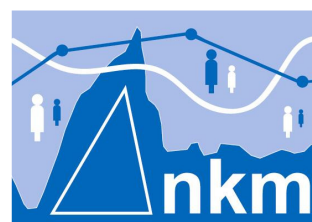


The case for an extension to discretionary property licensing in Brighton & Hove

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*Neighbourhood
knowledge management*

Executive Summary

In January 2016 the Housing & New Homes Committee asked officers to explore if evidence supported the possible introduction of further discretionary licensing in all or part of the local authority area. Mayhew Harper Associates Ltd. were appointed in May 2016 to undertake the research and to report by September 2016.

The terms of reference were:

- (a) To investigate whether there is evidence that indicates a need for the implementation of a further discretionary licensing scheme across the whole, or part(s), of the private rented sector in Brighton & Hove
- (b) If the research outcome shows there is evidence to indicate a need for further discretionary licensing, the report is to contain recommendations relating to which type of licensing is indicated, and in which area(s).

An overarching theme arising from the city-wide Housing Strategy has been the significant growth in private rented housing in Brighton & Hove. The Private Rented Sector (PRS) stands at between 34,000 and 37,000 homes or roughly 31% of the city's housing stock depending how it is measured (see report). The City also has the ninth largest private rented sector and sixth highest proportion of converted dwellings or shared houses (houses in multiple occupation and bedsits) in England and Wales.

At the same time there are concerns that the existing Additional Licensing Scheme covering houses in multiple occupation (HMOs) only covers a small fraction of the total Private Rented Sector. Given that the evidence points to a significant growth in private rented housing in Brighton & Hove, private renting will be a key theme in the housing strategy including possible extensions in discretionary licensing.

Main findings

On the basis of our findings there are a number of issues that should inform any decision on how the Council might proceed.

- There is significant variation in housing conditions and anti-social behaviour (ASB) among Brighton & Hove wards and so while there is a case for extending Additional Licensing to all wards, the case for a Selective Licensing Scheme (SLS) in every ward is not as strong.
- The existing AL schemes cover twelve wards or 32.6% of the area but only around 9% of all PRS properties in the city. If it is proposed to convert these areas in to an SLS scheme by including all private rented properties and not just HMOs, permission would need to be sought from the SoS.

- However, it would also be open to the Council to introduce SLS only in the worst affected areas in terms of poor housing conditions and ASB in which there are high concentrations of private renting and extend Additional Licensing elsewhere. The report suggests how this could be achieved.
- The four main options suggested in the report are: 1. A city-wide Selective and Additional Licensing Scheme; 2. Selective Licensing Schemes where they are justified delineated by ward boundaries and city-wide Additional Licensing; 3. Selective Licensing Scheme delineated by designated roads with city-wide Additional Licensing; 4. Selective Licensing Scheme limited to the 20% rule and city-wide Additional Licensing
- The corollary is that if it is decided to apply for SoS approval (or there is a Judicial Review) then the Council should ensure that it puts forward the best possible case since if the scheme is rejected it may cause the Council significant delays.
- The proposals include a suggestion for a boundary delineated by roads which would cover the built-up area and allow for future encroachment of the PRS but would fall short of covering the whole of the Brighton administrative area. This would also deal with the problem of sparsely populated outer suburbs, but it is only a suggestion and other alternatives are possible.
- On other criteria such as the link between private renting and the index of multiple deprivation (IMD) the research found only relatively weak evidence at ward level. This was primarily a data issue because wards are heterogeneous with levels of deprivation varying markedly at sub-ward level. Our evidence using household level data is more precise in this regard and finds that private renting and poor housing conditions overlap and are linked.

Accompanying this research will be a database of all identified private residential properties in Brighton & Hove containing a risk assessment of known and probable private rented tenancy (either HMOs or Single Family Rented).

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1. The case for discretionary licensing in Brighton & Hove

1.1 Introduction

In January 2016 the Housing & New Homes Committee asked officers to explore the possible introduction of further discretionary licensing in all or part of the local authority area.

Here, 'discretionary licensing' means any licensing of residential property under the Housing Act 2004 (the Act) that goes beyond the national mandatory HMO licensing requirements contained in the Act.

The two types of discretionary licensing are:

- (a) Additional: where a council can impose a licence on other HMOs in its area which are not subject to mandatory licensing, but where the council considers that poor management of the properties is causing problems either for the occupants or the general public.
- (b) Selective: covering all privately rented property in areas which suffer or are likely to suffer from low housing demand and also to those that suffer from significant and persistent anti-social behaviour (ASB).

In both cases Councils must however consult local landlords before introducing additional or selective licensing and it must be widely publicised when it comes into force. Additional Licensing (AL) means that a Local Authority can specify the maximum number of people who can occupy the house, and attach conditions relating to the management of the building, as well as making sure amenities are kept up to standard. Failure to comply may lead to the withdrawal of a licence or other sanctions including fines.

DCLG guidance published in 2015 sets out the conditions for Selective Licensing in an area unless the property is a House in Multiple Occupation and is required to be licensed under Part 2 of the Act.¹ For it to be considered it must be experiencing one or more of the following conditions: low housing demand, significant and persistent ASB, poor property conditions, high levels of migration, deprivation and crime.²

On the one hand these conditions potentially constrain the coverage of Selective Licensing Schemes (SLS) to the most affected areas or properties but also widen the criteria for its introduction. In addition, new rules require that local authorities obtain confirmation from the Secretary of State (SoS) for any SLS which will cover more than 20% of their geographical area or will affect more than 20% of privately rented homes.

¹ Housing Act 2004 Section 85 (1)(a).

² Selective licensing in the private rented sector A Guide for local authorities
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418551/150327_Guidance_on_selective_licensing_applications_FINAL_updated_isbn.pdf

1.2 Motivation for this research

An overarching theme arising from the city-wide Housing Strategy 2015³ has been the significant growth in private rented housing in Brighton & Hove. The Private Rented Sector stands at between 34,000 and 37,000 homes depending on how it is measured or 31% of the city's housing stock based on the 2011 Census. The City also has the ninth largest private rented sector and sixth highest proportion of converted dwellings or shared houses (houses in multiple occupation and bedsits) in England and Wales.

At the same time there are concerns that the existing Licensing Schemes covering HMOs include only a small fraction of the total Private Rented Sector (PRS), approximately 9%. Given that the evidence points to a significant growth in private rented housing in Brighton & Hove, private renting is a key theme in the housing strategy including possible extensions in discretionary licensing. Concern about the quality of housing and management in the private rented sector is also evidenced in the Brighton & Hove Private Rented Sector Scrutiny Report 2015⁴ and more recently, the Brighton & Hove Fairness Commission Report 2016⁵.

Whilst the majority of those homes licensed to date have led to improvements in the housing quality and safety to the benefit of approximately 15,000 tenants, these have not resulted in an overall reduction in ASB. Meanwhile, the PRS continues to grow in size and encroach into the suburbs especially along the student corridor towards Sussex University. Hence, there is a determination in the Council to try and do much more.

Since existing AL schemes already cover the central area of Brighton and sections of the suburbs, the main options involve either further extensions of AL to the whole borough and/or the introduction of an SLS to all or part of the area. If an SLS is introduced into an area it would run alongside AL.

1.3 Terms of reference

The terms of reference of this study are:

- (c) To investigate whether there is evidence that indicates a need for research and report evidence to support the case for the implementation of a further discretionary licensing scheme across the whole, or part(s), of the private rented sector in Brighton & Hove.
- (d) If the research outcome shows there is evidence to indicate a need for further discretionary licensing, the report is to contain recommendations relating to which type of licensing is indicated, and in which area(s).

³ Housing Strategy 2015: <https://www.brighton-hove.gov.uk/housingstrategy>

⁴ Scrutiny Panel Report on Private Sector Housing, Housing & New Homes Committee, 17 June 2015
<http://present.brighton-hove.gov.uk/ieListDocuments.aspx?CId=884&MIId=5928&Ver=4>

⁵ Fairness Commission 2016: <http://www.brighton-hove.gov.uk/content/council-and-democracy/fairness-commission>

1.4 Key issues arising

On the basis of our findings there are a number of issues that should inform any decision on how the Council might proceed.

- There is significant variation in housing conditions and ASB among Brighton & Hove wards and so while there is a case for extending AL to all wards, the case for an SLS in every ward is not as strong.
- The existing AL schemes cover twelve wards or 32.6% of the area but only around 9% of all PRS properties in the city. If it is proposed to convert these areas in to an SLS scheme by including all private rented properties and not just HMOs, permission would need to be sought from the SoS.
- However, it would also be open to the Council to introduce SLS only in the worst affected areas in terms of poor housing conditions and ASB in which there are high concentrations of private renting and extend AL elsewhere. The report suggests how this could be achieved.
- The four main options suggested in the report are: 1. A city-wide Selective and Additional Licensing Scheme; 2. Selective Licensing Schemes where they are justified delineated by ward boundaries and city-wide Additional Licensing; 3. Selective Licensing Scheme delineated by designated roads with city-wide Additional Licensing; 4. Selective Licensing Scheme limited to the 20% rule and city-wide Additional Licensing
- If option 4, then as the aim should be to maximise the size of the PRS covered by SLS or the area over which it operates providing neither exceeds the 20% maximum laid down before SoS approval must be sought.
- The corollary is that if it is decided to apply for SoS approval (or there is a Judicial Review) then the Council should ensure that it puts forward the best possible case since if the scheme is rejected it may cause the Council significant delays.

Our suggestions are not set in stone and there is scope to fine tune them as necessary.

1.5 Structure of this report

The report is structured as follows

Section 2 outlines our approach and summarises our data sources

Section 3 analyses structural changes in the size of the PRS and other tenancy types between Censuses in 2001 and 2011

The case for extending discretionary licensing in Brighton & Hove

Section 4 considers trends in housing conditions and ASB using available administrative data

Section 5 examines the evidence for direct links between ASB and private renting

Section 6 considers all the evidence at a ward level and ranks wards by the size of the PRS, housing conditions and ASB

Section 7 reviews options for different licensing schemes

Section 8 provides a discussion and summary our conclusions

2. Approach and method

2.1 Wards versus households

In the eyes of the legislation it is necessary to link cause and effect – for example, it should be possible to identify an event such as noise disturbance to an exact address. Secondly that address and similar ones to it are part of a general problem which is characterised by certain attributes of that address such as whether it is privately rented or not.

Of course it could be a privately owned or social tenure property and these may be more or less vulnerable to similar problems. The difficulty with private rented properties is that there is only very partial information about whether it is private rented or not – for example it may be a mandatory licensed HMO, housing association or a Council-owned property in which case it will be known to the Council by definition.

Office of National Statistics (ONS) information about the size of the PRS is partial and also arguably out of date. The Census provides information at ward level but even if we find that the PRS and ASB are correlated it does not necessarily imply causation for the reasons given above. If ASB can be linked to actual properties in the PRS then the case is stronger especially if ASB is less common in other tenancies – especially owner occupation.

