

	Cabinet 13 October 2025
	Report from the Corporate Director of Residents & Housing Services
	Lead Member - Cabinet Member for Housing (Councillor Fleur Donnelly- Jackson)
Additional HMO Licensing Scheme 2026	

Wards Affected:	All
Key or Non-Key Decision:	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
List of Appendices:	Nine: Appendix 1: Consultation Report Appendix 2: Council response to comments received during public consultation Appendix 3: Consultation Evidence Pack Appendix 4: Housing Conditions and Stressors Report, Metastreet 2024 Appendix 5: Additional HMO Licensing Designation Appendix 6: Licensing scheme objectives Appendix 7: Additional HMO Licence Conditions Appendix 8: Schedule of Fees Appendix 9: Equality Analysis
Background Papers:	None
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1.0 Executive Summary

- 1.1. In February 2020, the Council renewed a boroughwide additional HMO licensing scheme, which was first introduced in 2017, to ensure safety standards for tenants living in smaller houses in multiple occupation (HMOs)

that are occupied by three or four people living in two or more households. This scheme ended on 31 January 2025.

- 1.2. On 19 February 2025 the Cabinet Member for Housing and Residents Services agreed the decision to carry out a statutory consultation seeking stakeholders' views on proposals to introduce a new boroughwide additional HMO licensing scheme. The decision was informed by an evidence-based report and the relevant Government guidance on the introduction of discretionary licensing schemes.
- 1.3. The consultation with landlords, tenants, residents, stakeholders and other interested parties started on the 10 March 2025 and ran for 13 weeks, concluding on 10 June 2025. The council used digital and print media to advertise the consultation, as well as in-person methods.
- 1.4. The main feedback method was via an online or paper questionnaire. The Council also hosted several public meetings with landlords, tenants, residents, and landlord groups. 381 individuals or organisations completed the online or postal questionnaire. Qualitative feedback was received at deliberative meetings with interested groups and from written responses from landlord representatives. In summary the results were very similar to previous consultation exercises the Council has undertaken on private sector licensing, with residents and business being in favour of the schemes and landlords less in favour or not at all. Of those who returned the questionnaire 58% were residents or local businesses, 40% were landlords or agents and 2% were other stakeholders.
- 1.5. The consultation looked at the level of support for introducing additional HMO licensing, and looked at views on the proposed licence conditions, fees, and the respondents' perceptions on the issues affecting HMOs, such as poor property conditions and anti-social behaviour (ASB) in the borough.
- 1.6. The findings of the consultation exercise are provided in the consultation report (**Appendix 1**).
- 1.7. This report makes recommendations in relation to designating a new additional HMO licensing scheme to the whole area of the borough with effect **from 02 February 2026** or at a later date in accordance with the statutory time required for the scheme to come into force.

2.0 Recommendation(s)

For the reasons set out in the report and its appendices, Cabinet is recommended to:

- 2.1 Note the outcome of the consultation process detailed in the Consultation Report (**Appendix 1**), the representations received and the Council's consideration and response to these representations (**Appendix 2**).

- 2.2 Note that the document to support undertaking this public consultation (consultation evidence pack) (**Appendix 3**) and Housing Conditions and Stressors Report (**Appendix 4**) highlight the scale of problems relating to poorly managed HMOs in the private rented sector, identifies the objectives that the proposed additional HMO licensing scheme would help the Council achieve and alternatives to licensing which have been considered.
- 2.3 Upon consideration of the matters at (2.1) and (2.2) above and using its powers under s.56 Housing Act 2004, agree to designate a new Additional Licensing area of the whole of the London Borough of Brent from 02 February 2026 or at a later date in accordance with the statutory time required for the scheme to come into force as delineated and edged red on the map in the draft designation in **Appendix 5**
- 2.4 Authorise the Corporate Director of Resident and Housing Services, subject to statutory notifications, to determine an alternative start date for accepting applications for selective licensing, if necessary.
- 2.5 Agree to the proposed licensing scheme objectives as set out in **Appendix 6**.
- 2.6 Agree the proposed HMO licensing conditions that would accompany any granted HMO licence as set out in **Appendix 7**.
- 2.7 Agree the proposed fee structure for licence applications made under the additional HMO licensing scheme at **Appendix 8**.
- 2.8 Agree to apply the same proposed fee structure to mandatory HMO licenses applications. For mandatory licensing, there's no statutory duty to consult on fees.
- 2.9 Consider and have regard to the results of the Equality Analysis at **Appendix 9**.
- 2.10 Agree to delegate authority to the Director of Housing Services to issue the required statutory notifications in relation to the designation and, in consultation with the Cabinet Member, to ensure compliance in all respects with all relevant procedures and formalities applicable to authorisation of the scheme; to keep the proposed scheme under review during the designation lifetime and agree any changes to the proposed implementation and delivery, including administration, fees and conditions as necessary for the effective administration of the scheme, and give all necessary statutory notifications.
- 2.11 Agree to delegate authority to the Director of Housing Services to approve the carry forward of any surplus or deficits to the established ring-fenced trading account as and when necessary, subject to consultation with the Chief Finance Officer.

