

<b>Subject:</b>	Proposed Additional Licensing Scheme for Houses in Multiple Occupation (HMO) and Revision of HMO Licensing Fees		
<b>Date of Meeting:</b>	<b>17 June 2015</b>		
<b>Report of:</b>	<b>Executive Director of Environment, Development &amp; Housing</b>		
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<b>Ward(s) affected:</b>	Proposed Additional Licensing - Brunswick & Adelaide, Central Hove, East Brighton, Goldsmid, Preston Park, Regency, Westbourne HMO Licensing Fees – All wards		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The significant growth in private rented housing in Brighton & Hove is a key theme identified in our Housing Strategy. 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). Licensing of HMOs can offer a proportionate response to proactively improve management and property standards in this type of accommodation.
- 1.2 Housing Committee (14 January 2015) noted the evidence available to support the possible extension of the additional HMO licensing designation currently operating in the Lewes Road area and approved consultation on designation of a further discretionary licensing scheme in in seven additional wards. Resident and community feedback and evidence presented to Committee indicates a correlation between these areas with high concentrations of private rented homes not covered by current HMO licensing designations and a range of issues including higher than average levels of Private Sector Housing service requests, noise complaints, anti-social behaviour, poor fire safety and health inequalities.
- 1.3 The aim of this report and accompanying Appendix is to comply with Housing Act evidence and consultation requirements in support of the recommendation to designate the wards of Brunswick & Adelaide; Central Hove; East Brighton; Goldsmid; Preston Park; Regency; Westbourne as subject to additional licensing under S56(1) of the Housing Act 2004 in relation to smaller Houses in Multiple Occupation of two or more storeys and three or more occupiers. If approved, it is proposed that the designation will come into force, following statutory notification requirements, on 2 November 2015 for a period of 5 years.
- 1.4 The report also sets out proposed revised HMO fees for approval, to apply across all HMO licensing schemes from 1 August 2015 to take account of cost increases since previous fee review in 2010/11.

## 2. RECOMMENDATIONS:

It is recommended that the Housing & New Homes Committee:

- 2.1 Notes the results of the consultation and evidence gathering exercise undertaken in relation to the proposed additional HMO Licensing Scheme as summarised in this report and detailed in the Appendix.
- 2.2 Designates the wards of Brunswick & Adelaide, Central Hove, East Brighton, Goldsmid, Preston Park, Regency and Westbourne as subject to additional licensing under S56(1) of the Housing Act 2004 in relation to smaller Houses in Multiple Occupation of two or more storeys and three or more occupiers, (other than those that are HMOs by virtue of Section 257 of the Housing Act 2004). Such designation to take effect on 1 November 2015 and last for 5 years.
- 2.3 Agrees revised fees for HMO licensing as set out in Section 4 that will apply to additional and mandatory HMO licensing schemes from 1 August 2015 to take account of cost increases since fees were last reviewed in 2010/11.

## 3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 A key overarching theme arising from the city-wide Housing Strategy review has been the significant growth in private rented housing in Brighton & Hove. The city has almost 121,540<sup>1</sup> homes of which a 34,081<sup>2</sup> (28%) are privately rented from a landlord or letting agency (2011 Census). The City has the ninth largest private rented sector 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 letting agents. The Census figure is likely to be a minimum for the rented sector as it now stands as a proportion of all homes in the city. This growth brings the benefits of a flexible housing market response to meet accommodation needs in the city. However, while many landlords operate responsibly, issues continue to be raised in relation to the management, standards and quality of homes in the expanding private rented sector, in particular Houses in Multiple Occupation (HMOs).
- 3.2 The table below compares private renting from a landlord or letting agent in Brighton & Hove with numbers and percentages in England, London and the South East.

Area	All tenures (total)	Private rented	% Private rented	Converted or shared dwelling	% Converted or shared dwelling
Brighton & Hove	121,540	34,081	28%	29,466	24.24%
England	22,063,368	3,401,675	15%	984,284	4.46%
London	3,266,173	775,591	24%	429,456	13.15%
South East	3,555,463	521,479	15%	149,158	12.08%

Source: Census 2011 (DC4101EW)

<sup>1</sup> Source: Census 2011 (DC4101EW)

<sup>2</sup> Source: Census 2011 (DC4101EW)

## Size of the Brighton & Hove Private Rented Sector by Ward.

Households living in the private rented sector in homes rented via private landlords or letting agencies		
Ward	Number	% of Ward
Regency	3,190	56%
Brunswick & Adelaide	3,261	56%
Central Hove	2,681	50%
St. Peter's & North Laine	3,915	45%
Goldsmid	3,164	40%
Queen's Park	2,735	34%
Hanover & Elm Grove	2,166	33%
Westbourne	1,420	31%
Preston Park	1,987	31%
Moulsecoomb & Bevendean	1,259	21%
Wish	847	21%
Withdean	1,269	20%
Rottingdean Coastal	1,270	20%
East Brighton	1,265	19%
Hollingdean & Stanmer	826	16%
South Portslade	553	14%
Hove Park	563	14%
Hangleton & Knoll	547	9%
Patcham	518	9%
North Portslade	345	8%
Woodingdean	300	8%

Source: 2011 Census Table DC4101EW

More information on the Private Rented Sector in Brighton & Hove is in the Appendix, Section 3.

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

- 3.3 For Housing Act purposes a House in Multiple Occupation (HMO) is defined in section 254 of the Housing Act 2004. Broadly, it is a property which is rented, as their only or main residence, by three or more people from two or more families and where facilities such as kitchens and/or bathrooms are shared. It may include bedsit houses, shared houses and some self-contained flats. Some buildings that have been fully converted into self contained flats are also included in the HMO definition. They are defined by section 257 of the Act and, again broadly, they are those buildings where the conversion does not meet modern Building Regulations requirements and where less than two thirds of the flats are owner-occupied. HMOs are amongst the more difficult to manage properties in the private rented sector. Demand for HMOs is growing, mainly aligned to demographics and affordability. Welfare reform and increasing private sector rents are making self contained accommodation unaffordable for many residents. With an increasing population, including growth in student numbers through university expansion, and demand for more cost effective housing options, HMOs are increasingly being used to meet accommodation pressures across the city. There are an estimated 6,460 Houses in Multiple Occupation (HMOs) in the city, nine times the national average for this type of housing.

- 3.4 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. Many of the small bed-sits are concentrated in the centre of the city and often provide accommodation for the more vulnerable households. This is in addition to the significant and growing number of smaller HMOs along the Lewes Road ‘corridor’ providing housing for students and young professionals sharing the cost of rents.
- 3.5 In some HMOs the standards of management and living conditions can be poor. Research has shown the risk in HMOs from hazards such as fire can be as much as four or more times higher than the risk in a residential property occupied by a single household. Licensing allows local authorities to proactively identify and engage with landlords, particularly with the less responsible private landlords, to improve management and standards of this type of accommodation.

