

REPORT TITLE: Eastville and St George West: proposed additional and selective licencing schemes

Ward(s) affected by this report: Eastville and St George West

Strategic Director: John Readman / Strategic Director People

Report author: Jan Hamilton, Senior Policy and Project Officer
Dave Collis, Private Housing Licensing Manager

RECOMMENDATION for the Mayor’s approval:

1. That the area comprising Eastville and St George West wards, by reference to the ward boundaries as at 1 July 2015 (as shown in Appendices 3 and 4), be designated as subject to Additional Licensing coming into force on 1 July 2016 and (unless previously revoked) ceasing to have effect at 23.59 on 30 June 2021, in relation to Houses in Multiple Occupation (HMO’s) of the following description:

2. All HMOs (as defined by section 77 of The Housing Act 2004) situated in the designated area that are not already required to be licensed under section 61 of that Act except those converted blocks of flats to which section 257 applies. For the avoidance of doubt, this exception does not affect the status of any flat in such a block as a house in multiple occupation.

3. That the area comprising Eastville and St George West wards, by reference to the ward boundaries as at 1 July 2015 (as shown in Appendices 3 and 4), be designated as subject to selective licensing, coming into force on 1 July 2016 and (unless previously revoked) ceasing to have effect at 23.59 on 30 June 2021. (This designation applies to any privately rented property that is not already licensable under part 2 of The Housing Act 2004 or subject to any statutory exemptions, and that is occupied under a tenancy or a licence.)

4. To agree that applications should be required to be accompanied by a fee and to fix the fees at the levels proposed in paragraphs 39 to 52 of the report.

Key background / detail:

a. Purpose of report:

To seek authorisation from Cabinet to designate a Selective licensing scheme and an Additional licensing scheme covering the Eastville ward and St George West ward under Sections 56 and 80 of the Housing Act 2004 for a period of five years, commencing on 1 July 2016 and ending 30th June 2021.

b. Key details:

1. The private rented sector in Bristol has grown significantly since 2001 to 2011 (from 12.2% to 24.9%) and council tax records show that it has continued to increase. The growth in the sector has been highlighted as an emerging issue and a range of options to improve the management, property condition and the providers of accommodation is reflected in Housing Strategy 2016-20.

2. Mandatory licensing of large Houses in Multiple Occupation (HMOs) was introduced in April 2006 under the Housing Act 2004. This covers HMOs that are three storeys and above; have five or more occupants, forming two or more households.
3. The Housing Act 2004 also gave local authorities the power to introduce discretionary licensing of other privately rented properties with the aim of improving property conditions and management. Licensing does not cover local authority owned or leased property or properties owned by Registered Providers.
4. St George West and Eastville wards have been identified as areas where there are high levels of properties in the private rented sector in poor condition and poor management practices are being exercised.
5. The council believes that by making the designation for discretionary licensing schemes and imposing licensing conditions, housing standards in private rented sector in these wards will be improved.
6. The first discretionary licensing scheme in Bristol was approved by Cabinet in September 2012 and covers four super output areas in and around Stapleton Road, Easton. It became operational on 1st April 2013 and runs until 31st March 2018.
7. The city council undertook a review of this scheme in July 2014 and concluded that the Stapleton Road licensing scheme has been very successful in improving conditions and management practises in the private rented sector in that area. It is recognised that licensing is making a significant difference in the Stapleton Road area and starting to achieve some of its original objectives in particular it has improved housing conditions for more than 700 households who were found to be living in properties that failed to meet minimum housing standards.
8. In line with the Housing Act, the city council will require an application for a licence to be accompanied with a fee. The licence fee is a 'one-off' payment and will be applied upfront for a period of five years. One application per dwelling will be required and the fee rates will be fixed for the duration of the scheme irrespective of the application date.
9. Consultation is a statutory requirement under S56 (3) and S80 (9) the Housing Act 2004. Before an area can be designated the local authority must undertake consultation with all persons likely to be affected by the designation. There was a very high level of response to the consultation process which was carried out over a twelve week period from 12th August 2015 to 3rd November 2015.
10. A significant number (2,248) of people completed our online survey, including more than 1,000 tenants and 356 landlords or agents who would be directly affected by the designation. Full details of the responses to the survey can be found in Appendix 1.
11. The consultation findings suggest that there are many private rented homes with very poor living conditions which have not been brought to the attention of the City

Council. It is also evident that there are a number of landlords who would benefit from advice and training about what their responsibilities are, to assist them in managing their properties and an awareness of the required minimum legal standards.

12. The original published proposal has been modified following the consultation. Details of these changes can be found in Appendix 1. The proposed changes mainly relate to the reward criteria, a faster refund process and a longer application period, doubling the original proposal.
13. The Council considers that discretionary licensing is the best tool available to tackle problems or poor housing management practices and conditions in the private rented sector in these wards and our experience of the pilot scheme in the Stapleton Road area, has proved to be very successful and makes the best use of limited resources.

BRISTOL CITY COUNCIL CABINET

2nd February 2016

REPORT TITLE: Eastville and St George West: proposed additional and selective licencing schemes

Ward(s) affected by this report: Eastville and St George West

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1. Purpose of the report:

To seek authorisation from Cabinet to designate an additional licensing scheme and a selective licensing scheme covering both the Eastville ward and St George West ward under Sections 56 and 80 of the Housing Act 2004 for a period of five years, commencing on 1 July 2016 and ending 30th June 2021.

2. Recommendation for the Mayors Approval:

3. That the area comprising Eastville and St George West wards, by reference to the ward boundaries as at 1 July 2015 (as shown in Appendices 3 and 4), be designated as subject to Additional Licensing coming into force on 1 July 2016 and (unless previously revoked) ceasing to have effect at 23.59 on 30 June 2021, in relation to Houses in Multiple Occupation (HMO's) of the following description:
4. All HMOs (as defined by section 77 of The Housing Act 2004) situated in the designated area that are not already required to be licensed under section 61 of that Act except those converted blocks of flats to which section 257 applies. For the avoidance of doubt, this exception does not affect the status of any flat in such a block as a house in multiple occupation.
5. That the area comprising Eastville and St George West wards, by reference to the ward boundaries as at 1 July 2015 (as shown in Appendices 3 and 4), be designated as subject to selective licensing, coming into force on 1 July 2016 and (unless previously

revoked) ceasing to have effect at 23.59 on 30 June 2021. (This designation applies to any privately rented property that is not already licensable under part 2 of The Housing Act 2004 or subject to any statutory exemptions, and that is occupied under a tenancy or a licence.)

6. To agree that applications should be required to be accompanied by a fee and to fix the fees at the levels proposed in paragraphs 39 to 52 of the report.

7. **The Proposal**

8. The private rented sector in Bristol has grown significantly since 2001 to 2011 (from 12.2% to 24.9%) and council tax records show that it has continued to increase. The growth in the sector has been highlighted as an emerging issue and a range of options to improve the management, property condition and the providers of accommodation is reflected in the Housing Strategy 2016-20.

9. Mandatory licensing of large Houses in Multiple Occupation (HMOs) was introduced in April 2006 under the Housing Act 2004. This covers HMOs that are three storeys and above; have five or more occupants, forming two or more households.

10. The Housing Act 2004 also gave local authorities the power to introduce discretionary licensing of other privately rented properties with the aim of improving property conditions and management. Licensing does not cover local authority owned or leased property or properties owned by Registered Providers.

11. As part of its considerations the council must ensure that the proposed designation is consistent with the Housing Strategy. The Mayor's vision statement from the Housing Strategy 2016-2020 states: "Housing should provide a springboard to achieving a high quality of life and create the opportunity for all to thrive in mixed communities of their choice". One of the key outcomes of the Housing Strategy is; 'To deliver the best use of existing homes with a key priority being to raise standards in the private rented sector by improving management and standards in the private rented sector'.

12. Any selective licensing scheme which would cover more than 20% of the local authority's geographical area or that would affect more than 20% of privately rented homes in the local authority area would need to be subject of an application to the Secretary of State for Communities and Local Government for approval; however we do not intend to exceed this limit.

13. **There are two types of discretionary licensing:**

Additional Licensing –

14. The Housing Act 2004 enables the council to designate the whole of Bristol or an area within it as subject to additional licensing in relation to a description of HMO's specified in the designation.

15. In order to do so the council must consider that:

- a significant proportion of those HMOs described in the recommendation are being managed sufficiently ineffectively to give rise (or be likely to give rise) to one or more particular problems either for the occupying tenants or to members of the public;

- In forming this opinion the council must have regard to any information regarding and the extent to which any codes of practice approved under section 233 have been complied with by persons managing HMO's in the area in question. There are 3 such codes of practice currently approved by an Order made under section 233 of the Housing Act 2004 in relation to the management of student living accommodation. It is not believed there is any accommodation in the proposed area to which the codes apply:
- the proposal must seek to adopt a co-ordinated approach;
- there must be consistency with the Council's overall current housing strategy (see paragraph 11);
- The council must consider whether there are any other courses of action available to it of whatever nature that might provide an effective method of dealing with the problems and that the designation will significantly assist the council in dealing with the problems identified.

The case for additional licensing in the proposed area

16. The House Condition Survey 2011 showed problems with poor management, leading to poor property conditions and this is reflected across all HMOs. For that reason a wide class of HMO has been specified in the proposed designation, covering all current non licensable HMO's except for certain converted blocks where less than 2/3 of self-contained flats are owner occupied and there has been specified noncompliance with building control that has not been rectified. Although such buildings are excluded as a whole, individual flats within them would be covered if they are HMOs not already subject to mandatory licensing.
17. The House Condition Survey 2011 identifies that we should concentrate our resources on HMOs as when ineffectively managed they represent the greatest risk to occupier health and safety and are intrinsically more likely to suffer category one hazards under the Housing Health and Safety Rating System (HHSRS) for certain key hazards, such as fire, excess cold, electrics and damp and mould growth, and recommended that the Council may wish to consider discretionary licensing of HMOs as part of its strategy. In 2014-15, 24% of the total complaints that we received across the city related to properties in these two wards. Evidence has also been collected from the consultation exercise and results can be found in Appendix 1.
18. The council must also seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector. This is both as regards to combining licensing with other courses of action available to the Council and also as regards measures taken by other persons. This co-ordinated approach includes making referrals when encountering certain issues to partner organisations such as the local police, benefit fraud team, StreetScene and noise pollution teams and therefore making use of their appropriate powers.
19. Licensing together with other tools available to the local authority is seen as an important part of a strategic approach where there are concerns about poor property management. The Licensing Team will work with other council teams such as the private rented team to ensure the properties that they use in the private sector to discharge the council's homelessness duty are licensed where applicable. We work with the Empty Property team to ensure where properties are bought back into use in the private rented sector as

an HMO that the landlord adheres to good management practices and the property meets minimum standards. We will continue working with the police, Street Scene and the ASB team to deal with ASB issues associated with HMOs such as problems from overcrowded property, rubbish, graffiti, noise and other nuisance caused by anti-social tenant behaviour. Our experience in the Stapleton Road scheme has proved that these joint working practices have proved to be very successful. Responses to the survey indicate that these issues are present in the area and need to be addressed through good property management.

Selective Licensing-

20. If certain sets of conditions are satisfied the Council has the power to designate the whole of Bristol or an area in it as subject to selective licensing. '*Selective licensing*' means that privately rented accommodation other than those properties licensable under mandatory or additional licensing would need a licence.

21. The set of conditions underpinning the proposal in this report is:

(a) that the area contains a high proportion of properties in the private rented sector, in relation to the total number of properties in the area;

(b) that those properties are occupied under assured tenancies or licences to occupy;

(c) that the following set of conditions is satisfied:

(i) that having carried out a review of housing conditions under section 3(1) of the 2004 Act, the Council considers it would be appropriate for a significant number of the properties referred to in (a) and (b) above to be inspected, with a view to determining whether any category 1 or category 2 hazards exist on the premises;

(ii) that the council intends to carry out such inspections as referred to in paragraph (i), with a view to carrying out any necessary enforcement action; and

(iii) that making a designation will, when combined with other measures taken in the area by the council, or by other persons together with the council, including any licence conditions imposed under section 90 of the 2004 Act, contribute to an improvement in general housing conditions.

The case for selective licensing in Eastville and St George West

22. In guidance issued by the Department of Communities and Local Government "Selective licensing in the private rented sector – A guide for local authorities" (March 2015) it is suggested that any figure above the private rented housing stock in England, which is stated to be 19%, would amount to a high proportion for the purpose of this condition.

23. In Eastville ward the private rented sector accounts for 29.9% of the housing stock and in St George West 28.5% is in the private rented sector. These figures only refer to those properties in the private rented sector occupied either under assured tenancies or licences to occupy. Therefore the condition requiring there to be a high proportion of private rented properties in the proposed area is met.

24. The House Condition Survey 2011 identified the two wards of Eastville and St George

West as having high numbers of properties with category 1 hazards and failing the decent homes standards and this is further supported by the number of complaints the council received during 2014-15 about conditions in private rented sector housing. Of the 1,800 complaints received, 427 were related to properties in Eastville and St George West wards and 66% of them concerned disrepair. (See Appendix 1 for full details of evidence collected both as a desk top exercise and the results from the consultation exercise).

25. The council intends to carry out inspections with a view to carrying out any necessary enforcement action as appropriate. Making a designation will, when combined with other measures such as landlord training and the availability of low cost loans to assist with the cost of necessary improvements and licensing conditions imposed under section 90 of the Housing Act 2004; contribute to improving in general housing conditions in the area.
26. In the Stapleton Road scheme, there were far higher numbers of properties with category 1 or 2 hazards than originally predicted and living conditions have been improved for more than 550 households so far. This could reasonably be considered to indicate that the estimate of private rented properties in poor condition if the designation is made and the licensing inspections follow in the proposed area is also conservative and significantly more properties will be found to be in poor condition. The original analysis of the proposed area, together with the feedback from the consultation, evidences that there are problems with housing conditions in the area and we are expecting therefore to improve conditions of a significant number of private rented properties in Eastville and St George West wards through this designation.

Why the council should make the proposed designations in order to address these problems

27. The council believes that by making the designation for both additional and selective licensing schemes and imposing licensing conditions housing standards in private rented accommodation in the area will be improved. It also is confident that collaborative working with other partners will contribute to improving housing conditions in the area.
28. The City Council will provide advice to landlords and agents on the necessary improvements required to bring their properties up to standard and enforce when landlords/agents do not comply with the licensing standards or apply for a licence.

29. Other Options

30. Do nothing. The City Council already undertakes reactive work in all areas of the city and uses all its statutory powers in this work. The City Council could continue to deal only with property complaints on a reactive basis but we are aware that there are many more properties in the private rented sector within the two wards where the tenants have not reported the problems about poor property conditions and unsatisfactory property management. Outside of the areas where licensing is adopted the City Council is unable to inspect rented properties unless they are invited to do so. Many tenants are unaware or unwilling, through fear of retaliatory action, to contact the local authority and complain about the standard of their property and/or other related tenancy issues.
31. If a tenant has contacted the City Council about their living conditions, this will be fully investigated and if conditions are found to be below the minimum housing standard,

action will be taken to ensure the property is improved.

32. Designate an Additional Licensing scheme only - we could designate just an additional licensing scheme to deal with the smaller HMOs across the area. However, this would exclude more than 2,000 private rented properties in the area and taking into consideration the numbers suffering with poor housing conditions and other related matters, to achieve the maximum benefit and best outcomes for the private tenants in the area the combined Additional and Selective Licensing scheme has been proposed so that all privately rented properties in the area would need to be licensed.
33. Designate a Selective Licensing scheme only - we could designate a selective licensing scheme only however, although this would include all types of housing except for those covered under the mandatory housing regime, we would not address poor management issues in the HMOs as Part 2 of the Housing Act would not apply.
34. Accreditation - Landlord Accreditation is a badge that identifies landlords who have signed up to meet minimum housing standards and good management practice. These are voluntary schemes and landlords cannot be forced to join. There are limited sanctions that can be applied to landlords who do not comply with accreditation scheme requirements.
35. The worst landlords are very unlikely to apply and would continue to operate a sub-standard service to the most vulnerable tenants who are forced to rent in the lower end of the market.
36. In January the City Council introduced a West of England Rental Standard scheme. This will likely only attract landlords who are already working with an accredited body (National Landlord Association, South West Landlords Residential Landlords Association and Unipol (University schemes) etc. and sets minimum standards for property conditions and management practises. Therefore it is likely that many properties within the proposed licensing areas would not be covered by the Rental Standard scheme but a good compromise in areas where licensing schemes have not been designated.
37. Where discretionary licensing schemes are designated the local authority has a duty to review the scheme from time to time to evaluate its effectiveness and allow changes to be made and revoke the designation if necessary.
38. There is currently an additional licensing and a selective licensing scheme in the Stapleton Road area, which was designated in 2014. The additional licensing designation enables us to address poor property management in the HMOs and the issues that arise from this such as poor property conditions, nuisance and overcrowding whereas the selective licensing designation targets ASB issues (approved under different criteria to the proposed new scheme). It is recognised that licensing is making a significant difference in the area and starting to achieve some of its original objectives with a broad range of issues being tackled including anti-social behaviour (ASB) and uncovering benefit fraud. In particular it has improved housing conditions for households who were found to be living in properties that failed to meet minimum housing standards or where landlords of HMOs were in breach of management regulations.

39. Fee Structure

40. As permitted under The Act it is proposed that the Council will require the application for

a licence to be accompanied with a fee.