3.0 Detail

3.1 Cabinet Member Foreword

- 3.1.1 Brent is consistent with the rest of London in that it has a shortage of affordable housing, with house prices remaining out of reach for many. The demand for social housing far exceeds supply. As a result, privately rented accommodation has become the only viable housing option for many Brent residents. Currently, 36% of Brent's housing stock is in the PRS and this is expected to continue to rise in the future.
- 3.1.2 HMOs are an integral part of the housing supply and meet the demands of a diverse range of residents, including those who are vulnerable, disabled, or living on low incomes. Unfortunately, housing conditions in HMOs are often among the worst in the PRS.
- 3.1.3 Tackling poor housing conditions and improving the quality of the private rented sector is a key priority within the Council's Borough Plan. Property licensing is a way of driving up standards and ensuring safer and better managed HMO accommodation. Like all councils across the country, Brent operates a national mandatory HMO licensing scheme for larger HMOs and introduced a boroughwide additional HMO licensing scheme on 1 February 2020 for smaller HMOs occupied by three or four people. This scheme ended on 31 January 2025.
- 3.1.4 The previous additional HMO licensing scheme significantly improved standards and management practices across many HMOs in the borough. However, evidence shows that there is a significant number of properties that remain substandard and potentially dangerous. These HMOs pose a risk to the health, safety, and wellbeing of tenants, cause problems for neighbours, and demand substantial intervention from council enforcement services. It is crucial that the Council uses all available tools to improve conditions for tenants in this sector. Licensing is a key tool in this effort.
- 3.1.5 The below report presents the evidence and responses following a statutory consultation exercise on proposals to introduce a further additional HMO licensing scheme and demonstrates how the scheme aligns with the Council's wider programmes to tackle housing need, increase sustainability, improve property standards and reduce antisocial behaviour (ASB).
- 3.1.6 The Borough Plan includes two priorities specific to Housing, these are:
- Strategic Priority 1 – Prosperity and Stability in Brent
 - Strategic Priority 2 – A Cleaner, Greener Future
- 3.1.7 The proposals support these two priorities and outline the Council's strategy to ensure the private housing sector in Brent is safe, stable, and accessible. Through the additional HMO licensing scheme housing quality can be improved, safety standards enforced, and overcrowding and poor management addressed to ensure all HMOs are fit for habitation. By incorporating

environmental standards, such as energy efficiency requirements, proper waste management, and the use of sustainable practices in HMOs, the scheme contributes to the delivery of a cleaner, greener Brent.

- 3.1.8 It is acknowledged whilst Housing is not specified in the remaining priorities set out in the borough plan, a safe and secure place to call home is a foundation for Thriving Communities, The Best Start in Life and a Healthier Brent.
- 3.1.9 The Additional HMO licensing proposals also align with the Council's wider programmes to tackle housing need, increase sustainability, improve property standards and reduce ASB. The renewal of the Additional HMO licensing scheme will help the council to deliver a number of priorities detailed in key strategies including the following:
- Private Sector Housing Strategy
 - Homelessness and Rough Sleeping Strategy
 - Climate and Ecological Emergency Strategy
 - Waste Management Policy
 - Safer Brent Community Safety Strategy
 - HMO Planning Policy (Article 4 Direction)

3.2 Background

- 3.2.1 In addition to the national mandatory HMO licensing scheme, the Housing Act 2004 enables local authorities to designate areas as subject to discretionary licensing. There are two types of discretionary licensing schemes: Additional licensing of HMO's and Selective licensing of private rented properties that fall outside the scope of HMO licensing.
- 3.2.2 On 01 February 2020, the Council implemented a boroughwide additional HMO licensing scheme to ensure safety standards for tenants living in small houses in multiple occupation (HMO). This required eligible HMOs to be licensed with the Council. Property licences require the licence holder to comply with conditions relating to the letting and management of the property. Such discretionary property licensing schemes can only last for a maximum of five years and Brent's scheme ended on 31 January 2025.
- 3.2.3 HMOs inherently present a higher risk to occupants, particularly when properties are poorly managed. Licensing serves as a tool to raise standards and ensure safer, better-managed HMO accommodation. It allows the Council to take a proactive approach to enforcement and inspections, rather than relying on residents to report issues. This is especially important for HMO tenants, who are often more vulnerable and may hesitate to report disrepair or poor management practices due to the fear of eviction. By licensing all HMO properties, a level playing field is created where tenants can trust that landlords are maintaining property standards. If landlords fail to do so, the Council can take necessary enforcement actions to ensure compliance.
- 3.2.4 Before the introduction of the additional HMO licensing scheme, when a property or management issue arose in an HMO not covered by the mandatory HMO licensing scheme, officers would spend considerable time

identifying the responsible party before addressing the problem. The additional HMO licensing scheme has established clear lines of communication with the responsible parties and set enforceable standards. This has improved access to landlords, resulting in quicker resolutions of complaints and landlords taking action to improve the quality of their HMOs and manage them more effectively.

