

Subject:	Proposed Additional Licensing Scheme for Houses in Multiple Occupation		
Date of Meeting:	15 November 2017		
Report of:	Executive Director of Neighbourhoods, Communities & Housing		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The purpose of this report is to outline the proposal for an Additional licensing Scheme for smaller Houses in Multiple Occupation (HMOs) within Brighton & Hove following public consultation.
- 1.2 The introduction of further licensing in the city aims to improve management and housing conditions across the private rented sector. Benefits would include:
- Responsible landlords would gain from the improved clarity of their role in raising property and tenancy management standards while action is taken to tackle those who flout their legal responsibilities.
 - Tenants would be clear on what they can expect from both the homes that they rent and the landlord that they rent it from, with minimum standards resulting in better managed, quality and safer homes.
 - Communities would benefit from a consistent approach towards proactively assessing and improving housing conditions across an area.
- 1.3 If the Additional Licensing Scheme is approved, it is proposed that the designation will come into force, following statutory notification requirements, on 1 March 2018 for a period of five years.
- 1.4 The report also sets out the proposed fee structure and conditions for approval to apply across all HMO licensing schemes.

2. RECOMMENDATIONS:

That the Housing & New Homes Committee:

- 2.1 Notes the results of the consultation undertaken in relation to the proposed Additional Licensing Scheme as summarised in this report and detailed in the appendices 1 and 2.
- 2.2 Designates the 21 wards in the city as subject to additional licensing under S56(1) of the Housing Act 2004 in relation to smaller HMOs of two or more storeys occupied by three or more people, other than those that are HMOs by virtue of Section 257 of the Housing Act 2004. Such designation to take effect from 1 March 2018 and last for five years, and revokes the existing City Centre designation with effect from 1 March 2018.
- 2.3 Agrees the fee structure for the HMO licensing schemes as set out in paragraph 3.30. This will apply to the existing Mandatory HMO and City Centre additional licensing schemes from 1 January 2018 and if approved the new scheme from 1 March 2018.
- 2.4 Agrees the HMO licensing scheme conditions and standards attached at Appendix 3. This will apply to the existing Mandatory HMO and City Centre Additional licensing schemes from 1 January 2018 and if approved the new scheme from 1 March 2018.
- 2.5 Authorises the Executive Director Neighbourhoods, Communities and Housing to take such steps as are required following the designation and revocation referred to in 2.2 above.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Housing Act 2004 has given councils the power to introduce additional HMO licensing to improve conditions for tenants and the local community in certain circumstances.

1,187 large HMOs are licensed across the city through national mandatory licensing and a further 2,264 smaller HMOs have been licensed under two additional licensing schemes. 90% of licensed HMOs under the Lewes Road Area Additional Licensing Scheme had all special conditions met, with 63% currently met under the City Centre scheme.

- 3.2 Housing & New Homes Committee on 16 November 2016 approved the recommendation to go out to consultation on the preferred options for private rented discretionary licensing across Brighton & Hove with persons who are likely to be affected by the designations. Having considered the evidence base the preferred option was:
 - Citywide additional HMO licensing covering properties defined as HMOs for the purposes of Part 2 of the Housing Act 2004 that are two storeys or more and not covered by mandatory licensing
 - Selective licensing on non-HMO private rented sector homes in the 12 worst affected wards where the evidence demonstrates a clear link

between poor property conditions and anti-social behaviour with the private rented sector.

- 3.3 Housing & New Home Committee on 14 June 2017 approved a proposed fee structure and scheme conditions for both the Additional Licensing Scheme and Selective Licensing Scheme for consultation.