41. The Act allows the council to have regard to a wide range of costs of housing functions. The fee levels proposed do not take into account all of the costs that they could and as such the officers are confident that they do not exceed the amount the council is allowed to charge by law and therefore is not being used as a way of raising revenue.
42. We take into account that on average some applications take longer to process than others. We want the fees to reflect that those applicants that make applications in a proper and timely manner cost less.
43. The proposed application fees are similar to licensing schemes in other areas of England (see Table of Comparisons Appendix 2). The licence fee is a 'one-off' payment and would be applied upfront for a five year licence, irrespective of when the application is made during the term of the designation. One application per dwelling will be required and the fee rates will be fixed for the duration of the scheme irrespective of the application date.

44. Additional Licensing fee

45. The fee for an additional licence application for a new licence is proposed to be £1,000 which is reduced by £200 on receipt of a valid/correct application and the required certificates.
46. The fee for an additional licence application for a property which is found to be unlicensed is proposed to be £1,550. The unlicensed fee applies to applications received after the 30th September 2016. This does not apply to a property *newly* rented after this date which is required to have a licence. In these cases a "New licence" fee will apply. However, if a property *newly* rented after this date (30 September 2016) which is required to have a licence, but does not apply for a licence within 28 days of the property becoming rented then the unlicensed fee will be applicable.

47. Selective Licensing Fee

48. A Selective Licence fee will be required for smaller or single occupied units of private rented accommodation. As the inspection regime is less extensive than the inspection for higher risk HMO's, the fee is less than the Additional licence fee to reflect the less complicated process.
49. The fee for a new selective licence is proposed to be £470 which is reduced by £100 on receipt of a valid application with the required certificates.
50. The fee for a selective licence application for a property which is found to be unlicensed is proposed to be £770. The unlicensed fee applies for applications received after the 30th September 2016. This does not apply to a property *newly* rented after this date which is required to have a licence. In these cases a "New licence" fee will apply. However, if a property *newly* rented after this date (30 September 2016) which is required to have a licence, but does not apply for a licence within 28 days of the property becoming rented, then the unlicensed fee will be applicable.

51. What will the fee income be used for?

52. The income from the fees will be used solely for the costs of running the scheme (processing applications, carrying out licensing inspections etc.).

53. Consultation (See also Appendix 1)

54. Consultation is a statutory requirement under S56 (3) and S80 (9) the Housing Act 2004. Before an area can be designated the local authority must undertake consultation with all persons likely to be affected by the designation. The original published proposal has been modified following consultation and the details of these changes can be found in Appendix 1. These mainly related to:

- The reward criteria and a faster refund process and
- A longer application period, doubling the previous proposal

55. Those most affected by the designation are landlords or letting agents with licensable properties in the area who will have to licence their properties and pay a fee and private tenants living in these properties who are most affected by the housing conditions of these properties.

56. There was an exceptionally high level of responses to the consultation which was carried out over a twelve week period from 12th August 2015 to 3rd November 2015 and aimed to consult with all people likely to be affected by the proposed schemes and other people and bodies including other local residents, community groups, trade associations, Neighbourhood Partnership, police and the West of England local authorities. The Assistant Mayor and ward councillors were personally briefed.

57. The full address list of properties in the proposed area was obtained from a report from our Local Taxation team. This included details of responsible parties for council tax and we were able to establish from this details on landlords and letting agents for private rented properties. However Local Tax does not have to record or maintain this information, so some of the information was out of date. However with no register of landlords, this is the best source of information available to us and our initial contact was to potential landlords and agents to ensure we made every attempt to reach as many as possible. This list was refined as the consultation progressed and we received updates from these individuals or letters were returned "no longer at this address".

58. We also contacted by email all landlords and agents on our Landlord Liaison database (currently 5,018 landlords and agents). These included not just those living in Bristol but other parts of the UK and abroad. The majority of these landlords probably did not have property in the proposed designated area but may purchase property in the area in future or could spread the word through their own membership.

59. All residents and known landlords and agents were written to several times over the course of the consultation and invited to public meetings, 1 to 1 sessions and information stalls. They were all provided with a leaflet explaining the proposal and links to our website and a more comprehensive proposal document which was available in a printed version on request.

60. A significant number (2,248) of people completed our online survey, including more than

1,000 tenants and 356 landlords or agents who would be directly affected by the designation. Full details of the responses to the survey can be found in Appendix 1.

61. The consultation findings suggested that there are many private rented homes with very poor living conditions which have not been brought to the attention of the City Council. It is also evident that there are a number of landlords who would benefit from advice and training about what their responsibilities are, to assist them in managing their properties and an awareness of the required minimum legal standards.

62. Tenants would also appear to be lacking in knowledge on their rights and how to report problems with their property condition or poor management practices.

63. Full details of the consultation process and its findings can be found in Appendix 1 but some headline findings are outlined below.

64. Poor housing and poor property management

65. The survey gathered details of tenant's experience of property conditions. In particular question 1 asked: - "Evidence collected by us indicates that high levels of private rented properties are in poorer condition than most of the city. These include cold and damp, disrepair, lack of heating or gas/electrical problems. Have you experienced this?" 2,215 people answered this question and 60.81% (1,347) said that yes they had experienced poor housing conditions in the private rented sector.

66. Breaking down the responses by the individual groups, 79.5% of private tenants living in the two relevant wards said they had experienced poor housing conditions.

67. Question 2 concerned property management and 57.25% (1,287) said they had experienced poor management.

68. Breaking down the responses by the individual groups, 73.5% of private tenants living in the two relevant wards said they had experienced poor management.

69. These are backed up by comments identifying the poor living conditions and/or management that many are familiar with.

70. There are also some private tenants who live in satisfactory conditions and their landlords are reported as being professional and well informed, but these are in the minority with only 20.1% of private tenants in the area saying that they had not experienced poor housing conditions and only 25.6% had not experienced poor management. (See Appendix 1)

71. Fees

72. Questions 6-8 related to proposed fees for the scheme. The majority agreed that we should charge a fee for a licence (48% said Yes; 33% No and 19% don't know) and when considering the responses by the main respondent groups, not unexpectedly landlords and managers felt the fees were too high (88%). However, 62% of tenants believed the fees were just right or too low. Although the fee is a one off upfront payment that covers the 5 year scheme, some tenants expressed concern that the landlord will pass the fee onto their rent.

73. Responses and Changes Resulting from Consultation

74. The main issues arising from the survey, public meetings, letters and emails were relating to:

- Area selection and evidence
- Fees
- Property Standards

75. Why was this area selected?

76. Eastville and St George West wards meet the criteria set out in Sections 56 and 80 (as amended) of the Housing Act 2004 to enable the authority to designate the areas for discretionary licensing. .

77. There are other areas with higher concentrations of privately rented properties than Eastville and St George West but which do not meet the required criteria for declaring a discretionary licensing area. Some of these areas have a significant number of larger HMOs that are already dealt with under Mandatory licensing.

78. Fees

79. The licence fee is calculated on the overall cost of the scheme and the proposed structure encourages landlords to submit their licence applications by the required deadline and if this is met, a lower fee will be charged. Where landlords do not make their applications by the required date, the full fee will be applicable.

80. In developing the proposed fees we have taken into account the numbers of properties that are expected to be licensable and the resources needed to operate the scheme.

81. We appreciate that the financial burden will be on the landlord /agent and in some cases the cost may be passed on to the private tenants but the benefits of the scheme outweigh this and the fees are considered to be fair and proportionate. In the review of the Stapleton Road scheme only 10% of tenant respondents report a rent increase following the introduction of licensing. Therefore it was not evident that rents that had increased were a direct result of the designation of licensing in the area and any increased rents could be attributed to the general rise in rent levels across the whole of the city.

82. The proposed fee structure is not dissimilar to that charged by many other Local Authorities and is in fact less than many (See Appendix 2).

83. The fee is a one off, upfront payment and the rate remains fixed throughout the 5 year life of the scheme.

84. A significant and understandable issue that came out of the consultation was the level of licence fee and the payment structure. Landlords with a number of properties believed that it was unfair to expect them to pay all the licence fees for their properties, upfront at the same time and enquired about spreading the cost.

85. The legislation particularly enables us to require a fee fixed by the Council to accompany the application. There is no provision for stage payments to be made after an application is determined.

86. Rather than give the scheme start date as the deadline for submitting applications that

would be capable of attracting the reduced fee, it is now proposed to make that deadline the 30th September 2016. This will extend the introductory period for accepting licence applications by 3 months giving landlords the opportunity to take advantage of the lower licence fee for an extended period and also give them more time to forward plan their expenditure and stagger their applications if they own multiple properties. However if a licence is not received by this deadline, the property will be considered to be unlicensed and will attract the higher fee.

87. Landlords will also be able to apply for a licence before the scheme starts. These applications will be held until the scheme commences on 1st July 2016 and will be processed as a priority.

88. We considered the feedback from large portfolio landlords who will have a large number of applications to make and their view that the fee should be discounted. However, any discount would impact the landlord who receives income from just one property as the overall cost of the scheme remains the same. It is recommended that there will be no discount for portfolio landlords.

89. Another issue raised during consultation was the time taken to make reward payments when they are linked to property inspections and the time that the Council was holding on to these funds. It was proposed that rewards were given when a valid application was made before the deadline and where the property is deemed to meet standards following an inspection.

90. However given that we are expecting to receive over 2,500 applications it is anticipated that it will take officers some time to inspect these properties, assess their condition and ensure any required improvement work has been completed. Therefore we have removed the link to the compliance inspection. Instead we will require landlords, to make a valid application and on issue of their licence to submit the required safety and energy certificates within 3 months. Once these have been received the reward monies will be refunded. It will therefore be the landlords who determine the speed of repayment of their reward. However if the certificates are not received within this three month period, they will not be eligible for the reward.

91. Technical issues:

92. A small number of comments were concerned with housing standards that would be applied under a licensing scheme and these included the application of the Decent Homes Standard and/or an expectation that we would require landlords to improve their properties to unreasonable standards and unnecessary expense.

93. Although we used the Decent Homes Standard information as part of the data to determine areas where poor housing have been identified, licensing conditions and associated regulations only require a property to meet the legal minimum standards and best practice of management. Although there will be a number of properties that will require significant works to bring them up to the standard it is anticipated that the majority of properties will not require major refurbishment to meet the legal requirements. To ensure properties meet minimum standards, in relation to property condition and management certain regulations must be adhered to.

94. In order to help with any repairs that are identified as a result of licensing inspections, subject to meeting qualifying criteria, we will offer low cost loans to help landlords who have made a licence application bring their properties up to standard. Loans are available to cover the cost of the required works up to a maximum of £15,000 per property and repayable over five years.

95. Consultation and Scrutiny input:

96. Consultation: Consultation is reflected in the report and Appendix 1. We also liaised with the relevant ward councillors, the local police and Anti -Social Behaviour team, private renting team, Finance officers, local neighbourhood management officers and the neighbouring local authorities. Specifically one of the ward councillors has written in with strong support for the scheme.

97. Scrutiny input: In a report to Joint Scrutiny in April 2015 concerning standards in the private rented sector, the proposal to extend discretionary licensing was included. The expansion of discretionary licensing is also included in the new Housing Strategy, which was the subject of scrutiny input.

99. Risk management / assessment:

FIGURE 1

The risks associated with the implementation of the Discretionary Licensing Scheme:

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (i.e. controls) and Evaluation (i.e. effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		Impact	Probability		Impact	Probability	
1	The predicted licence fee income will not cover the costs of processing the licences and associated costs.	Medium	Medium	Estimated numbers calculated on statistical information available (as per previous Mandatory and Discretionary schemes)	Low	Low	
2	Legal Challenge	Medium	Low	<p>The Department of Communities and Local Government consultation guidance has been followed and thoroughly considered.</p> <p>The research undertaken and the evidence obtained satisfies the criteria for scheme designation(see Appendix 1)</p> <p>We are confident that the legal requirements for the designation of the scheme have been adhered to.</p> <p>The fee structure proposed is based on previous schemes and cost of the overall scheme is lower than many comparable local authorities.</p>	Low	Low	
3	Under estimation of numbers of properties required to be licenced	Medium	Low	Adequate resources will be made available as required to administer the scheme.	Low	Low	

FIGURE 2 The risks associated with not implementing the (*subject*) decision:

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (i.e. controls) and Evaluation (i.e. effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Poor housing conditions will remain/deteriorate and badly managed rented accommodation will continue to be present in these wards	High	High	Without the licensing scheme residents will be significantly reliant on a responsive service which will only deal with complaints and possible enforcement action where landlords operate outside the law.	High	High	
2	Risk to tenants	High	High	Unfortunately, protection for tenants with regard to poor living conditions cannot be assured, unless the tenant makes a complaint to the council. Tenants who do make a complaint however do not have the same protection that they have in a licensing area and fear retaliatory eviction.	High	High	

Public sector equality duties:

A full Equality Impact Assessment has been undertaken for the proposal and is in draft format awaiting approval from The Equality and Community Cohesion Team and a Service Director. This is attached at Appendix 6. The introduction of the licensing scheme should have a number of positive impacts for people with protected characteristics as the licensing conditions aim to tackle poor quality housing in the private rented sector. We know that some BME people and migrants are particularly vulnerable to exploitation with regard to poor housing as they are less likely to know their rights and the standards that are deemed acceptable and appropriate.

A potential negative impact has been identified for landlords who may be more at risk of enforcement action being taken against them if they don't understand the requirements of the scheme. This could apply to some BME landlords. We will mitigate against this by widely publicising the scheme and its requirements, making the literature available in community languages on request and offering interpreted information sessions if needed.

Advice given by Anneke van Eijkern / Equality and Community Cohesion
Officer

Date 3 December 2015

Eco impact assessment:

The significant impacts of this proposal are

Whilst it is not possible to quantify the extent of impact, it is likely that actions to improve the condition of homes will have a positive environmental impact – for example improving heating systems or treating damp. In addition, Landlords will be advised and supported in achieving the minimum EPC requirement of Band E for rented properties.

It may be the case that some negative impacts arise through works associated with repairs, for example raw materials and travel by contractors. The proposals include the following measures to mitigate the impacts

Negative impacts are likely to be outweighed by longer-term positive impacts.

The net effects of the proposals are likely to be a small, positive impact.

Advice given by Steve Ransom, Environmental Programme Manager

Date 26 November 2015

Resource and legal implications:

Finance

a. Financial (revenue) implications:

Councils are unable to use licensing schemes as a way of generating extra revenue; therefore the fees are set at such a level as to recover the costs of administration of the scheme. Enforcement costs have not been included in the fee rate proposed and as such will be funded by the Council General Fund.

b. Financial (capital) implications:

There are no capital implications as a result of this report

Advice given by Michael Pilcher - Finance Business Partner

Date **03/12/15**

C. Legal Comments

The tests for additional licensing are set out in paragraphs 14 & 15 of the report and for selective licensing in paragraphs 20 and 21. The report sets out how the tests have been complied with and in doing so also deals with The Provision of Service directive 2009, which requires Mayor in taking the decision to be satisfied that :

- *There is no discrimination against a provider of the service;*
- *The designations are justified by an overriding reason related to the public interest; and*
- *The objective pursued cannot be attained by means of a less restrictive measure*
- *If the Mayor, having evaluated the information in the report considers that the tests are met then he has discretion to make the recommended designations and any reasonable exercise of that discretion would be lawful.*

The Mayor should have regard to the regulators code insofar as the decisions he is asked to make would set standards that private landlords would have to comply with.

The code can be found at

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/300126/14-705-regulators-code.pdf

The Mayor is asked to set fees at certain levels and the report is clear that they do not exceed the amount that is allowed under statutory provisions. If the Mayor wanted to consider another level of fee then he would need further detailed financial information and may have to undertake further consultation with those likely to be affected by his decision.

The outcome of consultation must be conscientiously taken into account when the Mayor makes his decision and he should therefore give due consideration to the responses received and how they have been taken in to consideration in formulating the recommendations.

The report sets out the requirements under the Equality Act 2010 and an impact assessment has been prepared to assist the Mayor to consider whether there are any people who, by reason of their protected characteristics, are likely to suffer an adverse

impact as a consequence of the schemes being introduced and whether the proposals are justified notwithstanding such adverse impact .

**Advice given by Nancy Rollason, Service Manager Legal services Date
20th January 2016**

d. Land / property implications:

There are no implications for Corporate Property, but we fully endorse the proposals set out in this paper, to improve standards in the private rented sector.

Advice given by Richard Fear/ Principal Portfolio Management officer

Date 16th December 2015

e. Human resources implications:

The Licensing scheme is self-funding and therefore covers the employment costs of the employees working on the programme.

There are no immediate risks to staff however after the Eastville & St George programme there may be a risk of redundancy at that point. However we would endeavour to redeploy the staff if this was the situation and retain the experienced workforce.

Advice given by: Lorna Laing, HR Business Partner - People

Date: 2 December 2015

Appendices:

Appendix 1 - Consultation Process and Findings

Appendix 2 - Fees Comparison Table

Appendix 3 - Map of Eastville ward and boundary

Appendix 4 - Map of St George West ward and boundary

Appendix 5 – Licensing Conditions

Appendix 6 – Equalities Impact Assessment.

Appendix 7 - Proposal document

Access to information (background papers):

Guidance:

List background papers which include facts / matters on which the report is based, or which have been materially used in preparing the report (do not though include any published works or papers including information which is exempt or confidential).

