

Title: Introduction of an Additional Licensing Scheme  
 Lead Officer: Paul Hughes (01926 456729)  
 Portfolio Holder: Councillor Wightman  
 Wards of the District directly affected: All

<b>Approvals required</b>	<b>Date</b>	<b>Name</b>
<b>Portfolio Holder</b>		Cllr Paul Wightman
<b>Finance</b>		Victoria Bamber
<b>Legal Services</b>	28/6/23	Alaa Cronin/Sue Mullins
<b>Chief Executive</b>	7/7/23	Chris Elliott
<b>Director of Climate Change</b>	17/7/23	Dave Barber
<b>Head of Service(s)</b>		Lisa Barker
<b>Section 151 Officer</b>	18/7/23	Andrew Rollins
<b>Monitoring Officer</b>	18/7/23	Andrew Jones
<b>Leadership Co-ordination Group</b>		
<b>Final decision by this Committee or rec to another Cttee / Council?</b>	No Recommendation to Council on 18 October 2023 only in respect of approval of fees and charges for licensing scheme	
<b>Contrary to Policy / Budget framework?</b>	No	
<b>Does this report contain exempt info/Confidential? If so, which paragraph(s)?</b>	No	
<b>Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?</b>	Yes, Forward Plan item 1,353 – scheduled for 9 August 2023	
<b>Accessibility Checked?</b>	Yes	

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## Summary

Local housing authorities have a discretionary power under Part 2 of the Housing Act 2004 to licence living accommodation in multiple occupation ('HMOs') which falls outside of the mandatory HMO licensing scheme ('non-licensable HMOs'). This power enables local housing authorities to designate either the whole, or part of its district, as being subject to additional licensing in relation to HMOs.

On 7<sup>th</sup> December 2022, Cabinet considered a Feasibility Study (**Appendix 1**) on the introduction of an additional licensing scheme and approved a statutory public consultation exercise which took place between 9<sup>th</sup> January and 20<sup>th</sup> March 2023.

Cabinet agreed to receive a report following the consultation exercise to determine whether to proceed with an additional licensing scheme and if so, the proposed scheme arrangements. This report considers the consultation responses (**Appendices 2 and 3**) and makes a recommendation to proceed with the introduction of an additional licensing scheme ('Additional Licensing').

## Recommendation

- (1) That the consultation responses are considered and Cabinet approves the following:-
  - i. That the whole of Warwick district be designated as subject to Additional Licensing under Section 56(1) of the Housing Act ('HA') 2004 for all houses and flats in multiple occupation (HMOs) that contain three or four occupiers.
  - ii. That the whole of Warwick district be designated as subject to Additional Licensing under Section 56(1) of the HA 2004 for all flats in multiple occupation situated in purpose-built blocks of flats, irrespective of the number of occupiers in each flat
  - iii. That the designations in paragraphs i. and ii. above shall come into force on 18 January 2024 for a period of 5 years.
  - iv. That the Chief Executive be authorised to sign the Warwick District Council Designation of an area of Additional Licensing of Houses in Multiple Occupation 2023 (**Appendix 4**)
- (2) That Cabinet recommends to Council that the proposed fees and charges structure set out in Appendix 6 be adopted and that those fees and charges be reviewed annually to ensure they remain reasonable and proportionate.

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## 1 Reasons for the Recommendation

- 1.1 There are known to be in order of 1400 HMOs operating in the Warwick district. Of these, only 600 (43%) are licensable under the mandatory licensing scheme. A study of the available evidence (as set out in Section 6 of the Feasibility Study) indicates that a significant proportion of known non-licensable HMOs, are being managed sufficiently ineffectively as to give rise/or to be likely to give rise to issues including fire safety, poor housing conditions/hazards, noise nuisance and ineffective waste management. It can also be inferred from the data that unknown non-licensable HMOs are also generating similar types of problems. Additional Licensing offers an opportunity to bring all HMOs within

the district up to a minimum standard ensuring that those homes are well managed and maintained, safe and secure so as to contribute to the health and well-being of the occupiers and the wider neighborhood.