Rules on SLS have recently been extended to include areas experiencing poor property conditions, influxes of migration, a high level of deprivation or crime. We adopt these wider criteria where it is appropriate to do so subject to the availability and granularity of data.

However, one of these aspects can be discounted straight away and that is low housing demand. Currently high property prices are crowding out owner occupiers and effectively encouraging a buy-to-let culture and this looks set to continue. This also makes it difficult to keep reliable tabs on the size of the PRS since it is always changing.

Data provided to us on police reported ASB and fire call outs proved useful for identifying problematic wards. We were also advised that migration could be discounted since it is on a relatively small scale (although Brighton & Hove does have a partly transitory population). However, we did find that deprivation as measured by the Index of Multiple Deprivation was weakly correlated with the percentage of private renting.

To re-iterate, ward level data must be considered a blunt instrument since it often contains a wide mix of neighbourhoods covering a large area. The data available at a household level

generally turns out to be more useful and is more up to date is as far as housing conditions and ASB are concerned. It includes requests for assistance (a proxy for housing conditions) noise complaints, pest control and waste, each of which could be divided into sub-categories and analysed at different spatial scales.

To summarise, the approach adopted therefore combines published data as far down as ward level with the Council's own administrative data sources at a household level. Aside from the examples above we also benefited from having access to benefit households (Housing Benefit and Council Tax Reduction Scheme), Council Tax records, current HMO stock, Electoral Register, and so on. These are used primarily to help inform whether a property is likely to be private rented or not.

On administrative data, our task entailed cleaning all the data sources and geo-referencing them by matching them to the Local Land and Property Gazetteer (LLPG). The end result was a database with one record for each address linked to various different attributes, for example the occurrence of a noise complaint, if it was a benefit household or not and so on.

We needed to determine whether a property is owner occupied or not or social housing or part of the known PRS e.g. licensed HMOs, known bedsits, student accommodation. We removed social housing and any properties such as businesses, or care homes and other residential institutions. For properties of unknown tenancy we used a model to identify PRS properties using risk factors such as Housing Benefit or Council Tax status, the number of adults per address and turnover. A later section covers this stage in more detail.

2.2 The importance of the Local Land and Property Gazetteer

The Local Land and Property Gazetteer (LLPG) is a database of all properties in Brighton & Hove with a unique identifier for each property address called the UPRN (Unique Property Reference Number). A properly maintained LLPG linked to all other council data sets is a strategic tool that can be used to underpin many possible uses including, crucially, this research.

Assigning the correct UPRN to each address in routinely collected local authority datasets enables linkage between these datasets, so that a profile for every property address can be produced e.g. from council tax, benefit information, and the electoral roll, to library and other customer services. Although the LLPG is supposed to cover all residential properties in an area, the correspondence between, for example, the council tax register and the LLPG is inexact.

Although addresses on local authority datasets should conform to the same standard as the LLPG (BS7666) many do not. We used our own algorithm to compare each address on the administrative datasets with all addresses on the LLPG to select the correct match, and thus assign the UPRN. When addresses are formatted very differently to the LLPG standard, automation is less effective and clerical manual checks are required.

The BLPU (Basic Land and Property Unit) classification is used to give an indication of each UPRN use. However, it was noticed that some residential UPRNs were actually institutions such as halls of residence or care homes or sheltered housing. It was not possible to do a full

internet search on every address to check this, but obvious cases were identified and excluded.

Through this process we were able to remove properties known or suspected to be in the private rented sector such as licensed HMOs and known right- to-buy properties and properties with council tax student discounts. We also removed council owned properties, halls of residence, bed & breakfasts, care homes, travellers' sites and hostels. We used other means to identify housing association properties (the council does not keep records of their addresses).

The LLPG also contains UPRNs for 'parent' and 'child' properties, the parent being the building shell for the flats or rooms/bedsits within them. In these cases we took the pragmatic decision to remove parent UPRNs where these were obviously sub-divided into flats and retain parent UPRNs where these were obviously being split into HMOs or bed-sits.

As a result of these different stages we ended up with 129,678 residential properties of which 15,522 were mainly council and housing association tenancies and the rest private owned or rented. In what follows we use sub-divisions of these quantities to produce a range of analyses, tables and maps to support the case for, and extensions to, discretionary licensing across the city.

3. Structural changes in tenancy based on the Census

3.1 Census data

Data on tenancy is also available in the Census but only down to ward level. The Census breaks down households into three main tenure categories: owner occupied, social housing or private rented. According to the 2011 Census 54% of the housing stock is owner occupied, 15% is social housing and 31% is private rented.

Although the 2011 Census must be considered slightly dated, the structural changes in tenancy are an important guide to what has been happening in Brighton & Hove compared with elsewhere. Table 1 (a) and (b) show that in Brighton & Hove social housing rose by 8.3% whereas in London it fell by 0.6%. In Brighton & Hove owner occupation fell by 6.7% and in London by only 0.6%.

The biggest changes, however, were in private renting. In London it rose by 65.5% and in Brighton & Hove by 38.4%. The reasons for this difference is not so much that Brighton & Hove is falling behind London but because Brighton & Hove already had a larger private rented sector than London, or it could be an indication of what Brighton & Hove may experience growth in the future.

The total number of households in Brighton & Hove based on the 2011 Census was 121,540. It is important to realise that this figure is constantly changing and in the case of Brighton & Hove still growing. Reconciling this figure with data contained in administrative sources such as the Local Land and Property Register Gazetteer, Council Tax and Electoral Register is therefore never going to be an exact science.



London boroughs	2001	2011	Change %
Owner occupied	1,704,719	1,618,315	-5.1
Social housing	790,371	785,993	-0.6
Private rented	520,907	861,865	65.5
Total	3,015,997	3,266,173	8.3

(a)

Brighton & Hove	2001	2011	Change %
Owner occupied	70,580	65,835	-6.7
Social housing	16,796	18,187	8.3
Private rented	27,103	37,518	38.4
Total	114,479	121,540	6.2

(b)

Table 1: Change in Tenancy between 2001 and 2011 in (a) London and (b) Brighton & Hove

At ward level, Census data shows significant changes in the PRS over the period. This is seen in Figures 1 to 3. These maps are overlaid with a grid (1.5 x 1.5 sq. kms.) for ease of identification of different areas of the borough.

For example in 2001, Figure 1(a), the highest percentages of private rental properties (>40%) were concentrated in columns D and E row 6 in wards abutting the sea front. These correspond to Central Hove, Brunswick & Adelaide, and Regency wards.

By 2011, Figure 2, private renting had spread northwards to adjacent wards such as Goldsmid, St Peters & North Laine. There have also been notable increases in private renting in other wards especially those fanning out from the city centre into the immediate suburbs.

Examples include Moulsecoomb & Bevendean, Withdean, and East Brighton, which together have increased both the depth and spread of private renting in the city. Figure 3 showing the percentage changes between 2001 and 2011 and confirms the spread of private renting along north, east and west facing radii.

Of these Moulsecoomb & Bevendean (cells H3 to G4) may be singled out especially as it corresponds closely with the locations of educational institutions including Sussex and Brighton Universities, and provides rented accommodation for many students attending courses here and elsewhere in Brighton & Hove.

Annex A gives a table of housing tenure by ward based on the 2011 Census.

