



## Background Briefing

### Proposed new Additional Licensing Scheme for Houses in Multiple Occupation (HMOs)

A key City-wide Housing Strategy review theme has been the significant growth in private rented housing in Brighton & Hove. While many landlords operate responsibly, a significant number do not and as a result issues continue to be raised in relation to the management, standards and quality of homes in this expanding sector, in particular Houses in Multiple Occupation (HMOs).

In addition to the evidence gained from our existing HMO licensing schemes, including discretionary licensing of smaller HMOs in the Lewes Road area, research to understand the situation across the city indicates a correlation between other areas with high concentrations of private rented homes not covered by discretionary licensing and a range of issues including higher levels of Private Sector Housing service requests, noise complaints, anti-social behaviour, poor fire safety and health inequalities.

A [report to Housing Committee on 14 January 2015](#) updated councillors on the evidence and options that may support a possible extension of discretionary licensing to further wards in the City. On 14 January 2015, Housing Committee approved consultation on a proposed new additional licensing scheme in the following seven wards:

- Brunswick & Adelaide
- Central Hove
- East Brighton
- Goldsmid
- Preston Park
- Regency
- Westbourne

To help ensure we obtain feedback from all groups, including residents and local businesses we are carrying out the [consultation](#) for not less than 10 weeks from Monday 2 February 2015 to Midnight on Monday 20 April 2015.

If implemented, the designation of an additional HMO licensing scheme in the wards proposed above will be for a period of 5 years and will be kept under review.

#### Background

The Brighton & Hove City Council Stock Condition Survey (2008) and other data highlights that Brighton & Hove has an exceptionally high number of HMOs. Some are small bed-sits, others large shared houses. The Private Rented Sector stands at 34,081 homes (private renting from a landlord or letting agency) or 28% of all housing stock in the City (2011 Census). The City has the ninth largest private rented sector in England & Wales and sixth highest proportion of converted dwellings or shared houses (houses in multiple occupation and bedsits) in England & Wales. The sector increased by 45.7%, an extra 10,691 homes, between the 2001 and 2011 Census. 15 of our 21 wards exceed the regional and national average of 15% of households living in private rented homes. Three wards have 50% or more households in homes rented through private landlords or lettings agents.

Though this is the latest data available, it is considered that the number of HMOs has increased since the Census, in line with the general increased size of the private rented sector. Whilst some of them provide good-quality, safe and healthy accommodation for people who live in the sector, some HMOs are seriously substandard and are a threat to tenant health and/or safety.

The Housing Act 2004 introduced a statutory duty on local authorities to licence privately rented HMOs of three or more storeys housing five or more people. This means that landlords have to apply for a licence to rent out the home lawfully, with licences granted - subject to management conditions and conditions requiring any necessary work required to meet current amenity and/or safety standards - if the proposed licence holder appears to be a fit and proper person.

The Act also gives local authorities additional powers to extend licensing to smaller HMOs where they have identified problems with the way they are managed. This is known as additional HMO licensing. Section 56 of the Act states that an area can, subject to consultation, be designated where:

“a significant proportion of the HMOs....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”.

Our aim is to ensure that all HMOs:

- Are in a satisfactory condition
- Are well managed
- Have adequate means of escape in case of fire
- Are safe to live in
- Have sufficient bathrooms
- Have sufficient kitchens
- Have sufficient space for number of occupiers

### **Extending our Additional Licencing**

In 2012 we started an additional licensing scheme in the five Lewes Road wards (Hanover & Elm Grove, Moulsecomb & Bevendean, St Peters & North Laine, Hollingdean & Stanmer, Queens Park) applying to smaller HMOs of two or more storeys and three or more occupiers. This was because consultation and evidence told us that a significant proportion of the smaller HMOs in those wards were being managed ineffectively and causing problems for residents and other members of the public.

The Lewes Road wards scheme is proving successful in improving the quality of these homes and their management. In addition to the experience of our existing Lewes Road additional licensing scheme, research to understand the situation across the city indicates a correlation between other areas with high concentrations of private rented homes not covered by discretionary licensing and a range of issues including higher levels of Private Sector Housing service requests, noise complaints, anti-social behaviour, poor fire safety and health inequalities. In light of this we are proposing to extend additional licensing by introducing a new scheme to other areas of the city with similar problems. This is intended to help make things better for the people living in and around HMOs in these areas and to support landlords to do so.