- 3.2.5 The Council's commitment to enforcement and regulation has led to significant improvements, raising the standards of poor-quality accommodation in HMOs and protecting renters from illegal practices in the borough. However, evidence shows that there is a significant number of properties that remain substandard and potentially dangerous.
- 3.2.6 On 19 February 2025 the Cabinet Member for Housing and Residents Services agreed the decision to carry out a statutory consultation seeking stakeholders' views on proposals to introduce a new boroughwide additional HMO licensing scheme.
- 3.2.7 The proposals, subject to the consultation, were to implement a new boroughwide additional licensing scheme, with the following criteria:
- (a) An additional HMO licence will be required for properties that are rented to three or four occupiers in two or more households that share (or lack) toilet, washing and cooking facilities.
 - (b) An additional license will apply to HMOs that do not fall within the remit of the mandatory HMO licensing scheme. These are properties that:
 - have been converted into self-contained flats; and
 - the conversion did not comply with the relevant building regulations in force at that time and still does not comply; and
 - less than two thirds of the flats are owner occupied
 - are multiple-occupied flats in purpose-built blocks (with over two flats) where more than three people live in the flat.
- 3.2.8 An extensive public consultation, widely publicised using various channels of communication, was undertaken for 13 weeks between 10 March 2025 and 10 June 2025. Full details of the consultation are detailed in the consultation report (**Appendix 1**) which sets out how the Council conducted the consultation and the response received. As required by the Housing Act 2004, the Council must consider any representations made which are not withdrawn. The Council's response to these representations can be found in **Appendix 2**.
- 3.2.9 In order to ensure independence, the Council commissioned Cadence Innova, an independent management consultancy, to undertake the consultation exercise on its proposals. Consultation activities included an online survey, live online public meetings, and outreach to key stakeholders. The exercise sought views from residents, private tenants, private landlords, lettings/managing agents, businesses and other stakeholders about the

Council's proposals. Additional effort ensured that landlords resident outside the borough were also advised of the consultation exercise.

- 3.2.10 The consultation background materials and evidence base report (Housing Conditions and Stressors Report, Metastreet 2024) highlight the substantial issues related to poor housing conditions and antisocial behaviour (ASB) associated with HMOs in Brent, and that inadequate management of HMOs significantly contributes to substandard property conditions. These documents were made available during the consultation to support the proposals and can be found in **Appendices 3 and 4**.
- 3.2.11 The consultation generated 381 responses from the online questionnaire. In summary, the overall majority, 53% of respondents agreed with the Council's proposal to introduce a further boroughwide additional HMO licensing scheme to regulate property conditions and management in HMOs and help tackle anti-social behaviour. Analysis by stakeholder group shows that the majority of those in support of the proposals are residents and local businesses, and other stakeholder groups, whereas those who opposed the proposals are predominantly landlords or letting/managing agents with 63% expressing disagreement.
- 3.2.12 Respondents were also asked about their views on whether they thought a further additional HMO licensing scheme in Brent would help to achieve certain outcomes. The majority of survey respondents (48-58%) agreed that additional HMO licensing would help to address issues in the PRS, including improving property conditions, tenant safety and tackling neighbourhood problems such as ASB. Notably, 57% of respondents agreed or strongly agreed that the scheme would help identify poorly performing landlords and letting agents over the five-year period.
- 3.2.13 In the qualitative feedback section of the questionnaire, some respondents including both PRS residents and landlords, expressed concerns about the cost of licensing and that it would be passed on to tenants. Another common theme emerging was that the Council should focus on using its existing powers rather than designate a further additional HMO licensing scheme. The Council's response to these representations can be found in **Appendix 2**.
- 3.2.14 Having carefully considered the consultation representations there are no changes recommended in regard to the proposals to introduce a new boroughwide additional HMO designation.
- 3.2.15 The proposed additional HMO designation can be found in **Appendix 5**.

Proposed Licence Conditions

- 3.2.16 Section 67 of the Housing Act 2004 allows the Council to impose conditions to licences granted in order to regulate the management, use and occupation of the HMO and its condition and contents. The conditions are a combination of those which local authorities must impose (mandatory conditions by law),

and those which they have a power to impose. Draft licence conditions were available for persons to comment on during the consultation.

