

Public Relations, Consultation and Engagement



Consultation on proposal for an additional licensing scheme for houses in multiple occupation – supplementary consultation

**Final Report
January 2019**

1 Contents

1	Executive Summary	3
1.1	Proposal to introduce an additional licensing scheme for houses in multiple occupation (HMO)	3
1.2	The original consultation	3
1.3	Second Consultation	3
1.4	Scope of this report	4
1.5	How the report will be used	4
1.6	Consultation - Key findings	4
	Response rate	4
1.7	Views on the revised fee structure	4
2	Introduction	6
2.1	Context	6
2.2	New fee proposal	6
2.3	Bristol Housing Strategy 2015-20 – ‘More Than a Roof’	7
2.4	Scope of this report	7
2.5	Structure of this report	8
3	Methodology	8
3.1	Survey	8
3.1.1	Paper copies	8
3.1.2	Alternative formats	8
3.2	Publicity and briefings	8
3.2.1	Objective	8
3.2.2	Bristol City Council channels	9
4	Survey response rate and respondent characteristics	9
4.1	Response to survey	9
5	Survey response to question	10
6	Free text comments about the proposal	12
7	Where did you hear about this consultation?	12
8	Equalities monitoring information	14
9	Responses from Landlord Agent and Tenant Groups	15
10	How will this report be used?	15
11	How can I keep track?	15
12	Appendices	15

1 Executive Summary

1.1 Proposal to introduce an additional licensing scheme for houses in multiple occupation (HMO)

Bristol City Council is proposing to introduce an additional licensing scheme to 12 central wards in Bristol subject to Cabinet endorsement.

1.2 The original consultation

The original consultation was open between 19th February 2018 and 13th May 2018 and sought views from the public (including private landlords and private tenants with property in the proposed area, managing agents and local residents, local universities, businesses and organisations which represent private landlords and tenants) about the proposal.

The consultation sought feedback on:

- the level of support for the proposal;
- the licensing fees and proposed rewards
- experience of poor management and poor conditions in these areas.

The consultation comprised an online consultation survey. Paper copies of the survey and alternative accessible formats were available on request. Paper copies of the survey were also available in all libraries and the Citizen Service Point.

The consultation was widely publicised through media, social media and direct communications with the known private landlords and agents and their tenants and other stakeholders, such as local residents, businesses and councillors.

Comments, requests and suggestions received in letters and emails during the consultation were reviewed and considered alongside the survey results.

This consultation report was published on the Consultation Hub at <https://bristol.citizenspace.com/communities/additional-licensing-scheme-for-hmo/>

[See also Appendix 1.](#)

1.3 Second Consultation

Since the initial consultation a High Court case ([R Gaskin v Richmond-upon-Thames LBC \[2018\]](#)) has determined that this type of proposed HMO licensing scheme ([Part 2, Housing Act 2004](#)), is an authorisation scheme and is subject to European legislation ([EU Services Directive 2006](#)). In order to comply with this directive the council was required to review the way it structures its property licence fees.

The original fee structure that formed part of the above consultation required one overall payment covering all elements of the licensing from beginning to end. However, this High Court ruling means that the property licence fee must now be split into two parts:

Part 1- this part of the fee, payable upon application, only covers the cost of obtaining authorisation under the scheme, i.e. processing the licence application,

and

Part 2 - this part of the fee is levied only on successful applicants, to cover the remaining costs of administration and enforcement of the scheme.

In addition, in order to comply with the above directive the council will no longer be able to include a significantly increased fee for late applications. The effect is that the cost of licensing proposed is now spread more evenly across the whole of the fee structure.

There has also been a reduction in the numbers of properties now expected to require a licence in area from 5500 to 4,300 properties. The reduction is factored into the revised fee calculation.

As a result of this ruling and the comments from our earlier consultation the council restructured its fee proposal and held a second, shortened consultation on the fee changed structure only, between 8th November 2018 and 20th December 2018.

1.4 Scope of this report

This report describes the fee calculation methodology and presents the findings of the second consultation. It includes quantitative data and analysis of free text comments from the 257 responses to the survey.

This report does not contain the council officers' assessment of the feasibility of any of the suggestions received nor officers' proposals for the delivery of future services, having considered the consultation feedback.

1.5 How the report will be used

This report together with the report from the initial consultation will be taken into account as final proposals are developed by officers and taken into consideration in developing the final proposal that will be considered by the Mayor and Cabinet when they make those decisions at Cabinet. Cabinet reports and decisions will be published through normal procedures for Full Council and Cabinet decisions at democracy.bristol.gov.uk.

1.6 Consultation - Key findings

Response rate

257 responses were received to the survey, via the online and paper-based surveys. 14 (5%) respondents completed the survey on paper and 243 (95%) self-completed it online.