You also need to supply a copy of any background papers (or the web link) as these must be published alongside the Cabinet reports.

None.

Appendix 1 – Consultation

Preamble

Prior to consultation we had undertaken a desk top study of areas, which had been first highlighted as suited to discretionary licensing schemes at Cabinet in September 2012, to determine which met the additional licensing criteria and the amended criteria for selective licensing (March 2015).

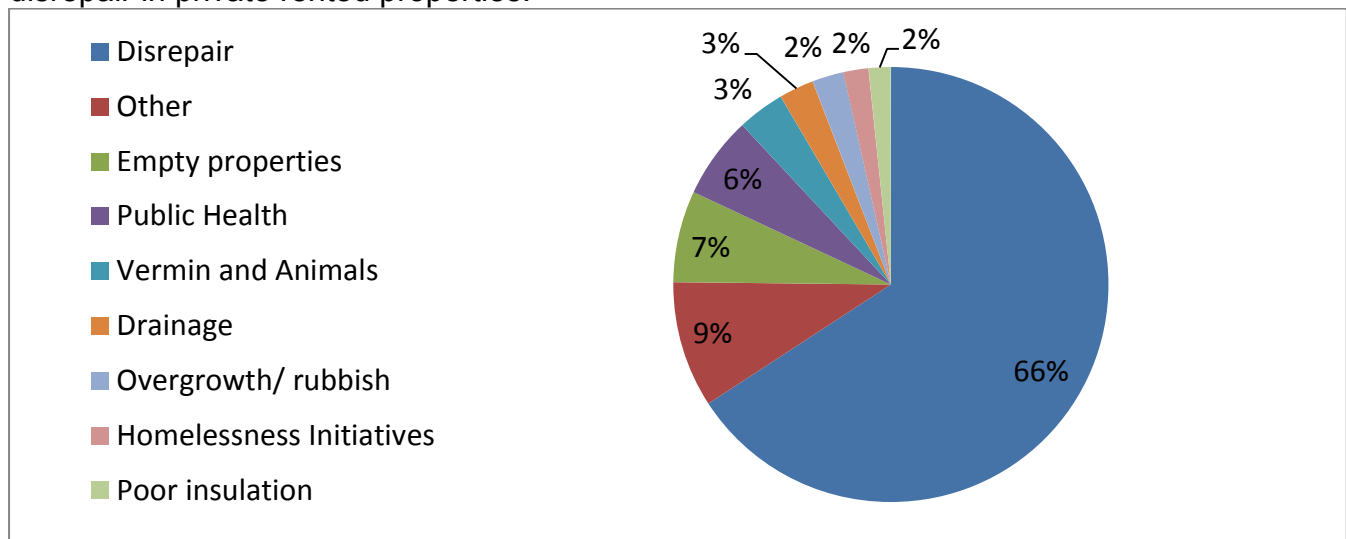
Eastville and St George West wards meet the criteria set out for Additional Licensing of HMOs under Section 56 of the Housing Act 2004 and for Selective Licensing of other private rented properties under Section 80 of the Housing Act 2004 to enable the authority to designate the areas for discretionary licensing; i.e. a high concentration of private rented accommodation (29.9% and 28.5% respectively, compared to the national figure of 19%) and properties in poor condition or badly managed.

There are other areas with higher concentrations of privately rented properties than Eastville and St George West but which do not meet the required criteria for declaring a discretionary licensing area. Some of these areas have a significant number of larger HMOs that are already dealt with under Mandatory licensing.

Statistical evidence has been gathered from many sources including the Bristol Private House Condition Survey 2012, Bristol Census 2011, Neighbourhood Partnership area profiles, Quality of Life survey 2013, The Population of Bristol 2014, the Bristol Indices of Deprivation, Department of Health and Climate Change fuel poverty and energy performance certificate (EPC) datasets and from our own inspection records from complaints received about private rented properties in these areas over the last 12 months.

Our research had shown that the population increase in these two wards was higher than average. Figures taken from the document- The Population of Bristol 2014 show that in the last five years the population has increased by 7.7% in Eastville and 6.4% in St George West (citywide the increase is 5.1%). From the Census 2011 migration over the period 2001 – 2011 was 11.8% but 14.9% in Eastville and 14.6% in St George West. Where the numbers have increased at this rate we were concerned that this could lead to overcrowded housing conditions given the increased demand for housing.

Of 1,800 service requests received by Private Housing Service in 2014/15, 427 (24%) were concerning properties in Eastville and St George West wards and of those 66% were relating to disrepair in private rented properties.



The changes in selective licensing legislation limits defined areas to no more than 20% of a local authority's district or to 20% of the private rented stock unless the local authority applies to the Secretary of State to confirm a citywide scheme. We estimate that there are approximately 2500 private rented properties in total affected by this designation and an additional 1630 private rented properties in the existing Stapleton Road scheme – therefore including this designation no more than 9% of the city's total private rented stock will come under discretionary licensing designation and therefore would not require Secretary of State approval.

Consultation process and findings

The consultation for the proposal to introduce discretionary licensing schemes, an additional licensing scheme and a selective licensing scheme to operate across the boundary of the two wards of Eastville and St George West, ran for 12 weeks from 11 August 2015 to 3 November 2015.

In order to establish the properties in the private sector, and more importantly the private rented sector we obtained a report from our Local Taxation team which included details of responsible parties for council tax. From this source we were able to gather details on landlords and letting agents but as Council Tax do not have to keep this information, some of the information was not up to date. However with no register of landlords, this is the best source we have access to and gives a good indication of number of private rented properties in the area. This includes addresses for landlords not just in Bristol also other parts of the UK and abroad.

We wrote initially, with information about the proposal, to every resident in the private sector in both wards, to all landlords and agents on the Council tax list, not only those living in Bristol but in other parts of the UK and abroad. As calls and correspondence were received we refined our list so that some landlords who no longer had property in the area were removed.

We emailed landlords who are registered on our Landlord Liaison database and put articles in the Landlords News and the Stapleton Road Discretionary Licensing resident and landlords newsletters. These landlords do not necessarily have properties in the area but are potential future landlords of properties in the area and have been made aware of the proposed scheme.

We also wrote to local business and Letting Agents including their head offices, local councillors, Neighbourhood Partnership, other council departments and our neighbouring West of England local authorities (Bath and North East Somerset, South Gloucester and North Somerset) .

We continued writing to residents, landlords and agents throughout the consultation period sending details of meetings, drop in sessions and information stalls and door knocked some streets where we believed the most vulnerable lived to ensure that they were aware of the consultation.

We set up a Twitter page and posted updates and information on meetings and links to our property licences web page.

We met with officers from the local tenant community group ACORN who circulated details of the consultation amongst their members.

We gave our email address and telephone numbers on all publicity and handled more than 300 calls from landlords and tenants about the proposal.

We met with local landlord and letting agents groups and attended neighbourhood Partnership meetings.

Our online survey was promoted on all correspondence and a paper copy was available to those who requested it.

Once the consultation period ended, all the survey details were downloaded and analysed together with comments from emails and letters.

The first two questions in the survey were set to establish if there was evidence to support our previous desk top survey of the area and confirm that there was a problem of poor housing conditions and unsatisfactory management of private rented housing in the areas selected.

The responses to the question on the effects of high levels of inward migration gave further confirmation of how the demand for housing was in some cases leading to overcrowding and low property standards.

Obviously not all comments were negative and there are obviously some very good landlords and happy tenants in the area but these are in the minority.

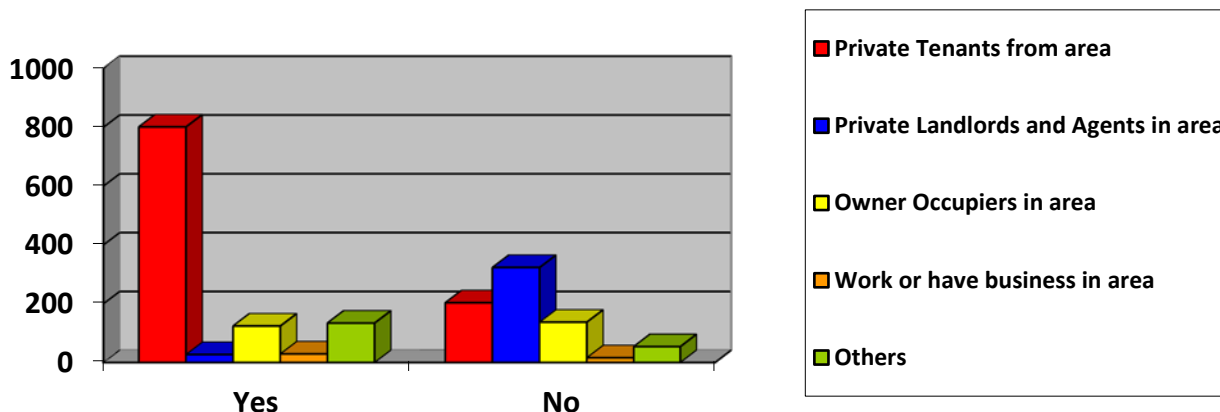
Listed below is a summary of consultation activities undertaken:

- Letters to 3,515 landlords on 21 August, providing information about the scheme and asking for comment. Leaflet included and details on survey etc.
- 7,966 letters sent to private tenants and owner occupiers on 21 August as above.
- 2,411 Emails sent to landlords and agents on the Landlord Liaison database on 19 August with questionnaire and Proposal attached.
- Letters to 3,200 landlords on 4 September, providing information about the scheme and asking for comment and links to survey etc.
- Letters to landlords and tenants on 14 October, providing information about the scheme and asking for comment and links to survey etc.
- 69 Individual responses to emails and letters
- 341 telephone calls to Private Housing
- Information stall at Aldi supermarket, Fishponds Road on 15 September 2015
- Information stall at Aldi supermarket, Church Road on 16 September 2015
- Drop-in session at St George Library on 16 September 2015
- Drop-in session at Fishponds Library on 18 September 2015
- Public meeting held at The Vassell Centre on 1 October 2015
- Public meeting held at The Rose Green Centre on 7 October 2015
- Drop-in session at St George Library on 13 October 2015
- Drop-in session at St George Library on 20 October 2015
- Meeting with regional representatives from Landlord Associations and Registered Letting Agents on 9th September
- Meeting with Bristol Association of Managing and Letting Agents on 15 October 2015
- Meeting with St George Neighbourhood Partnership at Bee Hive Centre meeting on 30 September
- Meeting with The Greater Fishponds Neighbourhood Partnership meeting at the Vassell Centre on 8 October 2015
- Meeting with Bristol Landlords Forum at Create Centre on 1 October 2015
- Briefing with Assistant Mayor and all 4 ward councillors
- Email to the other 3 West Of England Local Authorities advising them of consultation in progress
- Meeting with relevant Neighbourhood Partnership officers September 2015
- Meeting with Police Anti-Social Behaviour Officer 22 September 2015
- Meeting with ACORN officers October 2015 who publicised the consultation amongst their membership Twitter updates
- Consultation registered with the Council's Consultation Finder and details on our Property Licence web pages

2248 people completed our online survey. Results from the survey questions appear below.

Q1 Evidence collected by us indicates that a high level of private rented properties is in poorer condition than most of the city. These include cold and damp, disrepair, lack of heating or gas / electrical problems. Have you experienced this?

Survey Responses- Have you experienced poor housing conditions in PRS



Selection of Comments:

“Through my work as a support worker, I visit many tenants in this area, many living in poor quality privately rented accommodation.” (Work in area)

“I look after my house as if it were my own....Happy tenants are important to me.” (Landlord)

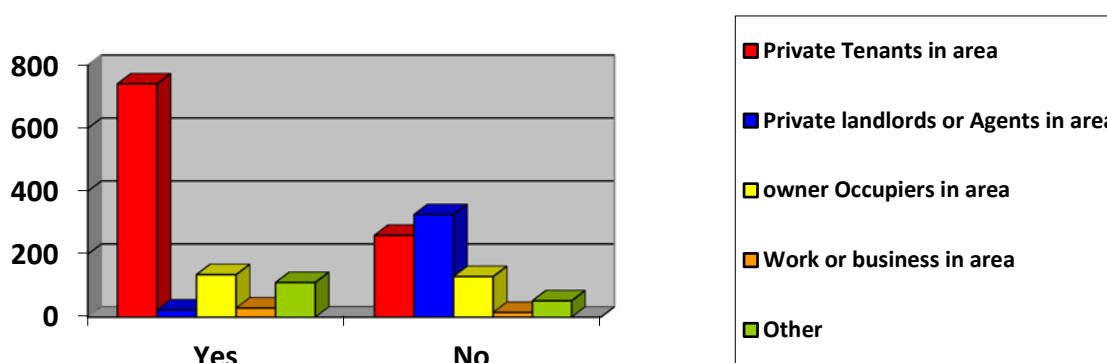
“Major condensation and mould growth in a flat less than a decade old.” (Tenant)

“We carry out surveys for residential properties in the whole of Bristol and I would agree that this area is not looked after by private and public sector.” (Work in area)

“There is such demand at the moment that there is no incentive for landlords to tackle these problems - they know someone will rent it anyway, because we're all so desperate for somewhere, anywhere to live” (Tenant)

Q2 Evidence collected by us shows that high levels of private rented properties are badly managed. Have you experienced this?

Survey Responses- Have you experienced poor management in PRS



Selection of Comments:

“The landlord refused to give a number of tenants back their deposits with no valid reasoning for his decision. The landlord accessed our private rooms of his own volition, leading to many of us changing the locks to our rooms. The landlord was verbally abusive to tenants and behaved in threatening manner. All of which we reported to the council but as we had entered into an insecure tenancy without knowing tenancy we were left with very little rights.” (Tenant)

“I have seen a lot of postings on our local Facebook page - BS5 Booty - about poor rental conditions and poor landlord behavior from tenants. One post said they had rats and damp and small children living in these conditions, but landlord refusing to do anything. Lots about damp, electrics etc. not being sorted out by landlords”. (Landlord)

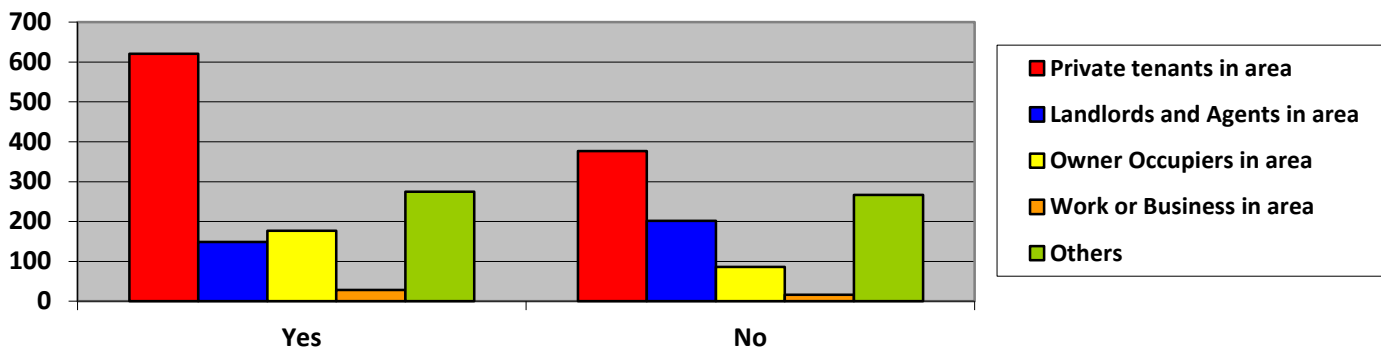
“My Landlord is fantastic and is also available if we have a problem with the property” (Tenant)

“The main issue I experienced was tenants being afraid to ask for repairs, even when the properties were in extremely poor condition (broken heating, penetrating damp) for fear of eviction or rent increase.” (Tenant)

Q3 Evidence shows that there has been a higher than average increase in the numbers of people migrating to the area both from other parts of the UK and from abroad. Are you aware of this?

Of the 2,196 responses we received to the question about whether they were aware of the high level of migration to the area 56.8% said that they were.

Survey responses - Are you aware of the increase of migration into the area



From the follow up question of how this increase has affected people, respondents have reported rising rent levels, huge demand for each property being advertised and landlords increasing rents more frequently. Instances of existing tenants being evicted so that new tenants can be found on a higher rent and landlords not having to maintain property conditions because demand is so high they get can tenants anyway. Some tenants indicated that they have accepted less than satisfactory accommodation just to get a roof over their heads or are living in overcrowded housing with inadequate facilities for the numbers living in the property.

Selection of Comments:

“In the house we shared with one British person, one Lithuanian and 4 Romanian, there was also a downstairs portion that housed another 6 people along with the two landlords. I think it has led to tenants being more easily exploited.” (Tenant)

“Bristol is becoming an increasingly popular place to live and many people are struggling to find affordable accommodation around the city.” (Council tenant)

“Most of the properties sold in my area, Stapleton, Blackberry hill, are being bought to rent to students. The level of student occupation has rocketed in the last 3yrs. The fronts of the properties are disgusting at times with rubbish bags overflowing and strewn all over the place, which attracts all sorts of wild life including foxes and vermin. Something needs to be done about this. This was a quiet, beautiful area to live in, but is now going downhill rapidly.” (Council tenant)

“It has increased demand in the rented housing market - which landlords are exploiting. The demand means they are raising rents and increasing their profits.” (Tenant)

“I am perfectly happy with this: most of my tenants have been people relocating to Bristol for work. Many of them move on for the same reason.” (Landlord)

“As a migrant myself I think where people come from before they are in Bristol is irrelevant to whether landlords are allowed to provide poor conditions or not. To my mind, the concentration of poor rental accommodation in areas where there are migrants is clear evidence that landlords are exploiting migrants.” (Owner occupier)

“The area we live in used to be a lovely quiet respectable place to live. Unfortunately that has all changed over the years. So many properties are now full of tenants that rent rooms and flats, who often have no regard for their neighbours. Landlords buy up the properties when families move out. We are often subjected to bad language and noise.” (Owner occupier)

Q4 We currently offer advice, guidance and training to landlords regarding issues relevant to the Private Rented Sector e.g. legal requirements and responsibilities. What other assistance do you think we could provide for landlords whose properties will need a licence?