#### **Mandatory Licensing of Houses in Multiple Occupation**

- 3.6 The principal tool for regulating standards in Houses in Multiple Occupation (HMOs) is HMO licensing. There is a statutory duty on all local authorities in England and Wales to license larger higher risk HMOs of three or more storeys housing five or more unrelated persons. These properties are seen as higher risk, both because of the nature and condition of the properties, and the vulnerability of their occupants. The mandatory Houses in Multiple Occupation licensing regime addresses poor management practices and aims to secure a reduction in death and injury from fire and other health and safety hazards, and ensures adequate provision of amenities.
- 3.7 Private landlords must be deemed to be a “fit and proper” person in order to be granted a licence. Local authorities can impose conditions on a licence, such as how the licence holder deals with the behaviour of occupiers and the maximum number of occupants allowed in the property. They can also impose conditions requiring adequate amenities and safety requirements to ensure decent standards in properties where there are several households sharing basic facilities. Landlords or agents who operate the designated types of HMO without a licence or breach licence conditions may be subject to prosecution.
- 3.8 The mandatory licensing scheme has been in operation in Brighton & Hove since 2006. The council currently license, or have licence applications for, 1030 larger Houses in Multiple Occupation across the City under the national mandatory HMO licensing scheme (as of 27/05/15). 25% are in the seven wards subject to additional licensing proposals outlined in the table below (a full breakdown for all wards is in Section 3 of the Appendix).

<b>Ward Name (7 Wards)</b>	<b>No.of Cases</b>
Preston Park	68
Regency	52
Goldsmid	37
Brunswick And Adelaide	32
Central Hove	27
East Brighton	21
Westbourne	17
<b>Total</b>	<b>254</b>

(As Percentage of all licences)	<b>24.66%</b>
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### **Additional Licensing of Houses in Multiple Occupation**

- 3.9 Poor conditions and bad management practices can manifest themselves in smaller HMOs in specific areas. These smaller types of HMO may not meet the mandatory licensing criteria but there is a discretionary power to extend licensing to smaller types of HMO to reduce negative impact on occupier safety and the neighbourhood environment where they are poorly managed. Local authorities have a general consent to introduce such schemes subject to local consultation.
- 3.10 The Housing Act provides a power to license HMOs not covered by mandatory licensing through the creation of an Additional Licensing Scheme. Under Additional Licensing, local authorities can designate an area for a five year period if satisfied that a significant proportion of the HMOs are being managed sufficiently ineffectively so as to give rise to one or more particular problem, either for those occupying the HMO or for members of the public.
- 3.11 In order to introduce additional licensing for Houses in Multiple Occupation local authorities are required to consult with interested parties including local residents, businesses, landlords and tenants and consider any representations made in accordance with the consultation and not withdrawn. Local authorities are required to provide a robust evidence base for introducing a scheme, such as demonstrating there are significant management issues and poor property conditions that need addressing, within a designated area. Once a designation is confirmed landlords who operate licensable properties within the designated area will be required to apply for an HMO licence for each of their properties.
- 3.12 Councils are able to recover their costs associated with the administration of HMO licensing schemes through licensing fees. Landlords who operate the designated types of HMO without a licence may be subject to criminal prosecution. Residents' benefit from licensing include: Safer healthier living conditions for residents of HMOs; Improved management standards in HMOs.

### **What are the potential benefits of further discretionary licensing?**

- 3.13 The benefits of discretionary licensing include development of a proactive and consistent council-led approach towards identifying, and tackling complex issues of management, standards and anti-social behaviour across the areas where the designation applies to the benefit of tenants, responsible landlords and the local community. Responsible landlords will 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 will be 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 repairs and improvements will be required by the council rather than a tenant complaining 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 conditions across an area and simply knowing who is responsible for the management of properties that are rented out.

### **Additional HMO Licensing in the Lewes Road Wards**

- 3.14 Housing Committee on 20 June 2012 designated the wards of Hanover & Elm Grove, Moulsecomb & Bevendean, St Peters & North Laine, Hollingdean & Stanmer and Queen's Park as subject to Additional Licensing applying to smaller HMOs of two or more storeys and three or more occupiers. The designation commenced on 5 November 2012. Housing Committee approved the designation on the basis of extensive consultation and robust evidence that a significant proportion of the smaller HMOs in the wards affected were being managed sufficiently ineffectively as to give rise to one or more particular problems either for those occupying the HMOs or for members of the public. As of 31 March 2015 the Council had received 2119 valid additional licence applications and checked and issued 2031 draft licences, of which 1872 had been followed up with full licences (often issued on condition that any work required is carried out within an agreed period).
- 3.15 Information on all HMOs licensed under additional and mandatory schemes is publically available on the council's website.
- 3.16 Housing Committee have received regular updates reviewing progress and impact of Additional HMO Licensing in the Lewes Road wards, including reports to Committee on: 26 September 2012; 19 June 2013; 30 April 2014; 10 September 2014; and 14 January 2015.

### **Additional HMO licence conditions applied in the Lewes Road wards**

- 3.17 Under additional licensing landlords and managers of smaller HMOs have to: meet appropriate personal and professional standards of conduct; upgrade poorer buildings to minimum safety standards including fire and electrical safety; exercise appropriate management and supervision of the buildings to help reduce any adverse impact of HMOs on the neighbourhood; meet council standards for licensable HMOs.
- 3.18 There are certain conditions that must be applied to every HMO licence. They relate to: electrical safety; maintenance of fire precautions; gas safety; notifying the council of any relevant changes at the property; property maintenance; furniture safety; disposal of rubbish and recycling facilities; tenancy agreements. In addition Special Conditions may be applied, where appropriate, relating to a range of property-specific issues.
- 3.19 In the five Lewes Road wards currently subject to additional licensing, over 96.4% of HMOs (1,789 of the 1,855 full licences in force as at 31 March 2015) have required the application of licence conditions requiring improvements to meet currently recommended safety and/or amenity standards. Fire safety improvements were necessary in more than 95% of properties (1772 of the 1,855 full licenses in force as at 31 March 2015). This has been in an area where it has been widely known that the council has been active. There is no evidence to suggest that properties in the proposed seven wards will be any different and fire issues are especially important given the relatively high incidence of HMO fires in central wards demonstrated in evidence from East Sussex Fire and Rescue Service contained within this report and Appendix.