- 1.2 The Feasibility Study commissioned in 2022 indicated the benefits an Additional Licensing scheme could offer, and the recent public consultation response has been very positive with a clear majority of respondents in favour of the introduction of an Additional Licensing scheme.

## **2 Alternative Options**

- 2.1 Paragraph 8.4 of the Feasibility Study considered a range of alternative options for dealing with non-licensable HMOs and improving standards in the sector, taking account of their respective advantages and disadvantages. These options have been further considered (**Appendix 5**) to reflect on issues arising from the public consultation exercise.
- 2.2 The current arrangements only offer a reactive response when there is either a complaint about a particular HMO or the landlord requests assistance in bringing an HMO up to standard. This is a piecemeal response which does not offer any strategic approach to bringing the non-licensable HMO stock to standard in a set timescale.
- 2.3 Working with existing resources in a growing private rented sector effectively restricts any substantial proactive or targeted approach to non-licensable HMO inspections.
- 2.4 Accreditation schemes, which rely on landlords voluntarily meeting minimum standards can be a useful tool and have been used in the past in the district, but they only tend to attract landlords who are motivated to set good standards, leaving those who choose not to engage to continue operating below the standard required.
- 2.5 The Renters Reform Bill, which is currently progressing through Parliament contains provisions to introduce a 'Private Rented Sector Database' to be operated by the Secretary of State and requiring all landlords to register themselves and their rental properties. Whilst this would be welcomed and assist in the identification of rental properties within the district, it cannot be regarded as an effective alternative to a licensing scheme which would require full inspections of properties and demonstration of landlords' management capabilities.
- 2.6 Additional Licensing offers the opportunity to bring all non-licensable HMOs up to standard in a systematic way over a set time period and properly resourced through licensing fees.

## **3 Public Consultation Process**

- 3.1 A public consultation exercise ran from 9<sup>th</sup> January through until 20<sup>th</sup> March 2023.
- 3.2 A dedicated web page was established on the Council's website giving details of the consultation and inviting anyone with an interest to complete an online questionnaire giving their views on the proposal to introduce an Additional Licensing scheme. A paper copy of the questionnaire was made available for those who were not able to complete an online version.
- 3.3 The questionnaire asked whether respondents supported the concept of an Additional Licensing scheme and which particular issues around HMO

management concerned them. It explored views on whether a scheme ought to be targeted or be applied district-wide, whether purpose-built student accommodation ('PBSA') should be included in a scheme and also the level of licence application fees that should be charged.

- 3.4 A detailed frequently asked questions page was set up to deal with common queries. Press releases were issued to raise awareness of the consultation and a news item featured on the Council's home page. Weekly drop-in sessions were arranged at Riverside House over the course of the consultation period to provide information and advice to interested parties on a one-to-one basis. Streets in the district with high concentrations of known non-licensable HMOs were targeted with postcard drops to raise awareness.
- 3.5 Presentations were given by the Private Sector Housing team to the general public at an event at the Pump Rooms in Leamington Spa and a separate public presentation was given using Microsoft Teams. The public meetings were attended by a mix of residents and landlords/letting agents and each session offered an opportunity for questions and feedback. There was general support from residents and some objections and reservations from the landlord sector. Some landlords suggested that the costs associated with licence fees would be passed to tenants and there would likely be a reduction in the supply of HMO accommodation. Some landlords expressed concerns regarding what was seen as inflexibility in the Planning system, in respect of the need for planning permission when there is a change of use from existing HMO use to letting to a single household and then back to HMO use. This is outside the scope of the Additional Licensing regime.
- 3.6 Presentations were also given to the SOLAR and Clarendon Residents Groups as well as the Landlord Steering Group. The residents' groups were supportive of the proposal to introduce Additional Licensing, citing better identification of HMOs and improved ability to deal with landlords who may be operating HMOs without the necessary planning permission. The Landlord Steering Group offered a different perspective and provided a very comprehensive separate written response which forms part of Appendix 3.