- 3.2.17 The consultation asked respondents for their views on the proposed licence conditions. The overall majority of respondents, 54%, agreed with the proposed licence conditions, while 32% of respondents disagreed.
- 3.2.18 During the consultation the Council received feedback in relation to the proposed licence conditions via free text comments and written representations. Following consideration of the feedback received, 3 conditions have been amended. The details of these changes can be found on pages 10, 16 and 17 of the Council's response to the consultation (**Appendix 2**).
- 3.2.19 Taking these changes into account, the revised proposed additional HMO licence conditions are attached as **Appendix 7**.
- 3.2.20 These changes will include the conditions for both additional and mandatory HMOS

Proposed Licence Fee

- 3.2.21 Landlords or managing agents will be required to pay a licence fee for each property requiring a licence in the designated area. The proposed additional licensing fee is £1,040 for the application, processing and inspection of up to five habitable rooms (lounge, dining room or bedroom). For each additional habitable room there is an additional charge of £25 per room a five-year licence.
- 3.2.22 Licences will normally be granted for the duration of the scheme (up to five years). Where the council has concerns about the management and use or occupation of the property a licence for a shorter period may be granted, usually for 1 year.
- 3.2.23 The proposed fee schedule was made available for persons to comment on during the consultation. It set out the fees the Council was proposing to charge, together with a proposed discount of £40 for applicants who are members of a London Landlords Accreditation Scheme.
- 3.2.24 46% of all respondents considered the fee to be too high, conversely 23% thought that the fee was too low and 22% considered the fee to be about right. Analysis by stakeholder group reveals that the majority of those who consider the fee to be about right or too low fall into the resident and local business, and other stakeholder groups, 19-44%. However, landlord, letting or managing agents were consistently opposed to the fee level, with 81% stating that the fee is too high.
- 3.2.25 Half of all respondents, 50% considered the Accredited Landlord discount to be too low. As before, residents and local businesses were more likely to

consider the discounts reasonable or too high, whereas landlords or letting/managing agents consider them insufficient.

- 3.2.26 Concerns over fees were strongly expressed by respondents in the free text parts of the survey, with comments including ‘fee costs will be passed on to tenants’, ‘more like an extra tax’ and ‘will drive good landlords out of the local rental market’. The Council’s response to these representations can be found in **Appendix 2**.
- 3.2.27 Having carefully considered the consultation representations in relation to the proposed level of fees and discounts the Council is not proposing to make any changes to the proposed fee structure, **Appendix 8**.

Objectives of the proposed Additional HMO scheme

- 3.2.28 The Council proposes to use additional HMO licensing to continue to improve housing conditions and management standards in HMOs, reduce ASB, provide support to maintain a clean and safe environment and increase awareness for tenants of the minimum standards they should expect in the PRS. Information about the scheme objectives was provided within the consultation documents and detailed in **Appendix 6**.
- 3.2.29 The Additional HMO licensing scheme provides the framework for the Council to achieve its objectives. This scheme ensures that landlords adopt a more hands-on approach to tenancy management in their privately rented homes. Licence conditions will require licence holders to meet obligations related to the letting and proactive management of their HMO properties.
- 3.2.30 All HMO properties will be inspected and landlords will be notified of any necessary safety and improvement works to maintain appropriate standards. The Council will ensure that any Category 1 and 2 hazards identified are remediated and that licence conditions are complied with.
- 3.2.31 The Council aims to reduce anti-social behaviour (ASB) in HMOs by working proactively with landlords and property owners to prevent and address ASB. This will be achieved through a collaborative effort involving the local authority and other agencies. Guidance and advice will be provided to landlords on managing tenants involved in ASB, especially in cases where serious ASB necessitates formal court action. Officers will work collaboratively with multidisciplinary teams and internal and external stakeholders, including the Police, to identify properties of concern, improve property conditions, and reduce ASB.
- 3.2.32 The consultation asked respondents for their views on the proposed licensing scheme objectives. The overall majority of respondents, 52%, agreed with the proposed licence objectives, while 27% of respondents disagreed.