Consultation on the proposed Additional Licensing Scheme

- 3.4 Section 56(3) of the Housing Act 2004 states that prior to designating areas subject to licensing the local authority must:
- Take reasonable steps to consult persons who are likely to be affected by the designation, and
 - Consider any representations made in accordance with the consultation and not withdrawn.
 - The authority must consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.
- 3.5 At least a 10 week consultation is required under General Consent for Additional Licensing Schemes. A 12 week public consultation began on the 19 June 2017 and concluded on the 10 September 2017.
- 3.6 The council consulted with local residents, including tenants, landlords, managing agents, key interested parties (i.e. Landlord Groups, Police, Fire Service, Universities) and other members of the community including business owners and voluntary and community groups who live or operate businesses or provide services within the areas of the proposed designations. Consultation also took place in the surrounding areas (with Lewes, Eastbourne, Mid Sussex and Adur and Worthing councils) that may be affected by the introduction of the proposed schemes.
- 3.7 This consultation consisted of an online survey available on the council's website and available as a printed version at council public offices and the city's libraries. The survey was accompanied by an information booklet on the proposed scheme, frequently asked questions and a copy of the draft conditions.
- 3.8 Printed information was made available in the form of posters displayed in libraries and other public locations in the local authority's area. Postcards publicising the consultation were sent to a sample of 3,000 residents in the proposed and surrounding areas. The council also commissioned a door knocking exercise, in line with similar exercises completed in 2012 and 2015 at a sample 1,000 properties. Information relating to the consultation was circulated by email to current HMO licence holders, letting/managing agents, key interested parties, neighbouring authorities and voluntary and community groups.
- 3.9 The council publicised the consultation via press releases and social media, with an advert placed in the local online paper Brighton & Hove News throughout August 2017. News items were also included on the council's website. In addition, offers of meetings to discuss proposals were open/offered to a range of organisations and/or stakeholders. Officers and members accepted invitations to

attend meetings with a number of stakeholder groups including landlord groups and Local Action Teams to raise awareness about the consultation and to answer any queries. We also understand some stakeholder groups met regarding our proposals without the presence of officers and/or members. Meetings attended were:

- Southern Landlords Association pre consultation presentation on 5 April 2017, 26 July 2017, 27 September 2017 and 25 October 2017
- North Laine Community Association 18 July 2017
- Coombe Road Local Action Group 10 July 2017
- Local Action Group Forum 13 July 2017

3.10 The consultation responses have been analysed by an independent research company ARP research with their findings reported in Appendix 1.

Evidence to support the scheme

3.11 In order to introduce additional licensing the council must consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.

3.12 Independent evidence collated by Mayhew Harper Associates Ltd was considered at Housing & New Homes Committee on 16 November 2016, which concluded there was ineffective management of HMOs which supported the introduction of an additional licensing scheme citywide.

3.13 The proposed scheme would cover approximately 3,200 HMOs. The scheme would last five years. For the avoidance of doubt, the proposed Additional Licensing Scheme would not apply to any HMO to which the national mandatory scheme applies. Also, the proposed designation would not apply to any building which is a HMO as defined in S257 of the Housing Act 2004, relating to certain converted blocks of flats.

In Brighton & Hove the vast majority of converted flats have been sold to leaseholders. Rather than one person controlling the whole building, this results in a number of different people having management responsibilities when flats are sub-let to tenants. Because no one person has overall control of such buildings licensing is not considered to be the best way of resolving issues requiring Housing Act involvement that might arise. It is therefore recommended that section 257 HMOs are excluded from the proposed scheme.

Outcome of consultation

3.14 A total of 796 responses were received, consisting of 285 questionnaires completed via the council's online consultation portal (of which 10 were originally received as paper copies), 500 through the door knocking exercise and 11 individual email submissions.

- 3.15 Of those who responded, overall 87% were in favour, 12% against with 1% indicating no preference. The majority of private landlords who responded were against the scheme.
- 3.16 A detailed evaluation document has been prepared for the proposed scheme and this can be found at Appendix 1.
- 3.17 In addition, a copy of the responses received for the schemes has been made available in the Members' Room.
- 3.18 A number of consistent themes emerged throughout the consultation process which can be broadly categorised as follows:
- Rents going up and impact on the sector
 - Airbnb and party houses excluded from the proposals
 - Request for a more targeted approach
 - The perceived lack of correlation between the issues identified and the private rented sector.
 - That the scheme is a money making scheme for the council
 - Resources needed to administer the scheme and enforcement of the scheme.

