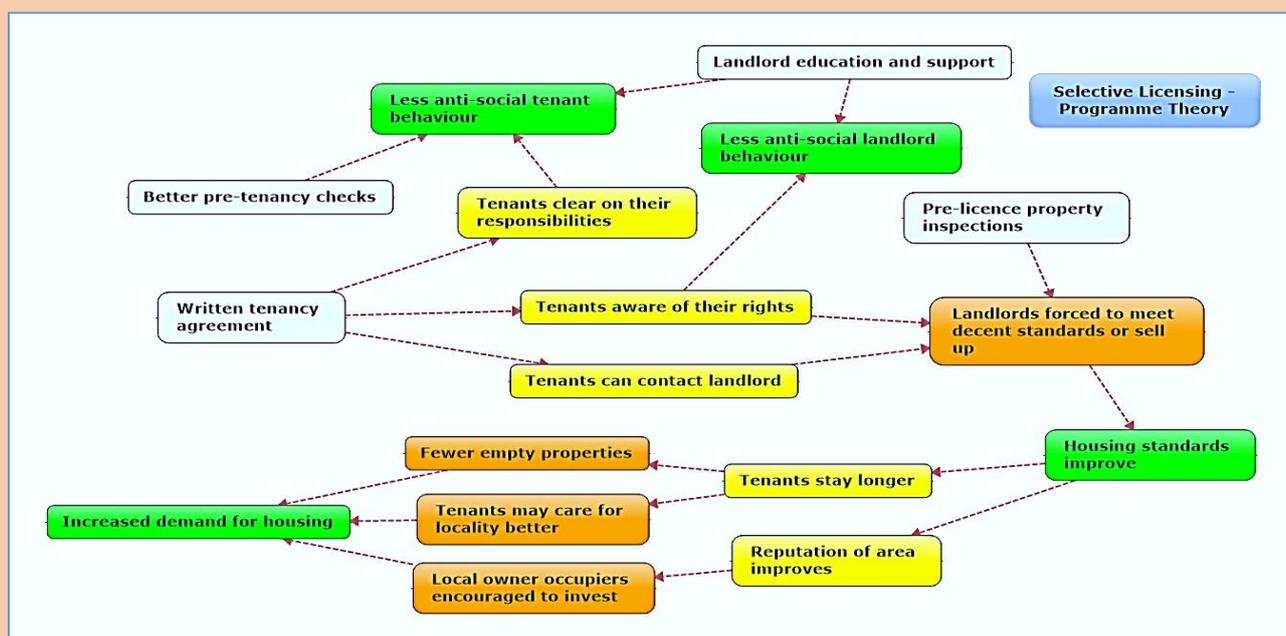
There must be Government approval for any scheme covering more than **20%** of the Council's area or **20%** of private rented properties.

Central to selective licensing is the obligations it sets on landlords & the powers given to Councils. Most significantly, landlords must provide a tenant with a written tenancy agreement. The local authority is also made aware of the tenancy, so Council staff can then inspect the condition of the property & where necessary demand improvements etc.



What we did?

The CLAHRC NWC Public Health Theme conducted an evidence review on topic of selective licensing of landlords. The review had a dual purpose: to *contribute to local decision-making* about the design of the Neighbourhood Resilience Programme we are developing in 10 relatively disadvantaged neighbourhoods across the North West Coast; & to support a *programme of capacity building* in research for our local authority partners' staff.



We extensively searched the Web of Science databases and utilised Google Scholar & other search engines to identify literature sources relevant to our subject area.

What we found?

The evidence review uncovered very little in the academic literature which evaluated the effectiveness of selective licensing.

The selective licensing evidence base is very narrow. Evidence was mainly gleaned from the 'grey' literature, consisting of local authority evaluation reports on selective licensing. These showed:

- Selective licensing can be a controversial policy especially in the eyes of some private landlords. However, it has been generally well-received by tenants, local residents and some private landlords.
- Some improvements in partnership working are claimed in terms of newly established forums and regular meetings, which have resulted in better local intelligence and more resident involvement.
- Better relationships & co-operation with landlords reported in some areas.
- Local authorities, rarely if ever, make a profit from selective licensing schemes. However, most councils aim to break even, although some early schemes cost money to implement.
- The costs of implementing and managing selective licensing schemes can be high to councils, not only financially but in terms of time & the staffing resources required.
- Most councils generally agreed that selective licensing improves property management, especially in term of: improved property conditions; more landlords seeking advice; better use of references and written tenancy agreements.
- Some improvement in housing standards were evident in some areas.
- Prosecutions of landlords were mostly for not acquiring licences.
- Some benefits to the local environment reported by local authorities.
- Little evidence supporting the claim that selective licensing has reduced the turnover of occupants to create stable communities.
- Reductions in levels of crime & anti-social behaviour were widely claimed although the levels of these reductions were not always better than occurred in other neighbourhoods in a council's area.
- There was mixed evidence of a reduction in the numbers of empty properties and the length of time they remain unoccupied.
- There was little evidence that selective licensing schemes had led to an increase in the value of residential premises.
- Selective licensing schemes appear to be more effective when implemented in conjunction with a suite of other related economic, social and environmental policy interventions, which address the wider needs of communities.
- Where the council does not actually have the capacity to inspect properties, landlords may perceive this as an empty threat & as a consequence the scheme may lose some of its power to effect change.
- Overall, the evidence base is weak relating to the effectiveness of selective licensing schemes: it should not be perceived as a 'magic bullet.'



How will the review be used?

The evidence review has contributed to broadening the current evidence base on the subject of selective licensing.

It has provided information to CLAHRC NWC partners, especially those who may be considering developing selective licensing schemes.

The evidence review has identified a significant gap in the academic literature on selective licensing, which the CLAHRC NWC Public Health Theme will seek to address by producing publications.

The findings of the review will be available to inform the development of systems resilience changes that will take place in CLAHRC NWC's 10 *Neighbourhoods for Learning*.

What is the CLAHRC NWC?

The Collaboration for Leadership in Applied Health Research & Care North West Coast is a partnership between universities, NHS, local government & other stakeholders & the general public.

Our mission is to undertake applied research that will improve public health, well-being, quality of care and reduce health inequalities across the North West Coast region.

CLAHRC NWC is one of 13 CLAHRCs that are funded by the National Institute for Health Research (NIHR).

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