Alternatives to licensing

- 3.2.33 A local authority must not make an additional HMO licensing designation unless consideration has been given to other courses of action available to them that would achieve the objectives they would want the designation to achieve.
- 3.2.34 The Council has considered a number of other courses of action or alternatives to renewing the additional HMO licensing scheme, but do not believe that, individually or collectively, they provide an effective, or as effective means of tackling poor conditions and raising the standard of management within HMOs in the borough. The alternative options considered are set out in the Council's consultation evidence documents (**Appendix 3**) and a summary of these alternatives is as follows:
- I. **To operate a mandatory HMO licensing scheme only** - The Council has the option to not introduce a new additional licensing scheme. This would mean that, generally, only larger HMOs meeting the mandatory criteria would require a licence. There is clear evidence to show that the number of HMOs in Brent is much higher than those covered by the mandatory scheme. If discretionary licensing powers are not utilised the majority of HMOs will remain unregulated.
 - II. **Use of Part 1 Housing Act 2004 powers to deal with enforcement of housing standards** – Formal statutory notices can be served that require improvements to a property. If the notice is not complied with the council can carry out works in default or may prosecute the landlord. Works in default can however be expensive and resource intensive for the Council, with the risk that not all costs are recovered. Formal action is generally slow, with appeal provisions against most types of notices served, which can significantly delay the time period for compliance. These powers alone would be insufficient to tackle the scale of the problems in the HMO population in Brent.
 - III. **Rely on prosecutions and civil penalties** – Successful prosecutions or the imposition of civil penalties do not in themselves secure improvements in property conditions and the Council's costs in pursuing legal action are not always met in full. These powers are reactive and do not place any obligation on landlords to be proactive in improving conditions within a property. The absence of licensing significantly reduces the scope of the Council to impose civil penalties in respect of identified housing breaches.
 - IV. **Wider promotion of voluntary accreditation landlord schemes** - We recognise that accredited landlords are key to raising standards in private sector housing, and encourage all landlords to become accredited and achieve a level of knowledge and competence before letting a home. However schemes require voluntary landlord engagement, our experience is that compliant landlords become

accredited; rogue landlords do not proactively participate in such schemes.

- V. **Use of Improvement grants to improve substandard properties** - Grants can be used to subsidise improvement works, raising standards and providing benefits for landlords and tenants.. However, generally there are few grants available, and the Council has very limited scope to offer grants through successful external funding bids. In the most part, grant awards would fund improvements that the landlord should be carrying out to meet their legal obligations. Any grant scheme would be discretionary and would rely on voluntary landlord engagement.
 - VI. **Use of ASB powers** - Formal notices can be served at addresses identified as having ASB issues. This can resolve ASB at the particular address. Action would generally be taken against the tenant in occupation. The powers do not place any obligations on landlords to be proactive in managing their properties to prevent or reduce the likelihood of ASB occurring.
 - VII. **Use of new powers made available by the Renters Rights Bill** - Although the Council will gain additional powers to address standards in the private rented sector, the Renters Rights Bill does not establish a proactive approach to housing standards. It still relies on tenants to report issues and landlords to be transparent about problems. In areas like Brent, where affordable accommodation is scarce, tenants are less likely to complain for fear of jeopardising their housing situation. Additionally, the specifics of the proposed legislative changes, any impact on licensing schemes and their implementation timeline are still unknown. Consequently, relying on the Governments proposed reforms is not deemed a viable option.
- 3.2.35 An additional HMO licensing scheme would place the responsibility on the landlord to inform the Council that their property is licensable and encourage them, with the Council's support, to ensure that they meet the required standards. The Council can then prioritise its resources effectively to dealing with the HMO properties of most concern and target enforcement actions to those landlords who fail to licence their properties and/or breach licence conditions.
- 3.2.36 Respondents were also asked whether there were any alternative measures they thought should be considered to improve poor conditions and raise management standards in HMOs. Suggestions included additional elements to the scheme, rather than opposing the scheme. A major theme was that the council should focus on building new homes, raise awareness amongst tenants and provide more targeted approach which does not penalise but supports and incentivise good landlords so as not to deter investment in the rental market. The Council's response to these representations can be found in **Appendix 2**.

3.2.37 The Council has carefully considered the consultation feedback and representations. The Council is committed to improving housing standards in the private rented sector and considers that the proposed additional HMO licensing scheme is critical to the prospects of achieving its objectives. No other alternatives have been identified that would, individually or collectively, be capable of delivering the scheme objectives that the Council would achieve through the operation of a boroughwide additional HMO licensing scheme.

4.0 Stakeholder and ward member consultation and engagement

4.1 An extensive and well publicised public consultation was undertaken over a 13 week period from 10 March 2025 until 10 June 2025. Detailed information on the consultation process, results and feedback from stakeholders is in the consultation report (**Appendix 1**). The consultation report outlines the Council's method and channels used to consult with stakeholders and those likely to be affected by the proposals, both within and outside the borough. In accordance with Section 56(3)(b) of the Housing Act 2004, the Council must consider any representations made during the consultation and that are not subsequently withdrawn. The Council's responses to these representations are documented in **Appendix 2**.