#### **4 Public Consultation Results**

- 4.1 A total of 137 completed questionnaires were received.
- 4.2 74.5% of respondents were owner occupiers residing in the district, 11.7% were landlords or letting agents, 8.0% were tenants and 5.8% were representatives of organisations such as letting agencies and Town Councils.
- 4.3 89.8% of respondents were resident in CV31 & CV32 post code areas (Leamington Spa/Whitnash), 5.1% in CV34 post code area (Warwick) and 3.7% in CV8 post code area (Kenilworth). This demonstrates the particular interest in HMOs in Leamington Spa which is not surprising taking account of the much higher HMO numbers in the town.
- 4.4 81.75% of respondents support the introduction of an Additional Licensing scheme (76.64% strongly support and 5.11% tend to support). 2.9% of respondents neither support or oppose a scheme and 15.3% of respondents oppose a scheme (8.8% strongly oppose and 6.6% tend to oppose).
- 4.5 In terms of those supporting a scheme, 30.4% cite personal experience of nuisance from an HMO as the primary reason for supporting a scheme, 25.0% favour an obligation on the landlord to register with the Council, 21.4% referenced housing safety and disrepair concerns, 13.4% anticipated Additional

Licensing may cause some HMOs to revert to family properties and 8.9% cited management concerns.

- 4.6 For those opposed to an Additional Licensing scheme, 38.1% referenced licensing costs being passed on to tenants, 28.6% thought licensing would lead to a loss of affordable housing in shared houses and 28.6% cited increased costs to landlords.
- 4.7 In terms of poor management of HMOs, 76.6% agreed this was an issue, with 11.7% neither agreeing or disagreeing and 8.8% disagreed that it was an issue.
- 4.8 In regard to 3 and 4 person HMOs, respondents were asked about particular issues. 78.8% referred to refuse issues, 68.6% referred to poor management and poor external condition, 67.1% referred to anti-social behavior and 64.9% referred to fire safety issues and disrepair.
- 4.9 In regard to geographical coverage, 75.9% of respondents felt the scheme should apply across the whole district, (66.4% strongly agreed and 9.5% agreed). 16.1% of respondents did not support coverage across the whole district (6.57% disagreed and 9.49% strongly disagreed).
- 4.10 For the minority who supported a targeted scheme, Leamington Spa was favoured by 90.0%, Kenilworth by 47.5%, Whitnash by 42.5% and Warwick by 45.0%. Respondents were permitted to select more than one area.
- 4.11 Respondents were asked whether individual HMO flats within PBSA should be included in an Additional Licensing scheme. A total of 78.1% of respondents strongly agreed or agreed and 8.8% of respondents strongly disagreed or disagreed.
- 4.12 When asked whether HMO flats within developments containing a mix of PBSA and converted flats should be included in an Additional Licensing scheme, 81.0% strongly agreed or agreed and 7.3% of respondents strongly disagreed or disagreed.
- 4.13 Those in favour of including PBSA (and mixed PBSA and converted flats) referred to needing a level playing field with similar issues irrespective of building type. Others referenced standards of block management as being of importance and not just the standards of construction.
- 4.14 On the issue of licensing fees, and the proposal to set the fee for a 3-4 person HMO at £964 in line with the current fee for a 5 person HMO, 47.5% of respondents felt this was about right, - 25.6% of respondents felt it was too low and 19.7% felt it was too high.
- 4.15 In terms of the proposal to offer a discounted fee of £800 for applications submitted within 8 weeks of the scheme launch, 46.0% tended to agree or strongly agreed, - 38.0% strongly disagreed or tended to disagree and 16.0% neither agreed nor disagreed.
- 4.16 The questionnaire (Question 16) offered respondents the opportunity to make their own specific comments on the proposed Additional Licensing scheme. 68 comments were received with arguments for and against the proposal, and these are shown in **Appendix 2**.