### Top 5 Special Conditions Applied between 1 November 2012 and 31st March 2015

	Hanover & Elm Grove	Hollingdean & Stanmer	Moulsecoomb & Bevendean	Queen's Park	St. Peter's & North Laine	Total
<b>Other Fire Works</b>	550	183	646	90	383	<b>1852</b>
<b>Structural Fire Works</b>	503	168	624	79	357	<b>1731</b>
<b>Fire Alarms</b>	422	161	568	68	300	<b>1519</b>
<b>Management / Repairs</b>	397	136	502	65	271	<b>1371</b>
<b>Loft Insulation</b>	294	93	366	39	179	<b>971</b>

Section 3 of the Appendix includes case study examples of actual cases dealt with by Private Sector Housing officers that illustrate the beneficial impact of additional HMO licensing.

#### Details of proposed Additional Licensing scheme

- 3.20 It is proposed that a further Additional HMO Licensing Scheme is introduced for the following wards: Brunswick & Adelaide; Central Hove; East Brighton; Goldsmid; Preston Park; Regency; Westbourne. If adopted as proposed, the Additional HMO Licensing Scheme will apply to all HMOs of two or more storeys within which there is some sharing of facilities and which are occupied by three or more persons comprising two or more households in the wards outlined.
- 3.21 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 so licensing is not considered to be the best way of resolving any issues requiring Housing Act involvement that might arise in such buildings.
- 3.22 Under the additional licensing proposals landlords and managers of smaller HMOs would have to:
- Meet appropriate and professional standards of conduct;
  - Upgrade poorer buildings to minimum health and safety standards including fire and electrical safety;
  - Exercise appropriate management and supervision of the buildings to help reduce any adverse impact of HMOs on the neighbourhood;
  - Meet council standards for licensable HMOs.
- 3.23 Additional Licensing schemes may be introduced for a period not exceeding five years. If adopted, the scheme will be reviewed against objectives after two years of operation to monitor the effectiveness of the scheme.

### **Criteria for establishing an Additional HMO Licensing Scheme**

3.24 Before introducing an Additional HMO Licensing Scheme, the council must comply with the specific requirements set out within sections 56 and 57 of the Housing Act 2004. This includes being satisfied that a significant proportion of the HMOs proposed under the additional scheme are being managed sufficiently ineffectively. Consultation must also take place and the scheme must be consistent with the authority's overall Housing Strategy.

3.25 Before making an additional HMO licensing designation for a particular type of HMO, or for a particular area, a local authority must consider the criteria A. to G. outlined below with our detailed responses in support of the report recommendation. Further background information is provided in the Appendix.

**3.26 A. 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<sup>3</sup>;**

3.26.1 Ensuring that our HMOs are well managed, safe and secure is of key importance for our residents. Many of the people who live in HMOs in Brighton & Hove are vulnerable and/or young people living independently for the first time. Evidence in this and previous reports to Housing Committee shows a correlation between areas containing large numbers of HMOs and unsatisfactory management and standards. Resident, community and other feedback has led us to consider our response to issues arising in wards where we have concentrations of smaller HMOs that our current licensing schemes do not cover. Housing Committee (14 January 2015) were advised that research undertaken across the city indicated 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. This followed an initial review of the existing discretionary licensing scheme and previous Council (24 October 2014) and Committee consideration of the Living Rent petition, including the recommendation to consider 'developing a licensing scheme for all private landlords as has happened in Newham'.

3.26.2 Having reviewed the extent of private renting and existing Private Sector Housing activity across wards in the city where discretionary licensing is not yet applied we further reviewed a more detailed set of criteria against the following seven wards not subject to the current discretionary licensing: Brunswick & Adelaide; Central Hove; East Brighton; Goldsmid; Preston Park; Regency; Westbourne. These are the wards with the greatest correlation between highest number of households living in homes rented via private landlords or lettings agents and application of existing regulatory activity including mandatory licensing of larger HMOs and higher than average numbers of service requests received between 1 April 2013 and 31 March 2015.

3.26.3 In support of the report recommendations, the detailed evidence outlined below and in the report Appendix in relation to the seven wards subject to the proposed additional licensing designation indicates the following:

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<sup>3</sup> Housing Act 2004 Section 56(2)

- Disproportionate Service requests received by the Private Sector Housing Team (1 April 2013 and 31 March 2015);
- Disproportionate Noise Complaints received by Environmental Health Team (1 April 2013 - 31 March 2014);
- Higher levels of Antisocial Behaviour (ASB) incidents reported by Sussex Police (1 April 2013 to 31 March 2015);
- Higher incidents of dwelling fires, including fires in HMOs, reported to East Sussex Fire & Rescue Service (ESFRS) – (1 April 2013 – 31 March 2014 and 1 April 2010 – 31 March 2014).

In addition, analysis of Public Health data relating to HMOs, health and wellbeing in the seven wards identifies that these are appropriate areas to target action to improve housing quality and tackle health inequalities.

The evidence outlined in this report and Appendix shows significant issues in relation to service requests, noise, anti-social behaviour, fire safety and health inequalities in relation to the seven wards when compared to other wards in the city, a correlation which may be seen as symptomatic of poor or unsatisfactory management. Taken together this information leads to the conclusion that such problems with the management of HMOs in these wards are not limited to a handful of individual properties. The evidence suggests that issues arising are more widespread and that a significant proportion of all HMOs in these wards are being managed ineffectively, giving rise to problems for those occupying HMOs and members of the local community. These issues cannot be addressed by mandatory HMO licensing as the majority of HMOs in these wards are small and fall outside the remit of the national scheme. Our experience of conditions we have had to apply to smaller HMO licences in the current Lewes Road scheme indicates that remedies open to the Council other than additional licensing of smaller HMOs in these seven wards are likely to be insufficient on their own to tackle the problem of ineffective management.

3.26.4 In licensable HMOs, poor internal or external conditions or poor management skills or practice that adversely impact upon the welfare, health or safety of residents or the wider community can be addressed proactively by the Council through application and enforcement of licence conditions. An analysis of reactive service requests received by the Private Sector Housing Team between 1 April 2013 and 31 March 2015 shows that those for the seven identified wards are 20% higher than the average for other wards in the city (a full breakdown is in the report Appendix):

<b>Ward</b>	<b>Service Requests</b>
Regency	159
Brunswick & Adelaide	160
Preston Park	115
Goldsmid	122
Central Hove	114
Westbourne	86
East Brighton	85
<b>Total 7 Wards</b>	<b>841</b>
<b>Total Other Wards</b>	<b>1395</b>
Total Requests	2236