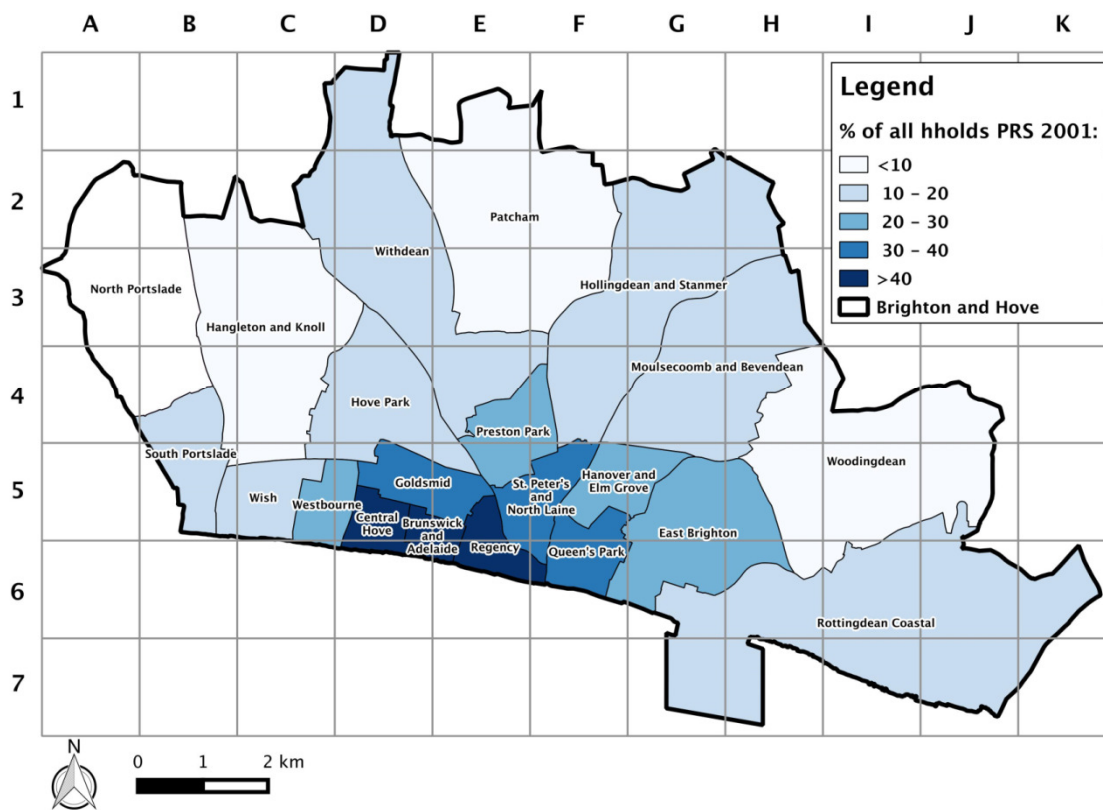


Figure 1: PRS households in 2001 as a percentage of all tenancies

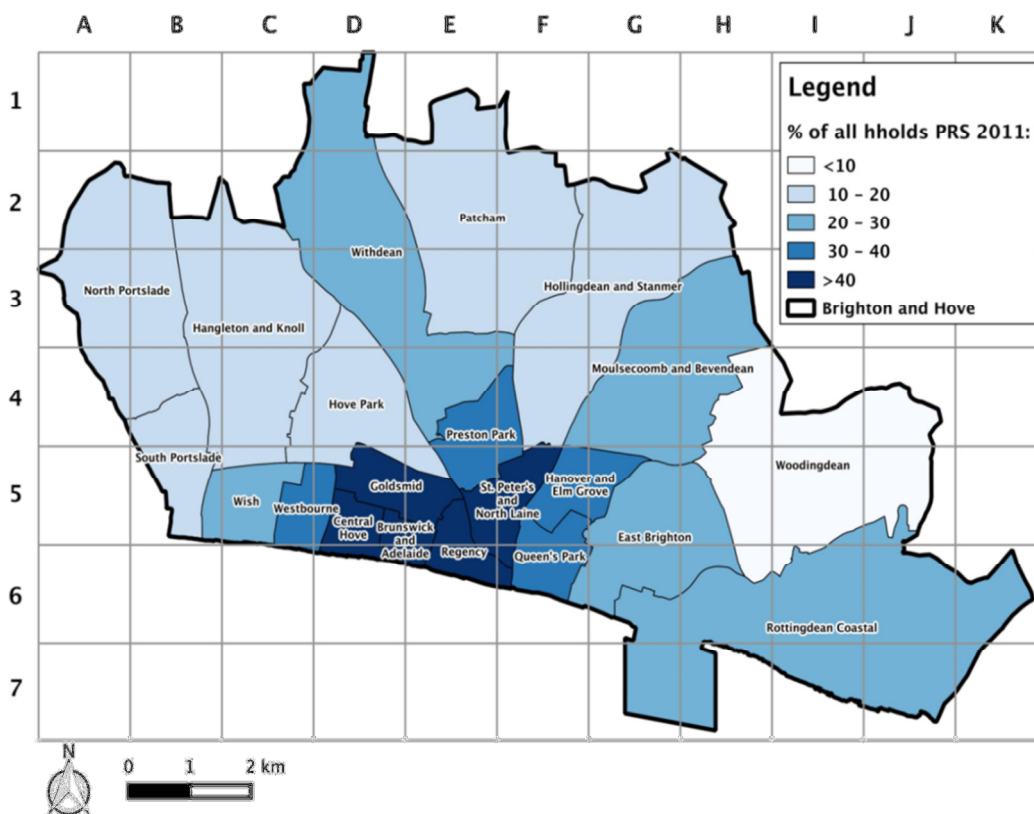


Figure 2: PRS households in 2011 as a percentage of all tenancies

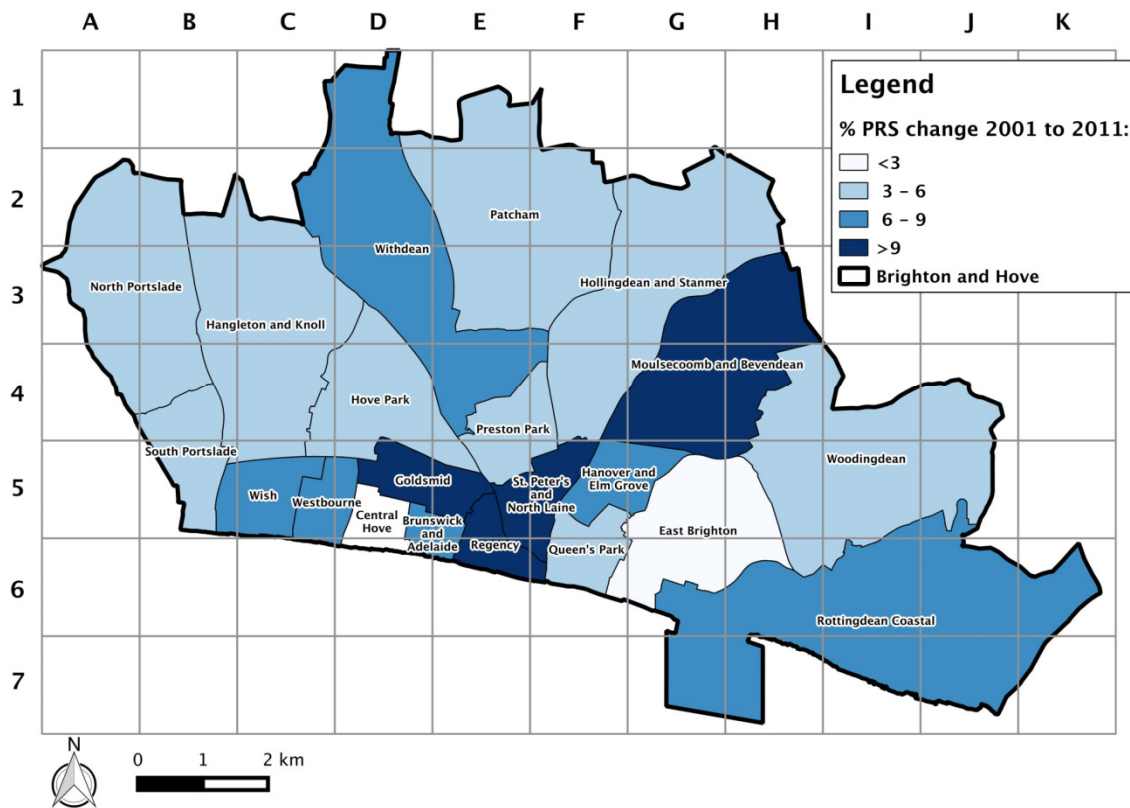


Figure 3: Percentage change in size of PRS between 2001 and 2011

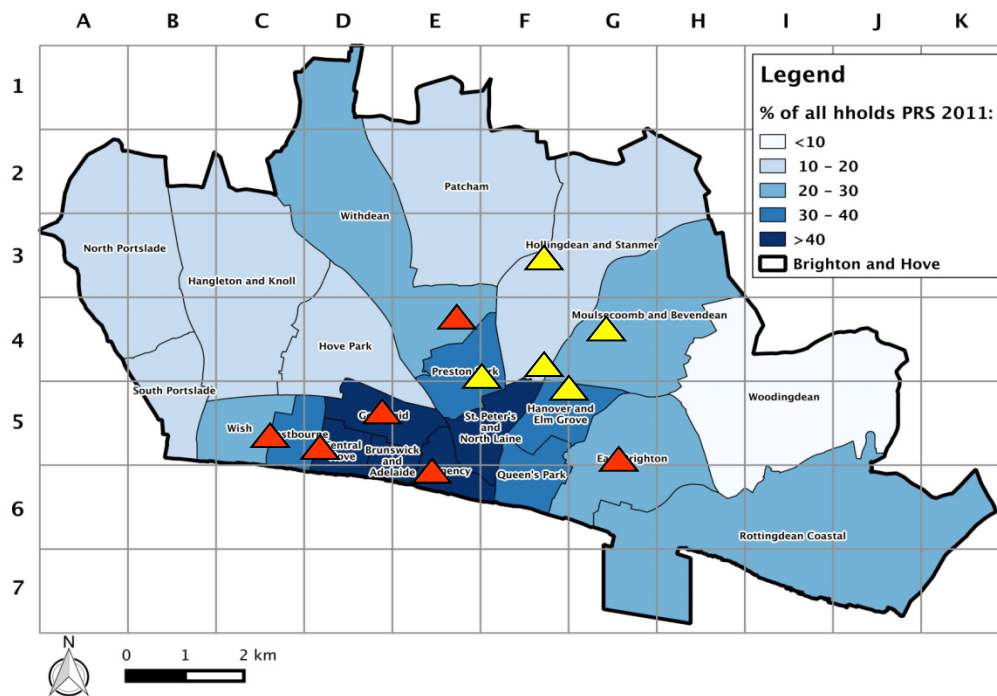


Figure 4: Wards where Additional Licensing has been introduced: Key: Red 2015; Yellow 2012

3.2 Wards covered by Additional Licensing

Figure 4 shows the present coverage of Additional Licensing in Brighton & Hove. Since 5th of November 2012 it has been applied in five wards and from 2nd of November 2015 in a further seven wards. As can be seen these wards substantially cover the city core and sea front. The wards include in the scheme are given below.

(a)

- Hanover & Elm Grove
- Moulsecoomb & Bevendean
- St Peter's & North Laine
- Hollingdean & Stanmer
- Queen's Park

(b)

- Brunswick & Adelaide
- Central Hove
- East Brighton
- Goldsmid
- Preston Park
- Regency
- Westbourne

4. Housing conditions and anti-social behavior

4.1 Data availability

Notwithstanding recently changed rules on Selective Licensing which have already been touched upon in relation to deprivation and migration, in this section we focus on characteristics of incidents that derive from households. These can be bracketed under two headings: 1. Housing conditions and 2. Anti-social behaviour (ASB).

For the first category, we found that there were no direct data available on housing conditions at a household level but there were suitable proxies available. The most important were requests for assistance (RFA) which is a Council provided service to the private residential sector. This service deals with a range of problems including disrepair, utility disconnections, public health issues, rubbish accumulation, unlicensed HMOs and safety concerns.

Related to this data is information on pest infestations for which there exists a separate data source and so this was also used. Apart from this we were also given data on fires in dwellings. Although small in number we were able to show that these tended to occur more often in HMOs than other tenancy types so was relevant to this research.

Under the second heading, DCLG guidance advises that ASB is deemed to occur when it falls into one of three categories:

- **Crime:** Tenants not respecting the property in which they live, including vandalism, criminal damage, and robbery/theft or car crime
- **Nuisance neighbours:** Noise, nuisance behavior, animal-related problems, vehicle-related nuisance etc.
- **Environmental crime:** Graffiti, fly-posting, fly-tipping, litter around a property

Because ASB may be communicated in more than one way to the responsible authorities, there could be some overlap between Police and Council reported noise incidents although it is not possible to establish the extent to which this may have occurred as data are recorded differently and so are inconsistent.

Council sourced data usually show the date and location of the occurrence and the nature of the complaint. Complaints that are sourced to residential addresses rather than a locale and so are almost certainly domestic in origin whilst others originate from external sources such as a building site.

Police data by contrast are highly aggregated at ward level and categorized in different ways. In addition, not all Police related ASB can be sourced to residential addresses since some of it relates to pubs or clubs, vehicle nuisance and general rowdy behavior on the streets.

This is an important point since there is a perceived problem for example that noise related ASB relating to pubs and clubs could be wrongly blamed on local residents. We therefore split the data into three sub-categories: 1. Rowdy behaviour; 2. neighbour-related rowdy nuisance and; 3. 'other'.

Separately recorded data was provided on 'waste' covering fly-tipping, street litter, waste accumulation and foul or filthy residential properties. Based on the data that could be verified, less than 10% could be traced directly to households.

In what follows we analyze time series and trends in four different categories starting with ASB using the best of the data provided. They are Police recorded ASB, Council related noise complaints, RFAs and pest call outs. In each case the data are presented on a quarterly basis from April 2013 onwards and separately analyzed.

4.2 Patterns and trends arising

We now consider each in turn.

1. Police ASB

Police categorise ASB in various ways not all of which relate to residential properties. Examples include vehicle related ASB, drug and solvent mis-use and prostitution. Figure 5 shows the trend in each of the three categories from April 2013 at regular intervals.