## **5 Consultation Feedback sent Outside of the Questionnaire Document.**

- 5.1 Written responses not connected to the questionnaire (**Appendix 3**) were received from a private landlord, a Leamington Spa resident (on behalf of 40

fellow residents), the Landlord Steering Group and The Director of Regional Engagement at the University of Warwick.

- 5.2 The Landlord Steering Group resist the proposal for Additional Licensing unless there is a nominal fee for 'good' landlords evidenced by property inspections. They claim that the data in the Feasibility Study is insufficient to support the proposal for Additional Licensing and there is a lack of analysis on the possible adverse effect of Additional Licensing on the rental market. They point to unintended consequences; increased costs to landlords, which raise rents; loss of accommodation and an increase in homelessness as local landlords exit the market. On the issue of PBSA, they do not feel there is merit in excluding PBSA from licensing on the basis that this creates a non-level playing field. They refer to 'aging' in some of the blocks and acknowledge that all HMOs are prone to more wear and tear than other rental property types.
- 5.3 The Leamington residents' group and University of Warwick responses were strongly supportive of the proposal both referencing improved housing standards and property management and control of nuisance issues. Both supported coverage across the whole district and to include all HMO types including PBSA.

## **6 Consultation Analysis and Conclusion**

- 6.1 The questionnaire responses demonstrate very strong support for an Additional Licensing scheme. We should be mindful that only 12% of respondents classed themselves as 'landlords or letting agents' so it is not a surprise that there is strong support based upon the high proportion of owner-occupiers completing the questionnaire. 50% of the landlord and letting agents who responded tended to oppose a scheme, 44.4% strongly opposed a scheme and 5.5% were neutral.
- 6.2 In response to the questionnaire, the Landlord Steering Group (LSG) argued that an Additional Licensing scheme should be resisted and referred to a number of factors in support of their response. This included concerns regarding the data in the Feasibility Study, that 'good' landlords would be penalised owing to a small minority of criminal landlords and that powers already exist which could deal with issues in unlicensed HMOs. The LSG also stated that the Government's intention to impose a Decent Homes Standard on all private sector landlords would enhance those existing powers and noted that tenants may face eviction if landlords could not finance the required improvements. The LSG also referred to possible 'unintended consequences' such as landlords selling up, landlords changing their target market to 'supported' (or exempted) accommodation and the growth of 2-bed properties to avoid the HMO classification.
- 6.3 The LSG considered that if introduced, an Additional Licensing scheme should apply across all HMOs including PBSA but felt that it could be restricted to those in Leamington Spa wards, as they receive more complaints.
- 6.4 As evidenced by the Feasibility Study, Additional Licensing would offer an opportunity to bring all HMOs within the district to standard and this was widely acknowledged by respondents. Although HMOs are most densely concentrated in Leamington Spa, areas such as Kenilworth and Whitnash have seen growth in recent years, possibly a consequence of the Council's Article 4 Direction being applied to Leamington wards in 2012. Despite the LSG's views, there is strong support for a district-wide scheme. The Council considers the same housing standards issues are likely to be found in HMOs outside of Leamington Spa

wards. Operating a district-wide scheme would ensure the same standards for all and discourage some landlords from creating new HMOs outside of particular ward boundaries in the event of a scheme being targeted in a specific geographical area. Landlords would be under an obligation to notify the Council if they were operating any type of HMO or intended to do so, and this would give the Council more comprehensive information on the HMO stock in the district and better inform trends and policy moving forward.

