

Heading: Homes Board Consultation on the proposed additional property licensing scheme	
Ward: Ashley, Bishopston and Ashley Down, Central, Clifton, Clifton Down, Cotham, Easton, Hotwells and Harbourside, Lawrence Hill, Redland, Southville and Windmill Hill	
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Purpose of briefing, summary of issue / proposal and key background information:

Background information on the consultation on the proposed 'Additional' property licensing scheme.

Recommendation(s) / steer sought:

For information

Introduction

The council is consulting on a proposal for an additional licensing scheme for houses in multiple occupancy (HMOs) in 12 wards in central Bristol.

This Information Booklet provides a summary of the proposed licensing scheme. Full details of the proposal can be found at www.bristol.gov.uk/licensingscheme

The Housing Act 2004 gives local authorities, like Bristol City Council, the power to declare Discretionary Licensing areas where problems in the private rented sector have been identified, such as poor management or poor housing conditions. Where licensing is introduced, landlords of private rented properties must apply for a property licence if they want to continue to let these premises to tenants.

Where properties are being managed badly and/or in poor condition this can affect the health, safety and wellbeing of tenants. These poorly managed properties can also lead to anti-social behaviour and cause problems for the people who live in these properties and/or for neighbours, other residents and members of the public.

The legislation covers different types of licensing; mandatory and discretionary (additional and selective) for private rented properties. These terms are defined below. The licensing can be applied in parts of the city or for the whole city, where the problems identified could be improved by a property licensing scheme.

Mandatory licensing is a national scheme that covers large houses in multiple occupation (HMOs) where there are five or more people, forming two or more households sharing some facilities, in a property three or more storeys high.

Mandatory licensing has been operating throughout Bristol since 2005. Landlords of these properties must apply for a property licence.

Discretionary Licensing is a discretionary power which a Local Authority may use in areas where it believes licensing is the best way to improve rented housing standards and conditions. Once a licensing scheme has been declared, landlords must apply for a property licence. There are two types of discretionary licensing:

- Additional applies to houses or flats that are let to three or more people who aren't related and who share some facilities, like kitchens or bathrooms; and
- Selective applies to all other private rented properties including family accommodation.

What we are proposing

The council proposes to introduce an Additional Licensing (HMOs) scheme in the 12 wards that make up central Bristol – Ashley, Bishopston & Ashley Down, Central, Clifton, Clifton Down, Cotham, Easton, Hotwells & Harbourside, Lawrence Hill, Redland, Southville and Windmill Hill.

Further information and a detailed map showing the extent of the proposed area is available on our website at <http://www.bristol.gov.uk/licensingscheme>

If the licensing scheme goes ahead, we propose it would start in late 2018. It would apply to all private rented houses or flats in this area that are let to three or more people who aren't related and who share some facilities, like kitchens or bathrooms.

Under the Licensing Scheme, we propose to charge a fee for licensing an HMO to cover the costs of running the scheme. This fee would be a one off payment covering the duration of up to 5 years and would be paid by the landlord.

The proposed fee under this scheme would be £1660 for a five year licence before discounts are applied.

A reduced fee of £1085 would be payable for a new licence or £985 for a renewal of an existing licence if the landlord/agent applies for their licence by the deadline. The deadline: an application and fee should be submitted within 3 months of the scheme start for existing rented properties, or within 28 days of tenancy starting for an HMO or within 28 days of the expiry of an existing licence.

If the landlord/agent applies within the deadline, the licence fee would be further reduced in two ways as follows:

- A discount of £150 would be provided for production of satisfactory gas, electrical condition report/installation certificate, fire safety (alarm and emergency lighting) certificates and Energy Performance Certificate (EPC), where appropriate.
- A discount of £50 would be provided for members of one of the approved accreditation schemes under the West of England Rent with Confidence scheme.

The proposed fee structure is illustrated in the following table.

Application Status	Fee (New Application)	Fee (Renewal Application)
Discounted licence application and fee* received within deadline with no safety or EPC certificates and no Rent with Confidence membership	£1085	£985
With discount for satisfactory safety/EPC certificates but no Rent with Confidence membership	£935	£835
With discount for Rent with Confidence membership only but no safety/EPC certificates	£1035	£935
With discount for both Rent with Confidence membership and satisfactory safety/EPC certificates	£885	£785
Full licence fee per property with no discounts awarded	£1660	£1660

NB An application is not valid unless accompanied by the relevant fee.

Licensing enables the council to inspect every private rented property included in the designation – in this case HMOs – and ensure that the management and conditions meet licensing standards and conditions. Time is given to the landlord to do any necessary work to bring the property up to licensing standard but if they do not comply, they could be prosecuted.

Who would be affected?

All landlords of properties in the scheme area that are let to three or more people and form two or more households and who share some facilities (e.g. kitchens or bathrooms) would have to apply for a property licence.

The full licence fee would be £1660 per property. Discounts would apply as described in the 'what we are proposing' section. A licence would last for five years. Without a licence, landlords would not be allowed to rent these properties and could be prosecuted.

It would also affect tenants and other residents and businesses in the local area by raising the standards of private rented accommodation and management.

Who would not be affected?

This proposal relates to Additional Licensing only. Some HMOs will already be covered by mandatory licensing (HMOS with five or more persons, in two or more households in a property three or more storeys high) and they would not also need

an additional licence.

Certain types of buildings or parts of buildings are not HMOs for the purpose of Licensing. Schedule 14 of the Housing Act 2004 sets out in detail the properties that are exempt. Exempt properties include:

- Buildings managed or owned by public sector bodies. (i.e. local authority housing, and properties managed or owned by registered social landlords, police authorities, Fire and Rescue authorities and the NHS);
- Buildings where the residential accommodation is ancillary to the principal use of the building i.e. caretakers accommodation;
- Buildings occupied by religious communities;
- Student accommodation managed and controlled by educational establishments;
- Buildings regulated otherwise than under the Act, such as care homes;
- Bail Hostels;
- Hostels - the description of which is specified by law;
- Buildings entirely occupied by freeholders or long leaseholders;
- Buildings occupied by owners;
- Buildings occupied by no more than two unrelated people;
- Buildings occupied by a resident landlord with no more than two lodgers;
- Buildings which are Housing Co-operatives.

Why have we chosen this area

An Additional Licensing scheme can help where a significant number of HMOs are being badly managed and/or are not being maintained satisfactorily.

In 2016 the council commissioned the Building Research Establishment (BRE) to undertake a Housing Stock Modelling Report for us. The evidence from this report, together with the council's own records, indicates that the central 12 wards of Bristol meet the criteria needed to declare an additional licensing scheme due to a lack of good management or property conditions in a significant number of HMOs.