4.2 Consultation and publicity activities included:

- i. online questionnaire
- ii. paper copies of the questionnaire made available in five libraries across the borough and the Civic Centre
- iii. two virtual public meetings held with landlords, tenants, residents, and landlord groups
- iv. adverts placed in local and out of borough newspapers
- v. articles in e-newsletters
- vi. outdoor advertising campaign using Global Media and JC Decaux sites across Brent, Camden, Ealing, Hammersmith & Fulham, Harrow and Kensington & Chelsea
- vii. leaflet drop to businesses and residential properties in key areas of the borough
- viii. direct email sent to known landlords, letting and leaseholders in the borough
- ix. posters, leaflets and pull up banners displayed in in Brent owned buildings such as libraries
- x. dedicated email address for written feedback

4.3 The Council also used digital and social media to advertise the consultation, including a video featuring Councillor Fleur Donnelly-Jackson, Cabinet Member for Housing, giving information on why the consultation was being held, the ambitions the Council held in relation to the PRS, in particular HMO properties and how to take part in the consultation. Additional effort ensured that landlords residing outside the borough were also consulted.

4.4 The consultation generated 381 responses from the online questionnaire. The online forums were widely publicised and 75 people registered to attend the

events and a total of 54 people attended. Two written representations were received from stakeholder organisations and two letters of support for the scheme were received from neighbouring and other London borough councils.

5.0 Financial Considerations

- 5.1 The proposed additional HMO licensing fee is £1,040 for the application, processing and inspection of up to five habitable rooms (lounge, dining room or bedroom). For each additional habitable room there is an additional charge of £25 per room.
- 5.2 The fee is levied in two parts. Part 1 of the fee (£540) is charged when the licence application is made and covers the costs of processing, administration and validation of the application. Once the decision to grant the licence is made, Part 2 of the fee (£500) is charged which covers the costs of the administration, management, and enforcement of the licensing functions for the scheme.
- 5.3 A financial assessment has been completed to ensure cost neutrality over the course of a 5 year period and taking into account the relevant discounts. The costs of resourcing the scheme reduces in line with the number of licences that need to be managed and enforced during this period.
- 5.4 In setting the fee the Council has had regard to the Provision of Service Regulations 2009 and sections 63(7) of the Housing Act 2004 which confirms that "when fixing fees the local authority may take into account all costs incurred by the authority in carrying out their functions".
- 5.5 The Regulatory Impact Assessment on licensing makes it clear that authorities should not use fee income to raise additional revenue, the fees should be set for cost recovery of the scheme.
- 5.6 The proposed licence fees will be sufficient to cover the estimated costs of establishing and administering the schemes and also the undertaking of any enforcement action.
- 5.7 The staffing costs included in the fees model cover processing applications (including recruitment and training), conducting inspections of premises, handling appeals against licensing decisions, and other costs associated with ensuring compliance with the scheme.

	year 1	year 2	year 3	year 4	year 5	Total
Total Expenditure	£ 529,100.00	£ 359,520.00	£ 377,496.00	£ 396,370.80	£ 416,189.34	£ 2,078,676.14
Total income	£ 1,040,000.00	£ 520,000.00	£ 208,000.00	£ 208,000.00	£ 104,000.00	£ 2,080,000.00
Net operating position (i.e. Total Income less Total Expenditure)	£ 510,900.00	£ 160,480.00	-£ 169,496.00	-£ 188,370.80	-£ 312,189.34	£ 1,323.86

*The income is based on 2000 properties licensed over the 5yrs.

- 5.8 The HMO Licensing account will operate on a near break-even position over the 5-year period of the scheme in terms of income and expenditure. Any surpluses will be set aside in reserves to offset the deficit anticipated in future years. This will allow the profile of income and expenditure to be managed flexibly over the period of the scheme enabling peaks and troughs in activity to be managed.
- 5.9 There is the potential risk of a significant under recovery of income and a failure to effectively achieve the schemes objectives if the Council does not receive the estimated number of applications and fees. This risk has been mitigated by ensuring that sufficient staffing resources are allocated to identifying unlicensed properties.
- 5.10 Should the number of licences vary from those anticipated, and/or the profile of applications change, the resourcing requirement will be flexed to manage any pressure this creates within existing budgets. Some staff have been recruited on fixed term contracts which are extended on an annual basis to allow for resource flexibility.
- 5.11 The licence fee will cover the owner of the property for a period up to 5 years, however, should ownership of the property be transferred within that period, a further licence fee will be payable by the new owner.
- 5.12 The actual financial position of the scheme against the budget will be robustly reviewed on an annual basis. This will be undertaken as part of the Council fees and charges process to ensure that the fees remain reasonable and proportionate. The Council is aware that any consistent surplus must be used to adjust fees in upcoming years, although some reinvestment over more than a year is permitted. This balance will be assessed in the yearly review and adjustments made accordingly if required.
- 5.13 The licence fee set, and the financial assessment, are based on the assessments and evidence specific to Brent and does not allow comparison to other Councils, due to variations around property numbers, costs associated with each council (e.g. salaries, on costs, ICT, back office etc.), approach and operations.