- 6.5 In terms of HMO types, it is proposed that all 3 and 4 person HMOs as defined by Section 254 of the Housing Act 2004 would be covered by an Additional Licensing scheme.
- 6.6 In regard to PBSA, respondents were clear that this type of accommodation should be included within an Additional Licensing scheme, a view echoed by the Landlord Steering Group. Some of these blocks accommodate large numbers of students and although they have been designed and built to modern day standards, some are in the order of 20 years old and will begin to require more extensive cyclical repair and maintenance work. It is the management of these buildings which is also of great importance in terms of ensuring the health and safety of the occupiers.
- 6.7 In terms of fees, there was a clear majority who agreed that £964 was a reasonable fee for a 3-4 person HMO when taken in context of fees for Mandatory Licensing. The administrative and operational arrangements for Additional Licensing will mirror those which already exist for the Mandatory HMO Licensing scheme.
- 6.8 In regard to offering an 'early bird' discounted rate of £800 for a 3-4 person HMO, a majority agreed or strongly agreed. A discounted fee income would enable funds to be accumulated in the early stages of the scheme's introduction to help finance operating costs. Discounted fees would be available only to those landlords who managed to submit a 'duly made' application within 8 weeks of the scheme launch. Those landlords who keep up to date with their legal responsibilities and have all their necessary safety certification in place could therefore be expected to qualify for the early bird rate.
- 6.9 The LSG argued for a reduced licence fee for "good landlords" or for those HMOs with a higher EPC rating. There are potential issues in offering "good landlords" a discount because it is difficult to define what amounts to a "good landlord" and this could inadvertently lead to be discrimination. "Good landlords" are not necessarily members of an accreditation scheme or the National Residential Landlord Association, hence we are not inclined to offer discounts specifically for such memberships.
- 6.10 Similarly, many of the HMOs are pre-1919 construction and located in Listed Buildings and Conservation Areas making it extremely difficult to achieve 'higher' EPC ratings. Also, some HMOs let on separate contracts will be exempted from requiring an EPC.

## **7 Legal Implications**

- 7.1 In 2015, the Government issued a general approval for Additional Licensing designations made under section 56 of the HA 2004, meaning no specific Secretary of State approval is required for an Additional Licensing scheme so long as a statutory public consultation has taken place.
- 7.2 The Council is required to follow due legal process as set out in section 56 and 57 of the HA 2004.

- 7.3 A local housing authority is able to designate the area (i.e., the whole) or an area (i.e., a part) of its district as subject to additional licensing subject to certain conditions.
- 7.4 It must be satisfied that a significant proportion of the HMOs of a particular description are being managed ineffectively as to give rise or be likely to give rise to one or more particular problems either for those occupying the HMOs or for members of the public. In forming an opinion on this, an authority must have regard to any information regarding the extent to which any codes of practice approved under section 233 of the HA 2004 have been complied with by persons managing HMOs in the area in question.
- 7.5 The only approved code for PBSA not managed by educational establishments (in Warwick district, those which are operated by Warwick University or Warwickshire College on their respective campuses are exempt from the HMO definition) is the Accreditation Network UK/Unipol Code of Standards. There is currently only one PBSA block in Warwick district operated by a member of this code (The Union, Althorpe Street, Leamington Spa operated by 'Homes for Students') and thus able to demonstrate compliance with the code.
- 7.6 A local housing authority must also ensure that any exercise of the power is consistent with its overall housing strategy, and it must seek to adopt a co-ordinated approach in dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining additional licensing with other courses of action available to the authority and measures taken by others. These points are all addressed in the Feasibility Study as set out in **Appendix 1** of the report.
- 7.7 A local housing authority must not make a designation under section 56 of the HA 2004 unless it has considered whether there are other courses of action available to it that might provide an effective method of dealing with the problem(s) and it considers making the designation will significantly assist in dealing with the problem(s), whether or not they take any other course of action as well. This was addressed in the Feasibility Study and following the public consultation is further considered in **Appendix 5**.
- 7.8 Before making a designation, the 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 withdrawn.
- 7.9 The authority must publish a notice to confirm the designation has been made and the date on which it comes into force. The designation will remain in place for 5 years unless there is a decision to revoke it. The authority must review the scheme's operation from time to time and at the end of the 5-year term. It is therefore proposed to review operation of the scheme no later than 18 months after commencement and every 18 months thereafter.