Selection of Comments:

“I think you need to make it easy for people to find info and stick to it. Of course I think more should be done to protect tenants rather than landlords as they seem to have the roughest deal.” (Former landlord)

“No Just keep Training/punish bad landlords. More help for tenants / information.” (Tenant)

“Support in dealing with tenants who are anti social or cause damage” (Landlord)

“Nothing more. Landlords should be responsible for making themselves aware of the law - as any other small business person would! If they then fail to adhere to the law then they should be taken to court. I don't think that taxpayers should fund any special assistance for landlords that wouldn't be provided to any other business.” (Work in the area)

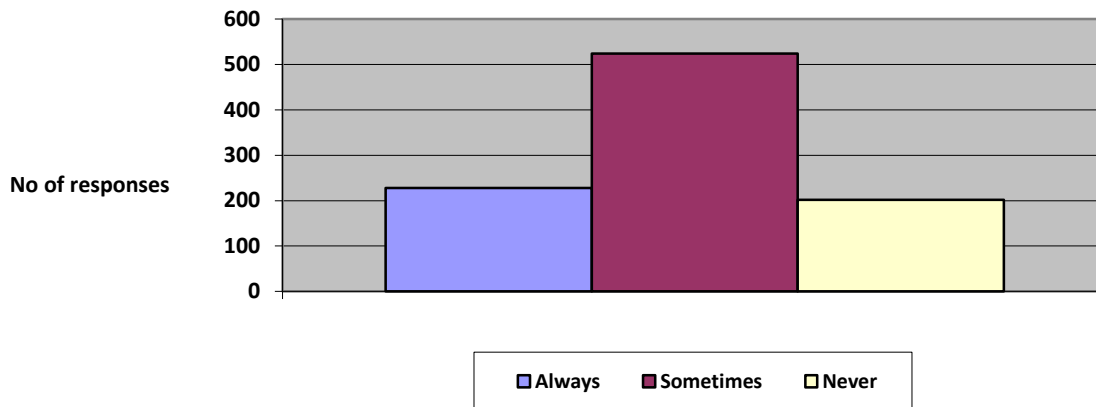
“Loans to do repair work.” (Landlord)

“Correct facilities and systems for waste disposal, with the onus of responsibility being on the landlord (or lady). Some written document that they must sign to say they will be liable. Training around cultural differences and barriers to good neighbourship that may come with people coming from abroad with different understanding of general responsibilities i.e. how to recycle, where, what services are available, noise kerfews etc” (Owner occupier)

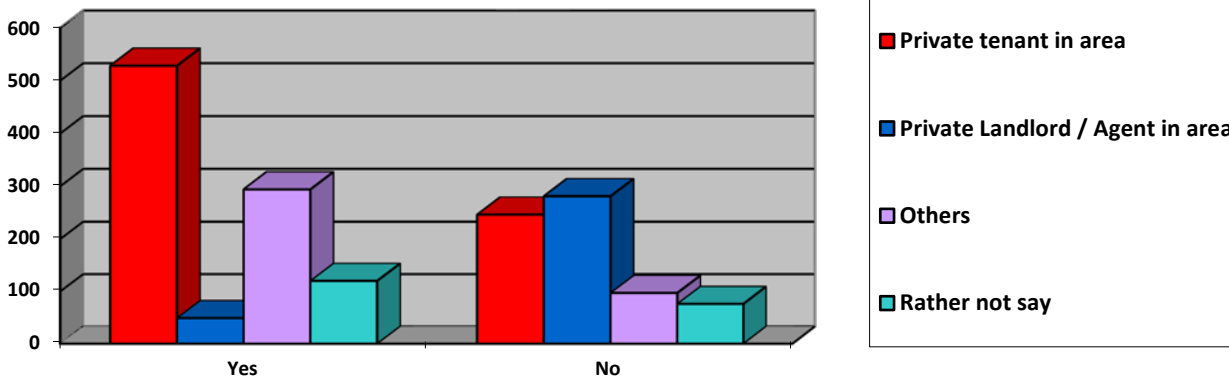
“Advice on offer at present appears to be satisfactory” (Landlord)

Q5 If you are a private tenant, does your landlord carry out repairs to your property promptly?

If you are private tenant, does your landlord carry out repairs to your property?



Q6 Do you agree with charging fees for a license?



Some comments... If not, why not:

“It is a waste of money and time for most landlords who look after their properties and tenants” (Landlord)

“This is a complete rip off - why charge my landlord when he works hard to keep my property in good order. This equates to almost a months rent for a one bed flat and I am worried that if this revenue is taken from landlords it will effect their financial ability to keep my property in repair.” (Tenant)

“Won't charging a fee just push up already high rents?” (Tenant)

“It seems slightly unfair to say people must have a license they didn't need before and then also charge for it. However, the charge does not seem excessive in comparison to rents, and overall I approve of the idea of improving standards through licensing. It also depends a little what the money collected will be used for.” (Owner occupier)

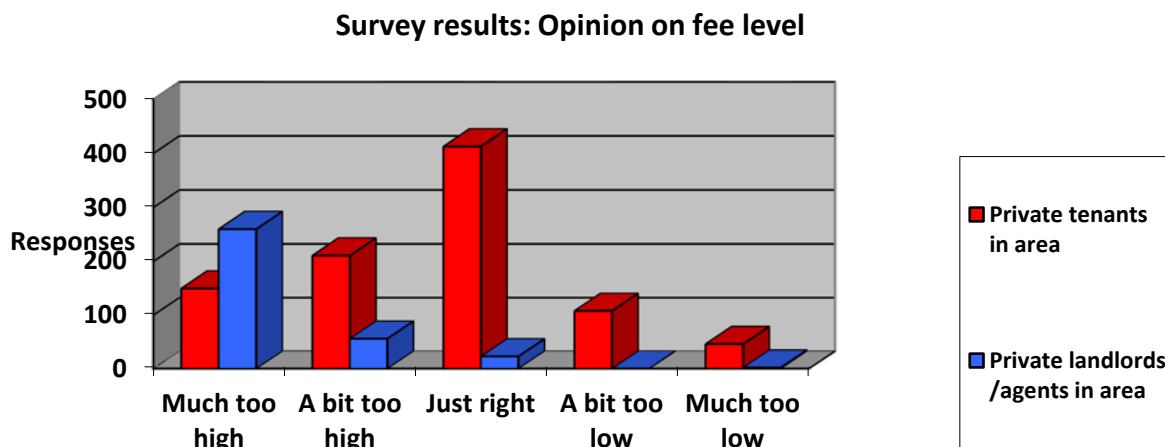
“The fee will simply be taken into account when calculating rents. The tenants will inevitably be the people who pay.” (Run a business in the area)

“As long as the fees are reasonable and not exorbitant.” (Tenant)

“There should be an option to pay annual fees. Not all properties are long term rental portfolios. some are intended for owner occupier just being rent for a year or so while other things like,

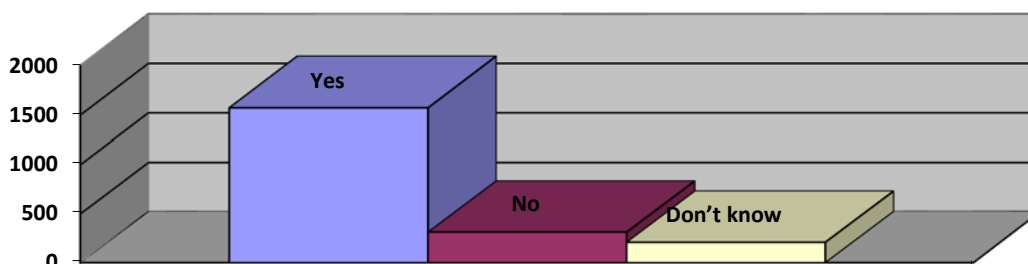
career, parents moving to care home, wait for marriage visa to go through, waiting for birth of a child, travelling for a year or two etc. Not all new landlords have this sort of money prior to letting, especially having to bring it up to standard first.” (Landlord)

Q7 What is your opinion of the proposed fees?



Q8 to reward and encourage landlords to license their properties, a higher fee would be charged for landlords who do not license those properties that require a licence. Do you think that it is fair to charge more to landlords or managers who don't apply for a licence when they should?

Do you think it is fair to charge landlords or managers who dont apply for a licence more?



Comments ... If not, why not?

Because the whole idea of licensing is, in my view, misguided - it will not 'hit the landlords', as I have heard local councillors suggest; it is too general, penalising landlords/tenants of excellent accommodation as well as poor accommodation; and the evidence from areas where licensing has been applied is weak. (Run a business in the area)

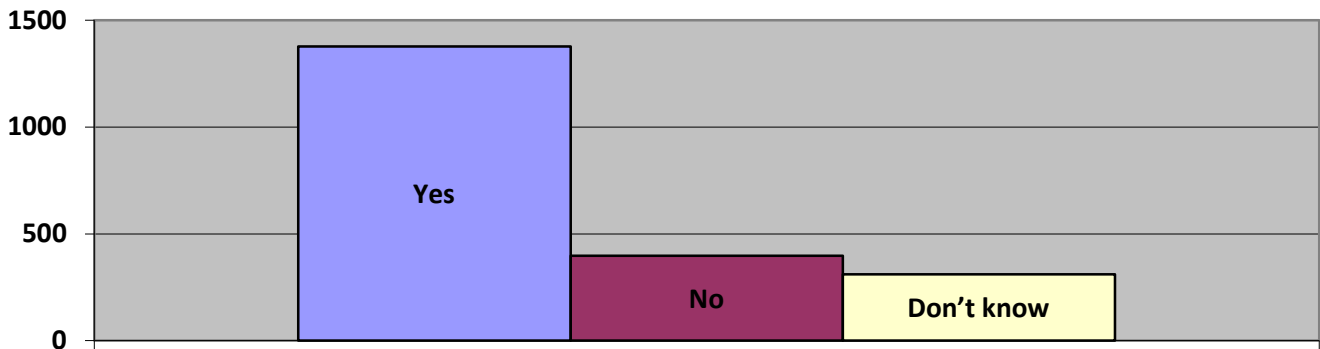
Because this also discourages people from coming forward once the deadline has been missed. They start taking steps to avoid this altogether. Or evict the tenant and then apply as a new property. (Landlord)

It's fair but the cost will just get passed to the tenant. (Tenant)

You should charge poor landlords not penalise good ones (Landlord)

Q9 Do you think that requiring people who will be licence holders and/ or managers to be fit and proper will have an impact on how the property is managed and housing conditions?

Do you think that requiring people who will be license holders and/or managers to be fit and proper will have an impact on how the property is managed and housing conditions



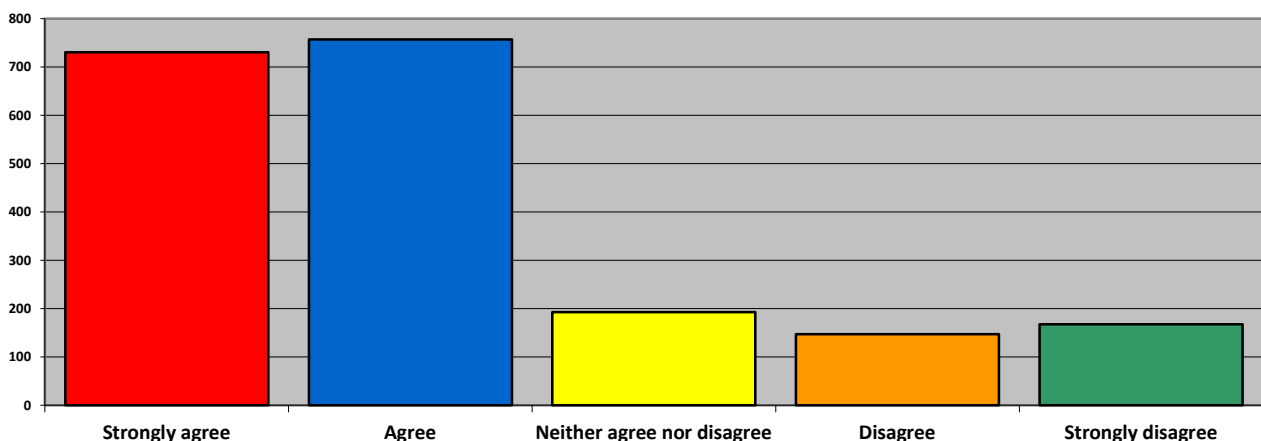
Discretionary licence conditions for additional and selective licensing:

There are important conditions which apply to a licensed property including:

- Requirement to meet minimum housing standards;
- Fire safety;
- Supply of gas and electrical safety certificates;
- Supply of an Energy Performance Certificate (EPC);
- Fit and Proper person status;
- Adequate amenities (e.g. washing facilities, toilet);
- Overcrowding
- Measures to deal with the antisocial behaviour of tenants and their visitors
- Written tenancy agreement.

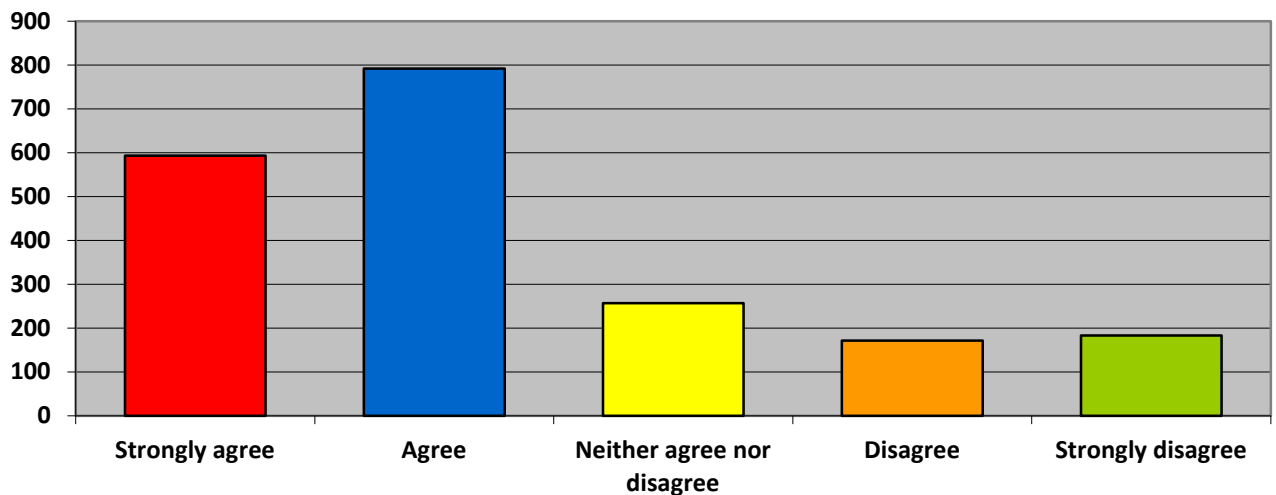
Q10 Looking at the list above, do you agree that these discretionary licence conditions would improve the standards of housing and the management of rented properties in the area?

Will Licensing conditions improve the standards of housing conditions and management?



Q11 Do you agree that a discretionary licensing scheme would help deal with problems of poor management of properties in the private rented sector?

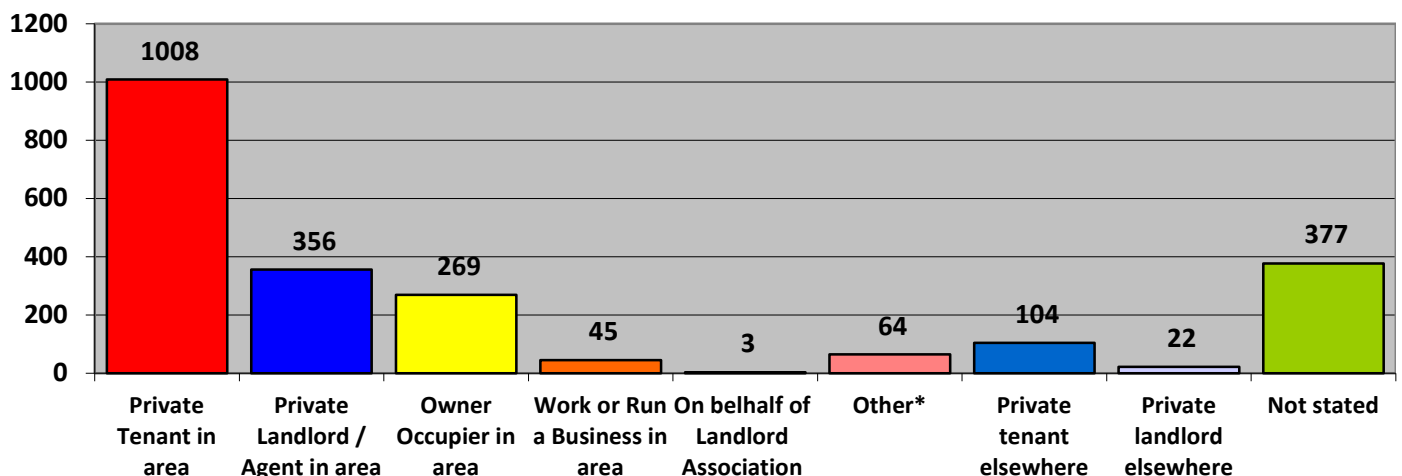
Do you think Licensing conditions will improve problems of poor management in the PRS?