The results show that ASB in any one of the categories is strongly seasonal with summer peaks in July and August. However, it is noticeable that these peaks are much more extreme in the rowdy behaviour category and so are probably holiday or day-tripper related.

Whereas general rowdy behaviour is declining over time, nuisance behaviour by neighbours has been steady at between 250 to 300 incidents per month. It falls into a similar pattern to the third 'other' category which relates to a miscellaneous collection of incidents.

If all the incidents are then analysed by time of day all three categories demonstrate a similar build up during the day and a quiet period in the early hours of the day. However it is noticeable that incidents in the rowdy neighbour category tend to peak between 10pm and 1am.

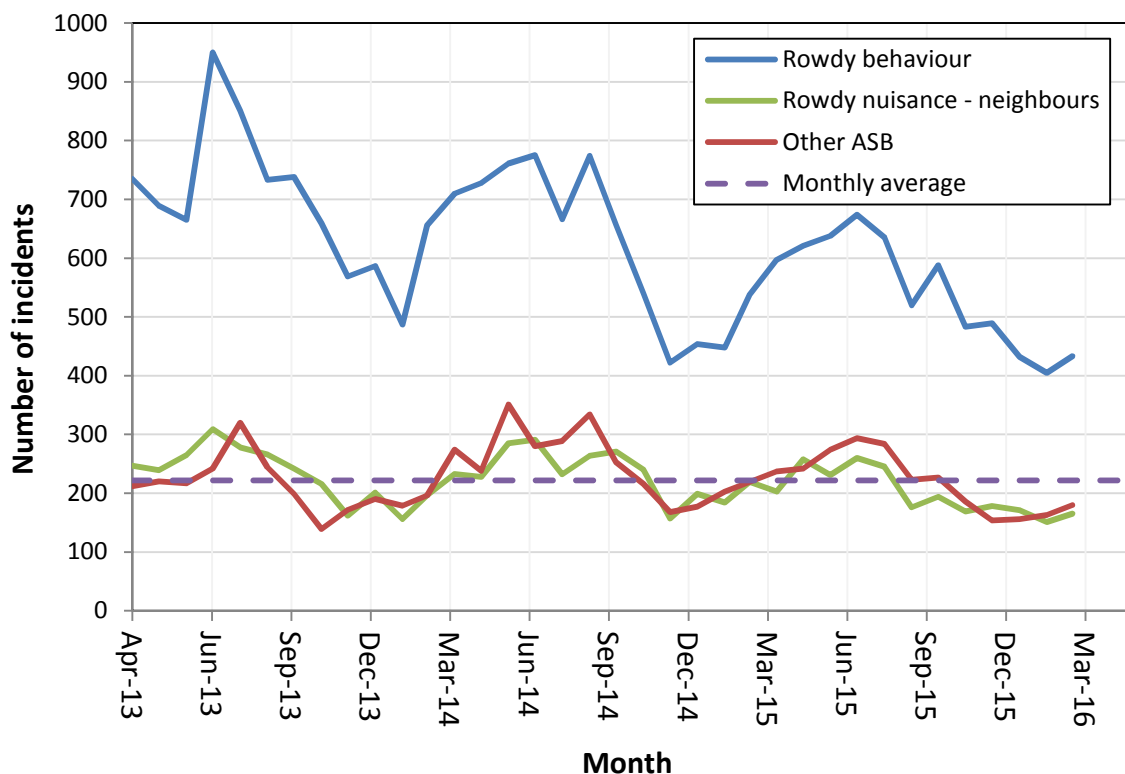


Figure 5: Police reported ASB incidents split by major category from April 2013

2. Council related noise complaints

Figure 6 shows the trend in Council reported noise incidents. Noise complaints average about 350 per month, are seasonal and cover all tenures. We found evidence of a slight decline in incidents in recent years as shown in the chart.

Setting that issue to one side, the main finding is that over 56% of noise complaints related to music and parties. Other sources of noise disturbance were spread thinly with machinery accounting for 9% and animals only 4%.

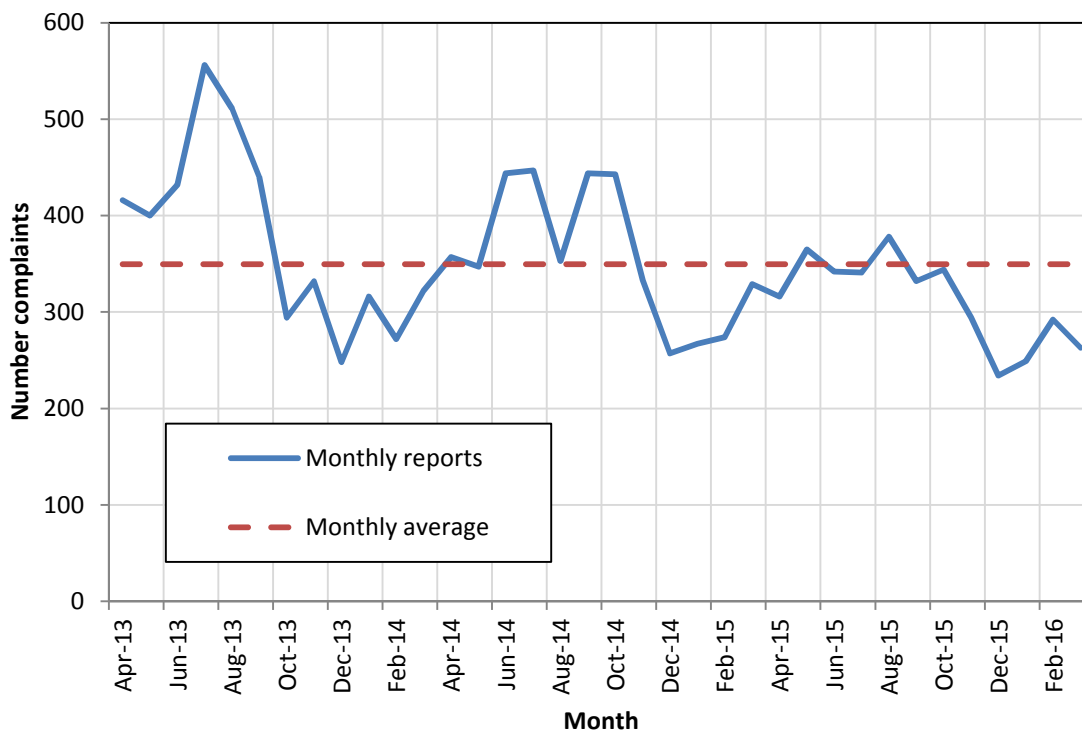


Figure 6: Council reported noise incidents from April 2013

3. Requests for Assistance (RFAs)

RFAs emanate from the private housing sector – either privately rented or owner occupied. Figure 7 shows that there are on average about 80 such requests a month. Unlike the previous examples RFAs tend to peak in autumn and winter months.

Our analysis of the data found that the largest category of call is related to disrepair or rubbish nuisance. This accounted for 33% of all requests. Also of interest, because it relates specifically to privately rented properties, is that 24.6% of requests came from already licensed HMOs.

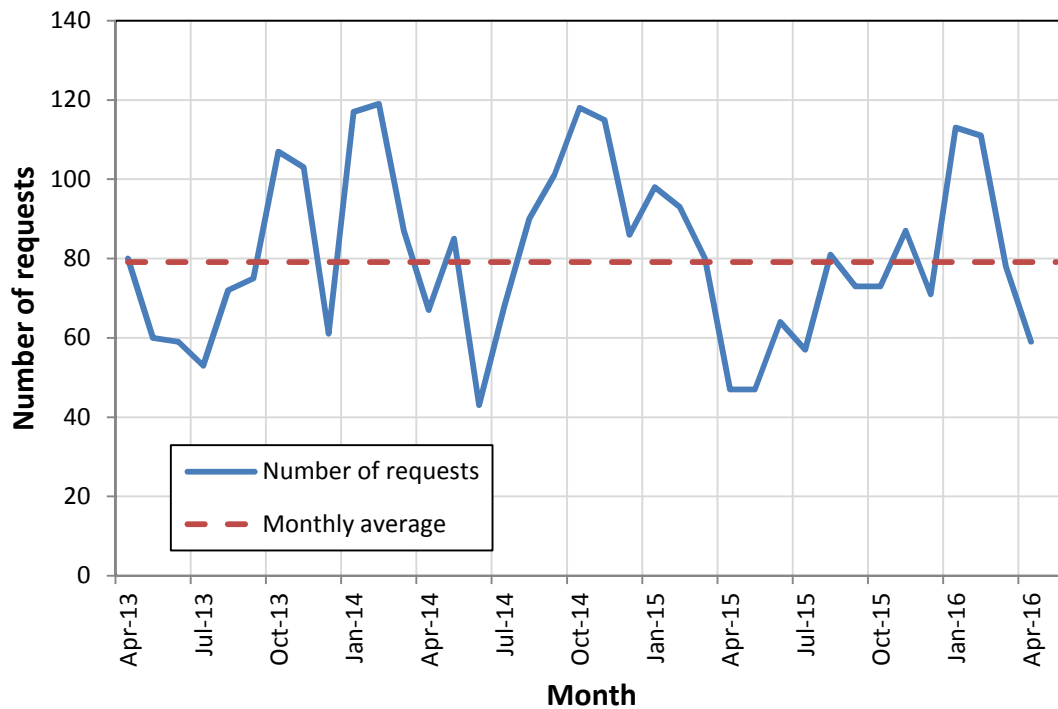


Figure 7: Requests for assistance (RFAs) from April 2013

4. Pest control call outs

Pest control services regulate the populations of pests such as rats and insects and are essential for maintaining properties and protecting the public. Figure 8 shows that there are slightly fewer than 100 call-outs per month on average. However, the pattern tends to be irregular with peaks generally occurring in summer. The data show a slight increase over time with a noticeably high peak in August 2014. An analysis of the reasons for call outs shows that 90% are related to mice and rat infestations and 10% to insects.

