Private Rented Sector Licensing: Brighton & Hove City Council (B&HCC)

Councillor's report

March 2022

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Glossary

Acronym / Abbreviation	Definition
ASB	**Anti Social Behaviour**. Behaviour related to a rented property that causes annoyance and irritation to neighbours and the community. Most commonly noise, litter and waste.
B&H	**Brighton and Hove**
B&HCC	**Brighton and Hove City Council**
BC	**Borough Council**
Cat 1 hazard	**Category 1 hazard**. A serious or immediate risk to a person's health and safety that is related to housing
Cat 2 hazard	**Category 2 hazard**. A less serious or less urgent risk that can still be regarded as placing the occupiers' health, safety and welfare at risk
CC	**County Council**
DC	**District Council**
DLUHC	**Department for Levelling Up, Housing and Communities**
EPC	**Energy Performance Certificate**. A property's energy efficiency rating.
HHSRS	**Housing Health and Safety Rating System**. A government prescribed system that rates housing hazards based on their risk to occupiers' health, safety and welfare.
HMO	**House(s) in Multiple Occupation**. Residential properties where 'common areas' exist and are shared by more than one household.
IMD	**Indices of Multiple Deprivation**. A dataset produced by the government to give a relative value to how deprived an area is, compared to the rest of the country.
JR	**Judicial Review**. A type of court proceeding in which a judge reviews the lawfulness of a decision or action made by a public body.
LA	**Local Authority**
NAO	**National Audit Office**
NRLA	**National Residential Landlord Association**. A membership organisation supporting and representing private residential landlords.
PRS	**Private Rented Sector**
PRSL	**Private Rented Sector Licensing**
PSH	**Permanent Supportive Housing**. A service combining affordable housing assistance with voluntary support services to build independent living and tenancy skills of chronically homeless people.
SL	**Selective Licensing**. A local scheme which requires landlords to have a licence to legally let their property to a family or two sharers.
SOS	**Secretary of State**
UPRN	**Unique Property Reference Number**. A unique alphanumeric identifier for every spatial address in Great Britain, available via the Ordnance Survey.

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Purpose

This report:

- Informs Brighton and Hove City Council's **(B&HCC) approach and next steps to selective licensing** and the investment decisions around gathering robust evidence to justify the need for a scheme.

- **Illustrates what is needed for an effective scheme and the application to DLUHC** (if required,) and the possible licensing journey.

- **Outlines why the Private Rented Sector (PRS) licensing is relevant to B&HCC, which has 28% private rented properties out of the total housing sector; 37,518 properties.**

- **Highlights that the PRS is key to providing significant amounts of housing including to house some of its most vulnerable residents .** Private Rented Sector Licensing (PRSL) could be used a possible strategic tool to improve management standards in the PRS.

- **Positions property licensing, as one of several LA tools to improve management standards.** It should be the case that the scheme generates enough income to meet it own administrative costs however this may not include all the consequential enforcement costs.

- **States the widely anticipated view that PRSL will remain in place.** The government is publishing a White Paper on PRS (spring 2022) as part of its Leveling Up agenda. It looks likely that a national landlord register will be introduced, while the LA PRSL application process for larger schemes (>20% PRS by geographical area and/or stock) looks like being streamlined; though there aren't indications that it will be any less rigorous.

Background

Cadence Innova have carried out an initial review that includes:

✓ Consideration of the background and current position regarding private rented sector housing enforcement and licensing in Brighton & Hove, including previous experience of seeking Secretary of State approval

✓ Desktop review of peer local authorities' recent experiences, current government information and approach; and relevant independent studies undertaken in this area; including alternatives to property licensing

✓ Interviews with other local authorities with recent experience of seeking consent for selective licensing schemes, including local authorities who have been subject to judicial review

✓ Provision of a report to inform B&HCC next steps.

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Glossary of terms can be found on slide 2

This pack is to give a high-level overview of research into private rented sector selective licensing (PRSL) and its application to B&HCC.

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2. Private Rented Sector and Licensing Review

Following our review of papers regarding PRS, a picture of the general situation regarding housing in the private rented sector and PRSL follows.

1. **PRS renting is increasingly important to house to many different type of tenants**, including vulnerable individuals and families. **PRS is growing as a sector and will continue to do so.** In the coming months and years given economic circumstances, the pressures to improve standards in this tenure will increase. There isn't clear intelligence or data to support consensus on PRS value, with ambiguous and contradictory policy interventions. It is a complex and evolving market, prompting new understandings of what it means to rent and let property.