NB:17% of those who wrote to us raised the point that these last two questions (Q X and Q Y) were leading. We acknowledge that they could have been better phrased, however, the results overwhelmingly show that in principal respondents agree that licensing conditions could help to improve both property conditions and poor management. However we have not used the results of these questions to make a recommendation that the proposed schemes should be approved.

Q12 Respondent Profile

Profile of Respondents



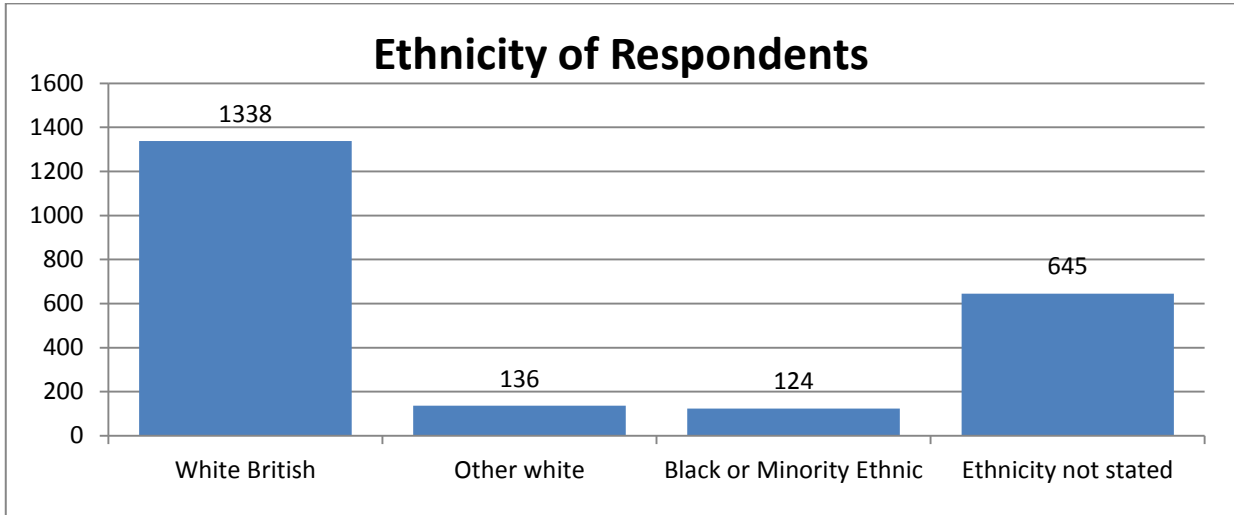
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Other respondents include

- Council and HA tenants
- Friends of private tenants
- Living with parents
- Property lawyer
- Councillor
- Students
- Lodgers
- Housing co-operative owner/tenant
- Scrutiny panel member
- Resident association member
- Shared owner
- Live outside of Bristol

Ethnicity of respondents

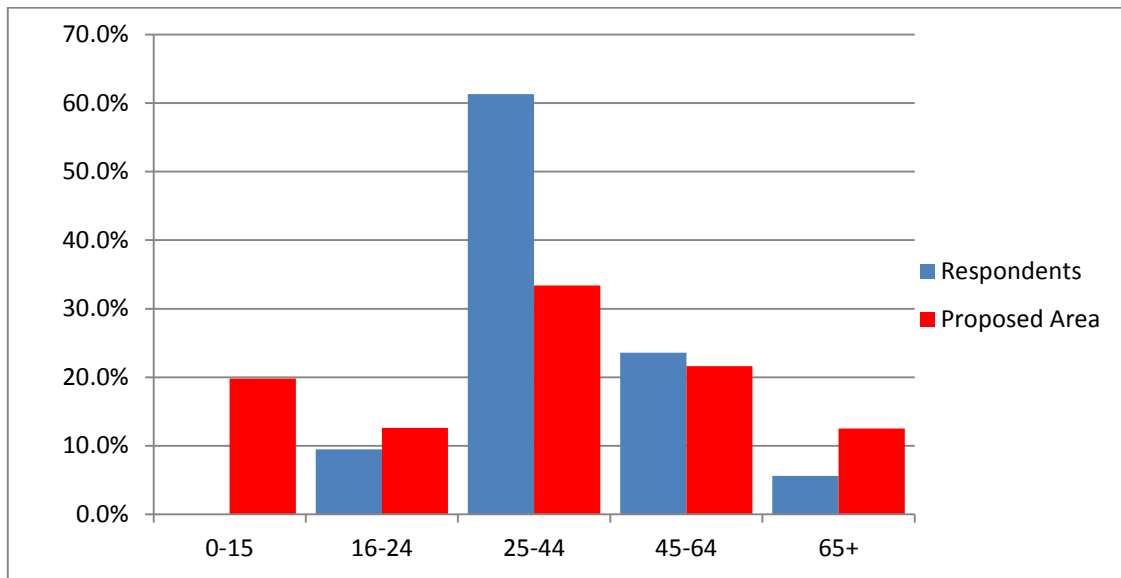
Of the 2248 respondents, 1603 completed the question on their ethnicity



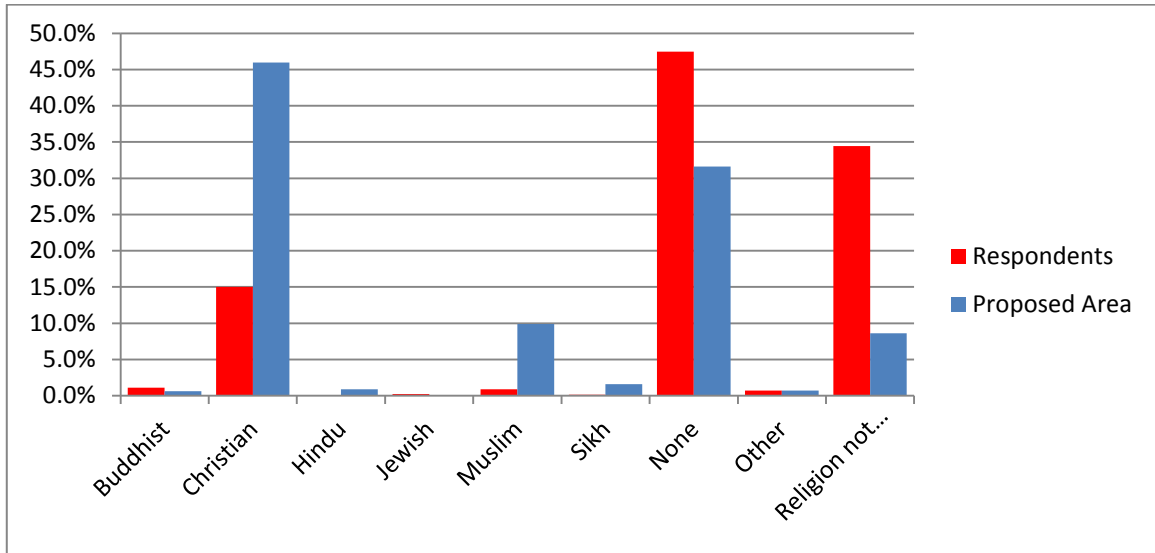
Of those who did answer this question the numbers of non “White British” respondents account for 16% of respondents. The non “White British” population make up 22% of the total population in Bristol. (Census 2011)

The number of Black or Minority Ethnic (BME) respondents account for 7.7% of respondents who answered the question. The total BME population in Bristol is 16%.The BME population in Eastville and St George West accounts for 27% of the population. (Census 2011)

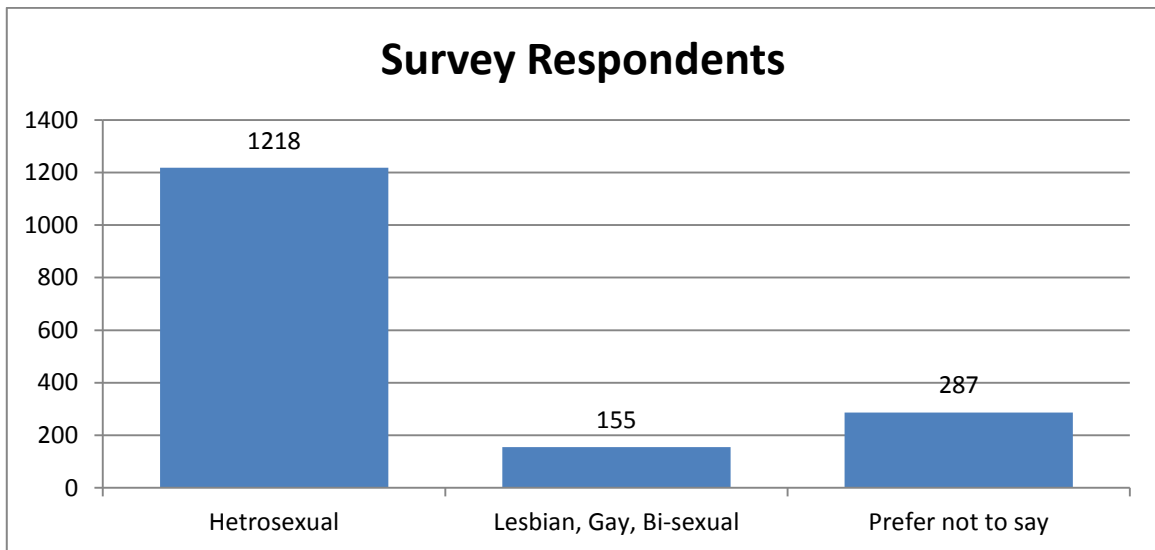
Age profile of respondents compared to the proposed area profile



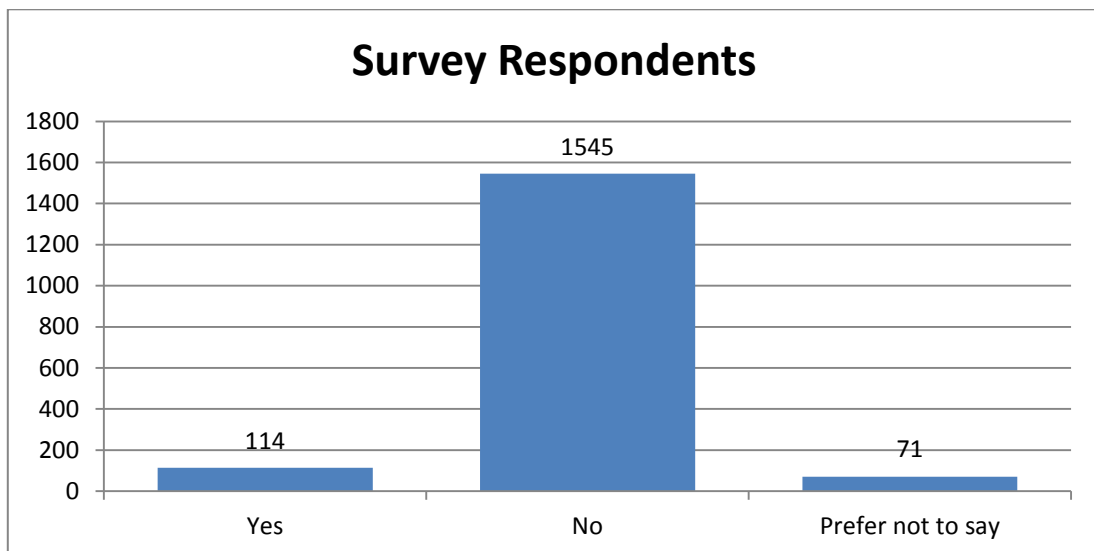
Religious profile of respondents



Which of the following best describes how you think of yourself?



Do you consider yourself to be disabled?

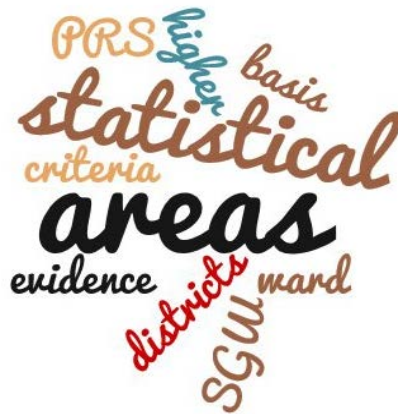


Response to issues arising from the survey, public meetings, letters and emails and the city council's responses:

- Area selection and evidence
- Fees
- Standards
- Other issues

Area selection and evidence –

Issue: Many respondents to the consultation did not think that the two wards selected (or some parts of the ward) met the required criteria (Housing Act 2004) for designation and questioned the data sources. Others wanted to know why we weren't introducing a citywide scheme which they believed would be fairer.



Response: Eastville and St George West wards meet the criteria set out in Sections 56 and 80 of the Housing Act 2004 to enable the authority to designate the areas for discretionary licensing; i.e. a high concentration of private rented accommodation (29.9% and 28.5% respectively, compared to the national figure of 19%) and properties in poor condition or badly managed. There are other areas with higher concentrations of privately rented properties than Eastville and St George West but which do not meet the required criteria for declaring a discretionary licensing area. Some of these areas have a significant number of larger HMOs that are already dealt with under Mandatory licensing.

Statistical evidence has been gathered from many sources including the Bristol Private House Condition Survey 2012, Bristol Census 2011, Neighbourhood Partnership area profiles, Quality of Life 2013, The Population of Bristol 2014, the Bristol Indices of Deprivation, Department of Health and Climate Change fuel poverty and energy performance certificate (EPC) datasets and from our own inspection records from complaints received about private rented properties in these areas over the last 12 months.

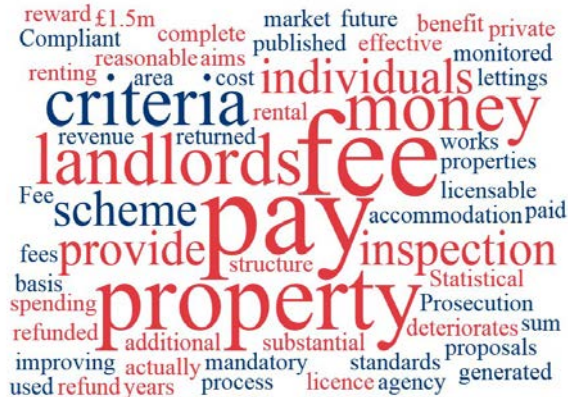
Recent legislation changes limited defined areas to no more than 20% of a local authority's district or to 20% of the private rented stock unless the local authority applies to the Secretary of State for a citywide scheme. We estimate that there are approximately 2500 private rented properties in total affected by this designation and an additional 1630 private rented properties in the existing Stapleton Road scheme – therefore including this designation no more than 9% of the city's total private rented stock will come under discretionary licensing designation and is well within the 20% limit.

It is not considered at the current time that the requirements to declare a city wide scheme could be met as there are many areas which are predominantly social housing or owner occupied housing and therefore would not meet the designation criteria. Also some areas have dense

numbers of properties that are already licensed under mandatory licensing legislation so the residue of private rented properties do not justify further intervention at this time.

Fees -

Issue: A significant and understandable issue that came out of the consultation was the level of licence fee and the payment structure. Landlords with a number of properties believed that it was unfair to expect them to pay all the licence fees for their properties, upfront at the same time and enquired about spreading the cost.



Response: The licence fee is calculated on the overall cost of the scheme and the proposed structure encourages landlords to submit their licence applications by the required deadline and if this is done a lower fee will be charged. Where landlords do not make their applications by the required date the full fee will be applicable.

The Council cannot charge more than the reasonable costs of administering the regime and the fee level have been calculated based on the numbers of properties that we believe will be licensable and the resources needed to operate the scheme. The level of fee set, we believe is fair and proportionate. Our proposed structure is not dissimilar to that charged by many others and is in fact less than many (See Appendix 2). The fee is a one off, upfront payment and the rate remains fixed throughout the five year life of the scheme.

In recommending keeping the same fee rate as proposed we also took into account the responses to the survey question on what people thought of the fee level; i.e. 52% of all respondents thought the fee was just right or too low; 62% of private tenants who would be affected by the designation said they thought the fee was “Just right” or “Too low” but 88% of landlords thought it was too high.

We have also considered the feedback about those who have large portfolios of privately rented properties and considered offering a discount. However, any discount would impact the landlord who receives income from just one property as the overall cost of the scheme remains the same. From their perspective why should a landlord who has many properties with the associated increased income from these properties receive a discount when smaller landlords do not? We have therefore recommended that there will be no discount for portfolio landlords.

To enable us to issue the required Selective/Additional Licence the full fee is required and therefore a stage payment approach would not be applicable, as these properties would remain unlicensed until the final payment was made and therefore put landlords at risk of operating an unlicensed property. The cost of administering the scheme on the basis of stage payments would also increase costs and therefore increase the Licence fee. Therefore we have rejected the idea of payment by instalments.

However, taking into consideration the views and comments received from the consultation it is

recommended that the deadline date for licence application submissions be put back to 30 September 2016 rather than the anticipated commencement of the scheme on 1 July 2016. This will extend the introductory period by a further 3 months giving landlords the opportunity to take advantage of the lower licence fee for this extended period and also give them more time to forward plan their expenditure and stagger their applications if they own multiple properties.