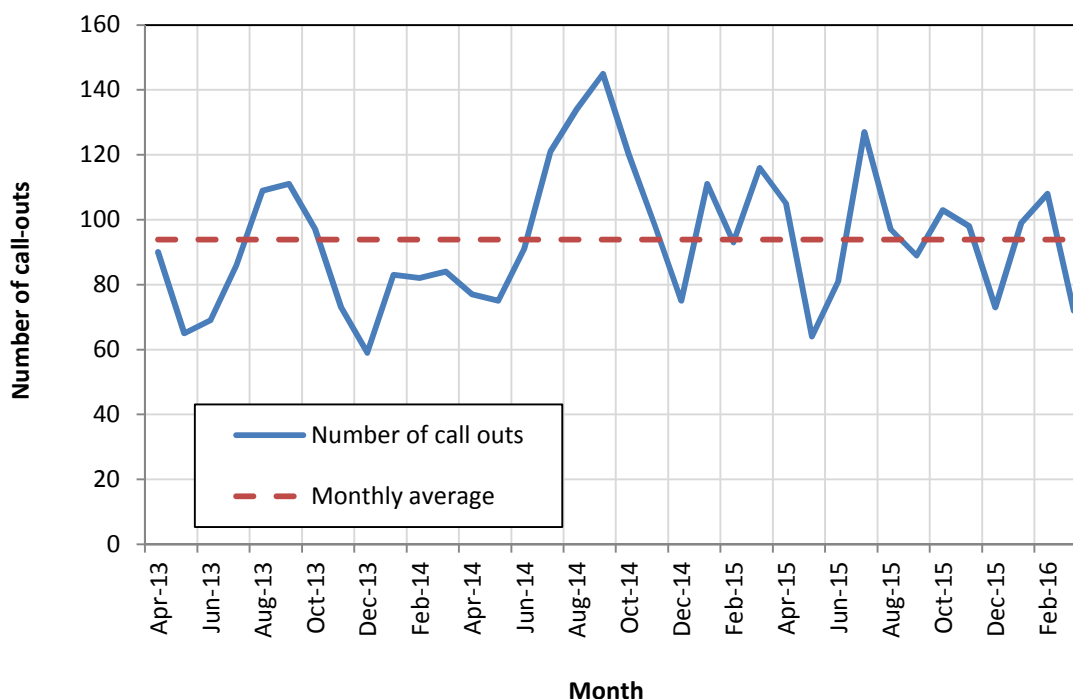


Figure 8: Pest control incidents from April 2013

5. An analysis of housing conditions at the property level

5.1 Risk ladders

We have previously noted that because there is a correlation at ward level between, say, poor housing conditions and private renting, it does not necessarily mean that private renting is to blame. In this section, we develop the concept of a risk ladder to quantify the association between specific risk factors and housing conditions at an individual property level in order to identify if private renting is culpable. This is a much more accurate approach since it avoids averaging across highly differentiated areas of mixed tenancy.

A risk ladder is a table that enumerates all possible combinations of risk factors, quantifies the number of households exposed to each risk factor combination, and the incidence of RFAs, which we use as a proxy for housing conditions (see previous section). For the purposes of this analysis a request for assistance is deemed to occur if there has been at least one request. RFAs can cover a multitude of circumstances from disrepair and waste to utility problems and overcrowding.

In general we find that the typical risk factors that are predictive of poor housing conditions typically re-inforce one another where they occur together (e.g. a noise complaint at the same address, or something else to do with the property). How predictive these risk factors are of housing conditions depends on how many properties share these characteristics. The information is useful since it can result in a more targeted and joined up action to improve housing conditions including the use of selective licensing. However, first we have to consider whether or not a link exists.



At this stage in the analysis we only had information on a relatively small subset of the private rented sector – essentially licensed HMOs and properties purchased under the Right to Buy Scheme and then potentially sub-let (used as a comparator). After some experimentation using different risk factors taken from all address based data sources, a smaller number of the most predictive factors were selected and analysed in depth.

These risk factors are whether a property is a known HMO or not, the benefit status of the property (i.e. eligibility for Housing Benefit or Council Tax Reduction and a proxy for low income), if it has been the subject of a pest call-out or there had been any noise complaints (a proxy for ASB). Based on these definitions, we analysed data from 114,156 privately owned properties in all. Our results are shown in Table 2.

5.2 Results

Column two of Table 2 lists the number of properties exposed in each risk category; the next four columns show whether or not a risk factor applies in that risk category (denoted by ‘Y’). Risk categories have been ranked from high to low according to percentage of properties requesting assistance. As can be seen, there are 16 sub-categories altogether as defined by the presence or absence of each risk factor. The last risk category in row 16 can be ignored since no properties were found that fitted these criteria.

At the foot of each column is the total number of occurrences of each risk factor, so for example of the 114,156 properties in the private sector of which 3,129 are licensed HMOs, 14,708 are benefit households, 2,300 were subject of a pest control incident and 3,092 the subject of at least one noise complaint. The average level of RFAs across all properties is 2.0% and is shown in the bottom right hand corner of the table.

At highest risk of RFAs are 22 properties in the first row which are known HMOs associated with noise complaints; 34.8% of these had made RFAs. More importantly, it can be seen that the top seven risk categories are all associated with HMOs. The largest of these is row seven for which the only applicable risk factor is HMO status. By contrast in the largest risk group comprising 92,596 properties which are *not* HMOs only 1.1% made RFAs.

Further analysis shows that an RFA is 13.2 times more likely if the property is an HMO, 2.8 times more if it is a benefit household, 1.4 times if a pest control incident and 2.4 times if subject of a noise complaint. In addition we found that these four factors statistically accounted for 86% in the variation in RFAs across all risk categories demonstrating a very high correlation.

Our main conclusion therefore is that HMOs are a key generator of RFAs. Since the risk factors are multiplicative a property is $13.2 \times 2.8 \times 1.4 \times 2.4$ times = 129 times more likely to request assistance if it is an HMO, a benefit household, the subject of noise complaints or a pest control incident. However, why HMOs should be so predominant in this analysis is open to different interpretations.

One could be that because they are already licensed they are somehow subjected to extra scrutiny by the Council, but a more probable explanation is that the premises are not being adequately supervised by the landlords and that tenants and neighbours turn to the council

for help rather than the landlords. If the latter is true it could be speculated that licensing is not as effective as it should be in keeping properties in good order.

In the next section we consider whether this is a more general problem across the wider private rented sector. However, in order to do this we need independent estimates of the number and type of rented properties which have not already been identified through other means.

Category	Number of properties in category	Known HMO	Benefit household (CTRS or HB)	Any pest control incident	Reported noise incident	Request for assistance %
1	23	Y		Y	Y	34.8
2	19	Y	Y		Y	31.6
3	508	Y			Y	25.2
4	178	Y	Y			21.9
5	101	Y		Y		20.8
6	5	Y	Y	Y		20.0
7	2,295	Y				15.6
8	530		Y		Y	7.4
9	204		Y	Y		4.4
10	1,965				Y	3.8
11	13,765		Y			3.4
12	40			Y	Y	2.5
13	1,920			Y		1.7
14	92,596					1.1
15	7		Y	Y	Y	0.1
16	0	Y	Y	Y	Y	n.a.
Total	114,156	3,129	14,708	2,300	3,092	2.0

Table 2: Risk ladder showing the percentage of properties making RFAs according to the risk factors given

6. Identifying the remaining private sector rented stock

6.1 Empirical basis

As previously stated, the problem is that there are no complete data on which properties among private sector housing are confirmed as rented or not although some will self-identify if for example a Council Tax student discount applies.

The only directly confirmable information is provided by already licensed HMOs of which there are 3,129⁶ plus another 2,864 which can be identified as private rented by other

⁶ Reduced to this number by including parent UPRNS only (as at August 2016)

means. This leaves around 108,163 properties of the 114,156 previously identified as comprising the private sector whose rental status is currently unknown.

The London Borough of Newham, the farthest progressed borough in terms of selective licensing, has been running an SLS since January 2013. Although no two boroughs are exactly alike, Brighton & Hove share certain similarities including a large and growing previously unregulated private rented sector, poor housing conditions in some areas, a high turnover of residents and overcrowding, coupled with an increasing population.

At the implementation stage, Newham officials visited numerous properties which it believed to be at risk of rental status. In other words there was a high likelihood that the properties in question were being lived in by rent paying tenants. These properties were flagged either as HMOs or 'single family' private rented dwellings (though occupants are not necessarily related).

Each property was linked to risk factors such as benefit status and turnover and profiled to other properties that had not yet been visited. The factors themselves are generic and are combined in a database of all private sector properties by assigning a risk score to each property which is predictive of the likelihood of a private sector property being rented or not. Properties with the highest likelihood of rental status are then flagged as such.

Unvisited properties in Newham at high risk that have not registered under the Newham scheme are selected, written to and then visited on a systematic basis. Because the methodology is probabilistic, it does not give a definitive answer as to whether a property is privately rented or not but simply a probabilistic score. However, its use in practice has resulted in around a 90% accuracy of identification.

In previous work for Newham, different combinations of risk factors were systematically analysed for their predictive power in terms of any of the three outcomes. This process resulted in the creation of different binarised sets of risk factors, one for each outcome (i.e. a risk factor was either present at an address or not).

For each risk factor the odds were calculated using the model. Four risk factors with the best predictive power were used giving rise to 16 possible risk factor combinations per address for each outcome. Odds schedules were then tabulated and are explained in the results section below.

Although the identified risk factors are highly intuitive and plausible, the analysis is not without its limitations. The sample of visited properties is rich in information but relatively small in terms of sample size and it is also based on a different London borough and not on Brighton & Hove properties. This has four possible effects on the analysis:

- First, although selected risk factors are statistically significantly different from zero at the 95% level of confidence, confidence intervals tend to be wide
- Second, not all possible risk factor combinations are observed in the Newham data collected during visits. This means that the reported odds of them being in either

category are based on the extrapolation of risk factors present in other categories which had been visited

- Third, some risk factors may overstate the effect in some cases where prior selection criteria had been used to identify a particular property e.g. where housing officers had prior intelligence they could use
- Fourth, risk factor weights in Newham may not be identical to weights in Brighton & Hove which means that risk scores could vary between the areas and neighbourhoods

Whilst the above are possible, there is no reason to suggest that they are probable or that B&H differs from Newham in respect of these risk factors.

6.2 Results

In this section we use the linked data sets to identify HMOs and single family rented properties in Brighton & Hove so as to distinguish between them as far as possible, based as closely as possible on Newham risk factor profiles. Since we are interested in profiling the tenure status of each property in the private sector we can exclude properties with known private rental tenure status. This leaves 108,163 properties.

(a) HMOs

The risk factors for identifying HMOs are as follows:

- No current CTRS (Council Tax Reduction Scheme⁷) recipient at address: A property *not* receiving CTRS is estimated to be 3.1 (1.1 to 9.1, p=95%) times more likely to be HMO status than a property receiving CTRS. A possible explanation for this is that properties receiving CTRS tend to be older person households or owner occupied rather than a landlord.
- Change in Council Tax liable account since 2014: This is proxy for ownership turnover (normally we would use a measure based on change in owners, but this was not available to us). This measure is 1.1 (0.48 to 2.6, p=95%) times more likely to be a HMO.
- At least one change in electoral roll registrants in last 12 months: Properties in which the surnames of at least one current registrant at an address were not present the previous year were estimated to be 2.1 (0.9 to 4.5, p=95%) times more likely to be HMOs than properties where there had been no changes.
- Three or more surnames on the Electoral Roll at address. Properties with three or more surnames registered at an address is estimated to be 6.9 (2.9 to 16.5, p=95%) times more likely to be HMOs than properties with three or fewer. This is the most predictive of all the risk factors selected

⁷ CTRS = Council Tax Reduction Scheme. A benefit which provides low income households with financial support for paying their Council Tax and which was previously known as Council Tax Benefit



Table 3 shows the number and proportion of properties impacted by each risk factor combination ranked from highest to lowest risk. The risk scores are obtained by multiplying the risk factor weights at the foot of the table under each risk factor. A risk score of say 23.6 in row 3 means for example that the outcome is 23.6 times more likely than if none of the risk factors were present as in row 16.

