



**Decision of the Cabinet Member for
Housing and Welfare Reform**

**Report from the Strategic Director
of Community Wellbeing**

**Private Housing Service- Additional HMO and Selective
Licensing Schemes Consultation**

Wards Affected:	All
Key or Non-Key Decision:	Non Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Appendix 1: Consultation Questionnaire
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Hakeem Osinaike - Operational Director, Housing Email: Hakeem.osinake@brent.gov.uk Tel: 020 8937 2023 Spencer Randolph - Head of Service, Private Housing Services Email: spencer.randolph@brent.gov.uk Tel: 020 8937 2546 Tony Jemmott - Private Housing Manager, Licensing Email: tony.jemmott@brent.gov.uk Tel: 020 8937 2377

1.0 Purpose of the Report

- 1.1 Further to the approval of a report to the Brent Policy Coordinating Group (PCG) on 6th June 2019, this report seeks approval from the Lead Member, Housing and Welfare Reform for the public consultation exercise on renewing and extending licensing schemes for privately rented properties in Brent to proceed.
- 1.2 This will be the third time that the Council has undertaken a public consultation for the licensing of privately rented properties, the first being conducted in 2014, and, this is because the Council is legally required to undertake a consultation exercise for a period of a minimum of 10 weeks before introducing a licensing scheme.
- 1.3 The consultation is being led by Brent but an Independent company called **Opinion Research Services (ORS)** will gather the responses on our behalf. This

is the first time that we have taken this approach to outsource this work and a formal tender process was undertaken before appointing them. We are confident that ORS will do a good job as they have recently done the same consultation process for Newham and Liverpool.

- 1.4 This report will explain the process for going out to consultation. Therefore, the focus of this report is mainly on the consultation process, rather than the pros and cons of licensing. Those issues will be considered once the consultation process has completed in a report to Cabinet.

2.0 Recommendations

That the Lead Member, Housing and Welfare Reform

- 2.1 Gives approval for the consultation exercise to proceed.
- 2.2 Notes the consultation questionnaire, Appendix A, including the scope of the questions being asked and the implications of the answers respondents might give.
- 2.3 Notes the scope of the consultation and the issues that need to be consulted on in order to be able to recommend to Cabinet on the future proposals of property licensing in Brent, and if subsequently agreed by Cabinet, to designate an area for additional licensing in Brent, and to submit an application to MHCLG for the approval of designated areas in the borough for Selective licensing, and furthermore,
- 2.3 Notes the consultation process and the risks and mitigation identified in section 8 of this report.

3.0 Reasons for Consultation

- 3.1 In January 2015 the Council introduced a licensing schemes for privately rented properties. These schemes will end in December 2019 and the Council is considering introducing a new scheme to replace them. The Council is also proposing to extend selective licensing to other wards in the borough. The Council proposes to consult with the public for a minimum of 10 weeks commencing in June 2019. The Council wishes to consult on the following 3 proposals;
 - 3.1.1 To renew, due to it expiring on 31st December 2019, the designation of the whole of the borough, as subject to an additional Houses in Multiple Occupation licensing scheme under Part 2 of the Housing Act 2004, with effect from January 2020. This will be a Council decision made by cabinet after the consultation.
 - 3.1.2 To renew, due to it expiring on 31st December 2019, the selective licensing scheme designation in the wards of Harlesden, Wembley Central and Willesden Green (designation 1). This scheme is prescribed under Part 3 of the Housing Act 2004 and is being considered on the grounds of property conditions and ASB. There is a statutory time required for the scheme to come into force after receiving approval from the Secretary of

State for the Ministry of Housing, Communities and Local Government, (MHCLG).

3.1.3 To introduce a selective licensing scheme under Part 3 of the Housing Act 2004 to the following designated areas of the borough with effect from 1st April 2020, or at a later date in accordance with the statutory time required for the scheme to come into force, again after receiving approval from the Secretary of State for the MHCLG, for the reasons as follows:

- Designation 2: Queensbury, Fryent and Brondesbury Park – This is along the A5 corridor and on the; Grounds; Property Conditions and ASB
- Designation 3: Barnhill and Welsh Harp – Grounds; Property Conditions, Deprivation and ASB
- Designation 4: Northwick Park, Preston, Tokyngton (Excluding Wembley Park), Alperton and Sudbury; Property Conditions and ASB

4.0 Consultation Approach and Strategy

4.1 The approach is primarily governed by the provisions of the Housing Act 2004 and the DCLG guidance (Revised April 2010 & March 2015). A questionnaire is designed to capture views on the proposals, there will be at least 700 face to face representative interviews and at least 5 deliberative forums (landlords, residents and tenants).