Issue: Another issue raised during consultation was the time taken to make reward payments when they are linked to property inspections and the Council holding on to these funds.

Response: Given that we are expecting to receive over 2,500 applications it is anticipated that it will take officers some time to initially inspect these properties, assess their condition and ensure any required improvement work has been completed.

Therefore we have removed the repayment link of reward to inspection. Instead we will require landlords, on the submission of a valid application and the receipt of required certificates. Once these have been completed the reward monies will be refunded. It will therefore be the landlords who determine the speed of repayment of their reward. We anticipate that the repayment of the reward to no more than three months following the issue of the licence.

Landlords will be made aware of these requirements early in the process, prior to the issuing of the licence to give them further time to submit their certificates. Landlords will only be eligible for the reward refund if the above certificates are satisfactorily completed and received within three months of the issue of their licence.

Technical issues

Issue - A small number of comments were concerned with application of the Decent Homes Standard and/or an expectation that we would require landlords to improve their properties to unreasonable standards and unnecessary expense.

Response: Although we used the Decent Homes Standard information as part of the data to determine areas where poor housing have been identified, licensing conditions and associated regulations only require a property to meet the legal minimum standards and best practise of management. Although there will be a number of properties that will require significant works to bring them up to the standard it is anticipated that the majority of properties will not require major refurbishment to meet their legal requirements.

The Housing Health and Safety Rating System (HHSRS) is the system used for assessing the condition of residential premises, under the Housing Act 2004. It looks at the condition of properties using a risk-assessment approach. HHSRS does not set out minimum standards. It is concerned with avoiding or, at the very least, minimising potential hazards. It is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. The assessment methodology does not differentiate between tenure types but does consider different ages and types of dwellings in the assessment process. Tackling these hazards makes housing healthier and safer to live in.

Houses in Multiple Occupation require additional amenities and facilities and also pose a higher risk to occupiers and therefore there are additional requirements than those applied to a singly occupied / family home.

From 1 October 2015, the Smoke and Carbon Monoxide Regulations 2015 require landlords will need to install a carbon monoxide alarm in any room where solid fuel is used. There must also be at least one smoke alarm installed on every storey of any rented property. Avon and Somerset Fire Service have a supply of free smoke alarms that landlords can apply for to satisfy this requirement.

In order to help with any repairs that are identified as a result of licensing inspections, subject to meeting qualifying criteria, we will offer low cost loans to help landlords who have made a licence application bring their properties up to standard. Loans are available to cover the cost of the required works up to a maximum of £15,000 per property and repayable over five years.

Other Issues out of Discretionary Licensing control

Some issues that were raised are outside of the control of this project to change and some relate to government policies that are imposed upon us. These included for example:

Issue – Comments that the Council would be better to concentrate on increasing the provision of social housing.

Response– Options for increasing affordable housing is being considered by both central Government and other Bristol City Council departments.

Issue- Landlords will sell their properties rather than licence and therefore as a result will reduce the number of PRS properties available.

Response – Although it is accepted that there is an additional cost through the cost of the licence fee there are also many other factors that influence a landlords decision to sell his/her property(s). Evidence from the Stapleton Road scheme has shown that although there has been a healthy turnover of stock (over 300 property sales have been recorded since the scheme launched in April 2013) the net number of privately rented properties in the area has increased slightly.

Issue - Mortgage providers are increasing interest rates in designated Discretionary Licensing areas.

Response – The Association of Mortgage Lenders confirmed that this was not a national policy and said this is down to the individual lending policies and the Financial Services Authority regulate that their charging policies are fair. The higher “Buy to Let” percentage rate for mortgages may have been applied once it had come to the notice of the lender as part of the licensing process. However, it is a requirement of all private landlords who require mortgages to inform their mortgagors of the nature of their business. This is not restricted to the licensing of properties.

Issue - Why private landlords only? What about housing association, hostels, hotels, council tenants?

Response – These are not covered by the discretionary licensing legislation but do have their own regulatory bodies or monitoring systems in place.

Appendix 2

Fee comparison with other licensing schemes in England

One of the comments coming out of consultation is that the proposed fees were higher than those being charged by other Local Authorities. We therefore undertook some research on the internet and these are our findings. They confirm that the fees proposed are not dissimilar to those charged by others and in some cases, fees are in fact lower.

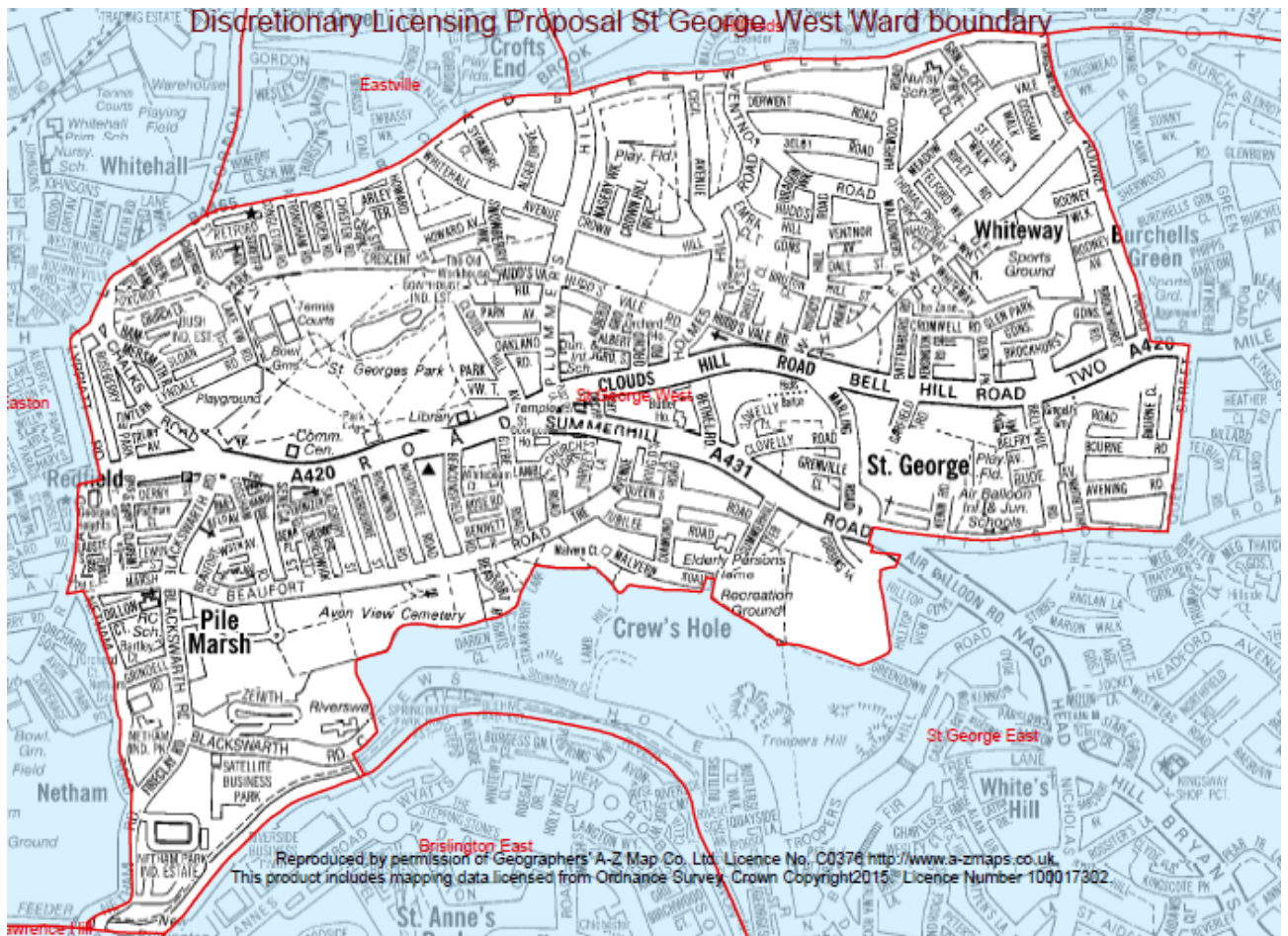
Local Authority	Additional or Selective	Cost Standard Rate	Cost Non Licensed Rate	Incentives or Additional costs
Bristol	Selective	£375	£770	Additional £100 paid on application, refunded on receipt of valid application , certificates and completion of online Landlord Development Programme
	Additional	£800	£1,550	Additional £200 paid on application, refunded on receipt of valid application , certificates and completion of online Landlord Development Programme
Barking and Dagenham	Selective	£500	£500 for one year licence	One year licence also applies to Landlords with previous management contraventions
	Additional	£714		1-5 habitable rooms
	Additional	£786		6-10 habitable rooms
	Additional	£852		>10 habitable rooms
	Additional	£852		£144 - £164 for assistance with application and form completion
Barton and Eccles	Selective	£575		£20 Discount on subsequent properties; £50 discount for Accredited Landlords
Blackburn, Griffin area	Selective	£750 + annual fee £150	£900 + annual fee £180	Early bird discounts £150 + £30 apply to both schemes
	Additional <10 units	£900 + annual fee 180	£1050 + annual fee £210	£50 + £10 for each additional unit >10 units
Blackpool, South Beach	Selective	£670		
	Additional	£935		Fee for each additional unit >5 in same building and same control £60
Brent	Selective	£540		Plus £50 charge to assist completing application forms
	Additional	£340		
Broughton	Selective	£475		£20 discount for subsequent properties £50 discount for Accredited Landlords
Croydon	Selective	£750		£400 early bird discount
Doncaster, Hexthorpe	Selective	£500		
Durham	Selective	£450		3 x schemes in operation - Chilton West, Dean Bank/Ferryhill and Wembley/Easington Colliery
Gateshead	Selective	£550		£40 discount for subsequent properties £150 discount for accredited property £75 discount for GPLA membership Additional £25 charge for deficient application Additional £25 charge for 6 month payment plan
				£20 discount for subsequent properties
Kersal	Selective	£576		£20 discount for subsequent properties
Liverpool		£400		£50 discount for subsequent properties £200 discount if member of an approved Accreditation Scheme
Middlesbrough	Selective	£580		£20 Fit and Proper check
	Additional	£605		Fee for each additional unit >5 in same building and same control £20
Newcastle, High Cross	Selective	£550		£40 discount for subsequent properties £100 discount if member of an approved Accreditation Scheme
Newham	Selective	£500		
	Additional	£850		
Oldham	Selective	£490		The fee can either be paid in its entirety on application - or there's an instalment option of paying half of the licence on application and the remaining half of the fee six months from the application date
Oxford	Additional	£508		1st year fee
		£187		2nd and subsequent years (no inspection)
		£355		2nd and subsequent years (with inspection)
		£204		2 year fee for Accredited Landlords
Rotherham	Selective	£605		Up front with the application or online (£13 discount) or by instalments over 12 months (over two years for landlords with ten or more properties to licence at one time)
				Accredited landlords receive a discount of £100 and do not need an initial inspection
Salford Areas	Selective	£625		£20 discount for subsequent properties
Sheffield		£1,000	£1,200	Early bird discount £250
Thanet	Selective	£587		£100 discount for Accredited Landlords
Waltham Forest	Selective	£500		
Wolverhampton	Selective	£550		Discounts for early bird applications, multiple properties and Accredited landlords

Appendix 3
Map of Eastville ward.



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Appendix 4 – Map of St George West.



Additional and selective licence conditions

(All references to the Council means Bristol City Council)

Conditions that will apply to both Additional and Selective licensed properties.

1. If gas is supplied to the house, the licence holder and/or manager must produce to the Council annually for their inspection a gas safety certificate obtained in respect of the house within the last 12 months.
2. The licence holder and/or manager is required to keep electrical appliances and furniture made available in the house in a safe condition and must supply to the Council, on demand, a declaration as to the safety of the appliances and furniture.
3. The licence holder and/or manager must supply to the occupiers of the house a written statement of the terms on which they occupy it.
4. The licence holder and/or manager must supply to the Council, for inspection, within 2 months of the date of licensing, a valid Energy Performance Certificate (EPC), which complies with the Energy performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007.
5. The licence holder and/or manager must require a reference from each person wishing to occupy the house. The reference should include information about anti-social behaviour, acting in a non tenant-like manner and any problems in respect of payment of rent. References must be retained so as to be available to the Council on demand.
6. On request from other landlords, the licence holder and/or manager must provide an honest, factual and accurate reference relating to existing or past occupiers.
7. The licence holder and/or manager must issue new tenants with a tenancy agreement that includes clauses that will allow the license holder to take reasonable steps to tackle anti-social behaviour.
8. The licence holder and/or manager must have facilities to receive and respond to initial complaints about the behaviour of tenants or their visitors.
9. The licence holder and/or manager must take all reasonable steps to deal with anti-social behaviour perpetrated by occupiers and/or visitors to the property.
10. The licence holder and/or manager must take all reasonable steps to ensure that the property is not used for illegal or immoral purposes.
11. The licence holder and manager must pass the West of England landlord proficiency test or otherwise have evidence of successfully completing equivalent training by a recognised landlord association.
12. The licence holder and/or manager must ensure that the property is inspected on a regular basis to assess if there is evidence of anti-social behaviour; this should be at least quarterly, but more frequently if anti-social behaviour has been established.
13. The licence holder and/or manager must take all reasonable steps to keep the exterior of the property free from graffiti and fly posters.
14. The licence holder and / or manager must supply to the Council, within 2 months of the date of licensing a current (less than 5 years old) electrical installation condition report indicating no defects under category 1 or 2. If the report expires (more than 5 years old) during the term of the licence, a new report must be supplied to the Council within 2 months of the old report's

expiry date. The new report must indicate that there are no defects under category 1 or 2.

15. The licence holder and/or manager must ensure that tenants have 24hr direct access to all toilet, personal washing and cooking facilities and equipment.

16. The licence holder and/or manager must ensure that there is to be no obligate sharing of bedrooms.

17. The licence holder and/or manager must supply to the Council, on demand, a list of all occupants.

18. The licence holder and/or manager must ensure that The West of England Code of Good Management Practice is complied with.

19. Any person involved in the management of the property must be a fit and proper person. The licence holder and/or manager must supply to the Council, on demand, a completed “declaration in respect of a fit and proper person” form for each person.

20. The licence holder and/or manager must notify the Council of any change of name, address and any other contact details.

21. The licence holder and/or manager must ensure that the property is managed in such a way that it is maintained in good repair. Facilities and equipment must be kept in a safe condition and good working order. Worn or [dangerous furniture or fittings should be replaced.](#)

Conditions that will apply to Additional licensed properties only

22. The HMO licensing standards document should be complied with at all times by the licence holder and/or manager. This document may be updated during the term of the licence and it is the responsibility of the license holder and /or manager to ensure that they are aware of and are complying with the latest version. The latest version of the licensing standards can be found at www.bristol.gov.uk/discretionarylicensing

23. The licence holder and/or manager must provide to the Council, on demand, a declaration that the emergency lighting system is in proper working order. Emergency lighting to be maintained in accordance with the relevant British Standard (BS5266: Part 1: 2005).

24. The licence holder and/or manager must ensure that smoke alarms are installed in the house and kept in proper working order and must supply to the Council, on demand, a declaration as to the condition and positioning of the smoke alarms.

25. For existing fire alarm systems, If not already supplied with the application, within 2 months of the date of licensing, the licence holder and/or manager must provide to the Council a satisfactory certificate of inspection and testing as required under BS 5839-6: 2004 fire alarm system

26. The following facilities and/or equipment will be detailed as appropriate in the licence schedule of works and must be provided within the time-scales stated, which start from the issue of the license

- Fire precautions
- Space heating
- Bathroom facilities
- Personal washing facilities
- Toilet facilities
- Kitchen facilities

27. Where the LACoRS “Housing - Fire Safety, Guidance on fire safety provisions for certain types of existing housing” has been used to determine

fire precautions, the licence holder and/or manager must review the precautions annually. They must also be reviewed whenever there are alterations to the property or its contents and at changes of tenancy to ensure the fire precautions are appropriate to the risk.

28. The licence holder and/or manager must provide details of fire exit routes to tenants. Ensure that all tenants are aware of fire and fault indications of the fire alarm system, are adequately familiar with controls (e.g. resetting) and aware of measures to avoid false alarms. Tenants should be aware of what to do in the case of a fire.

29. Where food is provided, the licence holder and/or manager must ensure that food handlers have adequate food safety training.

30. The layout of the property, including any numbering of rooms must not be altered without first gaining written permission from the Council. Requests to alter the layout should be made by the licence holder and/or manager in writing to the relevant case officer of the Licensing team, Private Housing, Bristol City Council and include a full description of the proposed changes and the reason for doing so.

31. The property is to be occupied in accordance with and by no more than the number of persons and households identified in the licence.

This level of occupation may be lower than the total number of persons permitted. The overall number is determined by room size and the number of facilities in the property as a whole (including any additional facilities being required).

32. If the present occupation of the property is in excess of this maximum permitted number, the licence holder and/or manager must inform the relevant case officer of the Licensing team, Private Housing, Bristol City Council, in writing within 28 days of the date of licensing.

33. The permitted number will be based on shared accommodation being used by occupiers who live independently of each other or as a socially interactive group. Any proposed changes to the mode of occupation must be submitted by the licence holder and/or manager to the relevant case officer of the Licensing team, Private Housing, Bristol City Council to determine if any changes to the conditions and the permitted number are needed.