Based on the first 8 rows of Table 3 there are 14,417 properties at higher likelihood of being HMOs, excluding the group of nearly 6,000 already identified. This assessment is based on the eight risk categories with the highest scores in which all shares a high turnover of residents based on the electoral roll or at least three risk factors. All remaining properties are classed as only 'low risk' HMOs on this basis of which there are 93,746 making 108,163 private sector properties altogether excluding those previously identified.

Category	Number of households	No Recipient of Council Tax Benefit at address	One or more changes in Council Tax account since 2014	Any change in electoral roll registrants in 12 months to Dec 2015	Three or more surnames in Electoral Roll registrations at address (Dec 2015)	Risk score
1	925	Y	Y	Y	Y	48.8
2	495	Y		Y	Y	43.8
3	159	Y	Y		Y	23.6
4	353	Y			Y	21.2
5	55		Y	Y	Y	15.9
6	11			Y	Y	14.3
7	22		Y		Y	7.7
8	12,397	Y	Y	Y		7.1
9	25				Y	6.9
10	4,472	Y		Y		6.3
11	22,620	Y	Y			3.4
12	55,540	Y				3.1
13	1,238		Y	Y		2.3
14	413			Y		2.1
15	3,126		Y			1.1
16	6,312					1.0
Total	108,163	96,961	40,542	20,006	2,045	

Weights	3.06	1.11	2.07	6.92
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Table 3: Risk ladder showing the relative risk of a private property being a private sector HMO (excludes known PRS)

As an example of the risk assessment process, a property in row 1 in which 925 properties are identified as having all four risk factors is nearly 49 times more likely to be PRS than one in row 16 which has none of the given risk factors in which 6,312 properties are identified. This risk is obtained by multiplying the figure at the foot of each risk factor column together, each figure being the risk multiple for a particular risk factor – in this case 3.06 x

$1.11 \times 2.07 \times 6.92 = 48.8$.

An important finding is that if we take all known and likely HMOs based on the first 8 rows, the incidence of RFAs is 5% and noise complaints 5.7% as shown in Table 4, row A. However, if we take the bottom 8 rows in Table 3, i.e. those least likely to be HMOs, then the incidence of RFAs and noise complaints is only 1.3% and 2.0% (Table 4, row B). The ratio A/B gives an indicator of how much more prevalent RFA and noise complaints are in properties that are more likely to be HMOs. For RFAs it is 3.9 times more common and for noise complaints 2.8 times more common.

Incidence/100 properties	RFAs	noise
A: Known or most likely to be HMOs	5.0	5.7
B: Least likely to be HMOs	1.3	2.0
Multiple A/B	3.9	2.8

Table 4: Relative incidence of RFA and noise complaints in known and likely HMOs

(a) Single family rented

The risk factors for single family rented properties are as follows:

- No CTRS recipient at address: A single family privately rented household is less likely to receive CTRS but more likely to receive Housing Benefit (see below). Not in receipt of CTRS increases the odds of private rented status 1.6 (0.9 to 4, p=95%) times.
- Change in Council Tax account since 2014: This is proxy for ownership turnover (as before, normally we would have used a measure based on change in owners, but this was not available to us). This measure is 1.6 (0.48 to 2.6, p=95%) times more likely to be single family rented.
- Two or less adults at address: Two or less adults at an address are predictive of single family status rather than HMO status. It is estimated that this factor increases the odds of private family rented status 1.2 times (0.74 to 1.95, p=95%) times.
- Housing Benefit recipient at address: Rented single family households can be partly identified by their Housing Benefit status. This is by far the strongest of the four predictive risk factors, increasing the odds of identification 4.7 (2.63 to 8.00, p =95%) times.

Table 5 shows the number and proportion of properties impacted by each risk factor combination and the comparable proportion of households in each category. The column to the right shows the relative risk or likelihood score with risk categories ranked from high to low.

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As previously for HMOs, these are obtained by multiplying the risk factor weights at the foot of the table under each risk factor. A risk score of say 9.1 in row 3 means that the outcome is 9.1 times more likely than if none of the risk factors were present as in row 16. The contribution of each risk factor to the odds of private rental status is shown in the bottom row.

It is noteworthy that Housing Benefit has the most influence amongst these. It increases the odds of private rental status 4.65 times and appears in each of the top eight risk categories. Other risk factors make smaller contributions whilst the final column is obtained by multiplying the odds together to derive an overall risk score.

Category	Number of households	No Recipient of Council Tax Benefit at address	One or more changes in Council Tax account since 2014	2 or less adults at address based on ER Dec 2015	Any recipient of Housing Benefit at address	Risk score
1	977	Y	Y	Y	Y	14.3
2	591	Y	Y		Y	11.9
3	1,225	Y		Y	Y	9.1
4	2,758		Y	Y	Y	8.8
5	410	Y			Y	7.6
6	1,671		Y		Y	7.3
7	5,545			Y	Y	5.6
8	1,064				Y	4.7
9	23,640	Y	Y	Y		3.1
10	10,893	Y	Y			2.6
11	43,752	Y		Y		2.0
12	9		Y	Y		1.9
13	15,473	Y				1.6
14	3		Y			1.6
15	140			Y		1.2
16	12					1.0
Total	108,163	96,961	40,542	78,046	14,241	

weights	1.63	1.57	1.20	4.65
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Table 5: Risk ladder showing the relative risk of a private property being a private sector single family dwelling

Table 6 shows that the incidence of RFAs and noise complaints is 5.8% and 6.0% in properties more likely to be single family rented based on the first eight rows of Table 5, and is therefore similar to levels found in HMOs. Furthermore, RFAs and noise complaints are 2.4 times and 1.5 times more common in ‘high risk’ single family rented properties than in ‘low risk’ single family rented properties (see bottom row of Table 6, A/B).



Incidence/100 properties	RFAs	Noise
A: More likely to be single family rented	5.8	6.0
B: Less unlikely to be single family rented	2.4	4.0
Multiple A/B	2.4	1.5

Table 6: Relative incidence of RFA and noise complaints properties more likely to be single family rented

To put a scale on the findings the results suggest that there are 14,241 Single Family rented properties in the top eight risk categories all of which claim Housing Benefit and 93,922 in the bottom eight ‘low’ risk categories. This compares with 14,417 higher probability HMOs identified in Table 3 and so we infer that there are roughly equal numbers of each.

However, these figures exclude 5,993 known PRS properties which include mandatory licensed HMOs and properties identified from other data. If we assign these to the HMO stock in Table 3, this brings the total number of HMOs to 20,410 properties and single family rented 14,421 giving a combined total of 34,651 properties in the PRS.⁸ Note however, that this is an upper limit since there will be some double counting in combining Table 3 with Table 5.

7. Ward level analysis and options appraisal

7.1 Ward level analysis of risk factors and the PRS

In this section we analyse patterns of ASB and housing conditions at ward level using both ward and linked household level data. The results we obtain are consistent with earlier analysis. By re-analysing the results the Council will be able to translate the findings in to different areas and neighbourhoods. Examples of how to do this and the implications are provided.

We repeat the earlier caution that because there is a correlation between private tenure and ASB at a ward level it does not necessarily imply cause and effect, only association. The GIS map on the other hand, shown later, uses property level information and so it is reasonable to infer causality in this case.

At ward level we compared the percentages of all properties that were previously identified as being highly likely to be in the private rented sector with the density of ASB and poor housing conditions. Table 7 contains the results.

Each ward is ranked according to the size of the PRS from high to low (1 being the highest ranked ward and 21 the lowest). Each of the 8 indicators is ranked similarly. A final column provides an overall ranking based on the eight indicators in order to derive an overall assessment of the risk factors in each. Note that some wards are tied.

⁸ The known PRS stock comprises 3129 licensed HMOs and 2,864 properties with Council Tax student discount or a ‘non-residential’ owner.

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Shaded cells are wards belonging to one of the 12 Brighton & Hove wards which already operate AL. The two bottom rows are correlation measures that range from -1 (negatively correlated) to +1 (positively correlated) to indicate the degree of correlation between the ranked information based on the risk factors with the size of the PRS in each ward.⁹ For example, it finds that there is a +0.92 correlation between the size of the PRS and HMO dwelling fires.

The following additional points can be made:

- Eleven of the top ranked wards for poor housing conditions and ASB all operate AL. This could suggest that AL has not had the desired effect – probably because it only applies to a small fraction of the private rented stock in each area.
- The results confirm that the core area of Brighton & Hove centred on the seafront contains most of the risk factors although there are at least two important outliers such as Moulsecoomb & Bevendean and Hollingdean & Stanmer which we discuss further below.
- St Peters & North Laine scores highly on most measures. Hove Park, an affluent area of Brighton & Hove, is lowest on most measures. The fact that pest control is ranked higher in Hove Park than in St Peter’s could mean that Hove Park are more likely to take action when infestations occur.
- There is generally a medium to high positive correlation between the relative size of the PRS in each ward and the relative incidence of risk factors including poor housing conditions and ASB. RFAs, noise complaints and dwelling fires are good examples of this.

⁹ The correlation coefficient used is based on Spearman’s rank coefficient which is designed for use with ranked data. $\rho = 1 - \frac{6D}{n(n^2 - 1)}$, where D is the sum of the squared differences in ranks between x and y and n is the number of wards.