1.7 Views on the revised fee structure

Of the 242 respondents who expressed a view on whether the revised fee structure was fair, 113 (47%) strongly agreed or agreed 75 (31%) strongly disagreed or disagreed. 54 (22%) neither agreed nor disagreed. There were 20 responses with identical IP addresses and answers in this survey and 15 respondents skipped the question.

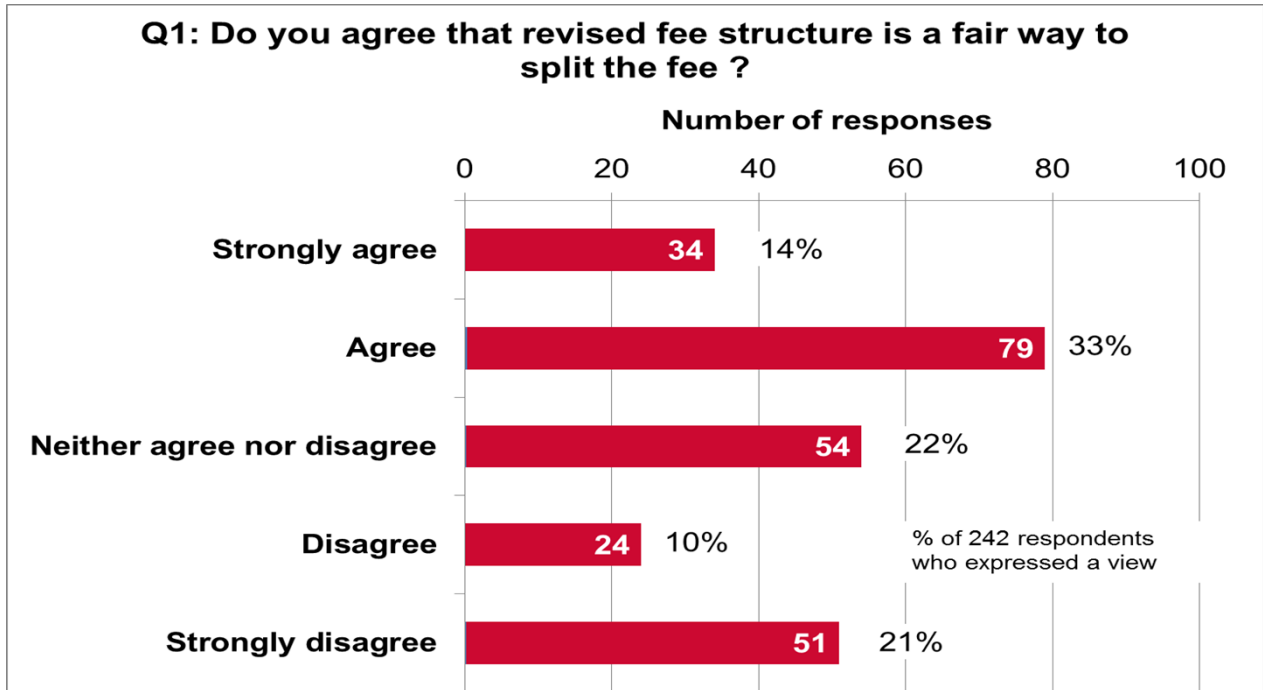


Figure 1 – Views on the revised fee structure

2 Introduction

2.1 Context

The council has a statutory duty to consult for a minimum period of 10 weeks with all who may be affected by the proposal. The initial consultation was open between 19 February 2018 and 13 May 2018 (12 weeks) and sought views from the public (including private landlords and private tenants with property in the proposal area, managing agents and local residents, local universities, businesses and organisations which represent private landlords and tenants) about the proposal.

A second consultation was held between 8th November 2018 and 20th December 2018 to seek views on a revised fee structure following a High Court case [Gaskin v Richmond upon Thames \[2018\]](#) determined that this type of proposed HMO licensing scheme ([Part 2, Housing Act 2004](#)), is an authorisation scheme and is subject to European legislation (EU Services Directive 2006). In order to comply with this directive the council was required to review the way it structures its property licence fees.

2.2 New fee proposal

The overall predicted cost of the scheme over five years is £4.9m. This cost is broken down into £1.6M for Part 1 and £3.3M for Part 2.

This equates to a split of 33% and 67%, part 1 to part 2. The fees have apportioned using these percentages, see Table 1.

There is an additional fee of £100 for applicants who are found to be unlicensed.

The council has retained the previously proposed rewards for landlords who provide valid safety certificates (£150) and who are members of the West of England Rent with Confidence scheme (£50) at the time of application.

Table 1: Revised Fee Structure

Application Status/payment	Fee (% split) ³	New application ⁴	Renewal ⁴
Part1 Processing the application¹	33%	£410	£345
Part 2 Enforcement and administration²	67%	£845	£710
Total	100%	£1255	£1055

¹payable when submitting the licence application

²payable upon successful application prior to the issuing of the proposed licence

³ the fee is split proportionately to reflect the costs of the relevant parts of the licensing function.