<b>7 Ward Average</b>	<b>120</b>
<b>Other Wards Average</b>	<b>100</b>

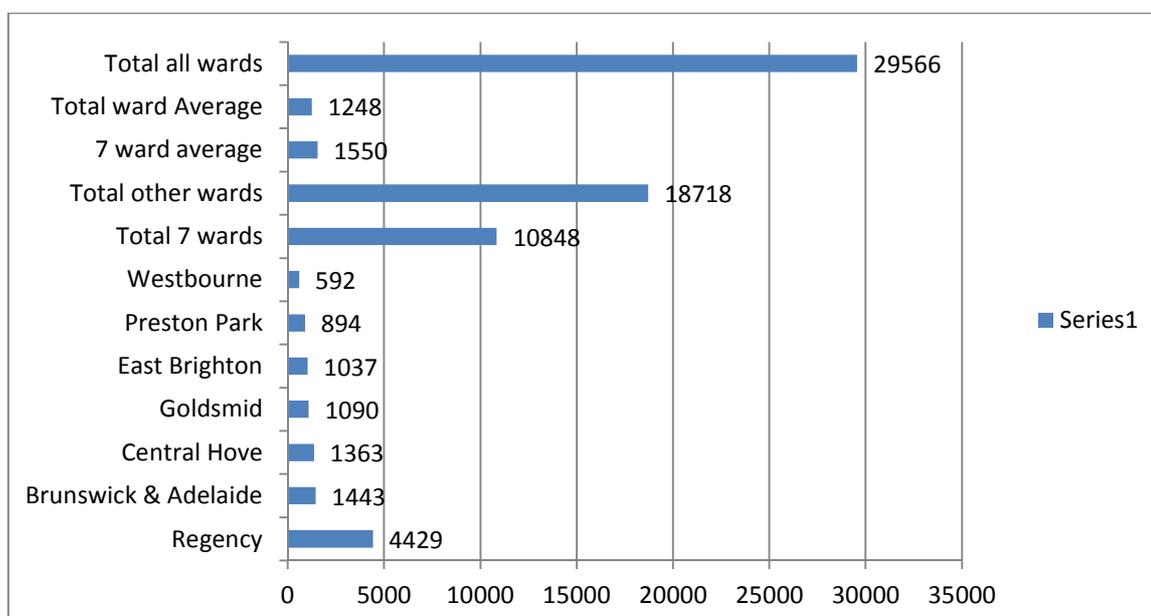
Source: B&HCC Private Sector Housing

3.26.5 Data from the council's Environmental Health service on noise complaints received by the Environmental Health Team by ward between 1 April 2013 and 31 March 2014 shows that noise complaints in the seven wards where we propose further discretionary HMO licensing are 20% higher than the average for other wards. (a full breakdown for all wards is in the report Appendix, Section 6):

Ward Name	Total	Music	Party	People noise - footsteps/talk ing/shouting	TV/Radio	Misc - all other Noise
Regency	247	115	22	54	1	55
East Brighton	174	56	17	42	4	55
Brunswick & Adelaide	157	59	23	35	1	39
Goldsmid	155	51	16	29	6	53
Central Hove	127	42	14	37	1	33
Preston Park	124	50	22	27	1	24
Westbourne	51	15	7	9		20
<b>Total 7 Wards</b>	<b>1035</b>	<b>388</b>	<b>121</b>	<b>233</b>	<b>14</b>	<b>279</b>
Total Other Wards	1721	623	235	341	35	487
<b>Total All Wards</b>	<b>2756</b>	<b>1011</b>	<b>356</b>	<b>574</b>	<b>49</b>	<b>767</b>
<b>7 Ward Average</b>	<b>148</b>	<b>55</b>	<b>17</b>	<b>33</b>	<b>2</b>	<b>40</b>
Other Wards Average	123	45	17	24	3	35

Source: B&HCC Environmental Health

3.26.6 Analysis of antisocial behaviour (ASB) incidents reported by Sussex Police between 1 April 2013 and 31 March 2015 (a further breakdown is in the report Appendix, Section 6) shows that when compared to other wards in the city, incidents of anti-social behaviour are more likely to occur in the seven wards subject to the proposals in this report. In their written response to consultation regarding proposals in this report (Appendix, Section 8) Sussex Police advise 'Feedback or views from the local neighbourhood team Inspectors have now been gathered and in summary all are supportive.....'.



Source: Sussex Police

3.26.7 Risk of fire can rise with increased occupancy through multiple ignition sources (cookers, heaters, fires, smoking), poor construction, and lack of fire prevention measures. Analysis of national fire statistics has concluded that adults living in shared houses are six times more likely to die in a fire than those living in comparable single occupancy homes. As identified in paragraph 3.19 (above), application of fire safety conditions has been a significant element of the improvement in management of smaller HMOs required under our existing discretionary licensing scheme. Fires reported to East Sussex Fire & Rescue Service (ESFRS) between 1 April 2013 and 31 March 2014 (the most up to date figures currently available) indicate a higher incident of dwelling fires, including fires in HMOs in the seven wards subject to further discretionary HMO licensing proposals than in other wards in the city. The following table shows all primary fires in HMOs, broken down by wards (with the seven wards identified highlighted). In their written response to consultation (Appendix Section 8) ESFRS advised 'East Sussex Fire & Rescue Service supports the implementation of this scheme across the city'.

Ward Name	No. of Dwelling Fires (Apr 13 - Mar 14)	No. of Dwelling Fires in HMOs (Apr 13 - Mar 14)	% of all HMO fires	HMO fires as % of all dwelling fires in Ward
<b>Regency</b>	<b>18</b>	<b>14</b>	<b>17%</b>	<b>78%</b>
<b>Brunswick &amp; Adelaide</b>	<b>17</b>	<b>13</b>	<b>16%</b>	<b>76%</b>
<b>Central Hove</b>	<b>9</b>	<b>5</b>	<b>6%</b>	<b>56%</b>
<b>Westbourne</b>	<b>9</b>	<b>5</b>	<b>6%</b>	<b>56%</b>
<b>Goldsmid</b>	<b>25</b>	<b>13</b>	<b>16%</b>	<b>52%</b>
St. Peter's & North Laine	22	9	11%	41%
Hanover & Elm Grove	14	5	6%	36%
<b>Preston Park</b>	<b>14</b>	<b>4</b>	<b>5%</b>	<b>29%</b>

Queen's Park	15	4	5%	27%
Withdean	15	4	5%	27%
Wish	5	1	1%	20%
Moulsecoomb & Bevendean	7	1	1%	14%
Hangleton & Knoll	8	1	1%	13%
<b>East Brighton</b>	<b>20</b>	<b>2</b>	<b>3%</b>	<b>10%</b>
Hollingdean & Stanmer	11	1	1%	9%
North Portslade	13	0	0%	0%
Patcham	9	0	0%	0%
Rottingdean Coastal	6	0	0%	0%
Woodingdean	3	0	0%	0%
Hove Park	2	0	0%	0%
South Portslade	2	0	0%	0%
<b>Total</b>	<b>244</b>	<b>82</b>	<b>100%</b>	<b>34%</b>