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Ward no.	Ward name	PRS ward rank	Police ASB	Council ASB	Noise complaints	Pest control	RFA	Waste	Dwelling Fires	HMO Fires	Rank of ranks
1	Brunswick & Adelaide	2	8	5	8	20	5	17	4	1	7
2	Central Hove	6	7	8	9	21	7	16	12	3	10
3	East Brighton	10	5	13	7	16	12	4	1	10	7
4	Goldsmid	4	17	18	12	18	11	18	11	6	14
5	Hangleton & Knoll	16	11	11	11	13	17	12	18	18	14
6	Hanover & Elm Grove	7	10	7	5	17	2	3	7	9	6
7	Hollingdean & Stanmer	14	4	6	4	10	6	5	8	13	4
8	Hove Park	19	21	21	21	3	20	20	21	17	21
9	Moulsecoomb & Bevendean	12	6	9	6	8	3	1	5	15	3
10	North Portslade	20	16	14	17	11	16	14	10	19	17
11	Patcham	18	15	16	16	2	21	13	15	19	17
12	Preston Park	8	13	20	10	12	10	11	13	8	12
13	Queen's Park	5	3	3	3	19	8	10	3	7	4
14	Regency	3	1	2	2	15	4	8	6	2	2
15	Rottingdean Coastal	11	18	17	19	5	18	19	19	16	20
16	South Portslade	17	9	4	15	1	14	6	14	14	9
17	St. Peter's & North Laine	1	2	1	1	7	1	2	2	4	1
18	Westbourne	9	19	12	13	14	9	7	9	5	11
19	Wish	15	12	10	14	9	13	15	20	12	13
20	Withdean	13	20	19	20	6	15	21	16	11	19
21	Woodingdean	21	14	15	18	4	19	9	17	19	16
	Correlation with PRS		0.49	0.47	0.71	-0.69	0.78	0.15	0.65	0.92	0.62

Table 7: Wards table comparing the size of the PRS with housing conditions and ASB

7.2 Discretionary Licensing options

The evidence presented thus far has found that there is an elevated risk of ASB and poor housing conditions in the private rented sector and that the existing Additional Licensing (AL) schemes operating in twelve wards does not seem to have made a difference to this. This appears to be in spite of improvements in the housing quality and safety to the benefit of residents among the 3,200 or so properties covered by existing schemes.

Figure 9 is a map of Brighton & Hove showing contours measuring the density of requests for assistance (RFAs) per sq. km which is built up from data at a household level. The same map also shows the density of PRS sector properties based on the analysis of the previous sections, again based on data at a property level.

As can be seen the density of PRS properties and RFAs are seen to coincide very closely, leaving no room for doubt of the close links that exist between private renting and poor housing conditions. These areas include wards already subject to Additional Licensing (AL) covering all 2 or more storey HMOs whether mandatory or not. This, together with the evidence of previous sections, suggests that the case for an extension to discretionary licensing (DL) is compelling.

In considering the options, one reason why Brighton & Hove's case is more unusual compared to other boroughs is that it covers a mixed urban-rural area. We know of at least one case of a council's application for a borough wide SLS that has been turned down because residential density was low and incorporated much green space.

Whether Brighton & Hove has a strong enough case to apply SLS to the whole area is therefore open to question and needs careful analysis. A further complication is that neither rental hotspots nor RFAs strictly follow ward boundaries, but clearly they bunch in some wards more than others. This could mean that some wards considered for SLS may need to be split in some way.

These possibilities are acknowledged in the four options below. Each is now reviewed in turn:

Option 1 is to extend SLS to the whole of Brighton as delineated by the Brighton & Hove boundary and extend AL to all remaining wards. This has the merit that it would deal with all the main housing issues in 'one go'; however, a key issue is that it includes rural and sparsely populated areas which do not meet DL criteria which could mean that it is unlikely to succeed.

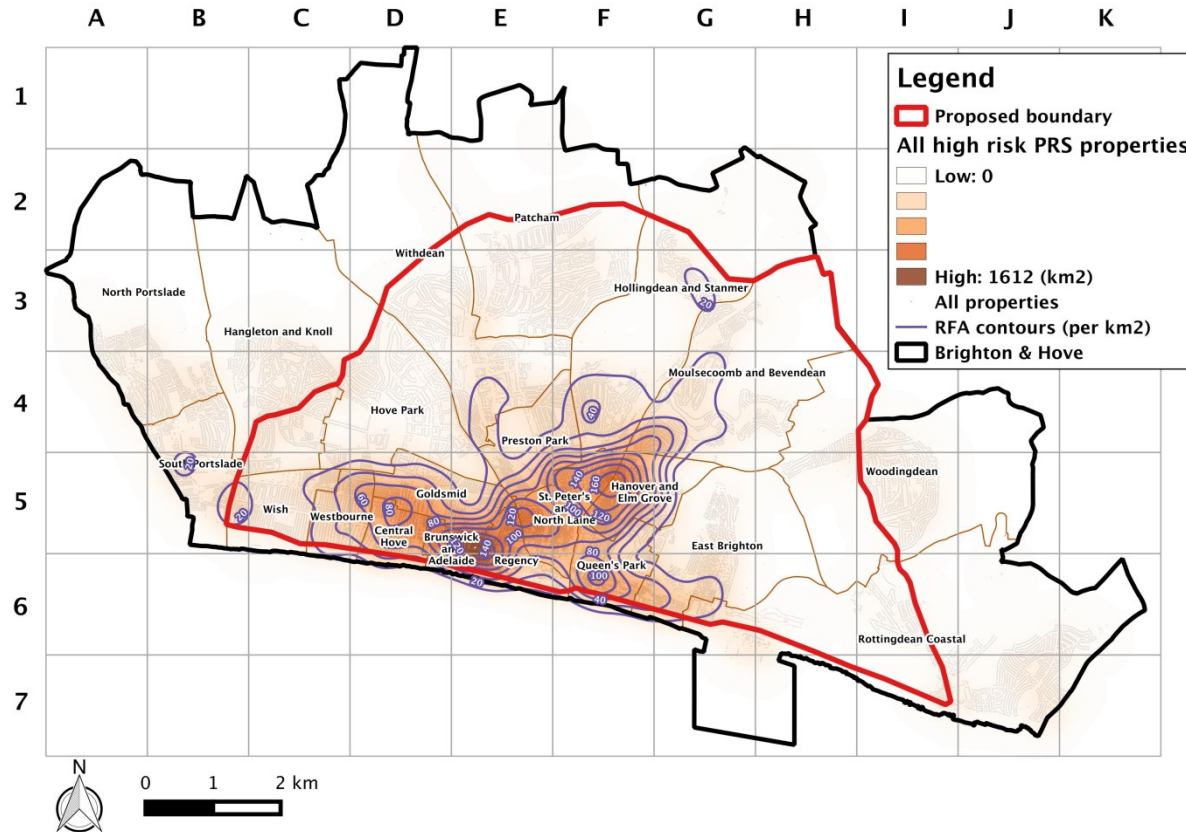


Figure 9: Map of Brighton & Hove showing contours of RFAs (proxy for poor housing conditions), the scope of the built up area, hotspots of private renting, ward boundaries and a possible delineated boundary for an SLS scheme which is not ward-based (see option 3 below)

Option 2 would be to introduce SLS where it is justified and extend AL city-wide. This would allow the council to target the scheme and make sure that DL criteria for introducing SLS are met. This is important because extending AL city-wide, by itself, may not be sufficient as many of the new wards are quite affluent and so the hoped for effects could be diluted. One possibility could be to select SLS wards in which PRS hotspots and poor housing conditions coincide. This is not an exact process since some wards fully meet this criterion and some only partly and so an element of judgment is involved.

Based on Figure 10, an enlarged version of Figure 9, those wards fully or partly meeting this criterion appear to include the following: Brunswick & Adelaide, Central Hove, Goldsmid, Hanover & Elm Grove, Queen's Park, Regency, St. Peter's & North Laine, Moulsecomb & Bevendean, Hollingdean & Stanmer, Westbourne and Preston Park. This option would require SoS approval.

If the lesser affected wards of Moulsecomb & Bevendean, Hollingdean & Stanmer, Westbourne and Preston Park were excluded, this option would cover around 17% of the whole private rented sector and 10.5% of the Brighton & Hove area and so no SoS approval would be needed in this case. However, Moulsecomb & Bevendean and Hollingdean & Stanmer, are ranked 3rd and 4th respectively for poor housing conditions and ASB (see table in Option 4).

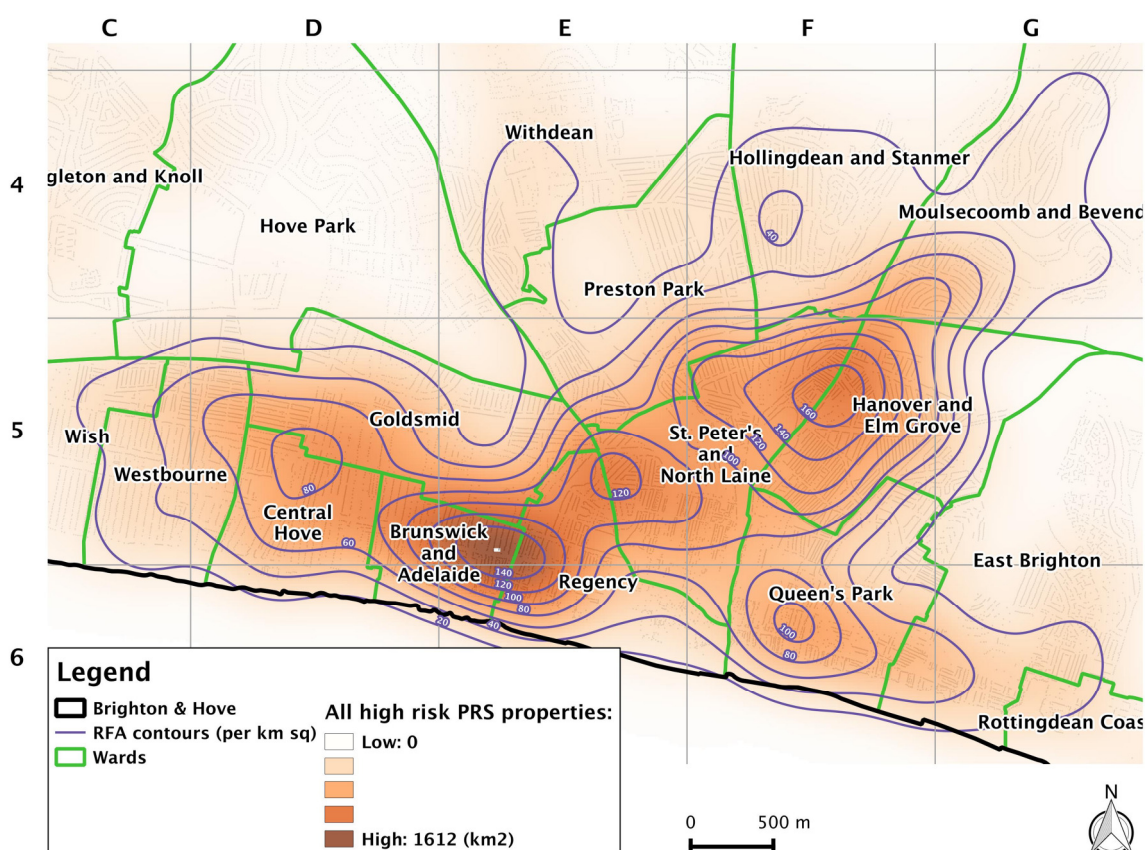


Figure 10: Map showing concentrations of poor housing and private renting in central Brighton wards

Option 3, like option 2, involves implementing SLS where justified and to extend AL city-wide. The main difference between this option and option 2 is that the SLS area is delineated by artificial rather than ward boundaries e.g. road. It is not necessary that wards should be the unit of accounting for the introduction of SLS, although this has been the chosen route by Brighton & Hove to date.