There are 42,621 homes situated in the proposed 7 wards. Of this number, it is estimated (from information from Council Tax) that 789 units in the wards could be subject to either mandatory, or additional licensing. This represents 1.85% of the housing stock in those areas.

We are consulting on the proposals, including residents, businesses and landlords in both the wards potentially affected by any additional designation and potentially interested parties in areas adjoining the proposed area of designation who might be affected.

## Frequently Asked Questions

### 1. What is a House in Multiple Occupation (HMO)?

An HMO is a house/flat or collection of bedsits that is occupied by 3 or more people not of the same family household and which has an element of shared facilities (e.g. kitchen, bathroom, etc).

It is estimated that there are over 10,000 dwellings in HMOs throughout the City, five times the national average. Many have been found not to meet currently recommended levels of fire safety, management and maintenance.

The principal objectives of Brighton & Hove City Council are to ensure all HMOs within the city are fit and safe to live in, to encourage good practice and ensure the provision of quality, well managed accommodation.

### 2. What does the current licensing scheme cover?

The Housing Act 2004 requires landlords of many HMOs to apply for licences from the council. Mandatory licencing of Houses in Multiple Occupation (HMOs) covers those with:

- three or more storeys
- occupied by five or more people forming two or more households (i.e. people not related, living together as a couple, etc), and
- which have an element of shared facilities (e.g. kitchen, bathroom, etc)

More details on [HMO licensing standards](#) can be found on the council webpage.

HMO licensing is mainly intended to improve conditions for occupiers. It also impacts on issues that can affect neighbourhoods as a whole. For example, while landlords are not responsible for their tenant's actions we can support more active engagement in terms of enforcing tenancy conditions if problems arise. This can include issues of noise or rubbish, arising from licensed HMOs.

### 3. What is Additional Licensing?

Additional licensing is a term used for additional HMO licensing schemes as defined in Part 2 of the Housing Act 2004 (HA2004). Subject to proven needs and consultation, it allows local authorities to require licensing of HMOs other than those subject to mandatory licensing to tackle poor management and improve housing conditions.

Additional Licensing enables local authorities to work with landlords to raise standards and management in the private rented sector and to help reduce the impact of large concentrations of private rented accommodation on the surrounding neighbourhood.

Additional Licensing does not allow for limiting the number of HMOs in any given area and we are not proposing Selective Licensing, which would involve licensing all privately rented accommodation in the designated area, not just HMOs. Selective licensing can be applied only in areas of low housing demand and/or where there are significant, persistent anti-social behaviour problems. It is felt that there is no evidence currently to meet either of these criteria at this time.

### 4. What are the potential benefits of further additional licensing?

Our research suggests the proposed wards have a concentration of smaller HMOs with unsatisfactory fire safety and management standards in private rented homes not covered by mandatory licensing. These homes have a range of issues including higher than average levels of private sector housing service requests, noise complaints, anti-social behaviour and health inequalities. From experience gained from our existing additional licensing scheme,

where 95% of licensed HMOs have needed improvement, most will not meet currently recommended levels of fire safety.

The benefits of additional licensing include development of a proactive and consistent council-led approach towards identifying and tackling complex issues of management, standards and lower level anti-social behaviour across the areas where the designation applies, to the benefit of tenants, responsible landlords and the local community.

Responsible landlords 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 are clear on what they can expect from both the home that they rent and the landlord that they rent it from, with implementation of minimum standards resulting in better managed, quality and safer homes. Any necessary repairs and improvements are required by the council rather than a tenant having to complain and subsequently fearing loss of their tenancy, taking tension out of the landlord and tenant relationship.

Communities benefit from a consistent approach towards proactively assessing and improving housing management and standard across an area and simply knowing who is responsible for the management of properties that are rented out.

## **5. What properties are we proposing to include in our Additional HMO Licensing?**

The proposed additional scheme would cover:

- HMOs of two or more storeys with three or more occupiers
- In the wards of Brunswick & Adelaide, Central Hove, East Brighton, Goldsmid, Preston Park, Regency, Westbourne
- It would apply to HMOs not covered by the current national mandatory licensing scheme
- It would include bedsit houses, rooms to rent, flats and also shared accommodation where a group of three or more unrelated people come together under a single tenancy.