## **8 Financial Services**

- 8.1 Section 63 of the HA 2004 allows the Council to require any application to be accompanied by a fee set by them taking into account all costs incurred by them in carrying out its functions.
- 8.2 The Council has considered its fees and charges that it operates under its Mandatory Licensing scheme and has sought to ensure the fees and charges proposed under an Additional Licensing scheme and fair and proportional in comparison.

- 8.3 In setting Additional Licensing fees, the Council has considered recent case law and the European Services Directive principles to ensure a fair and transparent approach. Councils are required to separate the cost of processing an initial application (stage 1) from the on-going costs of administering a scheme (stage 2), so that unsuccessful applicants are only charged for the initial application processing. The proposed Additional Licensing fees have therefore been split into stage 1 and stage 2 fees to reflect the principles of the Directive. It is proposed to make the issuing of licences conditional to stage 2 fees being received.
- 8.4 The EU Services Directive makes it clear that fee setting should be non-discriminatory meaning all applicants must be treated equally. In this regard, the availability of a discounted fee which is open to all applicants is aligned with the Directive principles.
- 8.5 The proposed fees and charges (**Appendix 6**) are intended to be cost neutral taking account of the staffing requirements to administer the scheme, based upon an expected level of licence application fees over a 5-year period in which the scheme would operate.
- 8.6 Private Sector Housing have good records of known non-licensable HMOs and estimates there are in the region of 800 HMOs (including those which are flats in multiple occupation within PBSA blocks) which could be expected to require licences under an Additional Licensing scheme.
- 8.7 It is likely that some HMOs will cease to operate, for example, those which do not currently have the required planning permission, whilst there are likely to be others which are not on the Council's radar which will be expected to come forward for licensing.
- 8.8 **Appendix 7** gives indicative staffing costs based upon 800 applications being received. It has been estimated that 300 duly made applications will be made within the first 8 weeks of the scheme launch and be eligible for a discounted rate.
- 8.9 Of the 800 known HMOs expected to fall under additional licensing there are reckoned to be 117 which are HMO flats within PBSA blocks. Of these there are expected to be 27 HMO flats which each comprise 3-5 bed units and 90 flats which each comprise 6-10 bed units. It is proposed to set the licence fees for the 6-10 bed units in line with the mandatory licence fee band for 6-10 person HMOs (£1116) with an equivalent 17% pro rata 'early bird' discount (£926) for those who submit duly made licence applications within the first 8 weeks of the scheme launch.
- 8.10 Staff will need to be recruited to operate the scheme and will comprise a Team Leader, 3 Housing Standards Officers and an Administrative Assistant. These posts will be advertised as 'fixed term contracts' because the scheme would require Cabinet approval at the end of the 5-year term in order to continue. Fixed term contracts will enable the Council to review the actual number of applications received and fee income and if required, vary the staffing accordingly if fee income was unexpectedly higher or lower than predicted over the 5-year period.
- 8.11 No HMO licences will be issued under the proposed Additional Licensing scheme without a full inspection of the property being undertaken. Where an HMO does not have the necessary planning consent, the licence application will not be processed and the landlord will be required to obtain the necessary consent or take steps to cease HMO use.

- 8.12 The bulk of the inspection and administrative work is expected to take place in Years 1-3 of the scheme; hence the staffing requirements can be expected to reduce in Years 4-5 when more time could be devoted to proactive identification of HMOs which have not come forward for licensing.
- 8.13 The Environmental Health Officers and the Student Housing Enforcement Officer within the Private Sector Housing team are expected to be actively involved with enforcement work for those landlords who seek to avoid licensing.
- 8.14 Delegations are already in place under the Council's Scheme of Delegation. Prosecutions and civil penalty are covered under (G(12) and granting and refusing HMO licences under HS(49-55).