Fires in HMOs by Ward	
Location of most HMO Fires (>10% of all HMO fires)	Above average rate of HMO fires (>34% of fires are in HMOs)
Brunswick & Adelaide Goldsmid Regency St. Peter's & North Laine	Brunswick & Adelaide Central Hove Goldsmid Hanover & Elm Grove Regency St. Peter's & North Laine Westbourne <i>*Withdean (high but below average)</i>

Sources:

- ESFRS
- 2011 Census: Dwellings, household spaces and accommodation type, local authority ward

Mapping of the geographical spread of these 244 fires across Brighton & Hove is included in the report Appendix Section 6. In addition, data and mapping on fires reported to ESFRS from 1 April 2010 to 31 March 2014 is also included in the Appendix (Section 6) which also show a strong correlation between dwelling fires, including fires in HMOs, and the wards in which we propose further discretionary HMO licensing.

### HMOs and health and wellbeing – Brighton & Hove Public Health evidence

3.26.8 In response to consultation BHCC Public Health advise that 'Public Health support the proposal to extend the additional licensing scheme' and 'Analysis of public health data relating to the seven wards identifies that these are appropriate areas to target action to improve housing quality and tackle health inequalities'. The full Public Health response to consultation is detailed in Appendix, Section 8).

A large random sample survey of over 2,000 adults in Brighton & Hove was conducted by the Public Health team in 2012. The survey asked about physical and emotional wellbeing, lifestyles and social capital – as well as gathering demographic information about respondents. An analysis of the survey responses was carried out to determine those from people most likely to be living

in HMOs and those unlikely to be living in HMOs. Full details are in the Appendix Section 6. This analysis found that:

- Residents in HMOs were significantly more likely to be anxious about the condition of their housing. Thermal comfort was a particular issue, with residents in HMOs being significantly more likely not to be able to keep their home warm in winter.
- Measures of mental wellbeing and anxiety are generally worse with almost half of those living in HMOs at risk of major depression.
- Levels of satisfaction with life, feeling that the things you do in life are worthwhile and high or very high anxiety levels are significantly worse for those living in HMOs.
- One in five of those living in HMOs felt anxious in the previous month due to the fear of violence against them
- There is also a significantly higher rate of smoking prevalence amongst HMO residents with 33% being a current smoker, highlighting the need to ensure a high level of fire safety.
- General health being better, and lower life limiting long-term illness for residents in HMOs is likely to be due to the younger age of people living in HMOs relative to other respondents.

**3.27 B Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question<sup>4</sup>**

As detailed in Appendix, Section 7, an Options Appraisal was carried out which identified seven options, assessed their strengths and weaknesses and evaluated them against our vision. Once evaluated, the options have been placed into rank order based on their appraisal score:

Option	%	Rank
<b>6</b> <b>Area-based Additional Licensing Scheme:</b> Licensing introduced for smaller HMOs (two or more storeys with three or more households) in parts of the city where evidence highlights a need.	93%	1
<b>7</b> <b>City Wide Additional Licensing Scheme:</b> Licensing introduced for all smaller HMOs (two or more storeys with three or more households) across the whole city, i.e. all 21 wards.	75%	2
<b>4</b> <b>Area-based voluntary accreditation:</b> This option would involve a localised Accreditation scheme, tailored to suit the characteristics of the HMOs and the problems associated with them. It would run alongside the established scheme.	54%	3
<b>5</b> <b>Informal area action:</b> A non-statutory Action Area, taking in part of the City where substandard HMOs are concentrated, would be declared. The impetus for housing improvement would come from a combination of the Council's activity in the area, landlord peer pressure, and the prospect of an enhanced and thus more credible HMO sector.	50%	4

<sup>4</sup> Housing Act 2004, Section 57(4)

<b>3</b>	<b>Targeted use of Management Orders:</b> There are other tools available under the Housing Act 2004 such as Interim and Final Management Orders for non-licensable HMOs or Special Interim Management Orders with regard to anti-social behaviour if problems are associated with a small number of properties.	36%	5
<b>2</b>	<b>Use existing reactive powers:</b> This option envisages Council intervention in the small HMO sector being limited to a 'complaint response' service with action by other departments and agencies on a largely ad hoc basis. The option is predominantly reactive in character.	21%	6
<b>1</b>	<b>Do nothing:</b> This option would involve the Council doing nothing to intervene in the small HMO sector, leaving the housing market as the driver for landlords carrying out improvements to their properties. Do nothing.	4%	7

The options appraisal suggests that Option 6: Area-based Additional Licensing Scheme is most likely to deliver our vision.

**3.28 C. Consider that making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well).<sup>5</sup>**

3.28.1 As outlined in the report and Appendix additional licensing will significantly assist the council to deal with the problems associated with smaller HMOs in the seven wards by offering a level playing field whereby all landlords and lettings agents are subject to the same legal requirements as opposed to the reactive/responsive situation currently in place.

3.28.2 The introduction of an additional licensing scheme would contribute toward the following:

- Improvements to the appearance and condition of HMOs (including the gardens and outbuildings) and the environmental impact they can have on the local neighbourhood.
- Improvements to health and safety, as gas and electrical installations will be safe and fire precautions will be in place.
- Increased awareness of management issues including fire safety, the control of rubbish and waste, and the maintenance of communal areas, gardens, and gas / electricity installations.
- Landlords / lettings agents will be prevented from managing licensable HMOs if they are assessed as not being a 'fit and proper' person.

Other, indirect improvements would include the following:

- Improvements to accommodation, achieved through the use of the Housing Health and Safety Rating System, especially in situations where there is excess cold or the property is not secure.

<sup>5</sup> Housing Act 2004, Section 57(4)

### 3.29 D. Consult persons likely to be affected by the designation.<sup>6</sup>

3.29.1 Following government guidance and the requirements in the Housing Act, full and extensive consultation on the proposed additional licensing scheme has taken place with a wide range of stakeholders including: residents; landlords and agents; local businesses; local universities; Students Union; and, neighbouring local authorities, using online and door to door consultation, printed survey forms and at meetings. The Appendix (v & vi.) contains a report which provides full details on the legal requirement of the consultation process, the purpose of the consultation that was carried out and the outcomes that were obtained. Within the Appendix are also copies of surveys and the tabulated results and comments of these questionnaires.