2. **Housing is controlled by a complex legislative** (36 legal acts) **and regulatory framework** with several Departments involved in governing PRS standards. The Government is now looking to take a more systematic and strategic approach to regulation, including the 'Exploration of a National Landlord Register.'

3. **There is general recognition for increased tenants' redress options**, such as dispute resolution services. Currently improving property standards mostly falls to individual tenants. Multiple reports underline tenants' unwillingness to complain and the barriers to tenants enforcing their rights e.g., costs and lack of awareness.

4. **Engagement with landlords helps to inform and professionalise the market**. At a local level there needs to be clear and shared views of landlord rights and responsibilities, as well as those of the tenant. Landlords are made up a wide range of individuals and organisations, with many different drivers and needs, not all of which are necessarily understood or appreciated; to keep them onboard it is important this is recognised. It should be noted that for some landlords, licensing and wider regulation is generally not seen as necessary.

5. **Proactively raising PRS standards relies on effective enforcement (which for residents outside of HMOs) can include selective licensing**. Nationally many LAs have significantly reduced their enforcement activity, alongside a doubling of PRS in some areas. Enforcement works best with local intelligence and accountability, combined with the capability to apply it. Joint working provides the intelligence and legal framework for enhanced agency partnering for effective and enhanced enforcement.

6. **It is widely anticipated that at least a version of selective licensing will form part of the Government's future PRS approach**, given the Levelling Up White Paper (2022) and its ambition for the number of non-decent rented homes to fall by 50%, (with the biggest improvements being in the lowest performing areas,) it is acknowledged that some form of enforcement will be needed along with a strategic vision for the PRS. We wouldn't expect any legislation to be enacted before 2025/26.

7. **Selective licensing scheme applications need robust up to date and benchmarked evidence** against each chosen criteria. It must demonstrate areas are worse than the national average/trends. The designations included in a scheme cannot be a political decision but the decision whether to proceed with a scheme is.

'Regulations may deliver greater levels of compliance amongst already-compliant landlords in the mainstream market but offer little protection to tenants where landlords and agents choose to act illegally.', Safer Renting - Journeys in the shadow private rented sector. A Cambridge House Research Publication, (2020).

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Private Rented Sector Licensing

Overview of PRSL schemes that are applied locally

Selective Licensing	Additional HMO Licensing	Mandatory HMO Licensing
• Applies to privately rented properties let to single family household or two sharers • Area designated by the Council • Large schemes need approval by the Secretary of State • In selective licensing areas where smaller HMOs are not covered by Additional licensing, it is possible to cover them through the Selective scheme. Legal advice would be required.	• Applies to smaller houses in multiple occupation (HMOs) let to 3 or 4 unrelated people, forming 2 or more households who share amenities such as a kitchen or bathroom. • Area designated by the Council.	• Applies to all Councils and affects large HMOs, let to 5 or more unrelated people, forming 2 or more households who share amenities such as a kitchen or bathroom.

An application to SOS is required for a scheme covering more than 20% of geographical area and/or affects more than 20% of privately rented homes.

The application process is complex, and councils must:

- Provide robust supporting evidence and producing a clear proposal identifying what is to be designated, its intended objectives and consequences
- Data must be most recently available and should be benchmarked both to national averages and (where possible) to previously approved scheme precedents. Evidenced must be at a property/ward level and demonstrate areas included, are significantly worse than national average or trends
- Demonstrate that the scheme is a part of a coordinated approach to tackle homelessness, empty properties and anti-social behaviour in the PRS
- Consider alternatives to achieve the intended objectives. Only where no other measures are available to achieve the same objectives, should the council embark on scheme
- Consult widely for a minimum of 10-weeks.

The approach to selective and additional licensing must be aligned with the overall housing strategy and coordinated with B&HCC approach on homelessness, empty properties and antisocial behaviour. Only where there is no practical and beneficial alternative to a designation should a scheme be made. The following section considers the national picture.

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3. What councils are doing PRSL and to raise standards

The PRS landscape is fragmented, there isn't an overall picture of value. Through desktop research we have found*:

1. **Limited information and data available for reporting on policy, tools and effectiveness** (NAO) with fee level, enforcement and use of PRSL devolved to Local Housing Authority's (LHAs) to administer.