## **9 Business Strategy**

- 9.1 Health, Homes, Communities. An Additional Licensing scheme would have benefits in each of these areas by improving housing conditions and environmental controls. The links between housing and health are well established.
- 9.2 Green, Clean, Safe. A standard set of HMO Licence conditions will ensure minimum standards for health, safety and welfare. Matters such as anti-social behaviour control including noise and waste will be standard licence conditions.
- 9.3 Infrastructure, Enterprise, Employment. Additional Licensing will generate funding to create new posts within the Private Sector Housing team. Bringing HMOs up to standard will support the building trade. A vibrant student sector supports a wide range of local businesses.
- 9.4 Effective Staff. Private Sector Housing staff are qualified and trained to ensure they perform at consistently high standards.
- 9.5 Maintain or Improve Services. Additional staff will provide resilience and provide strength in depth to deal with an increased workload.
- 9.6 Firm Financial Footing over the Longer Term. Additional Licensing is required to be self-financing and cost-neutral so that licence fee income covers the cost of the service.

## **10 Environmental/Climate Change Implications**

- 10.1 Additional Licensing can only have a positive environmental impact. HMO inspections will highlight thermal efficiency and excess cold issues and licence conditions will provide controls over anti-social behaviour and waste issues.

## **11 Analysis of the effects on Equality**

- 11.1 An Equality and Consultation Analysis (**Appendix 8**) has been undertaken which confirms there will be positive equality impact if the Additional Licensing scheme is implemented.

## **12 Data Protection**

- 12.1 The appendices contained in this report have been redacted where they contain personal data.

## **13 Health and Wellbeing**

- 13.1 HMOs will be required to meet minimum standards in regard to health safety and welfare. This will relate to all aspects of human habitation and help to drive standards up.

## **14 Risk Assessment**

- 14.1 Additional Licensing requires the Council to follow the statutory process set out in section 56 and 57 of the HA 2004. This includes statutory public consultation and making a formal designation once there is agreement to proceed. Following due legal process will minimise the risk of legal challenge.
- 14.2 There is a risk that accumulated licence fee income will be less than anticipated. This risk is low and will be managed by regular fee income monitoring. The use of fixed term contracts will enable resources to be tailored according to actual fee income over the course of the 5-year period.
- 14.3 There is a risk that the Council will not be able to recruit staff of the right calibre to operate the scheme. This is regarded as a low to moderate risk, however, recent recruitment for Housing Standards Officers under the Mandatory Licensing scheme has indicated there is strong interest in vacancies for Additional Licensing work.
- 14.4 There is a risk that as the scheme nears the end of its 5-year term, that it is not given Cabinet approval to continue. The likelihood of this is relatively low but the indicative staffing costs appraisal has made an allowance for redundancy payments in this eventuality.
- 14.5 In terms of the impact of Additional Licensing on the private rented sector at a local level, some landlords point to licence fees being passed onto tenants through rental increases, a reduction in the HMO stock and associated increase in 2-bed units. Research into licensing schemes which have been established in the United Kingdom (Landlord Licensing in the Private Rented Sector: Research Report for Core Cities UK) suggests that these concerns are largely unfounded.

## **15 Consultation**

- 15.1 A full public consultation has been undertaken in accordance with section 56 and 57 of the HA 2004. Details are given in Paragraph 3-6 of the report.

### **Background papers:**

Additional Licensing Cabinet Report 7<sup>th</sup> December 2022.

Landlord Licensing in the Private Rented Sector: Research Report for Core Cities UK-Metastreet Ltd 2018.

Open for Business- LGA guidance on locally set licence fees 2017.

### **Supporting documents:**

Appendix 1 Additional Licensing Feasibility Study October 2022

Appendix 2 Public Consultation Questionnaire Responses

Appendix 3 Other Public Consultation Representations

Appendix 4 Section 56 Housing Act 2004 Designation

Appendix 5 Alternative Options Analysis

Appendix 6 Additional Licensing Fees and Charges

Appendix 7 Indicative Staffing Costs Appraisal

Appendix 8 Equality and Consultation Analysis