3.29.2 The consultation took place from 2 February 2015 to 20 April 2015. It was publicised on the council's web site, in the local Press and via direct communication and meetings with a wide range of stakeholders detailed in the Communications log included in the Appendix (viii). In total 1106 people responded to the questionnaire via both the council's Consultation Portal (103 responses) and 1003 door to door surveys carried out with residents and businesses in the seven wards during March and April 2015. In addition, 3000 leaflets giving information about the consultation and inviting views were dropped off at dwellings and businesses in the wards during March and April 2015. A detailed breakdown of responses is provided (Appendix vi). A summary of responses is provided below:

<b>Would you like to see the proposals for licensing smaller HMOs introduced in the proposed wards?</b>					
	<b>Yes</b>	<b>No</b>	<b>Don't know</b>	<b>Not answered</b>	<b>Totals</b>
Portal	44 (42.7%)	53 (51.5%)	5 (4.9%)	1 (1.0%)	<b>103</b>
Door to door	833 (83.1%)	133 (13.3%)	37 (3.7%)	0 (0%)	<b>1003</b>
	<b>877</b>	<b>186</b>	<b>42</b>	<b>1</b>	1106
	79.3%	16.8%	3.8%	0.1%	

3.29.3 Overall 79.3% of people who were questioned or who responded via the consultation portal supported the proposals and 16.8% did not, although the views of landlords and agents were much less supportive towards the scheme. Generally there was stronger support of licensing for those living or running businesses in the seven wards from the door to door survey with 83.1% saying they would like to see additional licensing introduced. As part of the consultation meetings attended by officers included those with: Movement for Change (06 March); representatives of both Universities and Student Unions (27 April); Southern Landlords Association (SLA) meeting (23 February) and with SLA representatives (02 March and 22 April); National Landlords Association (NLA) meeting (31 March).

<sup>6</sup> Housing Act 2004, Section 56(3)

3.29.4 Written responses from a range of organisations including East Sussex Fire & Rescue Service, Sussex Police, Citizens Advice Bureau and Landlord Associations are also attached in full in the report Appendix Section 8 for consideration to help inform Committee's decision.

**3.30 E. Ensure that the exercise of the power is consistent with their overall housing strategy<sup>7</sup>.**

3.30.1 As detailed in Appendix Section 4, the new Housing Strategy 2015 is for everyone living in the city as housing has a fundamental effect on our lives whether we are an owner-occupier, living in a social housing, renting privately or homeless. We have listened to local people to identify the housing needs that matter most and set out our priorities for action that will make a real difference to their lives and have a positive impact on the city. Our strategy also supports the council's priorities where housing impacts on their success, particularly in helping to alleviate the pressure on social care and health services arising from an expanding older population.

3.30.2 The strategy has 3 overarching priorities that reflect the fundamental housing needs of the city. Within these, there are a number of themes detailing areas of need which have been highlighted by local people during the consultation as those areas that matter the most and will make the most impact. Priority 2: Improving Housing Quality has specific themes focussing on:

- Private Rented Sector
- Houses in Multiple Occupation (HMOs)

3.30.3 Consultation showed that HMOs provide vital accommodation for single working people and students. There were concerns raised that we needed to improve standards by ensuring that the additional licensing scheme is applied consistently. More publicity is needed for tenants and landlords to ensure that we can improve the standards of HMOs in the city. The Housing Strategy 2015 outlines a range of strategic actions aimed at improving the quality of housing and management in the private rented sector and specifically in Houses in Multiple Occupation:

- Promote the HMO licensing scheme so that we can ensure that un-licensed HMOs are reported and licensed properties are of standard;
- Consult on extending HMO licensing to other areas where there is an identified need;
- Respond to issues where legal standards are not being met;
- Improve refuse collection and storage where there are high levels of HMOs.

Additional licensing will also ensure that the accommodation is of a good standard, meets acceptable housing standards and is well managed by 'fit and proper persons'.

**3.31 F. Seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others.<sup>8</sup>**

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<sup>7</sup> Housing Act 2004, Section 57(2)

<sup>8</sup> Housing Act 2004, Section 57(3)

3.31.1 As detailed in Appendix, Section 5, the new Housing Strategy 2015 is a key chapter of the Community Strategy<sup>9</sup> and a fundamental piece of evidence to support the City Plan, our Local Housing Investment Plan and other housing related funding opportunities. The strategy is an overarching document that focuses and co-ordinates a number of other housing related strategies enabling us to continue our impetus to help address the housing needs of the city and provide a consistent drive towards achieving our priorities.

3.31.2 The council has an excellent track record of partnership working. Within the Housing Strategy it is recognised that the council cannot address the city's housing needs in isolation and that it must work with all those who can help improve the quality of life in the city. It is also acknowledged that success will depend on joint working with local people and a range of public, private, community and voluntary services across the city, while also working in wider partnerships at a regional and national level.

### **Homelessness**

3.31.3 The Homeless Strategy 2014 identifies that homelessness from the private rented sector is consistently the single biggest cause of homelessness in the city. Improving the standards of accommodation and management in the private rented sector is seen as one of a number of tools to reduce homelessness from this sector.

### **Scrutiny Panel on the Private Rented Sector**

3.31.4 A Private Rented Sector (PRS) Scrutiny Panel was set up under Professor Darren Smith, Professor of Geography, Loughborough University because of the '*...worrying increase in the number of people seeking advice from CAB*' in Brighton & Hove. The Panel's 2015 report found that<sup>10</sup>:

*To date, HMO licensing in the city appears to have been largely successful, particularly in terms of providing a lever to encourage HMO landlords to improve the repair, the fire safety and the thermal efficiency of their properties to their own benefit and the benefit of their tenants and the broader community. The council is currently consulting on extending the licensing of smaller HMOs to a further seven wards in the city where there is evidence of a growing proliferation of HMOs.*

*Panel members support this proposed extension of HMO licencing. It is a valuable tool to help manage standards in a key part of the PRS, and to achieve some degree of grip on the development of private sector housing across the city. The aim should not be to halt the growth of HMOs, but to mitigate the impact of the spread upon local communities.*

### **Community & Voluntary Sector**

3.31.5 The 2015 report *Home Safe: Issues within the private rented sector in Brighton & Hove*<sup>11</sup> collected evidence from a range of frontline agencies about issues within

<sup>9</sup> <http://www.bhconnected.org.uk/strategy/strategy>

<sup>10</sup> Report of the Scrutiny Panel: Private Sector Housing, Brighton & Hove City Council, March 2015: <http://present.brighton-hove.gov.uk/ieListDocuments.aspx?CId=866&MId=5602&Ver=4>

<sup>11</sup> *Home Safe: Issues within the private rented sector in Brighton & Hove*, Advice Brighton & Hove, 2015: <http://www.advicebrighton-hove.org.uk/wp-content/uploads/2015/03/Home-Safe-PRS-in-Brighton-Hove.docx>

the private rented sector in Brighton & Hove. Amongst the range of issues identified, the report found that tenants were unwilling to report housing quality and repair issues for fear of eviction. Both national and local evidence demonstrates that this is a persistent problem.