4.1.1 The outline consultation is set out in a communications plan.

4.1.2 The consultation is to run for a minimum of 10 weeks from June to August 2019.

4.1.3 The consultation will be hosted on the Brent Consultation Portal and Opinion Research Services (ORS), an independent company will manage the questionnaire and feedback. ORS has implemented a **risk-based Information Security Management System (ISMS)** aligned to the requirements of ISO27001:2013; and, covers confidentiality, safe storage and transfer of information. The ISMS was submitted to us as it was required as part of their tender award criteria.

4.1.4 The questionnaire will be for residents, tenants and businesses, private landlords and managing agents and for other stakeholders, the latter focusing on interest from those boroughs which border Brent. The consultation questionnaire will be conducted online, though paper forms will be made available on request and in certain circumstances such as outreach sessions. Paper forms are to be returned in a pre- paid envelope.

4.2 The consultation questionnaire covers the following areas:

4.2.1 Opportunities to provide views about the problems in their local area and in relation to their homes in Brent and to provide their views as to how the PRS as a whole in Brent might be improved.

- 4.2.2 Opportunity to provide views on the renewal and the extending of licensing schemes in Brent and on what licensing would achieve.
- 4.2.3 Where selective licensing should apply based on ASB, poor property conditions and high levels of deprivation.
- 4.2.4 Opportunities to provide views on our proposed licensing conditions and licensing fees.

5.0 Communications

- 5.1 The strategy will be to use a mix of communications channels. The approach will also be informed by an Equalities Impact Assessment (EIA). The external and internal channels will be;
 - Web, press and social media
 - Email and hard copy mail outs
 - Community and stakeholder forums
 - Face to face area surveys

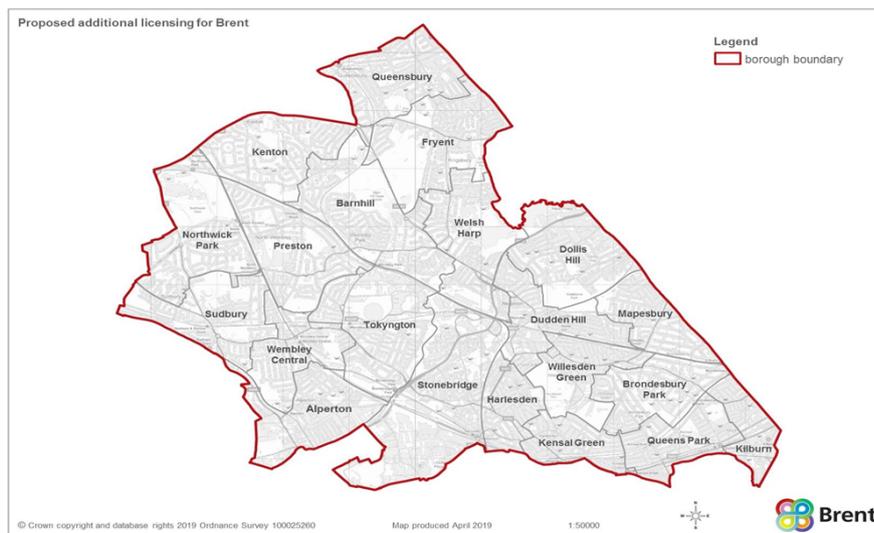
6.0 Findings and Reporting

- 6.1 The consultation findings and the response to the consultation to be reported as follows;
 - 6.1.1 Number of response, an analysis of these responses.
 - 6.1.2 A balance of the opinions received from comments, emails and written submissions.
 - 6.1.3 Key consultation findings will be organised into themes and also linked to the Brent demographic and equality profiles.