## **6. What houses will not need to be licensed under the proposals?**

- Dwellings occupied by single families
- Dwellings occupied by two unrelated people
- Houses where there are up to two lodgers in addition to the occupying owner's household
- Households that act as host families for foreign students studying for a short periods
- Tenants of Housing Associations
- Student accommodation operated by Brighton or Sussex University
- Single storey dwellings, unless they are situated above or below business premises.

Other properties statutorily excluded from being HMOs for licensing purposes. These include multiply-occupied buildings managed by the council, a housing association, the police authority, the fire authority and the health authority.

## **7. What would the Landlords and Managers have to do?**

- Meet appropriate personal and professional standards of conduct
- Upgrade the poorer buildings to minimum health and safety standards including fire safety
- Exercise sufficient management and supervision of the buildings to ensure standards are maintained and to help reduce anti-social behaviour

## **8. Would the property need to be inspected before a licence can be granted?**

We would inspect a property before we grant a licence to determine the conditions that should be attached to it in terms of any work required to be carried out, etc.

**9. How much would the Licence fee be and who would pay it**

Licence fees charged are based on the estimated cost of delivering the licensing service over the 5 year scheme. The licence fee would be paid for by licence applicants, generally landlords or managers of the properties. If a new scheme were to be introduced licence fees would be based on the same structure as existing HMO licensing schemes. Exact costs are still to be determined, but would be in line with fees applicable at the time to the current scheme, for example currently between £578 and £734 for a 4-person HMO for a 5 year licence.

**10. What is the licence fee used for?**

The additional licensing scheme must be self financing and the fee covers the cost of the administration the scheme, including, issuing of licences, inspections and monitoring of conditions.

**11. Who are we consulting with?**

We will be consulting with:

- Brighton and Hove city residents at large
- Residents and businesses within these wards
- Residents' Associations
- Landlords and letting agents
- Police, Fire & Rescue, NHS and other council departments
- Councillors
- Association of Tenancy Relations Officers
- Registered Providers, voluntary sector organisations, youth organisations
- Educational establishments and student unions

In addition, we will also be carrying out some door-to-door surveys during this time and consulting with partners and stakeholders, neighbourhood groups, student unions, landlords and lettings agent forums and business forums, including potentially interested parties in areas adjoining the proposed area of designation who might be affected.

**12. When will the results of the consultation be published and where?**

Consultation will close at Midnight on Monday 20<sup>th</sup> April 2015 and results published on the Brighton & Hove City Council website and local media press when ready for presenting to Housing Committee.

**13. Who can I contact if I have any queries about Additional Licensing of HMOs?**

Private Sector Housing Team, Room 217, Hove Town Hall, Norton Road, Hove, BN3 3BQ  
Email: [psh@brighton-hove.gov.uk](mailto:psh@brighton-hove.gov.uk)

**14. Where can I give my views on this scheme?**

- From the 2 February 2015 until Midnight on Monday 20 April 2015 on the [Brighton & Hove City Council consultation portal](#)
- Download and complete a questionnaire from the [Brighton & Hove City Council, Private Sector Housing webpage](#)
- Resident group meetings
- Via Landlord Association meetings
- Write to us at the above address.

**15. Where can I find more helpful, supporting information?**

Click on the below links for more documentation:

[Report to Housing Committee on 14 January 2015](#)

[Houses in Multiple Occupation \(HMO\)](#)

[Sussex HMO Licensing Information](#)

[Register of HMO Properties](#)

[Student housing Strategy 2009–2014](#)

[Stock Condition Survey](#)

[Housing Health and Safety Rating System \(HHSRS\)](#)

[Standards for Licensable Houses in Multiple Occupation](#)

[HMO Additional Licensing Scheme FAQs](#)

If you require information in different formats i.e. large print, different languages please contact us at [psh@brighton-hove.gov.uk](mailto:psh@brighton-hove.gov.uk) call 01273 293156 or write to us at: HMO Licensing Consultation, Private Sector Housing, Hove Town Hall, Norton Road, Hove BN3 3BQ