Responses to key themes and questions arising from the consultation can be found at Appendix 2.

- 3.19 Airbnb and party houses formed a significant theme within the consultation with respondents wanting to know why they are not included in the proposals.

For the purposes of mandatory/additional HMO licensing, to constitute an HMO the property must be occupied by persons as their only or main residence. Therefore 'party houses' and 'airbnb' do not come within the definition of HMO and they are therefore beyond the scope of the proposed licensing scheme.

The council is aware that this is an increasing issue for residents in the city. A scrutiny review panel on short term holiday lets (Party Houses) was held in 2014 and made a number of recommendations for improved management practices. Further research has been commissioned by Planning to review the scale of the issue within Brighton & Hove and to make recommendations for future possible responses.

The Housing Health & Safety Rating System which relates to the safety of occupiers and visitors also applies to all residential properties irrespective of tenure and could apply to Airbnb properties that are subject to council tax. Like owner-occupied properties and conventionally let properties, they could be inspected should appropriate safety concerns arise.

- 3.20 As a direct result of these themes responses have been provided in Appendix 2 and a number of changes have been made to the original proposals. These are summarised in table 1, set out below and discussed in more detail in the sections that follow:

Table 1

Theme	Pre Consultation	Post Consultation
Fee structure	No allowance made for accreditation	Adjusted fee available to accredited members of nationally accredited landlord/letting agent association – National Landlords Association (NLA), National Approved Letting Scheme (NALS). Other schemes that meet the criteria will be considered and if agreed added to the approved list. The licence holder must maintain their accreditation each year. If accreditation lapses the licence holder will be liable to pay the difference between this fee and the standard fee. Periodic review to be undertaken to ensure no adverse impact on the local authority.
Licence Conditions	Draft conditions	Amendment to condition 11.1 to state reasonable is in line with tenancy agreement provisions. Amendment to condition 11 to be clear that it only relates to issues for which licence holders are responsible. Addition of licence condition 17 for those licence holders receiving a reduced fee due to accreditation. This requires landlords to maintain their accreditation for the duration of their licence.

Fee Structure

3.21 A proposed fee structure was published as part of the consultation. Of those who responded, overall 82% were in favour, 13% against with 5% indicating no preference.

- 3.22 Views on the proposed fee structure varied from:
- Fees seem fair and reasonable
 - Fees seem low - do they cover everything?
 - Too expensive and a money making scheme for the council
 - Much higher than other Local Authorities
 - Renewal fees should be less as they have already been inspected and improvements made.
 - There should be a bigger difference between the standard and prompted fee
 - Put in place staged payments
- 3.23 The fee structure was calculated to ensure cost recovery taking into account existing law and guidance on fees. The council proposes to set a fee at a level that would ensure full cost recovery for the scheme and be a balance between a reasonable cost for landlords, whilst also seeking to ensure the scheme would be successful, properly funded and appropriately resourced. The fee should only cover the work that is required and it is not appropriate to increase the upper fee as this has been calculated on this basis. The proposed fee is lower than a number of our peers and is a progressive fee structure and a deliberate policy to try to ensure licensing of rented property is made in a timely manner, thereby avoiding additional costs in identifying unlicensed properties. Lower costs have been factored into the fee structure for those properties that have been licensed previously (referred to as 'renewal fees') with those cases benefiting from a reduction of between £240 to £490 depending on the number of occupiers and tenancies.
- 3.24 The option of staged payments has also been considered. A fee is required at the time of application. The administrative and potential cost burden this would also place upon the council would necessitate a higher fee structure across all levels which would not be welcomed by landlords. We do not consider that the fee is too onerous with the fee costing an average £1.65 to £5.12 per week over the life of the scheme depending on the make up of the HMO. The licence fee is also fully tax deductible.
- 3.25 Normally licences are awarded for the length of the scheme (up to 5 years). As part of the consultation the council asked whether respondents agreed there should be shorter licences where there are outstanding planning permission or other issues at the property. 86% of respondents agreed there should be. Whilst only 49% of landlords agreed, many answered 'neither' (28%) rather than actively disagreeing (23%). The council therefore proposes to issue shorter licences where there are outstanding planning permission or other issues at the property.
- 3.26 The council does not propose to change the progressive fee structure or levels of fees except for the addition of an adjusted fee for accreditation. In line with current HMO licensing schemes no fee will be payable where the applicant is a registered charity. Fees will be kept under review periodically.