Consequently, it may be necessary to vary the licence.

34. A copy of the West of England Code of Good Management Practice is to be permanently displayed in the common parts of the property so as to be

[visible by all tenants.](#)

Conditions that will apply to Selective licensed properties only

35. Selective Licensing Fees

The Selective licence fee starts at a higher level (£1000) for unlicensed properties. Only £100 of the full fee for a new licence (£450) is required to be paid at the time of application. The full fee for a New Licence (£450) will be required to be paid if the licence conditions and minimum legal standards are not met. We will invoice licence holders for the balance of the New Licence fee if we find that works required after our licence inspection have not been carried out to our satisfaction or in the time we required.

This means compliant landlords will only be required to pay a £100.

36. The licence holder and/or manager must ensure that 10 year life battery smoke detectors conforming to BS EN 14604: are installed in the house and are kept in proper working order. The licence holder and/or manager must supply the Council, on demand, with a declaration as to the condition and

positioning of the smoke alarms. One smoke detector covering the hallway or landing at each level of the accommodation is required as a minimum.

Definitions

Anti-social behaviour: Behaviour that causes or is likely to cause harassment, alarm or distress to one or more persons not of the same household.

On demand: The Council requires that the document(s) / information is supplied to the Council within 28 days.

(Please refer to the Equality Impact Assessment guidance when completing this form)



Name of proposal	Discretionary Licensing into Eastville and St George West wards
Directorate and Service Area	People/ Private Housing Service
Name of Lead Officer	Jan Hamilton/Dave Collis

Step 1: What is the proposal?

Please explain your proposal in Plain English, avoiding acronyms and jargon. This section should explain how the proposal will impact service users, staff and/or the wider community.

1.1 What is the proposal?

To designate the wards of Eastville and St George West as areas for selective and additional licensing of private rented properties in order to improve housing conditions and property management.

The private rented sector in Bristol has grown significantly since 2001 to 2011 (from 12.2% to 24.9%)

The council has recognised the increasing need for good quality private rented accommodation in the city and the positive impact it has for those who choose this option. However, there are also those who are not in a position of choice and private rented accommodation is the only option they have available to them. With the reduction in council owned housing stock and the limited number of units available from social lettings the demand for housing in this sector is growing and the supply of private rented housing is at a premium. Therefore, we must be mindful of those who are vulnerable or with limited or no choice, accepting sub-standard accommodation.

Licensing has a number of significant advantages compared with other initiatives to deal with issues of unsatisfactory property condition and poor management and other activities directly attributed to the private rented sector.

Mandatory licensing of large Houses in Multiple Occupation (HMOs) was

introduced nationwide in April 2006 under the Housing Act 2004. This covers HMOs that are three storeys; have five or more occupants forming two or more households.

The Housing Act 2004 also gave local authorities the power to introduce licensing of other privately rented properties in order to tackle problems in their areas, or any part of it, with the aim of improving property conditions and management. Licensing will not cover local authority owned or leased property or properties owned by Registered Providers.

The additional powers give local authorities more practical options to work proactively with landlords and agents, rather than just responding to tenant complaints. By declaring these areas, tenants also have more security if they complain about their accommodation. Many tenants do not know their rights, what conditions they should expect or realise that they can make a complaint about their property or landlord so a great number of properties in this sector do not come to the attention of the local authority.

In April 2015 the legislation for designating a Selective Licensing area was amended. The designated area must not be more than 20% of its geographical area or 20% of its private rented stock; it must have a high proportion of privately rented properties (“high” is defined in guidance from the DCLG being above the national figure of 19%) and must satisfy at least one of the following conditions:

- Low housing demand
- A significant and persistent problem caused by anti-social behaviour
- Poor property conditions
- High levels of migration
- High level of deprivation
- High levels of crime

Under a licensing scheme a number of conditions will be set for both the property standard and also for good management practice. We will provide advice on the necessary improvements required to bring the property up to standard and enforce when the landlords do not comply with the licensing standards or apply for a licence.

Once a scheme has been declared it is illegal for a landlord or agent to let a

property without a licence.

A landlord or agent who lets a property in Eastville or St George wards will need to apply for a licence and pay the appropriate fee depending on whether it is a house in multiple occupation or not.

If they do not make their application by the scheme start date of 1st September 2016, the fee payable is higher than that paid by landlords who make their applications on time.

New landlords will have 28 days after the date that they first let a property to submit an application and pay the appropriate fee at the lower rate but if any landlord fails to make an application, they will pay the higher rate fee and continued non-compliance may result in legal action being taken against them and a fine applied by the Court.

Once licensed the property is inspected and any failings are notified to the landlord, who will have a specified time to bring the property up to an acceptable condition, meeting minimum legal property standards. They will also need to ensure that they comply with the Code of Good management Practise and undertake the landlord training (a short test to show that they have read and understood the Landlord Manual).

Landlords / agents who do not bring their properties up to standard when asked to do so or comply with management regulations will be subject to enforcement action and possible prosecution for noncompliance.

Eastville and St George West wards meet the criteria set out in Sections 56 and 80 of the Housing Act 2004 to enable the authority to designate the areas for discretionary licensing; i.e. a high concentration of private rented accommodation (29.9% and 28.5% respectively) and properties in poor condition and or badly managed-. This evidence was gathered from the House Condition Survey 2011 and the numbers of complaints that we received in 2014-15 which are higher than some other areas. This was further supported by the consultation survey in which more than 70% of private tenants living in these two wards said that they had experienced poor housing conditions or unsatisfactory management of their rented homes.

Evidence also indicates that these areas suffer from higher than average levels of inward migration and deprivation, meaning tenants in these areas may be less aware of their housing rights and have fewer options to choose other housing, making them more vulnerable to poor housing and exploitation. It is this combination of factors that led the City Council to consider these two wards as being suitable for licensing. The focus of our attention will be

improving property conditions in smaller HMO's and other privately rented properties in the proposed new licensing areas.

Step 2: What information do we have?

Decisions must be evidence-based, and involve people with protected characteristics that could be affected. Please use this section to demonstrate understanding of who could be affected by the proposal.

2.1 What data or evidence is there which tells us who is, or could be affected?

Prior to selecting the areas, we undertook a desktop study of areas previously reported to Cabinet as potential areas suitable for licensing. Statistical evidence has been gathered from many sources including:

Property Condition- Bristol Private House Condition Survey 2012 Dept. of Health and Climate Change fuel poverty and energy performance certificate (EPC) datasets 2014 and from our own inspection records from complaints received about disrepair in private rented properties in these areas in 2014-15,

Overcrowding- Census 2011

Private Rented Sector levels: Bristol Census 2011, Neighbourhood Partnership area profiles 2014,

Crime and ASB: Quality of Life Survey 2013, Neighbourhood Partnership area profiles 2014,

Migration- The Population of Bristol 2014, Census 2011

Level of Deprivation : Bristol Indices of Deprivation

Equalities - The Population of Bristol 2014, Census 2011

We do not hold data on the protected characteristics of private tenants in the area as there is no means of collecting it.

We have the following data available on the **Eastville ward:** The Population of Bristol 2014, Census 2011

[https://www.bristol.gov.uk/documents/20182/32767/NP05%20Eastville%20Hillfields%20Frome%20Vale%20\(2014\).pdf/65561c35-1e8c-494a-83ba-2878308151f0](https://www.bristol.gov.uk/documents/20182/32767/NP05%20Eastville%20Hillfields%20Frome%20Vale%20(2014).pdf/65561c35-1e8c-494a-83ba-2878308151f0)

Eastville has seen a 7.1% increase in population between 2001 – 2011. In 2011 the BME population of the ward was 18%. By 2011 this had grown to 35%. After Britain main countries of birth are Pakistan, India and Poland

13.9% of residents' main language isn't English. 3% can't speak English or can't speak it well.

29.8% of residents live in PRS compared to 29.4% of the Bristol population

6.7% of residents are in overcrowded accommodation compared to 5.4% in Bristol.

Stats about St George West

[https://www.bristol.gov.uk/documents/20182/32767/NP09%20St%20George%20East%20&%20West%20\(2014\).pdf/32056fa5-d03e-40ad-9b63-10cdf21e4f92](https://www.bristol.gov.uk/documents/20182/32767/NP09%20St%20George%20East%20&%20West%20(2014).pdf/32056fa5-d03e-40ad-9b63-10cdf21e4f92)

14.6% increase in population from 2003 -2013

BME population 10.3% 2001 – 19.2% in 2011

After Britain main countries of birth are Poland, Jamaica, India

10.2% of resident's main language isn't English.

2.4% cannot speak English or speak it very well.

28.5% people live in PRS

Overcrowding 5.3%

Most communities with protected characteristics are more likely to be living private rented or living rent free than the percentage for people in Bristol overall (24.9%). The government definition of a high level of private rented housing is 19% of its residential stock. In Eastville the rate is 29.9% and St George West 28.5%.

The Private Housing Service received over 400 complaints from private tenants in these two wards in the last year and the House Condition Survey of private Housing states that there were over 28% of properties failing the decent homes standard both wards.

The first discretionary licensing scheme in Bristol was approved at Cabinet in September 2012 in four super output areas in and around Stapleton Road. It became operational in April 2013 and will run until 2018.

It is recognised that licensing is making a significant difference in the Stapleton Road area and starting to achieve some of its original objectives in this scheme with a broad range of issues being able to be tackled including anti-social behaviour (ASB) and uncovering benefit fraud and in particular improving the

housing conditions of more than 700 households who were found to be living in properties that failed to meet minimum housing standards.

By October 2015 we had received 1,150 licence applications and issued 900 licenses. Of the properties inspected:

- 64% have been found to be non-decent.
- A significant number have failed to meet current safety standards for electrical, gas and fire safety.
- 76 properties are in breach of the Management of Houses in Multiple Occupation (England), Regulations 2006
- 116 properties with serious hazards have been identified;
- 4 successful prosecutions where a landlord did not comply with legal requirements under the licensing conditions, with another 4 pending

More than 300 properties have been sold in the area since the scheme launched but the level of the private rented sector homes has remained constant.

2.2 Who is missing? Are there any gaps in the data?

We do not hold equalities monitoring data on landlords in the area or on private rented tenants.

People who are disabled, transgender people and the LGB data was not available.

2.3 How have we involved, or will we involve, communities and groups that could be affected?

Before an area can be designated the local authority must undertake a minimum ten week consultation with all persons likely to be affected by the scheme. A full consultation was carried out over a 12 week period from 12th August to 3rd November 2015. One of the major aims of the consultation was to engage with as many people as possible affected by the proposed scheme. These include landlords, tenants, agents, residents, community groups, trade associations, Neighbourhood Partnership and police and the West of England local authorities. The Assistant Mayor and ward councillors were personally briefed.

2,248 people completed our online survey. These included private landlords, managers and agents, private tenants both within the proposed area and from

other parts of Bristol, parents of private tenants, owner occupiers in the area and people who work or have businesses in the area, landlord associations, councillor, including private landlords who have property outside of the proposed areas and other interested parties also completed the survey. (See Appendix1).

The consultation was posted online under the Council's Consultation Finder and also under the City Council property licensing pages. Over 30,000 letters were sent to known landlords, agents, private tenants and residents and 2,400 emails to landlords and agents registered on our landlord news database. We emailed details of our proposal to our neighbouring West of England local authorities, local schools and briefed relevant staff. Articles appeared in the Landlord Newsletter and in current licensing newsletter and a press release went out at the launch of the consultation.

Responses were sent to 69 individual letters or emails and the Private Housing Service handled over 300 telephone calls. We held two public meetings, a number of drop-in sessions and information stands at local supermarkets and libraries in addition to attendance at Neighbourhood Partnership, Bristol Landlord Panel and WOE Landlord Forum meetings and met with local councillors, police, neighbourhood safety officers and officers from ACORN, the local community union.

If approved:

We will promote the scheme widely and will set up a tenant's focus group and tenant's newsletter so that all private rented sector tenants have the opportunity to become involved and are kept well briefed on developments.

We will also promote to as many landlords as possible including those who live outside of Bristol or abroad. We will set up a landlord focus group and landlord newsletter to keep landlords informed about the scheme and their obligations. We intend to hold sessions in the locality to help landlords complete their application forms and will hold a number of public meetings.

Step 3: Who might the proposal impact?

Analysis of impacts on people with protected characteristics must be rigorous. Please demonstrate your analysis of any impacts in this section, referring to all of the equalities groups as defined in the Equality Act 2010.

3.1 Does the proposal have any potentially adverse impacts on people with protected characteristics?

For landlords who do not make an application, there is the risk of prosecution as once designated it will be mandatory for a landlord to apply for a licence if he/she wants to continue to let their property. Some BME landlords whose first language may be at greater risk if they do not understand the requirements of the licensing scheme.

For tenants there is a risk that the landlord will cease to let their property and they could become homeless. Those who do not understand their rights or know about the legal process involved in terminating a tenancy could be taken advantage of. Migrants and people who speak English as a second language may be particularly vulnerable. They will also perhaps find difficulty in finding alternative accommodation as demand is so high and landlords who continue to let their properties may increase the rent to cover the cost of the licence.

However for most private tenants licensing will have a positive impact in that the council will ensure that their home is safe and properly managed. Our experience in the Stapleton Road shows that fears of landlords selling up en masse and thus reducing available private rented accommodation have proved to be unfounded. We have recorded over 300 property sales in the area since it was declared showing a healthy market turnover and the numbers of properties in the private rented sector has increased slightly from the original baseline figure at the start of the scheme so landlords are continuing to invest in property in the area despite the licensing regime in place.

3.2 Can these impacts be mitigated or justified? If so, how?

We will be making every effort to contact landlords so that they know their obligation to apply for a licence and offer one to one sessions to help them to complete their application forms, with interpreters if necessary.

There will be a lot of publicity and we will organise public meetings and focus groups so that people have the opportunity to discuss the process. We will also attend as many local community meetings as possible to help spread the word about the scheme.

Our caseworkers will be active in the communities and in areas where we think the most vulnerable reside, we will undertake door knocking sessions and work with existing community groups and other service providers.

Publicity should include specific measures to communicate with tenants with additional needs, including care leavers, people with English as another language, new communities who are unfamiliar with private rented processes and lone parents (89% of whom are women). We will work with the voluntary and community sector to ensure the message reaches those who need it most.

3.3 Does the proposal create any benefits for people with protected characteristics?

Tenants with protected characteristics are over represented in the private rented sector. Any scheme which encourages better accommodation and better management of the accommodation would therefore benefit people from equalities communities. People who spend a large proportion of their time at home should benefit from better quality accommodation in particular – e.g. some Disabled people, single parents with small children, some older people.

Tenants with additional vulnerabilities, for example people with mental health needs, women leaving refuges, homeless men and women are increasingly placed in private rented accommodation. The scheme will make it easier for vulnerable tenants and their support workers to identify landlords and letting agencies who are licenced and offer good standards of accommodation.

Some private rented tenants are less settled within their communities than those in social housing or home owners. Some accommodation sees a high turnover of tenants for example students. Poor quality accommodation can include severe overcrowding and result in a high turnover of tenants. High turnover can cause community cohesion issues with neighbours and creates additional strain on local services e.g. local schools.

Public awareness campaigns and information on licensed and unlicensed landlords should be easy to find for neighbours to report concerns which will ease community cohesion tensions. It should also make it easier for people to stay in rented accommodation for longer, rather than needing to move because of poor quality accommodation.

3.4 Can they be maximised? If so, how?

The scheme is part of a range of initiatives to improve private rented accommodation.

Step 4: So what?

The Equality Impact Assessment must be able to influence the proposal and decision. This section asks how your understanding of impacts on people with protected characteristics has influenced your proposal, and how the findings of your Equality Impact Assessment can be measured going forward.

4.1 How has the equality impact assessment informed or changed the proposal?

We realise that there are some groups of people with protected characteristics – both landlords and tenants- who we need to engage with more effectively. Although we were very pleased with the response we received to our consultation some of these groups were under represented given the profile of the two wards and we will need to ensure publicity campaign is targeted more specifically in some cases. Work with the voluntary and community sector to ensure the message reaches those who need it most.

As a result of the consultation feedback, we have made the following changes:

- We have removed the reward repayment link to the compliance inspection. Instead we will require landlords, on issue of their licence to submit the required safety and energy certificate. Once these have been completed the reward monies will be refunded. It will therefore be the landlords who determine the speed of repayment of their reward and it is anticipated that the repayment of the reward (subject to meeting the above conditions) to be no more than three months following the issue of the licence.
- It is now proposed to extend the application period from 1 July 2016 (scheme start date) to the 30th September 2016. This will extend the introductory period for accepting licence applications by a further 3 months giving landlords the opportunity to take advantage of the lower licence fee for this extended period and also give them more time to forward plan their expenditure and stagger their applications if they own multiple properties.
- Landlords will also be able to apply for a licence before the scheme starts. These applications will be held until the scheme commences on 1st July 2016 and will be processed as a priority

4.2 What actions have been identified going forward?

We will need to make concerted efforts to inform landlords and tenants who have protected characteristics about the scheme and the help and advice

available to them to ensure all sectors are aware of their rights and responsibilities.

We will develop a communications plan and identify key community groups to work with.

4.3 How will the impact of your proposal and actions be measured moving forward?

The aim of the scheme is to improve housing conditions and unsatisfactory management in the private rented housing in the wards of Eastville and St George West. When a property is licenced, it will be inspected and the landlord issued with a notice of any necessary works to bring it up to standard. Further inspections will follow until the landlord is compliant.