6.0 Legal Considerations

- 6.1 Section 61 of the Housing Act 2004 requires the Council to administer a licensing scheme for all large HMOs. Mandatory licensing applies to all privately rented HMOs occupied by five or more people who form two or more households.
- 6.2 Section 56(1) of the Housing Act gives councils the discretion to introduce additional licensing of other types of (smaller) HMOs which are not subject to mandatory licensing. The authority must consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise to one or more particular problems either for those occupying the HMOs or for members of the public.

and in forming an opinion of this must have regard to any information regarding the extent to which any codes of practice approved under section 233 have been complied with by persons managing HMOs in the area in question. The Council must also be satisfied that the designation will significantly assist with dealing with the problems.

- 6.3 Section 56(3) of the Housing Act 2004 requires that that when considering designating an additional HMO licensing area the local housing authority must take reasonable steps to consult persons who are likely to be affected by the designation, and consider any representations made in accordance with the consultation and not withdraw.
- 6.4 In line with the case of **R v London Borough of Brent ex parte Gunning**, (as affirmed and endorsed by the Court of Appeal in *R v North and East Devon Health Authority ex parte Coughlan* [1999] EWCA Civ 1871, four principles must be met in order for there to be a legitimate consultation, specifically online consultations (the Gunning Principles); these are:
- i. the proposals were consulted on at a formative stage (a final decision has not been made or predetermined),
 - ii. sufficient information and reasons have been given for the proposals to enable the consultees to consider them and respond intelligently,
 - iii. adequate time has been allowed for consideration and response for participants,
 - iv. 'conscientious consideration' has been given to the consultation responses before a final decision is made, providing evidence this has been undertaken.
- 6.5 Additionally, the Supreme Court in **R ex parte Moseley v LB Haringey [2014]** UKSC 56 endorsed the Gunning Principles and also added two further general principles:
- v. The degree of specificity regarding the consultation should be influenced by those who are being consulted.
 - vi. The demands of fairness are higher when the consultation relates to a decision which is likely to deprive someone of an existing benefit. Additionally, recent case law it is emerging that those affected by the proposals must be consulted: *R (on the application of National Council For Civil Liberties) -v- Secretary of State for The Home Department and Public Law Project (Intervener)* [2024] EWHC 1181 (Admin)
- 6.6 Before making any decision, Cabinet must be satisfied that the above principles have been met. Cabinet must also have due regard to the responses received through the consultation undertaken and take those into account when making its' decision. Additionally, Cabinet must also consider whether there are any other courses of action available to it that would achieve the same objective or objectives as any proposed scheme without the need for the designation to be made.

Other criteria to be met prior to designating an additional licensing scheme

- 6.7 Before designating an additional HMO licensing scheme, the Council must also be satisfied that:
- the proposed designation is consistent with the overall housing strategy,
 - a co-ordinated approach is adopted in dealing with homelessness, empty properties and ASB.

Housing Strategy

- 6.8 The designation of an additional HMO scheme is consistent with the Council's Private Sector Housing Strategy 2024-2029 which aims to ensure that the private housing sector in Brent is a safe, stable and accessible option for all residents. The additional HMO licensing scheme is integral to achieving the Council's strategic aims in the PRS, with the proposed scheme objectives supporting and underpinning these goals.

Homelessness Strategy

- 6.9 The Brent Homelessness and Rough Sleeping Strategy 2020-2025 outlines the Council's strategy to maximise the prevention of homelessness and to minimise the negative impacts of homelessness upon families and individuals where prevention is not possible. Although the PRS presents a challenge, it also offers an opportunity in preventing and resolving homelessness. Through HMO licensing and enforcement processes, as well as collaboration with local landlords through the Landlord Forum, we will continue to improve standards and drive-up conditions in HMOs and increase the supply of much needed stable homes. This, along with tenant education on rights and responsibilities, will support tenancy sustainment in the PRS and help in reducing homelessness in the borough.

Empty Properties Strategy

- 6.10 The Private Sector Housing Strategy 2024-2029 sets out Brent's vision in relation to empty properties which is to increase the supply of private sector homes available in Brent, so it is an accessible housing option for our residents (commitment 1). Empty properties are a wasted resource for both the community and the owner and can cause a variety of issues such as reducing the supply of housing and attracting ASB. Bringing empty properties up to standard and back into use as decent liveable homes is complementary to the objectives of the proposed additional HMO licensing scheme and other council strategies like homelessness and ASB reduction.