Reduction in fee for accredited landlords

- 3.27 A common view amongst all types of respondent was that landlords should receive a lower fee if they are already accredited. Homeowners, tenants, businesses and landlords thought a lower fee would be fair and that it would incentivise landlords to agree to the scheme. Whilst the majority of landlords who responded were opposed to the fee structure, it should be noted that many also agreed with the notion of a lower fee as an incentive.
- 3.28 Of those who responded, for the Additional Licensing Scheme overall 86% were in favour, 9% against with 5% indicating no preference. This was a widely held view amongst landlords and residents.
- 3.29 Consideration has been given to this with two proposals received from the National Landlords Association and the National Approved Lettings Scheme. Both schemes offer overarching professional oversight and support for landlords and letting agents, including timely updates on legislative changes, 24/7 online resource library, telephone advice for immediate issues, training courses and a complaints process. Other schemes that meet the criteria will be considered and if agreed added to the approved list. A periodic review on the reduced fee will be undertaken to ensure no adverse impact on the local authority.
- 3.30 This fee will be a reduction of 10.86% (rounded) as listed in tables 2 and 3. This has been calculated by reviewing the amount of licensing work that will no longer be required if a landlord is accredited. Licence holders will need to remain accredited for the duration of their licence. It is recommended that it will only apply to non-prompted applications.

Table 2 – Mandatory and Additional Licensing Scheme

Mandatory/Additional Licensing Scheme – one tenancy				
No of occupiers	3-5	6-8	9-11	12
Standard initial fee	£670	£710	£750	£790*
Standard accreditation fee	£600	£635	£670	£705
Prompted fee	£810	£850	£890	£930*
Standard renewal fee	£430	£450	£470	£490**
Accredited renewal fee	£385	£400	£420	£435
Prompted renewal fee	£570	£590	£610	£630**
* For HMOs larger than this, add £40 for up to 3 additional occupiers over 12 ** For HMOs larger than this, add £20 for up to 3 additional occupiers over 12 For HMOs with more than 12 occupiers, the accredited fee will be the standard or renewal fee reduced by 10.86%, rounded accordingly.				

Table 3 – Mandatory and Additional Licensing Scheme

Mandatory/Additional Licensing Scheme – multiple tenancy lets				
No of lettings	2-5	6-8	9-11	12
Standard initial fee	£850	£1,010	£1,170	£1,330***
Standard accreditation fee	£760	£900	£1,040	£1,190
Prompted fee	£990	£1,150	£1,310	£1,470***
Standard renewal fee	£520	£600	£680	£760****
Accredited renewal fee	£465	£535	£605	£675
Prompted renewal fee	£660	£740	£820	£900****
*** For HMOs larger than this, add £160 for each additional letting over 12 **** For HMOs larger than this, add £80 for each additional letting over 12 For HMOs with more than 12 tenancies, the accredited fee will be the standard or renewal fee reduced by 10.86%, rounded accordingly.				

HMO Conditions and Standards

- 3.31 Feedback was sought on the draft HMO conditions and standards. Of those who responded, overall 86% supported the view that the scheme would improve the standards of HMOs in Brighton & Hove. Some suggestions for change were made and responses to common themes have been included in Appendix 2. Some minor amendments to words and examples have been made as outlined in table 1. A revised set of conditions is included at Appendix 3.