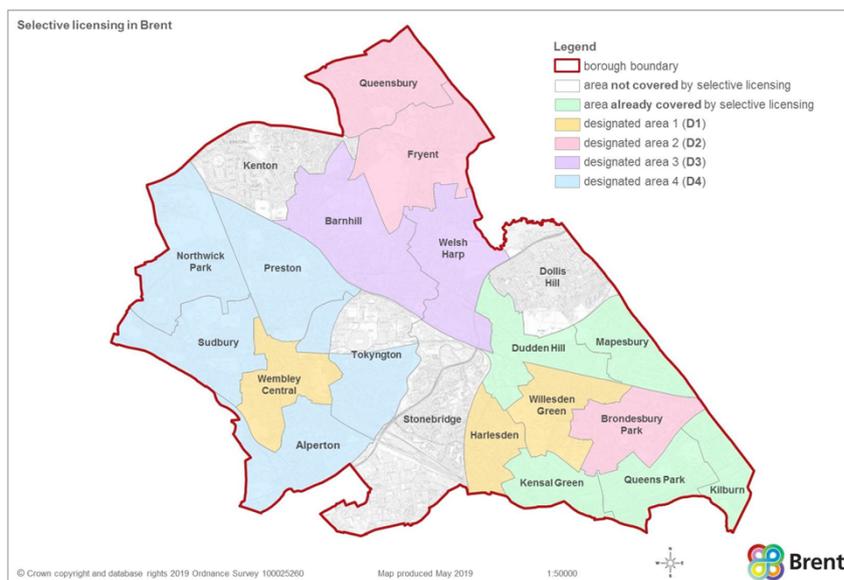
7.0 Licensing Proposals

- 7.1 Our recent studies have shown that there are 121,250 dwellings in Brent. These studies also show that 37% of these dwellings are now privately rented, which is much higher than the national average of 20%.
- 7.2 The Council has received a report on the condition of its private housing stock from the Building Research Establishment (BRE). We have also analysed the levels of ASB, deprivation, migration and crime in Brent. Our evidence shows that problems exist to varying extents in each ward but are more significant in certain wards or areas of wards. Specifically, the evidence base justifies the renewal of additional licensing borough wide, and for selective licensing to be renewed and extended. The selective scheme will be subject to four designations areas. The areas proposed are mapped as (a) and (b) below:

Designation Map for Proposed Additional Licensing as delineated in Red



a) Map of designated area for selective licensing



7.3 **Licence fees:** The Housing Act 2004 permits the Council to set licensing fees. The current basic fee in Brent is £840.00 for an HMO licence and £540.00 for a selective licence. The current fees were effective from 1st June 2018, having been increased from £540.00 and £340.00 respectively. Up until recently the full fee was collected at the time of the online application being made. However, now due to case law the licensing fee is collected in two parts, a proportion at the time of the application and the remainder prior to the licence being issued. This is in accordance with the European Services Directive (ESD) – The fee structure is in the main consultation report at Annex A. Whilst the licensing fee is set at this level it is still regularly reviewed.

- 7.4 The Council will also consult on its licence fees and conditions, as this is a mandatory requirement when consulting on the introduction of a licensing scheme.
- 7.5 **Licence conditions:** We have reviewed our existing licensing conditions and have made some amendments, notably in regard to selective licensing, but also to reflect the new statutory mandatory conditions. Issues raised concerning our licence conditions during the consultation will be considered as part of the consultation response. The proposed Additional HMO and Selective licensing conditions are respectively in main consultation report at Annexes B and C.
- 7.6 If introduced the effect will be that all landlords who rent private properties in the areas will be required to apply to the Council for property licences. Designation will last for five years unless revoked earlier by the Council and licences will be granted for up to five years from the issue date. Failure to apply for a licence will lead to prosecution or a civil penalty being imposed on the owner or manager of the dwelling.
- 7.7 Summary of objectives of Additional HMO and Selective licensing

Objective	Performance indicator	Outcome
Improvement in HMO PRS	<ul style="list-style-type: none"> • Improve 600 properties annually • Undertake 750 Compliance checks 	<ul style="list-style-type: none"> • Achieve 100% licensing • Reduce Cat 1 and Cat high 2 hazards • Increase in % complaint HMO over set baseline
Improvement in Single family dwellings	<ul style="list-style-type: none"> • Improve 1500 properties annually • Undertake compliance inspection in 25% of licences granted 	<ul style="list-style-type: none"> • Achieve 100% licensing • Reduce Cat 1 and high cat 2 hazards • Achieve a general improvement of property conditions in the designated area within the lifetime of the designation.
Reduction in Antisocial behaviour in HMOs and Single family dwellings	<ul style="list-style-type: none"> • Ward level analysis annually • Complete 10 cases annually police reported ASB • Complete 60 cases per year council reported ASB 	<ul style="list-style-type: none"> • Reduction in ASB incidents • Reduce ASB concerns by residents over 5 years • Reduce ASB in 200 licensed properties annually
Combat problems of Deprivation	<ul style="list-style-type: none"> • 25 cases per year regarding excess cold and fuel poverty 	<ul style="list-style-type: none"> • Combat deprivation in the 10 most deprived areas

