

Phase 2 – Midpoint Review

Background and Designation Information

Selective Licensing gives the Council the power to establish a licensing scheme for private rented homes within a designated area, its primary aim is to improve the management and condition of homes within that area. Selective licensing was introduced within the Housing Act 2004 under Part 3, Section 80.

Further information on Selective Licensing in Manchester is available [here](#).

Following a ten-week formal consultation from the 21 June 2021 to the 29 August 2021, Manchester City Council (MCC) introduced four Selective Licencing areas as part of a second phase of licensing in the city, encompassing approximately 1,300 privately rented properties.

- The Ladders - Gorton and Abbey Hey - 670 privately rented properties
- Hyde Road - Gorton and Abbey Hey - 95 privately rented properties
- Trinity - Harpurhey - 238 privately rented properties
- Ben Street - Clayton and Openshaw - 99 privately rented properties

Each area has been designated for 5 years. The designation came into force on 1 May 2022 and will end on 30 April 2027. This web page provides an update on these schemes at their midpoint.

Designation Criteria

Selective Licencing schemes can be introduced in areas where there are a high proportion of privately rented homes, where one or more of the following criteria are met:

- Anti-social behaviour (also linked to environmental and waste management)
- High levels of crime
- Poor property conditions
- High level of deprivation
- High levels of migration

After analysing local intelligence, the areas where Selective Licencing was introduced in Phase 2 were designated based on meeting the following qualifying criteria:

- The Ladders – Anti-social behaviour (ASB), crime, poor property conditions and high levels of deprivation
- Hyde Road – ASB, crime, poor property conditions and high levels of deprivation

- Trinity – ASB, crime, poor property conditions and high levels of deprivation
- Ben Street – ASB, crime and high levels of deprivation

Scheme Implementation

In areas subject to Selective Licencing, all private landlords must obtain a licence unless exempt.

In Phase 2 areas, a selective licence costs £798, with subsequent licences for additional properties owned by the same landlord charged at £694. An early bird rate of £591 was also available during the initial 3-month designation period. Licences are valid for up to 5 years, though shorter terms may be issued if there are concerns about property management. Applications are submitted online, alongside evidence demonstrating that the property and its management meet legal minimum requirements. These applications are assessed by the Housing Compliance and Enforcement Team. MCC either grant or refuse licences based on these assessments.

Following approval, compliance inspections have been carried out on properties which are flagged for investigation during the application process. These are properties with a history of complaints that have been made by tenants, or where applications have been missing documents (such as gas safety certificates, electrical installation inspection certificates, a legally compliant tenancy agreement etc.), Energy Performance Certificate (EPC) ratings, or where the EPC ratings are below Minimum Energy Efficiency Standards (currently EPC E).

MCC aim to inspect 50% of licensed properties during the 5-year designation to check compliance with the license conditions as well as utilising the Housing Health and Safety Rating System (HHSRS) to evaluate potential risks and hazards in the home. Failure to apply for a licence, or to comply with licence conditions, can result in civil penalties up to £30,000 or unlimited fines upon prosecution. In severe cases, the local authority may issue a management order to take control of the property.

Licences Granted and Compliance Inspections

At the midpoint, 1,276 selective licence applications have been received. A further 23 HMO licence applications have been received in the Phase 2 Selective Licencing area.

The total number of licenses that have been granted for Phase 2 to date is 1,203 which equates to c.93% of the estimated PRS homes within the designation areas.

To date, a total of 491 compliance inspections have been undertaken (41% of licensed properties). These inspections check for compliance with the licence conditions alongside undertaking a HHSRS inspection. These have been categorised into not compliant, broadly compliant, fully compliant, no access and not recorded:

- Not compliant – 47 (9.6%)
- Broadly compliant – 283 (57.6%)
- Fully compliant – 113 (23.0%)
- No access – 15 (3.1%)
- Not recorded – 33 (6.7%)

At the midpoint of the scheme, 57.6% of inspected properties have been assessed as broadly compliant, indicating that while the majority of standards are being met, there remains scope for improvement. Only 23% of properties have achieved full compliance with licensing requirements. Properties identified as non-compliant account for c.10% of inspections, signifying that approximately one in ten homes have presented serious issues that have required prompt remedial action.

The highest levels of compliance with license conditions are in Ben Street, where 40% of homes inspected were fully compliant. However, Ben Street has the highest number of hazards per home (1.27) suggesting significant issues with the non-compliant properties. Only 11% of homes inspected in Hyde Road were compliant (1.16 hazards per home). Trinity had the lowest rate of hazards per home at 0.73.

Hazards Identified

Category 1 hazards have the highest risk to a person's health and safety and are the most serious type of hazard. Category 2 hazards are lower risk hazards that are identified.

These inspections have identified 57 Category 1 Hazards and 1,163 Category 2 Hazards across the four areas. This means that a total of 1,220 hazards have been identified and rectified to date in Phase 2, making homes safer for residents.

- The Ladders – 30 Category 1 and 700 Category 2 hazards
- Hyde Road – 18 Category 1 and 101 Category 2 hazards
- Trinity – 9 Category 1 and 254 Category 2 hazards
- Ben Street – 5 Category 1 and 108 Category 2 hazards

Enforcement Notices

Enforcement action has been undertaken where necessary to target landlords who have failed to comply with the licensing scheme. As a result, 144 Notices have been served on non-compliant landlords so far during the scheme:

- The Ladders – 91 notices served
- Hyde Road – 18 notices served
- Trinity – 21 notices served
- Ben Street – 14 notices served

Hyde Road has the most notices per home at 0.18, closely followed by Ben Street (0.16) and The Ladders (0.14). Trinity, again, had the lowest at 0.06 notices served

per home. The total amount of Civil Penalty Notices for Phase 2 at the midpoint is £21,150.

Forward View

As the scheme progresses into its second half, the Council will prioritise efforts to ensure that all eligible properties within the designated areas are licensed. Targeted compliance inspections will continue, and current progress indicates that we are on target to inspect 50% of licensed properties by the end of the designation period. At this midpoint, it is acknowledged that it is too early to determine the scheme's impact on designation criteria such as ASB and deprivation. However, a comprehensive final evaluation will be undertaken upon scheme completion in 2027, which will evaluate the extent to which the scheme has contributed to improvements in these areas.