To illustrate the concept, a red boundary line has been overlaid on the map in Figure 9 which is delineated by the A27 in the north and the seafront in the south. To the west the boundary follows the A2038 and to the east the B2123 Falmer Road. This covers an area of 43 square kilometres and equates to 50% of the whole Brighton & Hove area and about 90% of the PRS. This option would still need to be referred to the SoS but at least it deals with the problem of low density and green space and so is more likely to meet DL criteria.

Option 4 combines elements of options 2 and 3 and include both city-wide AL and SLS in selected wards limited to the SoS 20% criteria. SLS would apply to private rented properties that are not HMOs in areas selected according to their co-incidence with poor housing conditions and ASB. Whilst this option does not tackle all of the areas of need as suggested by the evidence, it is an illustrative option should the council wish to consider piloting a smaller scheme within the SoS thresholds before deciding on a wider roll-out.

For this option it is important to know at what point or points the 20% thresholds are breached. This leads to two types of SLS scheme: those which are more comprehensive but need SoS approval and schemes that do not. Our analysis of this option is set out in Table 8. In it, all Brighton & Hove wards are ranked from high to low based on poor housing conditions and ASB. The ward ordering has been reproduced from the analysis and shown in the final column of Table 7 (note that some wards are tied).

Due to the difficulty of combining census data from 2011, council data and modelled data on tenure from 2016, the estimates can only be considered approximate.

The columns show:

- Estimates show the number of private rented properties in each ward based on the 2011 Census (Col A)
- The number of licensed Mandatory and Additional HMOs in each ward (Col B)
- The estimated number of most likely single family rented properties which would potentially fall under an SLS scheme based on earlier the estimates in section 6.2 (Col C)

Further columns show

- The cumulative area of each ward as a percentage of the whole of Brighton & Hove
- The cumulative percentage of Single Family PRS properties wards expressed as a percentage of the whole PRS (Col A)
- Wards already subject to Additional Licensing (final column)

The results show that the first five wards cover 20.7% of the area but only 11.9% of the PRS.¹⁰ It is doubtful that this option would meet the needs of the council but it is modifiable if larger wards are omitted or somehow truncated using suitable boundaries such as streets.

Suffice it to say that if Moulsecoomb & Bevendean Hollingdean & Stanmer were omitted it would be possible to include the first eleven wards and meet both conditions. These would extend the wards in option 2 but would not include Goldsmid. Other options are possible using this table as a starting point.

If a more limited version of Option 4 is taken up then the wards that would not be covered could be phased in at a later time. However, there are also other potential complications on which legal advice may also be necessary relating to when existing schemes are scheduled to end and new ones begin. If an Additional Licensing scheme comes to an end these properties may be deemed to fall under a selective scheme in those areas which could result in more than 20% of PRS properties being covered. National guidance is clear that new schemes breaching the 20% threshold need SoS approval but not when an existing smaller scheme expands through other factors. We are not qualified to express an opinion on this which is why independent legal advice should be sought if this option is pursued.

The above analysis might suggest therefore that a limited scheme staying within the 20% rule may not be viable in achieving the Council's strategic aims, although further analysis might help e.g. sub-dividing some of the larger wards on the periphery of the central area.

Wards ranked by housing conditions and ASB	Ward	(A) Private Rented Sector	(B) of which licensed HMOs	(C) of which estimated SF	Ward area (sq kms)	cumulative area as % of B&H	cumulative SF as % of PRS	Wards covered by AL
1	St. Peter's and North Laine	4,227	664	1,269	1.43	1.7	3.7	Y
2	Regency	3,400	80	768	0.95	2.8	5.8	Y
3	Moulsecoomb and Bevendean	1,420	885	623	5.83	9.6	7.4	Y
4	Hollingdean and Stanmer	965	322	671	7.42	18.3	9.2	Y
4	Queen's Park	3,025	224	1,018	1.28	19.8	11.9	Y
6	Hanover and Elm Grove	2,348	770	801	1.41	21.5	14.1	Y
7	Brunswick and Adelaide	3,436	60	836	0.56	22.1	16.3	Y
7	East Brighton	1,497	44	805	4.1	26.9	18.4	Y
9	South Portslade	661	5	584	1.92	29.2	20.0	
10	Central Hove	2,863	38	800	0.8	30.1	22.1	Y
11	Westbourne	1,553	20	696	1	31.3	24.0	Y
12	Preston Park	2,137	94	703	1.67	33.2	25.8	Y
13	Wish	959	8	517	1.53	35.0	27.2	
14	Goldsmid	3,393	54	1,006	1.41	36.7	29.9	Y
14	Hangleton and Knoll	682	2	624	7.24	45.1	31.6	
16	Woodingdean	385	-	374	8.44	55.0	32.6	
17	North Portslade	434	-	487	6.1	62.2	33.9	
17	Patcham	644	-	361	8.08	71.6	34.8	
19	Withdean	1,413	10	514	8.12	81.1	36.2	
20	Rottingdean Coastal	1,435	5	536	12.55	95.8	37.6	
21	Hove Park	641	6	248	3.56	100.0	38.3	
Total		37,518	3,291	14,241	85.4			

Table 8: Ward selection ranked in order of poor housing conditions and ASB

¹⁰ Note that there is more than one way of calculating 20% of the PRS. In this case we express it as a percentage of all private rented properties at the time of the census whether licensed or not. Legal advice should be sought on this point if it is decided that other methods are more appropriate.

8. Conclusions

The terms of reference of this research were firstly to investigate whether there is evidence that indicates a need for the implementation of a further discretionary licensing scheme across the whole, or part(s), of the private rented sector in Brighton & Hove.

Secondly, if the research outcome found there is evidence to indicate a need for further discretionary licensing, the report is to contain recommendations relating to which type of licensing is indicated, and in which area or areas.

The evidence of this research points to a strong case for extending discretionary licensing for three reasons. Firstly the data show that private renting continues to grow as a proportion of the total housing stock and that owner occupation is declining.

Since the evidence points to a link between poor housing conditions, it means that they could be further compromised depending on the types of tenants and landlords living and operating in Brighton & Hove in the future over which the Council has little control.

Secondly the introduction of Additional Licensing in 12 current wards does not, as yet, seem to have made much of an impact on different forms of ASB, although it has led to quality and safety improvements in about 3,000 homes. On the other hand police reported ASB in categories unrelated to private residences seems to be in decline.

We also found that HMOs are more likely to be subject to requests for assistance (a proxy for poor housing conditions – see text) than other rented properties. In addition, single family rented properties also appear to be problematic in this regard because their landlords are unregulated and poor housing conditions and ASB are also more common.

The third and most important reason is that the currently licensed sector covers only a small fraction of the total private rented sector (approximately 9%) and even if housing conditions in this sector could be brought up to the required standard there would still be a much larger problem to resolve.

Four options for extending discretionary licensing were presented: 1. A city-wide Selective Licensing and Additional Licensing Schemes; 2. Selective Licensing Schemes where they are justified delineated by ward boundaries and a city-wide Additional Licensing; 3. A Selective Licensing Scheme delineated by designated roads with city-wide Additional Licensing; 4. A Selective Licensing Scheme limited to the 20% rule and city-wide Additional Licensing. The pro's and con's of these options are summarised in Table 9 below:

If the discretionary scheme is based solely on extending Additional Licensing to the whole of Brighton & Hove then this would only cover HMOs and not the large single family private rented sector. The concern is that the currently licensed areas already cover the most troublesome wards and so extending the scheme to the suburbs may not result in the hoped-for improvements.



Option	Pros	Cons
1. City wide SLS delineated by the Brighton & Hove boundary	Would contain the whole of the PRS regardless of whether HMOs or single family properties	Includes rural and sparsely populated areas which do not meet DL criteria. Needs approval from SoS.
2. SLS where needed + city-wide AL (delineated by ward boundaries)	Would contain all HMOs and also single family private rented properties in SLS designated areas	Could exceed 20% SoS rule depending on which wards included. Excludes single family PRS in less dense areas
3. SLS where needed + city-wide AL (delineated by artificial rather than ward boundaries e.g. road)	Would contain almost the whole PRS but mainly focus on built-up areas	Similar to Option 1, but reduced to cover main built up area. It would include more than 20% of the area and so need SoS approval, but would be more likely to meet DL criteria.
4. SLS limited to 20% rule + city-wide AL (delineated by ward boundaries)	Would contain all HMOs and there would be no need for SoS approval	Similar to Option 2 but subject to the 20% rule based on no more than 20% of area or 20% of PRS. May be difficult to apply and at same time meet council aims. This option would not tackle all those areas with an identified need so whilst benefiting those specific areas, it would not have as much of a citywide impact

Key: PRS- Private Rented Sector; SoS – Secretary of State; DL – Discretionary licensing; AL - Additional Licensing; SLS – Selective Licensing Scheme.

Table 9: Summary of main options and their pros and cons

Selective Licensing on the other hand would cover all private renting in the areas where it is introduced that are not HMOs. This should lead to greater improvements provided the scheme is properly funded and enforced. If this is to be the way forward a decision is needed on whether to cover the whole area and apply for SoS permission or to stay within the 20% rule.

Qualitatively speaking, Option 1, to extend SLS city-wide looks ambitious since DL rules would not be able to be met in more rural and affluent areas; Options 2 and 3 implementing SLS where it is justified is feasible and would include most of the affected areas; Option 4 offers an approach to select wards individually, basing selection on the neediest wards but it may be difficult to get the coverage required without breaking the 20% rule or sub-dividing some of the larger wards.



Annex A: Housing tenure by ward (Source: 2011 Census)

No.	WARD_NAME	Owner occupied	Social Housing	Private Rented Sector	Total
1	Brunswick & Adelaide	2,105	334	3,436	5,875
2	Central Hove	2,305	209	2,863	5,377
3	East Brighton	2,286	2,778	1,497	6,561
4	Goldsmid	3,985	577	3,393	7,955
5	Hangleton & Knoll	3,809	1,519	682	6,010
6	Hanover & Elm Grove	3,325	828	2,348	6,501
7	Hollingdean & Stanmer	2,555	1,770	965	5,290
8	Hove Park	3,385	60	641	4,086
9	Moulsecoomb & Bevendean	2,316	2,156	1,420	5,892
10	North Portslade	2,948	751	434	4,133
11	Patcham	4,512	641	644	5,797
12	Preston Park	4,002	358	2,137	6,497
13	Queen's Park	2,725	2,232	3,025	7,982
14	Regency	2,000	330	3,400	5,730
15	Rottingdean Coastal	4,713	211	1,435	6,359
16	South Portslade	2,642	600	661	3,903
17	St. Peter's & North Laine	3,323	1,059	4,227	8,609
18	Westbourne	2,668	405	1,553	4,626
19	Wish	2,696	470	959	4,125
20	Withdean	4,660	235	1,413	6,308
21	Woodingdean	2,875	664	385	3,924
22	Total	65,835	18,187	37,518	121,540