⁴ less any rewards of up to £200, plus £100 if found to be unlicensed.

Table 2: Total Fee breakdown –

Application Status	Discount Amount	Fee (New Application)	Fee (Renewal Application)
Licence application and fee* received with no safety or EPC certificates and no Rent with Confidence membership	£0	£1,255	£1,055
Minus discount for Rent with Confidence membership only but no safety/EPC certificates	£50	£1,205	£1,005
Minus discount for satisfactory safety/EPC certificates but no Rent with Confidence membership	£150	£1,105	£905
Minus discount for both Rent with Confidence membership and	£200	£1,005	£855

satisfactory safety/EPC certificates			
Plus Investigation cost for finding unlicensed property	£100	£1,355	£1,155

2.3 Bristol Housing Strategy 2015-20 – ‘More Than a Roof’

The Housing Strategy aims to tackle the range of housing issues that affect people who live in Bristol. Due to the economic situation in Bristol many people are increasingly relying on private rented sector accommodation when they would have previously purchased or would have rented social housing. This demand has pushed up rents and some landlords are capitalising on the need people have to find accommodation at a price they can afford by providing an inferior product.

There are three parts to optimising existing housing:

- Raise standards in the Private Rented Sector
- Deliver the best use of existing housing
- Reduce empty homes, particularly in the private sector

2.4 Scope of this report

This consultation report describes the methodology and results of the consultation. It summarises and quantifies the views expressed in the consultation survey responses received between 8th November and 20th December 2018. A separate report has been published on the first consultation.

2.5 Structure of this report

- Section 3 of this report describes the consultation methodology.
- Sections 4-8 presents the survey response rate and respondent characteristics;
- Section 10 describes how this report will be used and how to keep updated on the decision-making process.

3 Methodology

3.1 Survey

An online consultation survey was available on the city council’s Consultation Hub (www.bristol.gov.uk/consultationhub) between 8th November and 20th December 2018. The online survey pages contained:

- an overview of the consultation proposal;
- links to the initial consultation proposal booklet and consultation report;
- downloadable alternative formats (Easy Read, Audio and British Sign Language);

The survey included just one question on whether the revised fee structure was fair and an opportunity to make free text comments about the way the fees had been structured.

There was also a section for equalities monitoring and next steps.

Respondents could choose to answer some or all of the questions in any order and save and return to the survey later.

3.1.1 Paper copies

The survey was available online and paper copies of the consultation documents were made available with Freepost return envelopes on request by email and telephone.

3.1.2 Alternative formats

The following alternative formats were made available on request:

- Braille;
- Large Print;
- Easy Read;
- Audio file;
- British Sign Language (BSL) videos;
- Translation to other languages.

A BSL video translation was directly requested by a respondent and we commissioned this and posted it online and sent to the respondent in question.

3.2 Publicity and briefings

3.2.1 Objective

The following programme of activity was undertaken to publicise and explain the consultation. The primary objective was to ensure that information was shared across a wide range of communication channels, reaching as broad a range of audiences as possible in order to maximise response rates, including feedback by groups that are often under-represented in surveys.

3.2.2 Bristol City Council channels

- Emails sent to the relevant ward Councillors;
- Letters to 62,491 known private landlords and agents; private tenants and owner occupiers living in the proposed area.
- Email to 5,136 landlords and agents on the Landlord Liaison database;
- Emails to the two Bristol universities, and to landlord and tenant organisations;
- A briefing was provided to representatives of Bristol Homes Board;
- Emails to the West of England Landlord and Agent Panel members;
- Posted on Bristol City Council Facebook and Twitter accounts.