Other considerations - cost to the private rented sector and risk of homelessness

- 3.32 A common theme across all groups was concern for how the cost of the scheme would affect the private rented sector as a whole. Over 90 comments were received about the potential for costs to be passed on to tenants in the form of increased rents. This factor led many to worry that they or their tenants may become homeless or be forced to move due to not being able to afford rent payments.
- 3.33 Many landlords suggested that they would need to sell the properties and it was stated a reduction of housing supply in an area of high demand could create additional demand for social housing or Local Housing Allowance, thus placing a greater burden on the local authority. The standards that the proposed scheme would require all landlords to meet are those which they should already be meeting in accordance with existing legislation or best practice.

- 3.34 It will be the choice of landlords whether these costs are passed down or not. Landlord costs can go down as well as up over time (e.g. low interest rates) and there is little evidence that these savings are passed onto tenants. Therefore rents are not always set according to landlord costs and are driven by the market instead. Our experience to date with HMO licensing is that HMOs have continued to grow in the city and HMO landlords, where they have sold, have generally sold to other HMO landlords. We therefore do not anticipate the scheme to have a significant adverse effect on property supply.
- 3.35 Taking all factors into account it is felt, on balance, that the benefits likely to accrue from the introduction of such a scheme outweigh any negative impact.

Transitional arrangements for the existing City Centre Additional Licensing Scheme

- 3.36 The city has had two Additional Licensing Schemes in place in parts of the city. The first scheme covered the Lewes Road area and came to an end at midnight on 4 November 2017. The City Centre scheme covering 7 central wards came into effect on 2 November 2015 and is not due to expire until midnight on 1 November 2020.
- 3.37 To ensure a consistent citywide Additional Licensing Scheme it is proposed to formally revoke the current City Centre scheme by giving notice in line with Housing Act requirements. Current licence holders would need to apply for a new licence under the citywide scheme but it is proposed that a licence would be awarded until 2 November 2020 at no further fee. This is to ensure that current licence holders in this scheme are not financially penalised through their scheme ending sooner than anticipated.
- 3.38 This transitional arrangement will not apply to the Lewes Road area scheme as the current Additional Licensing Scheme has ended. All property licences expired on the last day of the scheme regardless of when the licence was issued and cannot be transferred into a new scheme. If a new scheme is approved a new licence application will need to be made when the new designation comes into force. Where the property has previously been licensed the applicant can benefit from a lower 'renewal fee'.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 An options appraisal was carried out which identified six alternative options, which assessed their strengths and weaknesses and evaluated them against our vision.

Option A: Do nothing		
Option description	For	Against
This option would involve the council doing nothing to intervene in the sector, leaving the housing market as the driver for landlords carrying out	<ul style="list-style-type: none"> • No additional resource costs • Meets aspiration for many landlords for self-regulation 	<ul style="list-style-type: none"> • Would not meet statutory obligations • Community concerns not addressed • Concerns of

improvements to their properties		<p>people renting not addressed</p> <ul style="list-style-type: none"> • Reliance on the current market may not yield widespread housing improvement • Could lead to further decline
Option B: Use existing reactive powers		
Option description	For	Against
<p>This option envisages council intervention in the sector being limited to a 'complaint response' service with action by other departments and agencies on a largely ad hoc basis using powers such as the Anti-Social Behaviour Crime and Policing Act 2014; injunctions using Section 222 of the Local Government Act 1972; directions regarding the disposal of waste (for example under section 46 of the Environmental Protection Act 1990); and Powers under the Noise Act 1996</p>	<ul style="list-style-type: none"> • Responds to tenants' expressed concerns • Ensures council meets basic statutory responsibilities towards standards in rented housing • If pursued rigorously sends a strong signal to the erring landlord, may lead to subsequent voluntary improvement • Should produce worthwhile improvements in neighbourhood environment, external appearance, structural integrity, fire safety in cases where these tackled 	<ul style="list-style-type: none"> • Reliance on the market may not yield widespread housing improvement in the current climate • Reactive intervention not strategic • No impact beyond subject property • Wider issues in rented stock not addressed • Most Planning, Building Regulations enforcement powers would not reach longer established stock where need is greatest • Underreporting due to fear of retaliatory eviction • Labour-intensive, so costly • Council funded • Falls short of meeting Housing Strategy goals
Option C: Use of Interim Management Orders and Final Management Orders		
Option description	For	Against
Interim and Final	<ul style="list-style-type: none"> • An effective 	<ul style="list-style-type: none"> • Powerful reactive