The data will show us how many properties have a licence, how many fail to meet licensing conditions and in time, how many properties now comply with licensing conditions.

Those landlords, who fail to licence or to bring their properties up to standard, face prosecution.

These steps will all be recorded and progress closely monitored to ensure the scheme aims are being met i.e. improve property conditions in the private rented sector and unsatisfactory property management.

We will undertake a review of the scheme within three years of the designation to check progress is being made.

Service Director Sign-Off:



Date: 04/01/2016

Equalities Officer Sign Off:

Anneke van Eijkern
Equality and Community Cohesion
Team

Date: 18 December 2015

PROPOSAL FOR DISCRETIONARY LICENSING SCHEMES IN THE EASTVILLE AND ST GEORGE WEST WARDS

Proposal

Eastville and St George West wards are declared as areas where rented properties require a discretionary licence under Part 2 or Part 3 of the Housing Act 2004.

Background

In Bristol, privately rented housing accounts for 24.9% of the city's housing stock (Census 2011) and the size of the sector continues to grow as fewer people are now able to buy their own home.

The positive aspect with the private rented sector (PRS) is its availability to fill the growing gap in the market for accommodation. The sector offers flexibility in respect to tenure that enables people to easily move between areas and property types to meet their changing life needs e.g. changes to employment, accessing schools and other local facilities (shops, pubs/restaurants) and moving closer to family and friends.

However, there can also be drawbacks if large concentrations of private rented properties become established in an area which impact on the areas social and community cohesion. Poorly maintained and or badly managed properties together with transient or disruptive tenants have an influence on the local community. Private absentee landlords may also not have a connection with the local community and as a result may not be aware of the impact their tenants may be having on the local community and residents.

The private rented sector is generally considered to be in the poorest physical condition and suffer from variable property management standards. The combination of a transient population with little or no connection with an area can lead to an increase in anti-social behaviour and crime.

When privately rented accommodation is neglected or badly managed the impact on tenants and the local community can be considerable. Discretionary Licensing has previously, in the Stapleton Road area enabled a range of statutory and other organisations to work together with landlords and tenants to raise property standards and to improve community cohesion locally and in surrounding neighbourhoods.

A report presented at Cabinet on 27 September 2012, agreed to proceed with the Stapleton Road area Discretionary Licensing scheme. This report also highlighted other areas, including St George West and Eastville where conditions within in the private rented sector were such that the potential for subsequent Additional and Selective schemes should be progressed.

Bristol's current Housing Strategy sets out to ensure good quality homes with high energy efficiency, safety minimum standards and effective management. The draft Housing Strategy 2015-20 has set as one of its priorities, the improvement of accommodation in the private rented sector through:

- Improving housing and management standards in the private rented sector
- Reducing overcrowding
- Reducing fuel poverty

The Strategies aim to use early intervention and prevention as a method to tackle problems before they become a crisis. The aim of improving housing conditions in the private rented sector, which has grown significantly in the last ten years, is one of the key targets coming out of the Housing Strategy. One of its headline actions focusses on carrying out targeted intervention in the private rented sector, to better meet housing need and the provision of affordable housing, together with the potential roll-out of further discretionary licensing into other areas of poor housing in the City.

The consultation undertaken for the Private Housing Policy Statements (PHPS) 2011-2014 identified issues within the private rented sector, particularly with tenants who were using shared housing for their accommodation, where problems of nuisance and dispute resolution were highlighted as an issue.

The PHPS action plan also noted that there should be targeted action to deal with those properties in the private rented sector, which is in poor condition, particularly in deprived areas. This work should be in partnership with local communities and agencies and use enforcement action to achieve this where appropriate.

The City Council have successfully operated a mandatory HMO licence scheme since 2006, licensing between 1400-1600 larger HMOs every five years. The first discretionary licensing scheme in Bristol was launched in April 2013 in and around the Stapleton Road area where 1000 properties are licensed.

We have gained significant experience from the above schemes. The City Council's commitment to work pro-actively with landlords, agents and other stakeholders to deal with problems before they reach crisis point has proved to be a major benefit for all parties. Our proven ability to co-ordinate partnership working, bringing together many agencies and organisations, will assist the council in expanding discretionary licensing to other suitable areas of the city where the legal criteria are met.

What is discretionary licensing?

The Housing Act 2004 used the term 'discretionary' in relation to this type of licensing. What this means is that local authorities can choose to introduce a discretionary licensing scheme in an area(s) if it meets the relevant criteria. If a scheme is introduced it becomes a legal requirement for all landlords/agents who own or manage rented properties (subject to exemptions) in the designated area, to apply for a licence, depending on the type of property they have.

There are two types of discretionary licensing:

Additional licensing applies to Houses in Multiple Occupation (HMOs). An HMO is a house or flat that is let to three or more people in two or more separate households, who share some facilities, like kitchens or bathrooms.

HMOs that are buildings converted without building regulations into self-contained flats may contain both owner-occupied and rented flats that could be owned by different landlords. For these cases, we do not propose that the whole buildings are licensed but the individual flats may each require a licence.

Selective licensing applies to most other privately rented properties that do not require an Additional or Mandatory HMO licence¹.

¹ Mandatory HMO licensing requires all three storey HMOs occupied by five or more people in two or more households to be licensed. these are excluded from discretionary licensing

To ensure all privately rented accommodation is included in an area it would be necessary to run both Additional and Selective Licensing schemes concurrently, subject to the evidence criteria being met for each.

What criteria must be met to be able to declare an area subject to discretionary licensing?

In March 2015, amendments were made to the discretionary licensing criteria. The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 expanded the criteria that could be used to consider declaring a discretionary licensing area, to include:

- areas where there are poor housing conditions;
- an influx of migration;
- a high level of deprivation or high levels of crime.

To satisfy the selective licensing conditions an area must:

- have high numbers of privately rented housing being present,
- meet one or more of these conditions in the locality and
- that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, contribute to an improvement in general housing conditions in the area.

Evidence to show criteria for selective licensing met.

The 2011 Census (see table 1) found there were 5594 properties in Eastville ward and 5419 in St George West, with 30% and 29% of those properties in the Private Rented Sector. This is considerably higher than the average across the city (24.9%)

This means there is a total of nearly 3000 rented properties that would be included within the discretionary licensing scheme should the proposal go ahead.

Citywide there are 45 504 rented properties in Bristol. 7.7 % of all properties are HMOs (Census 2011 - 7.7% of 182, 747 of occupied properties). Only 591 HMOs (4.2%) are in Eastville and St George West.

Table 1

Census 2011 Area Profile						
Wards	Total Number of Properties	% PRS	Total No PRS	% HMOs of Total Households	No. of HMOs	No. of Singly rented
Eastville	5594	30%	1673	6.1%	341	1331
St George West	5419	29%	1544	4.6%	249	1295
Totals	11013		3217		591	2627

Bristol City Council carried out a house condition survey under section 3 of the Housing Act 2004. It found that the level of Category 1 Hazards under the Housing Act was above the ward average for Bristol. These figures are based on sample surveys. **See table 2.**

Table 2

House condition survey data (sample)	Eastville ward	St George West	All ward average
% of properties with Category 1 Hazards	15-18%	Above 18%	16.5%
% of properties that fail the Decent Homes Standard	Above 28.4%	Above 28.4%	28%

We respond to service requests from tenants in these wards and assess if there if a Category 1 hazard under the Housing Act exist. These are serious health and safety issues and require immediate remedial work to rectify the problems. In the year to date 500 private rented properties city-wide were found to be sub-standard and were assessed as having Category 1 Hazards (31 in Eastville and 19 in St George West). This means that 10% of all Category 1 Hazards in rented properties in Bristol were found in these two wards.

EPC data for Bristol also show that 23 properties in Eastville and 22 in St George West have a rating of F or G. An EPC rating of F or G is the level at which a Category 1 hazard is expected to be present.

There is 1148 Band F or G rented properties in Bristol which means that 45 or 4% of rented properties in these wards will have a Category 1 Hazard for because of poor heating and insulation. (There are 28 other hazards to take into account.)

Criteria to demonstrate to declare an Additional Licensing Area

Part 2 of the Act sets out that to declare an Additional licensing area the Council must show in relation to a description of HMOs specified that a significant proportion of the HMOs 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.

Census figures in Table 1 show that there are 341 HMOs in Eastville and 249 in St George West.

The levels of management problems in the two wards are similar to those found in Easton and Lawrence Hill prior the declaration of the Stapleton Road area Discretionary Licensing scheme and as can be seen in in table below (Table 3) there was a dramatic increase in management failures found. It is expected that this will be replicated in the Eastville and St George West wards

Table 3. Schedules for failure to manage an HMO (excludes mandatory licensable HMOs)

	City wide	Current discretionary licensing areas		Proposed discretionary licensing areas	
		Easton	Lawrence Hill	St George West	Eastville
Number served in two years prior start of discretionary licensing	90	8	10	4	16*
Number served since DL scheme	183	33	81	5	5
Difference in number of schedules served	93	25	71	1	-11
% change	196%	313%	710%	25%	-69%
Total number served	273	41	91	9	21

*NB 7 schedules served in relation to two problem properties. # 17 properties in one street have been relicensed.

Consultation

Before making a designation the authority must take reasonable steps to consult the local community other persons or organisations that are likely to be affected by the designation and give them the opportunity to make their views known.

The consultation period will run from 11th August 2015 until 3rd November 2015. Consultation responses will be analysed and response to the issues made available. The findings will be taken into consideration before deciding whether or not to ask the Council's cabinet to declare any scheme. Any report to Cabinet and its decision would be publicised.

What are the benefits of discretionary licensing?

Additional licensing can help where a significant number of HMOs in an area are being managed badly and the property conditions are below standard. These poorly managed properties also cause problems for the people who live in these HMO's or members of the community. Licensing conditions help us deal with issues where otherwise we would have no power to help.

HMO's also have a higher fire risk and we will ensure these meet the required standard for the safety of the occupants.

Tenants do not come forward with problems in their homes if they may be concerned about being evicted, intimidated or pressured by their landlord/agent. One of the major benefits of this scheme, for tenants is that officer's focus on an area visiting all properties thought to require a licence. This takes the pressure off tenants making it less likely they will be subjected to retaliatory eviction or harassment.

Selective licensing can help where an area is suffering from poor property conditions and unsatisfactory management across the private rented sector.

Through both additional and selective licensing we can also work with landlords/owners and other organisations to deal with other issues in the area such as empty properties, overcrowding, anti-social behaviour and crime reduction.

By licensing properties the Council will require they meet certain standards. Landlords will need to ensure that their properties are well managed and safe and if they don't meet these standards they will be breaking the law and could be prosecuted.

Licensing would require landlords and agents to be fit and proper persons. This means that properties are run by landlords who do not have a record of serious crime or failure to comply with legal requirements in relation to housing.

We will work with landlords and agents in the area offering training, advice and guidance on a wide range of issues affecting the private rented sector, including their legal requirements and responsibilities. Our aim is provide private landlords or those wishing to become landlords the basic tools to ensure they meet requirements to competently manage their properties. For instance we will encourage them to join organisations approved under the West of England Rental Standard.

Bristol City Council already does many things to try and improve standards in private rented properties. We have teams who respond to complaints from tenants and we also give help and advice to landlords. We use all the legal powers we have but work informally wherever possible.

However, our research has shown that there are still some parts of the city where the standards of private rented accommodation are too low. That is why we are proposing discretionary licensing schemes as the other ways of raising these standards has not worked effectively enough.

Which properties would need a licence?

If Eastville and St George West wards are declared as discretionary licensing areas most privately rented properties will need a licence (larger Houses in Multiple Occupation are already subject to mandatory licensing). Owners of properties in the area would need to check if their property(s) are required to be licensed and what kind of licence is needed and submit a licence application or face possible legal action.

If the requirement to apply for a discretionary licence came in to force how long would it last?

The requirement to apply for a licence would last for up to five years.

How long would a licence last?

A licence would normally last for five years.

What would happen if a landlord or managing agent didn't get a licence?

It is a criminal offence to operate a licensable property without a licence. The fines were up to £20,000 but these are now unlimited.

There would also be a restriction on giving tenants notice to quit (section 21 notice).

In certain circumstances the council may take over the management of the property.

If a landlord was be found guilty of not having a licence he or she could be subject to a Rent Repayment Order. A Rent Repayment Order requires rent to pay back to tenants for the time

the property was unlicensed. This means that tenants and former tenants could reclaim up to twelve months rent.

Fee proposal

We will charge a fee for licensing a property. This would only cover our costs for running a licensing scheme. There would be different fees depending on whether the property is licensable under the **additional licensing** scheme or the **selective licensing** scheme, because of the different amount of work required.

If a property is operating without a licence, but is not licensed a higher fee would be charged.

The fee proposal forms part of the consultation and the proposal is to have a similar format to mandatory licensing where there is a higher fee set for un-licensed properties and non-compliant landlords.

Fee Structure	Additional Licensing	Selective Licence
Fee for new application, paid upfront	£1000	£470
Reward for compliance with licence conditions*	£200	£100
Total Fee paid by compliant landlord	£800	£370
Full fee (chargeable if property found to be unlicensed)	£1550	£770

* The Reward for compliance is only available for new applications. Once licence conditions are complied with the reward will be repaid.

Partnership Working

A key component to the work carried out in the area will be the collaboration and engagement with partner agencies. These include Avon and Somerset Police, Trading Standards, Housing Benefits, Anti-social Behaviour team, Street-scene and the Neighbourhood Partnership.

The additional powers available if a discretionary licensing scheme is implemented, would add considerable additional enforcement powers to enable targeted action to be taken in the private rented sector, if appropriate.

A discretionary licensing scheme would require nearly all private rented property owners to apply for a licence and would not only improve housing conditions but also help landlords deal with issues concerning the behaviour of their tenants which could be controlled by better management of the tenancy.

One of the aims of the scheme is to forge closer links with landlords to improve their skills and knowledge of the sector and encourage them to see their involvement in renting accommodation as a business and therefore adopting a professional approach is an essential requirement.

We will work with both landlords and tenants to improve relationships between parties that have, in some cases been adversarial. There are benefits to both landlord and tenant, and to the wider community, including long term sustainable tenancies, good, decent accommodation,

solutions to problems dealt with outside of the court room and a decrease in anti-social behaviour

Resources

Additional staff resources to manage the proposed licensing scheme(s) will be required. The additional cost to the local authority in managing the licensing process can be recovered through a licence fee, paid by the landlord.

Discretionary Licensing Conditions

There are statutory conditions that must be applied to all licences issued under discretionary schemes. These are contained in the Housing Act 2004 and relate to provision of certificates for gas safety, safety of electrical appliances, smoke alarms. See appendix 4.

In addition, the local authority may apply other conditions to regulate the management, use or occupation of the property. These conditions can include measures to deal with the antisocial behaviour of tenants and their visitors in relation to the residential use of the property. Other conditions may relate to the maintenance of facilities and restrictions on the occupation of the property.

It is considered essential that conditions for Additional and Selective licensing schemes should include provision to improve tenancy management as this will give reassurance to tenants with regard to their tenancy rights and conditions, and also contribute to a reduction in antisocial behaviour by tenants.

A condition requiring compliance with Bristol City Council's Code of Good Management Practice (appendix 3) will be central to how these properties should be managed; this includes a section on good neighbourliness. This Code is also used in the mandatory HMO licensing scheme. Non-compliance of licence conditions can lead to the consideration of removing a person's fit and proper person status for persistent poor management using a points system.

In addition, specific conditions are proposed that will require the licence holder to tackle anti-social behaviour. These can include: -

- A requirement to obtain references before issuing new tenancies and responding honestly to other landlords requesting a reference;
- new tenancy agreements to include clauses allowing the landlord to take reasonable steps to tackle anti-social behaviour;
- a requirement to respond constructively to any valid report about anti-social behaviour received from neighbours or the Council;
- the licence holder to take all reasonable steps to deal with antisocial behaviour perpetrated by occupiers and/or visitors to the property;
- must take reasonable and practicable steps if the property is used for illegal or immoral purposes;
- to inspect the property every three months or more regularly where anti-social behaviour has been reported.
- In some cases property specific requirements will be made.

HMOs licensed under an Additional licensing scheme must comply with prescribed standards. These are contained in The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 and relate to heating, washing, kitchen and fire precaution facilities; these standards have been incorporated into Bristol's mandatory HMO licensing standards (appendix 4). For consistency of approach to HMOs in the city, we propose to apply the same condition to HMOs in discretionary licensing schemes. Maintenance of these facilities is part of the Code of Good Management Practice.

Before granting a licence under an Additional licensing scheme, a local authority must also consider the level of occupation in the HMO. Consequently, a condition relating to this and other relevant conditions in the mandatory HMO scheme should be included as under the mandatory scheme. All proposed Additional licensing scheme conditions are contained in appendix 1.

The standard of facilities and the level of occupation are not considerations for granting a licence under Selective licensing. Whilst conditions requiring facilities and regulating the level of occupation may be applied, it is considered preferable to keep the number of conditions to a minimum and rely instead on other provisions of the Housing Act 2004 to address any hazards caused. All proposed Selective licensing scheme conditions are contained in appendix 2.

Appendices:

- Appendix 1: Additional Licensing Conditions
- Appendix 2: Selective Licensing Conditions
- Appendix 3: Code of Good Management Practice
- Appendix 4: Map of Wards