4 Survey response rate and respondent characteristics

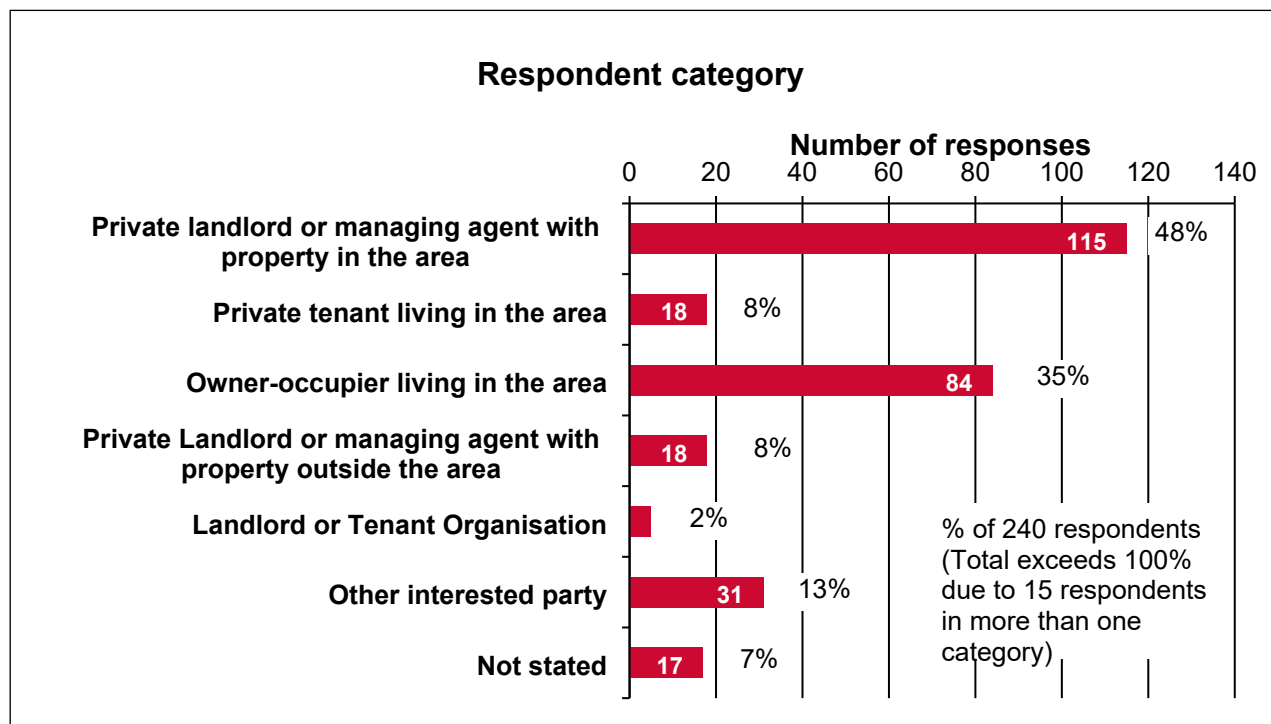
4.1 Response to survey

257 responses were received to the survey, via the online and paper-based surveys. 14 (5.4%) respondents completed the survey on paper and 243 (94.6%) self-completed it online.

Survey responses came from 115 (48%) private landlords or agents with property in the area, 84 (35%) owner occupiers living in the area, 18 (8%) from private tenants living in the area, 18 (8%) from landlord and agents with property outside of the proposal area and 5

(2%) from landlord and tenant organisations and 31 (13%) Others), 17 respondents did not give a category and some selected more than one category.

Figure 2 Respondent category



5 Survey response to question

Of the respondents who expressed a view on whether the revised fee structure was fair, 113 (46.74%) agreed, 75 (30.99%) disagreed and 54 (22.31%) neither agreed nor disagreed. Figure 4 shows the responses by respondent category and Figure 5 shows the breakdown of responses by respondent category.