Anti-Social Behaviour Strategy

- 6.11 The council has committed to effectively and proportionately challenging any form of ASB within its Safer Brent Community Safety Strategy 2024-2026. Residents have the right to quiet and peaceful enjoyment of their environment,

and the council ensures cases are resolved through effective intervention and support services. To tackle ASB problems, we have made it conditional on all private landlords who hold property licences to prevent and combat ASB associated with properties they manage. Additional HMO licensing will enable the Council to encourage landlords to work with their tenants to reduce ASB. Information and support will be available both online and through forums.

Duration and notification of a licensing scheme

- 6.12 An additional HMO licensing scheme cannot come into force until three months after it is made.
- 6.13 Section 59 of the Act requires local housing authorities to publish a notice of the designation once it has been confirmed. A local housing authority must:
- publish a notice within the designated area within seven days of the designation being confirmed.
 - notify all those consulted on the proposed designation within two weeks of the designation being confirmed.
- 6.14 A designation ceases to have effect no later than 5 years after the date on which it comes into force.
- 6.15 Once made, the operation of the designations must be reviewed from time to time and if appropriate the designation may be revoked, if the council does so, they must publish a notice of the revocation in prescribed form as provided by section 60 of the Act.

Challenge

- 6.16 A designation may be challenged by way of judicial review. The time for seeking judicial review is within 3 months of the date the designation is made. The general legal principles of reasonableness, procedural propriety and proportionality will be applied by the courts on any such review.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

- 7.1 The Council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:
- i. Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
 - ii. Advance equality of opportunity between people who share those protected characteristics and people who do not.
 - iii. Foster good relations between people who share those characteristics and people who do not.
- 7.2 A full Equality Analysis (EA) has been carried out and is attached at **Appendix 9**. The EA has taken account of the consultation process, the information

gathered through that process and assessed the impact that the recommendations could have on different protected groups and, where possible, identified methods for mitigating or avoiding any adverse impact on those groups.

- 7.3 The EA notes that private rented sector tenants are more likely to be children or young adults, people with disabilities, people from BAME communities, and/or lone parents. The EA details the impact that the proposals can be expected to have on people who share the protected characteristics and concludes that they will likely have a positive impact in terms of housing quality.
- 7.4 Council officers worked closely with Cadence Innova to ensure that there was a properly representative response to the public consultation, fully reflective of our diverse community.
- 7.5 Appropriate measures will be taken to remove any barriers to the licensing scheme for people who need reasonable adjustments. This will include, but not be limited to, a range of ways in which the scheme can be accessed and support provision for landlords on request.

8.0 Climate Change and Environmental Considerations

- 8.1 In 2021, Brent declared a climate and ecological emergency and pledged to achieve carbon neutrality in the borough by 2030. The Brent Climate & Ecological Strategy 2021-2030 recognises that better insulating homes and making them more energy efficient is one of the key actions that must be taken to reduce carbon emissions.
- 8.2 Additional HMO licensing will contribute to achieving Brent's climate change vision by enforcing energy efficient standards in the PRS, helping to reduce the overall energy consumption and carbon emissions of the borough.
- 8.3 HMOs usually generate more waste than other property types, over production and incorrect presentation of waste, recycling contamination and fly tipping. Ineffective waste management can pose public health concerns or contribute to litter and fly-tipping issues, as well impact on the street scene of Brent's neighbourhoods. The proposed licence conditions that would accompany any granted additional HMO licence are set out in **Appendix 7**.
- 8.4 It is a mandatory licence condition that the licence holder must comply with the refuse and recycling scheme provided by the Council. It is also a requirement that licence holders provide adequate waste receptacles for the number of occupants for the storage and disposal of household waste pending collection and sets out conditions for waste and recycling to occupiers at the start of their tenancy. Failure to meet these licence conditions can lead to financial penalties and enforcement action.

9.0 Human Resources/Property Considerations (if appropriate)

- 9.1 With the introduction of Selective and Additional licensing in January 2015 Private Housing Services already has well established, dedicated and experienced team of officers employed to both process applications and inspect properties as well as carry out and required enforcement activities. Since 2015 the services has been fully funded from the licence fee income and over that time license application and administration officers have been employed on a temporary contract basis to deal with any additional demand.

10.0 Communication Considerations

- 10.1 Should Cabinet agree to confirm the additional HMO designation, a comprehensive communication and engagement plan, including a detailed go-live strategy will be developed. This plan will ensure that all key stakeholders – such as residents, tenants, landlords, managing agents, and other community members who live or operate businesses or services in the area, are aware of the scheme's implementation.

Report sign off:

Thomas Cattermole

Corporate Director, Residents and Housing
Services