### **Community Safety & anti-social behaviour**

3.31.6 Many agencies work together through the Brighton & Hove Safe in the City Partnership to tackle crime and anti-social behaviour. The statutory bodies include Brighton & Hove City Council, the local probation, fire & rescue, police and health services. Our partners in the community and voluntary sector also play an important role, as do local residents through Local Action Teams and community forums.

### **Empty Homes**

3.31.7 Notwithstanding Brighton & Hove being a popular city with high levels of demand for housing, there are many homes in the city that remain empty over long periods of time. These homes are a wasted resource that can blight neighbourhoods by encouraging anti-social behaviour. The council is committed to reducing the number of long-term empty properties in the city. Since 2001, the council has worked with owners to bring more than 1,000 long term empty homes (empty over 6 months) back into use. However despite this positive performance, council data evidenced in the table below shows that in October 2014 there were 696 long term empty privately owned residential properties. The data highlights particular problems with empty private homes in the seven wards included within the proposed area for the additional licensing scheme.

**Long Term (over 6 months) Empty Private Homes: (October 2014)**

<b>Wards with most Empty Homes</b>	<b>Total</b>	<b>Wards with least Empty Homes</b>	<b>Total</b>
<b>Regency</b>	<b>65</b>	Hanover & Elm Grove	22
<b>Brunswick &amp; Adelaide</b>	<b>64</b>	Patcham	19
Rottingdean Coastal	60	Wish	19
Queens Park	57	Hove Park	18
St Peter's & North Laine	57	Hollingdean & Stanmer	18
<b>Preston Park</b>	<b>48</b>	Moulsecoomb & Bevendean	18
<b>Goldsmid</b>	<b>47</b>	South Portslade	15
<b>Central Hove</b>	<b>46</b>	Hangleton & Knoll	14
<b>East Brighton</b>	<b>33</b>	Woodingdean	10
Withdean	33	North Portslade	5
<b>Westbourne</b>	<b>28</b>	<b>Grand Total</b>	<b>696</b>

**3.32 G. Have regard to any information regarding the extent to which any codes of practice approved under section 233 have been complied with by persons managing HMOs in the area in question<sup>12</sup>.**

3.32.1 There are three Codes of Practice currently approved for the purposes of section 233:

<sup>12</sup> Housing Act 2004 Section 56(5)

- Universities UK/Guild HE Code of Practice for the Management of Student Housing, dated 17th August 2010;
- Accreditation Network UK/Unipol Code of Standards for Larger Developments for Student Accommodation Managed and Controlled by Educational Establishments, dated 28th August 2008;
- ANUK/Unipol Code of Standards for Larger Developments for Student Accommodation Not Managed and Controlled by Educational Establishments, dated 20th February 2006.

3.32.2 The first two relate to buildings managed by educational establishments and which are, as a result, exempt from HMO licensing legislation when controlled by an establishment that is formally signed up to the Code. This includes both local universities. The third – covering buildings not managed by educational establishments - relates only to buildings occupied by 15 or more students.

3.32.3 No such buildings have been identified in the seven wards in question and it is therefore considered that none of the Codes of Practice has material relevance in the consideration of the proposed additional licensing scheme.

#### **4 HMO FEES STRUCTURE**

4.1 In fixing fees for HMO licences, the council is entitled to take into account all its costs in carrying out its functions. Fees cannot be set at a level designed to make a profit. Proposed fees are set at a level reasonably expected to cover the costs of providing the service for the licensing scheme. The fees are based on officer time and associated costs involved in processing the applications, inspections and monitoring including the relevant overheads. The reason for the proposed increases to licence fees is that the costings were last updated in 2010/11. We are now looking at 2015/16 costs. The majority of the costs involved relate to staff time. All costs included are allowable within the guidance for calculation of licence fees.

4.2 HMO licensing fees, and the underlying fee structure, for larger HMOs subject to national mandatory HMO licensing were agreed initially when HMO licensing began in 2006 and fees were reviewed in 2010/11, since when costs have risen. The fees for the current additional licensing scheme, agreed by Housing Committee on 20 June 2012, were based on the 2010/11 mandatory fees, reduced appropriately to reflect the smaller properties involved and that licensing systems and processes were already in place. As with the existing additional licensing scheme, licences would generally be issued for the entire period of the scheme and the fee paid at the time of application covers that. It is proposed that, irrespective of whether or not a new additional licensing scheme is designated, the previously agreed fee structure should remain in force but that revised fees should apply to both national and additional HMO licensing from 1 August 2015 to reflect the changes in cost levels over the past five years, as below.

4.3 There are two levels of fee for HMO licensing:

**Single tenancy shared houses-** This would include all shared student houses or houses let to a group of professionals. There would be one tenancy agreement listing all of the occupants. The fee goes up according to the number of occupiers.

**Multiple tenancy lets** - Multiple tenancy properties include houses let as bedsits or houses where there are some self-contained flats and some bedsits. With this type of property each letting will have its own tenancy agreement. The fee goes up according to the number of lettings but any self-contained units are excluded when the fee is calculated.

The table below indicates the proposed new fees, with current fees in brackets.

<b>Mandatory Licensing (current figures, set in 2010/11, in brackets)</b>	
Initial licence fee for single tenancy shared house 5 person HMO	£870 (£760)
Increase per additional tenant > 5	£14 (£12)
Initial licence fee for multiple-tenancy property 5-letting HMO	£1090 (£952)
Increase per additional letting > 5	£55 (£48)
Renewal fee for single tenancy shared house 5 person HMO	£435 (£380)
Increase per additional tenant > 5	£7 (£6)
Renewal fee for multiple-tenancy property 5 letting HMO	£545 (£476)
Increase per additional letting > 5	£28 (£24)
Reduction for second and subsequent applications in the same financial year	£28 (£24)

<b>Additional Licensing (current figures, set in 2010/11, in brackets)</b>	
Fee for single tenancy shared house 5 person HMO	£682 (£590)
Adjustment per tenant > or < 5	£14 (£12)
Fee for multiple-tenancy property 5-letting HMO	£902 (£782)
Adjustment per letting > or < 5	£55 (£48)

As currently, no fee to be charged where the applicant is a registered charity.

## 5. CONSULTATION

- 5.1 Extensive consultation has taken place on the proposal, and in total 1106 people responded to the questionnaire. A summary is contained at 3.29 and a detailed breakdown of responses is detailed in Appendix (Section 8 & v & vi).