Figure 3 – Views on Question 1 - Is the revised fee structure fair

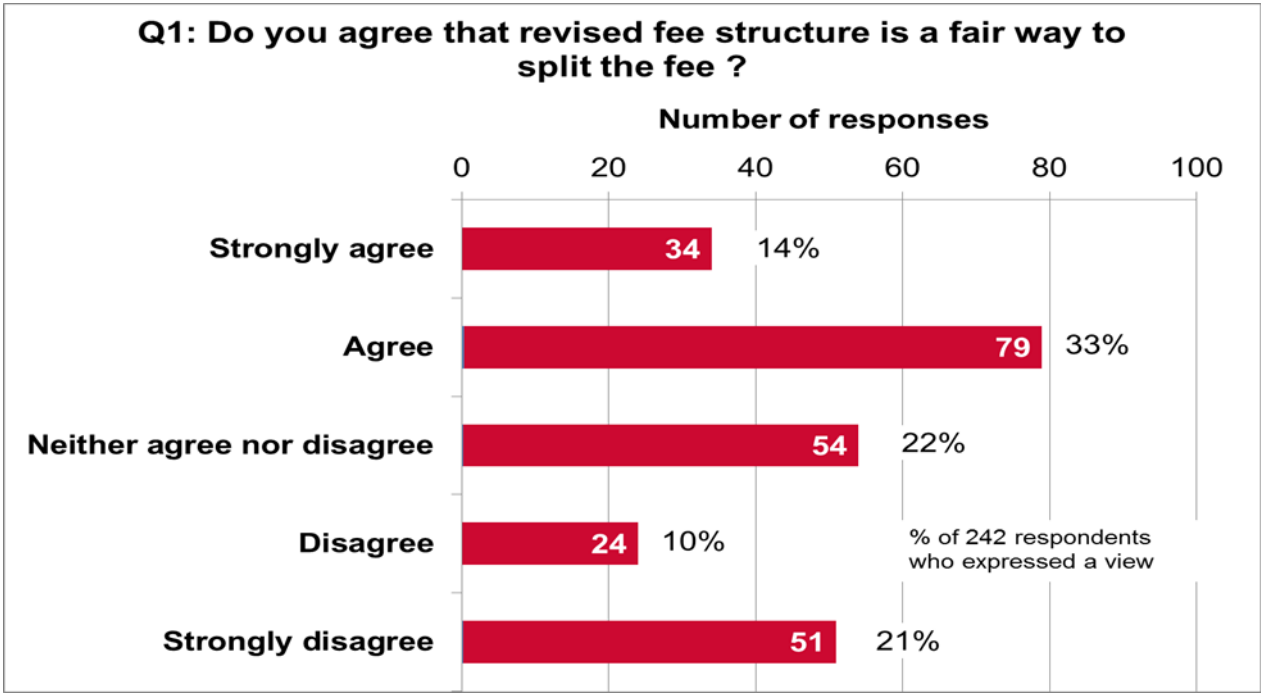
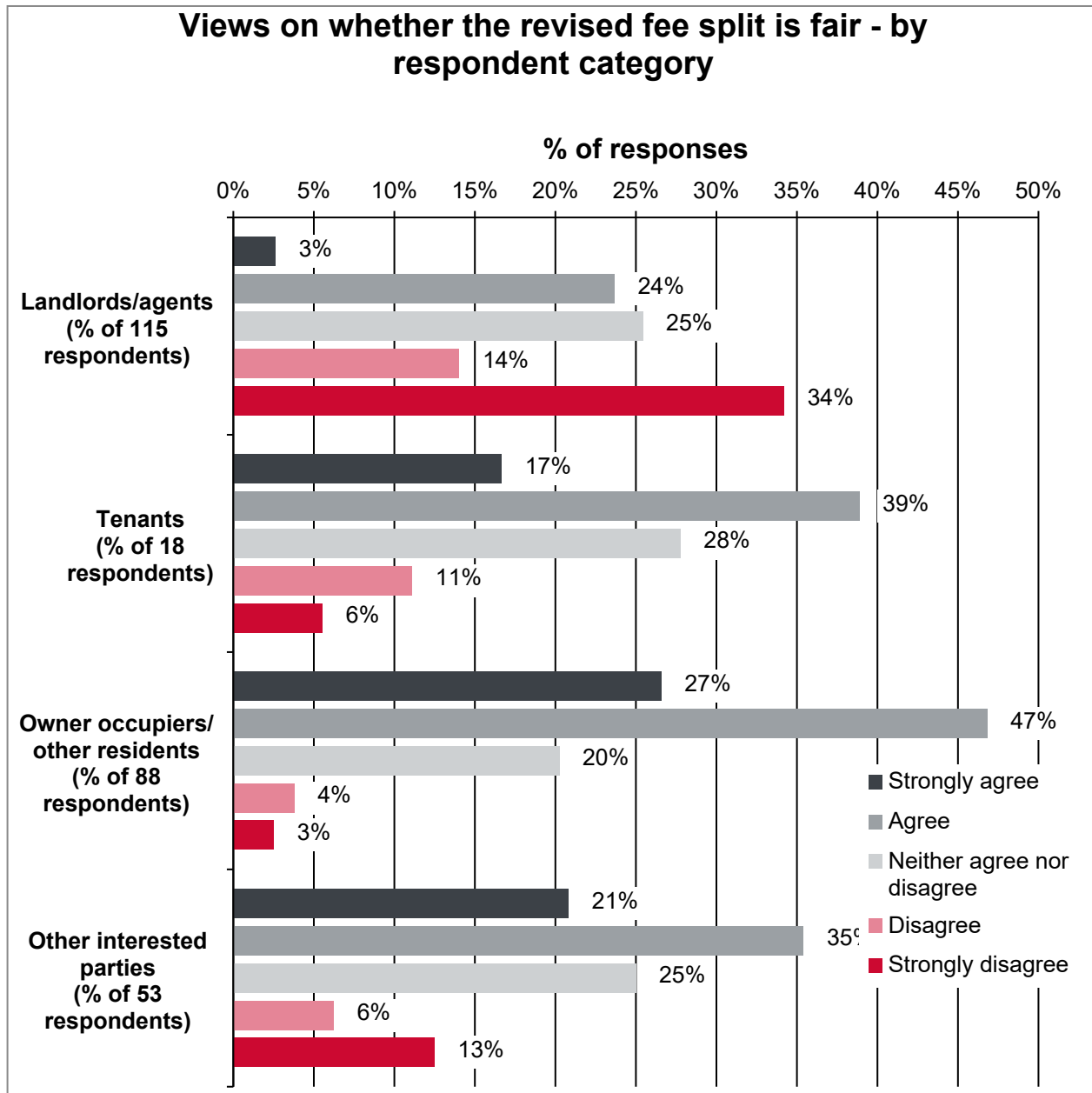


Figure 4: Breakdown of responses to Question 1 by respondent category

This gives the breakdown of responses by respondent category to show how each group responded. There were 20 individuals with identical IP addresses who gave identical answers in this survey and 17 respondents who either skipped the question or left it blank. This totals (287) more than the actual number of respondents (257) because some respondents selected more than one category.