<p>Management Orders are for non-licensable HMOs or Special Interim Management Orders with regard to antisocial behaviour if problems are associated with a small number of properties. Once made, the Order is implemented until the property was fit either to be handed back to the landlord or if necessary, sold to a Registered Provider</p>	<p>response to the most serious problems</p> <ul style="list-style-type: none"> Local Authority taking control means work done to proper standard, management issues resolved optimally Action sends a strong message that poor standards will not be acceptable 	<p>enforcement action, not designed to secure overall stock improvement</p> <ul style="list-style-type: none"> Strict statutory criteria for use of the power; these will apply to a small proportion of the overall stock Highly resource intensive for Council Lengthy legal processes leads to delay Minimal impact on the overall level of poor quality rented housing Council funded Not in itself a proportionate response
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Option D: Area-Based Voluntary Accreditation

Option description	For	Against
<p>Accreditation schemes are a set of standards (or codes) relating to the management or physical condition of privately rented accommodation that recognise and reward landlords who manage their properties to a good standard</p>	<ul style="list-style-type: none"> Accreditation's proven track record in parts of the country Easy set-up through access to existing local and national accreditation models Rewards responsible landlords for their efforts Prospective tenants signposted to quality accommodation run by responsible landlords 	<ul style="list-style-type: none"> Accreditation would tend to attract the responsible landlord, be ignored by the irresponsible No particularly strong incentive for poor agents/landlords to join Brighton and Hove is a high demand area – impact of area based accreditation likely

		<p>to be minimal</p> <ul style="list-style-type: none"> Limited sanctions available if a member of accreditation scheme does not adhere to scheme standards/codes
Option E: Informal Area Action		
Option description	For	Against
<p>A non-statutory Action Area zone would be declared. The impetus for housing improvement would come from a combination of the council's activity in the area (a mixture of advisory surveys, council-landlord-agent dialogue and, where necessary, the threat of follow up enforcement action), landlord peer pressure, and the prospect of an enhanced and thus more credible sector</p>	<ul style="list-style-type: none"> Targeted Action Choice of area can be need and risk-based Tailored solutions to area's housing and other problems possible Should lead to comprehensive area improvement Concentration of resources can lead to economies of scale Message that the council is active in an area gets around, this facilitates resident cooperation, promotes voluntary landlord action Partnership working to resolve management problems Utilises existing frameworks 	<ul style="list-style-type: none"> Informality of approach can result in extended timescales Traditional, resource intensive enforcement the only available response to non-cooperation Additional funding or resources needed to implement, particularly if working city-wide Pulls resources away from other areas Relies on agents / landlords participation Not all landlords/agents will participate which may leave some tenants vulnerable
Option F – Area based Additional Licensing Scheme		
Option description	For	Against
<p>Additional licensing scheme in selected wards</p>	<ul style="list-style-type: none"> Area selected by need, risk and priority Scope for marked impact in chosen area(s) Less resources (staff required) to deliver scheme Scheme would be 	<ul style="list-style-type: none"> Risk of displacement with new HMO's established outside designated areas to avoid controls Evidence supports introduction of additional

	self funding	licensing citywide <ul style="list-style-type: none"> • Overall support for citywide scheme during consultation • No consistency in approach across the city – could be considered unfair • Not as strategic as would not tackle problems in all smaller HMOs
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5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Extensive consultation has taken place on the proposed scheme, and in total 796 people responded to the Additional Licensing Scheme consultation. A summary of the approach taken is at paragraphs 3.4 – 3.9 of this report, with detailed analyses of responses included in Appendices 1 and 2.