	<ul style="list-style-type: none"> • 100 incidences of tenant homelessness advice 	<ul style="list-style-type: none"> • Supporting the most vulnerable tenants
--	--	--

7.8 The consultation with local residents, landlords, local businesses and other organisations with an interest in the private rented sector in Brent will give everyone the opportunity to have their say about our proposals. The consultation will run from a date to be confirmed but as soon as possible in June 2019 for a minimum of 10 weeks. The feedback will mainly be via an online questionnaire and face to face meetings. Written submissions will also be invited from certain groups.

8.0 Risks and mitigation

8.1 The property licensing scheme is popular amongst members and agencies providing support to private sector tenants. However, opinions differ on the operational delivery of the scheme and what societal issues it should address. For example, questions have been asked about why the Council follows the practice of issuing a license before inspecting the property and why the Council does not instruct landlords under the scheme to tag mattresses in their properties, in order to tackle anti-social behaviour. It is possible that these issues are raised as part of the consultation process, even though that is not what the consultation is about. The questionnaire is designed to avoid this but they may still be raised in public forums. The support of PCG and Cabinet members will be helpful in dealing with this, should it arise.

8.2 The table below identifies other risks directly associated with the consultation and what is in place to mitigate them.

Risks	Mitigation
1. That respondents claim the justifications/rationale for introducing licensing within the consultation proposals are not sufficiently advanced	<ul style="list-style-type: none"> • PHS Commissioned BRE report on the PRS in Brent. • Evidence based report justifies the proposed designation areas
2. Likelihood that reasonable steps are not being taken to consult with those likely to be affected by the proposals	<ul style="list-style-type: none"> • Corporate communications plan formulated • PRS experience in previous licensing consultation exercises • Engagement of research specialist ORS, to work in partnership with Brent
3. Lack of public support for the proposals	<ul style="list-style-type: none"> • Robust questionnaire with relevant questions, endorsing learning from previous Brent and other local authorities licensing consultations. • 700 face to face resident surveys to be completed. • The support from residents is known to be around 70% in favour, while landlords are generally 30% in favour of licensing. • A major concern from landlords is about the licence fee. We believe that our fee proposals are clearly set out.

<p>4. Security of the consultation – likelihood of the survey being <i>hijacked</i></p>	<ul style="list-style-type: none"> • Brent has a secure consultation portal, which has been improved further following the Allocations Policy consultation. • ORS has implemented a risk-based Information Security Management System (ISMS) aligned to the requirements of ISO27001:2013; • Secure links (urls) in place • Data protection policies/statements declared to users
<p>5. Likelihood of the scheme objectives not being met</p>	<ul style="list-style-type: none"> • Section 7.7 sets out some key outputs and outcomes. This demonstrates a commitment to inspect and ensure that properties comply with our licensing standards. • However, the Council is legally required to process all applications “without undue delay”, and “unnecessary bureaucracy”. • Licensing will be supported by robust enforcement, and where appropriate we will prosecute offenders, issue civil financial penalties and seek banning orders. • Income generated from the licensing schemes will be used to ensure that the function is adequately resourced.

9.0 Financial Implications

9.1 The consultation will be funded within existing resources for Private Housing Services. The Council is allowed to reclaim the set up costs if the schemes are implemented.

10.0 Legal Implications

10.1 Sections 56(3) and s80(9) of the Housing Act 2004 and paragraph 48 of the 2015 Secretary of State’s guidance states that the Council must take reasonable steps to consult on the proposed designation of licensing Scheme. The Council is legally required to undertake a consultation exercise before introducing a licensing scheme for a period of a minimum of 10 weeks.

11.0 Equality Implications

11.1 An Equality Analysis (EA) was undertaken in 2017 to identify those affected, assess the impact of the change and to meet their needs. In general, the licensing proposals will have a positive impact for all protected groups. A new EA will be presented to Cabinet for a decision.

Report sign off:

PHIL PORTER
Strategic Director of Community Wellbeing