6 Free text comments about the proposal

There was the opportunity in question two, to offer free text comments. All respondents were asked if they had any other comments to make about the way the fees have been structured?

Of the 257 people who responded to the consultation, 142 (55%) left comments as follows:

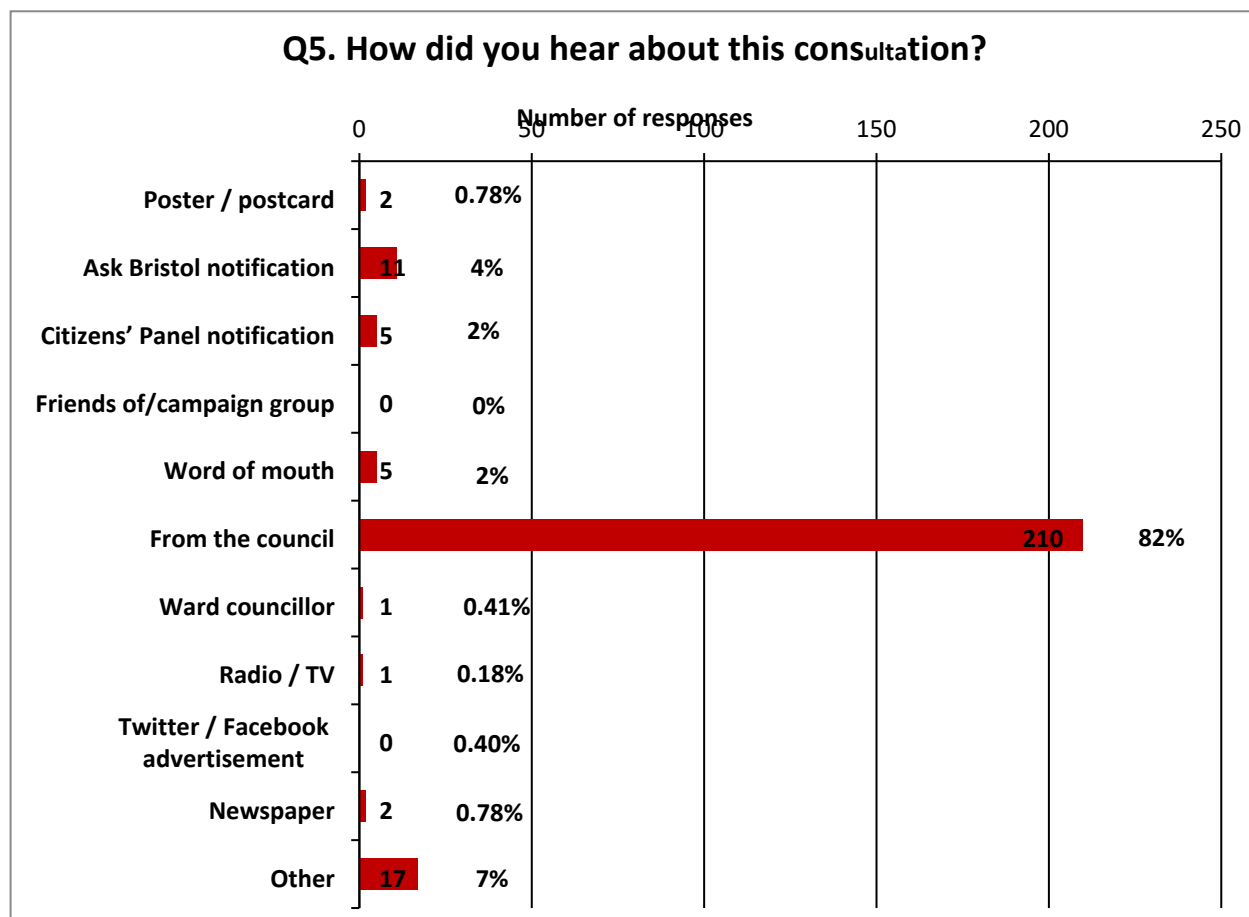
- 12 (5%) Agreed with the proposed split structure
- 11 (4%) Disagreed with the structure especially the fee level for unlicensed or non-compliant landlords. They felt there was no incentive to do the right thing.
- 1 (1%) Disagreed with the structure and said the differential on renewal was not good enough when the work required would be much less.
- 10 (4%) Disagreed with Part 1 percentage but there was no consistency of suggestions of what they thought it should be instead.
- 2 (1%) Disagreed with Part 2 Fee and suggested it should be paid in annual instalments.
- 8 (3%) Disagree with Part 2 Fee and that those who were unlicensed should pay a lot more than £100. Where is the incentive to comply?
- 6 (2%) Said that there was insufficient information given to answer the question
- 53 (21%) Re-iterated their opposition to fee payable / proposal. 20 of these came from the same IP Address with identical answers
- 5 (2%) Re-iterated their agreement with scheme proposal
- 7 (3%) Re-iterated their disagreement with the rewards proposed
- 7 (2%) Re-iterated that the scheme cost seemed excessive compared to other schemes
- 13 (5%) Miscellaneous comments not relevant to the question asked on the revised fee structure.