## 6. LICENCE CONDITIONS

- 6.1 It is proposed that should a new additional licensing scheme be approved the previously agreed HMO licensing standards<sup>13</sup>, which apply to the national and current additional licensing schemes, should be used to inform the conditions applied to licences issued under the new scheme.

## 7. CONCLUSION

<sup>13</sup> Brighton & Hove HMO Licensing Standards: [http://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/downloads/housing/New\\_and\\_confirmed\\_HMO\\_Licensing\\_Standards\\_-Sept\\_Cttee.pdf](http://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/downloads/housing/New_and_confirmed_HMO_Licensing_Standards_-Sept_Cttee.pdf)

- 7.1 Consultation and evidence, including that obtained from the current additional licensing scheme, indicates that a new additional licensing designation covering smaller HMOs in the seven wards, as recommended, is both an appropriate and proportionate response to the issues identified in this report. It is therefore recommended that designation of the new scheme be approved.

Costs have increased since HMO licensing fees were last reviewed. It is therefore recommended that fees be increased as proposed in the report in order to maintain cost-neutrality.

## **8. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 8.1 The proposed fees have been set at a level that is reasonably expected will cover the costs of providing the service for this new additional license scheme. The fees are based on estimated officer time and associated costs involved in processing the applications, inspections and monitoring, including the relevant overheads. The existing 2015/16 budget allows for costs of £0.250m and income from fees of £0.250m for the new discretionary licensing scheme. It is anticipated that the majority of the fees will be received during the first year of operation and it is therefore intended to resource the service flexibly to accommodate demand.

*Finance Officer Consulted: Monica Brooks*

*Date: 05/06/15*

### Legal Implications:

- 8.2 The legal framework for the introduction of additional HMO licensing is set out in the body of the report. Designation of the 7 wards 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 a designation is made, section 59 of the Housing Act 2004 provides for publication of a notice confirming the fact of designation. It is not considered that any individual's human rights are adversely affected by the recommendations.

If the recommendation is approved to designate the 7 wards as subject to additional licensing for 5 years, there is a statutory requirement to keep that designation under review. The designation could therefore be revoked at any time in the 5 years.

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). Fees should not be set a level designed to make a profit.

*Lawyer Consulted:*

*Liz Woodley*

*Date: 20 May 2015*

### Equalities Implications:

- 8.3 A full equalities impact assessment has been undertaken in relation to the new additional licensing scheme which is attached in Appendix , Section ix. No significant negative consequences from additional licensing relating to groups with protected characteristics were identified.

Sustainability Implications:

- 8.4 Maintenance and improvement of existing housing stock is generally more sustainable than continued deterioration. Licensing of HMOs should improve standards for the residents in those homes and the liveability of residential areas more generally.

Crime & Disorder Implications:

- 8.5 Additional licensing will assist the Private Sector Housing team to have a better understanding of the problems in the seven wards. This in turn should be helpful in addressing concerns about crime and disorder and in some cases additional licensing will help reduce the likelihood of neighbourhood nuisance.

Risk and Opportunity Management Implications:

- 8.6 The risks associated with the proposals in this report have been managed in compliance with the Council's risk management strategy and a full risk log is attached in Appendix Section vii.

Public Health Implications:

- 8.7 As detailed in Appendix Section 6, and summarised in Section 3.26.8 of this report (Criteria for establishing an Additional HMO Licensing Scheme), a large random sample survey of over 2,000 adults in Brighton & Hove was conducted by the Public Health team in 2012. The survey asked about physical and emotional wellbeing, lifestyles and social capital – as well as gathering demographic information about respondents. An analysis of the survey responses was carried out to determine those from people most likely to be living in HMOs and those unlikely to be living in HMOs. This analysis found substantially worse rates of mental wellbeing, anxiousness about their housing quality, fear of crime, risk of depression, smoking, and not being able to keep their homes warm amongst those most likely to be living in HMOs.

Corporate / Citywide Implications:

- 8.8 Additional Licensing will have a positive impact on residents in the seven wards, particularly for those living in smaller HMOs. Residents in other parts of the city may consider that issues that have led to proposals for additional licensing in the seven identified wards also exist in their area. Experience with mandatory licensing suggests that additional licensing would have no significant adverse effect on property supply.

**9. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 9.1 As detailed in Appendix Section 7, and summarised in Section 3.27 of this report (Criteria for establishing an Additional HMO Licensing Scheme), an Options Appraisal was carried out which identified seven options:

- Option 1: Do nothing
- Option 2: Use existing reactive powers
- Option 3: Targeted use of Management Orders
- Option 4: Area-based voluntary accreditation.
- Option 5: Informal area action
- Option 6: Area-based Additional Licensing Scheme
- Option 7: City Wide Additional Licensing Scheme

- 9.2 These were assessed on their strengths and weaknesses and evaluated against the objectives of our vision which identified that Option 6: Area-based Additional Licensing Scheme is most likely to deliver our vision.

## **10. REASONS FOR REPORT RECOMMENDATIONS**

- 10.1 These are addressed above and in the relevant appendices.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

##### **1. Appendix 1 Sections:**

0. Summary
  1. Introduction
  2. Proposed area for Additional Licensing Scheme
  3. The Private Rented Sector in Brighton & Hove
  4. Links to the Housing Strategy 2015
  5. A co-ordinated approach
  6. Smaller HMOs in the Seven Wards – key areas of concern
  7. Options Appraisal
  8. Consultation
- 
- i) Concentration mapping of existing HMOs in the seven proposed wards
  - ii) Commentary on maps
  - iii) Electoral Roll
  - iv) Summary of Key Private Sector Housing Activity
  - v) Consultation
  - vi) Summary and Analysis of Consultation Questionnaire
  - vii) Risk Log
  - viii) Communications Log
  - ix) Equalities Impact Assessment
  - x) Glossary of terms

#### **Documents in Members' Rooms**

1. None.

#### **Background Documents**

1. Housing Cabinet Meeting 5 January 2011: Housing Act 2004 – Houses in Multiple Occupation Licensing Fees and Additional Licensing.
2. Housing Committee 20 June 2012: Proposed Additional Licensing Scheme for Houses in Multiple Occupation (HMO) & Amendment of Standards for Licensed HMOs.
3. Housing Committee 26 September 2012: Update on the Implementation of the Additional Licensing Scheme for Houses in Multiple Occupation (HMO).
4. Housing Committee 19 June 2013: HMO Licensing Update.
5. Housing Committee 30 April 2014: HMO Licensing update.

6. Housing Committee 10 September 2014: HMO Licensing Update.
7. Housing Committee 14 January 2015: Private Rented Housing - Permission to consult on a further Discretionary Licensing Scheme.
8. Brighton & Hove City Council – Standards for Licensable Houses in Multiple Occupation (September 2012).