6. CONCLUSION

- 6.1 Consultation and evidence indicates that a new citywide Additional Licensing Scheme, as recommended, is both an appropriate and proportionate response to the issues identified. It is therefore recommended that designation of the new Additional Licensing Scheme be approved.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The proposed fee structure for this additional licensing scheme is calculated to recover costs over a five year period with the aim to be cost neutral for the council.

Finance Officer Consulted: Monica Brooks

Date: 20/10/17

Legal Implications:

- 7.2 As the committee responsible for the council's functions in relation to houses in multiple occupation, the recommendations in this report fall within the committee's powers. The legal framework for the introduction of additional HMO licensing was set out in detail in the report to committee in November 2016, and is also set out in the body of this report. Designation of the 21 wards in the city cannot come into force unless the designation has been confirmed by the Secretary of State, or falls within a general approval. The proposed designation falls within the General Approval. If the designation is made, section 59 of the Housing Act 2004 imposes a number of post designation notification requirements, including publication of a notice in local newspapers confirming the fact of designation.

If the recommendation is approved to designate the 21 wards as subject to additional licensing, there is a statutory requirement to keep that designation under review. The designation could therefore be revoked at any time in the 5 years.

The revocation of the existing City Centre scheme is also subject to notification requirements.

In fixing fees for Additional HMO licences, the council is entitled by virtue of section 63(7) of the Housing Act 2004 to take into account all its costs in carrying out its functions under Part II of the Act. (Licensing of Houses in Multiple Occupation). The general rule is that fees should not be set a level designed to make a profit. The proposed fees have been calculated with this principle in mind.

Lawyer Consulted:

Name Liz Woodley

Date: 03/11/17

Equalities Implications:

- 7.3 A draft full Equalities Impact Assessment has been undertaken in relation to the new proposed schemes attached in Appendix 4. No significant negative consequences relating to groups with protected characteristics were identified.

Sustainability Implications:

- 7.4 The evidence has identified poor property conditions in the private rented sector. Action to tackle this is expected to improve the quality of the city's housing stock, thereby improving its sustainability. The conditions and standards for the scheme supports improved sustainability of properties including energy efficiency, heating and insulation.

Any Other Significant Implications:

Crime & Disorder Implications:

- 7.5 The evidence has identified anti-social behaviour linked to properties in the private rented sector. 28% of respondents indicated that they had been affected by noise nuisance from HMOs in the past 12 months. Action to tackle this is expected to improve management and standards which should have a beneficial impact on ASB and nuisance.

Risk and Opportunity Management Implications:

- 7.6 The scale of the scheme will require careful planning in terms of making sure sufficient staffing and resources are in place to effectively implement and manage them. A risk log is in place managed in line with the council's risk management strategy.

Public Health Implications:

- 7.7 Poor housing conditions, management and anti-social behaviour impact negatively on health, as evidenced in the city's Joint Strategic Needs Assessment. 12% of respondents who had lived in an HMO in the past 12 months indicated that their health had been adversely affected by the condition of the property. Improvements to housing quality and management will have a positive health impact on tenants and neighbours.

Corporate / Citywide Implications:

- 7.8 The long term impact would be a higher quality and better managed private rented sector to the benefit of owners, tenants and neighbours. Improvements sought in management and standards related to HMOs would have wider beneficial impacts and is not anticipated to have a significant adverse effect on property supply.

SUPPORTING DOCUMENTATION

Appendices:

1. Additional Licensing Scheme Consultation Analysis Report
2. Consultation questions and responses
3. Additional Licensing Scheme Conditions
4. Equalities Impact Assessment

Documents in Members' Rooms

1. Full consultation feedback and responses
2. Mayhew Harper Associates Ltd – The case for an extension to discretionary property licensing in Brighton & Hove (appendix to November 2016 Housing & New Homes Committee Report)
3. Frequently Asked Questions: Additional Licensing Scheme (as published during the consultation)

Background Documents

1. Housing & New Homes Committee Private Rented Sector Licensing Schemes Reports 16 November 2016, 14 June 2017
2. Part 2, Housing Act 2004