7 Where did you hear about this consultation?

Of the 241 respondents who answered this question, (82%) heard about the consultation from the Council. 62,491 letters were sent out to landlords / managing agents with properties in the area and to tenants and owner occupiers living in the area. Emails were sent to landlord and tenant organisations, councillors and other landlords, agents and other organisations who are signed up to the Council Landlord News newsletters.

11% heard about the consultation by word of mouth, Ask Bristol notification, Citizen Panel notification, newspaper articles or poster and postcard distribution. The remaining 17 (7%) heard from Other sources. See Figure 6 below.

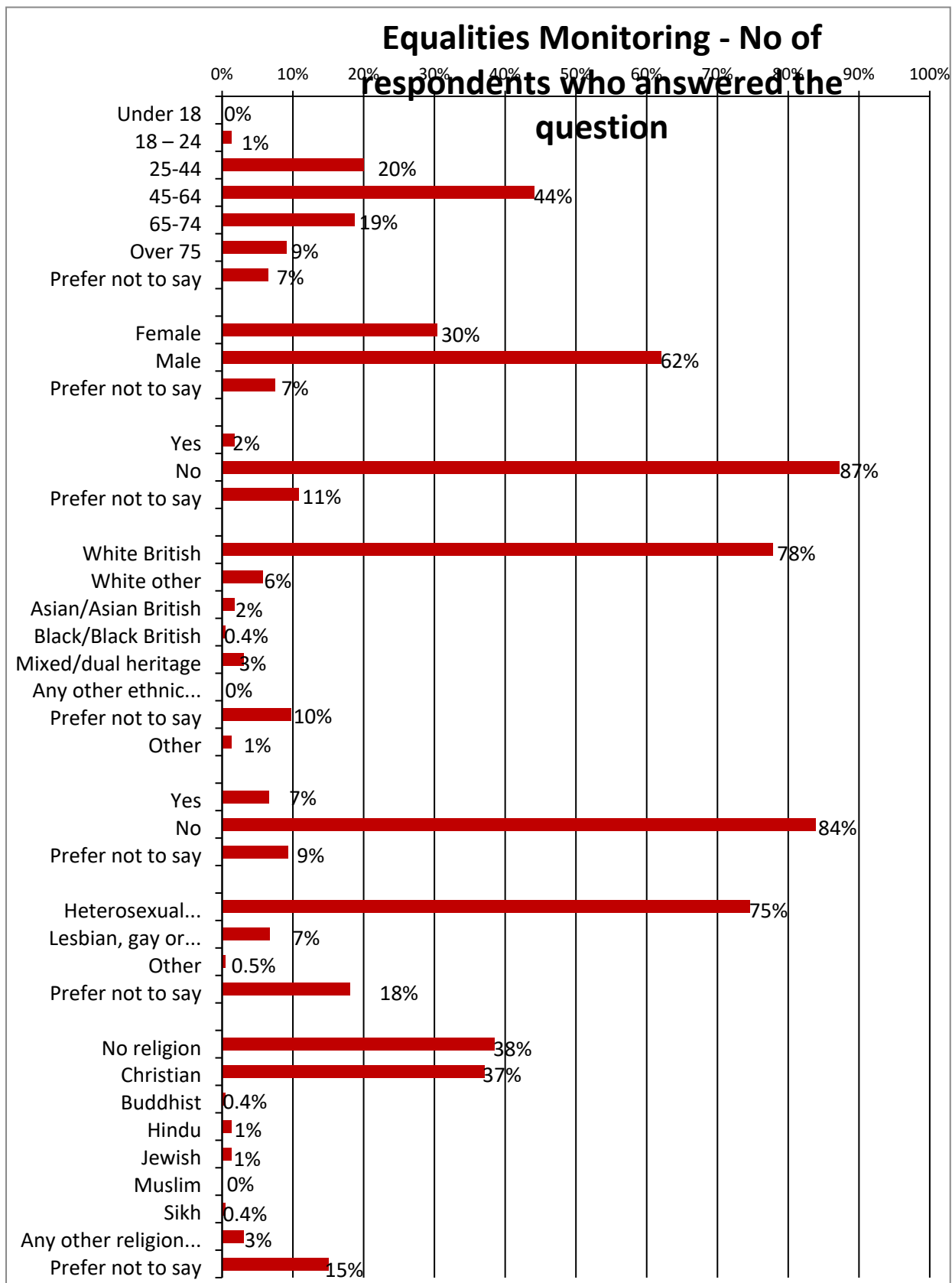
Figure 6 – How did you hear about this consultation?



8 Equalities monitoring information

Figure 7 below gives the breakdown of equalities monitoring responses. Of the total 257 respondents 229 answered the Age Group question; 227 Gender question; 220 Transgender question; 226 the Ethnicity question; 224 the Disabled question; 221 the Sexual Orientation question and 220 the question about Religion.

Figure 7 – responses to the equalities questions



9 Responses from Landlord Agent and Tenant Groups

There was only one response made on behalf of a landlord, agent or tenant organisations.

In summary the response from National Approved Lettings Scheme (NALS) agreed that the way the fees were split was reasonable, with some supplementary comments. [See Appendix 2.](#)

10 How will this report be used?

This report will be taken into account as final proposals are developed by officers to put to Cabinet to recommend to Full Council. This consultation report will also be considered by Cabinet and Full Council at the Full Council meeting.

Cabinet decisions will be published through normal procedures for Full Council and Cabinet decisions at democracy.bristol.gov.uk.

11 How can I keep track?

You can always find the latest consultations online at www.bristol.gov.uk/consultationhub, where you can also sign up to receive automated email notifications about consultations.

All decisions related to the proposals in this consultation will be made publicly at the Full Council meeting.

You can find forthcoming meetings and their agenda at democracy.bristol.gov.uk.

Any decisions made by Full Council and Cabinet will also be shared at democracy.bristol.gov.uk.

12 Appendices

Appendix 1- The Report from the First Consultation

Appendix 2 – Response from the National Approved Letting Scheme (NALS)

Appendix 1: The First Consultation Report

Insert as pdf before publication

Appendix 2: Response from NALS received 19th December 2018



BRISTOL COUNCIL'S ADDITIONAL LICENSING PROPOSALS – REVISED FEE STRUCTURE

A RESPONSE TO THE CONSULTATION FROM THE NATIONAL APPROVED LETTING SCHEME (NALS) – DECEMBER 2018

INTRODUCTION

NALS www.nalscheme.co.uk is a licensing scheme for lettings and management agents operating in the Private Rented Sector. NALS agents are required to:

- deliver defined standards of customer service
- operate within strict client accounting standards
- maintain a separate client bank account
- be included under a Client Money Protection Scheme

Agents must provide evidence that they continue to meet NALS criteria on an annual basis, in order to retain their licence. The scheme operates UK wide and has 1500 firms with over 2000 offices.

NALS also administers the SAFEagent campaign www.safeagents.co.uk the purpose of which is to raise consumer awareness of the need to ensure that landlords and tenants should only use agents who are part of a Client Money Protection Scheme, which offers reimbursement in the event that an agent misappropriates their money. The campaign is recognised by Government and our logo appears in their How to Rent guide [How to Rent](#)

We have also become a co-regulation partner with Liverpool City Council.

THE REVISED FEE STRUCTURE

In May 2018, we responded to the council's proposals to introduce an additional licensing scheme of Houses in Multiple Occupation (HMOs) 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.

Our original response still stands and has been re-sent by email for ease of reference.

We are aware of the High Court case ([R Gaskin v Richmond-upon-Thames LBC \[2018\]](#)) which determined that this type of proposed HMO licensing scheme ([Part 2, Housing Act 2004](#)) is an authorisation scheme and is subject to European legislation ([EU Services Directive 2006](#)). We agree that, in order to comply with this directive, the council is required to review the way it structures the proposed property licence fees.

We think the proposed fee split of a third up front for processing the application with a second instalment of two thirds to cover the running costs of the scheme and enforcement is reasonable.

However, the proposed fee of £1,255 for new applications seems very high, especially as these will be mostly for three and four-person HMOs. It is very similar to the average fee in London for a five-person HMO, whereas we would expect lower fees outside of London.

We agree with the additional fee of **£100** for applicants who are found to be unlicensed.

We note that the council has retained the previously proposed rewards for landlords who provide valid safety certificates (£150) and who are members of the West of England Rent with Confidence scheme (£50) at the time of application.

We would ask you to clarify what certificates will be required to benefit from the £150 discount. For example, PAT testing certificates should not be required with the application, as no such testing is needed (unless it is added as a licence condition)

Furthermore, in our view, this discount plus the further £50 discount should be extended to NALS members who are not members of the West of England Rent with Confidence scheme.

Total Fee breakdown – Summary of Response

Application Status/NALS Comments	Discount or (Additional Fee) Amount	Fee for New Application	Fee for Renewal Application
Licence application - with no discount or additions applied This fee is too high given the types of properties affected and the fact that Bristol is not a London authority.	£0	£1,255	£1,055
Minus discount for Rent with Confidence membership only but no safety/EPC certificates Should be extended to NALS members	£50	£1,205	£1,005
Minus discount for satisfactory safety/EPC certificates but no Rent with Confidence membership Please clarify which certificates are required	£150	£1,105	£905
Minus discount for both Rent with Confidence membership and satisfactory safety/EPC certificates Should be extended to NALS members	£200	£1,055	£855
Plus Investigation cost for finding unlicensed property Agree	(£100)	£1,355	£1,155