2. **55 (out of 309) LHAs** had Additional and/or Selective licensing schemes across England in 2020.

3. **40 Selective licensing schemes in operation in LHAs, including 5 starting in 2 months**. (Durham, Liverpool, Luton, Manchester and Scarborough)

4. **Another 5 schemes are awaiting the consultation outcome**

5. **Due to their size (passing the 20% threshold), 11 (of the above 40) schemes have had DLUHC approval already (8 are in place and 3 recently approved, will be starting later in 2022).** It took between 4 – 17 months to gain DLUHC approval but the average overall journey from feasibility study to scheme implementation took between 15-24 months. The schemes range in size from 2,702 properties (Blackpool) to 45,000 (Liverpool).

6. 3 of the above schemes are ending in 2023, 2 ending 2024, 1 ending 2025, 1 ending 2026 and 4 ending 2027.

7. 3 (of the above 11) LHAs had previously tried to bring in large SL schemes but were rejected by the SOS (Liverpool, Redbridge) or were Judicially Reviewed (JR'd) (Enfield) . They subsequently resubmitted smaller schemes that were approved.

8. **Consultation ranged from 12 weeks to 5 months.*** Respondents ranged from 2,063 (Liverpool) to 336 (Scarborough) responses and licence fees from £500(Durham) to £900 (Barking & Dagenham).

9. *Schemes can be based on **a combination of criteria** determined by the LHA. The criteria (in order of most used) are:
   - Property conditions (11)
   - ASB (7)
   - Deprivation (7)
   - Crime(4)
   - Migration (3)
   - Low housing demand (1)

   *Based on those that applied to DLUHC. **Please note multiple criteria were used in most cases.**

10. **13 LHAs were rejected and some a for a number of reasons** these include poor evidence (6), proposed scheme is not part of a wider council approach to tackle the PRS issues (2), lack of evidence of successfully implementing a previous scheme (1), consultation was not easily accessible or did not consult stakeholders (6) or the proposed licence conditions were unlawful/went beyond the scope of the legislation (1).

11. **More councils/LHAs introducing licenses of >20% PRS in smaller phases** due to Central Government delays, to pilot scheme and mitigate risk of rejection.

*This is not exhaustive
**NRLA

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Alternatives to Selective Licensing
The following tables outline the alternative measures considered by councils when applying and the reasons they were discounted

Alternative Measure	Strengths	Weaknesses	Example of Councils who have tested /discounted these alternatives as stand alone
'Do nothing	N/A	Not a viable option. If no action is taken, the significant problems with poor housing conditions will continue and are likely to increase further as the private rented sector continues to grow.	N/A
Use of legislation e.g., Fitness for Habitation Act 2018 Landlord/tenant act 1985	Can be used without any discretionary licensing scheme in place	These measures usually place the onus on the tenant to take legal action to enforce their rights. Many tenants requiring support are vulnerable and unable to take the legal action needed. This may be due to lack of English, financial issues or fear of reprisals and being made homeless.	London Borough (LB) Lewisham LB Southwark LB Wandsworth LB Lambeth
Use of Part 1 Housing Act 2004 enforcement powers [HHSRS] and Public Health powers	Formal notices can be served that require improvements to be carried out. Councils can carry out work by default, if a notice is not complied with. Landlords also risk being prosecuted if they do not comply with the notice	The Councils had undertaken significantly increased levels of enforcement to improve private rented properties over a period of ~3 years. However, despite this, large scale improvements were still needed in the sector. Formal action is slow with appeal provisions against most types of notices served, which can significantly delay the time period for compliance. Work in default (where a local authority carries out works to a property when the landlord fails to and the landlord is then billed for it) can be effective but is expensive and time consuming , with the risk that costs are not recovered. In addition, the Council's powers under Part 1 do not enable it to regulate the management of property as licensing schemes do. The Part 1 provisions are currently available to the Council but have not provided the necessary large-scale improvements in the sector. The Council can only respond reactively to complaints or reports of disrepair, overcrowding etc. on individual properties, but is not able to raise standards in a specific area. These powers do not address the volume or scale of the issues in the borough.	LB Waltham Forest LB Enfield LB Southwark West Lindsey District Council (DC) Durham County Council (CC) Bristol Doncaster
Voluntary Accreditation schemes facilitate improvement in management practices and standards	For those landlords who take part, accreditation can improve the ability to effectively manage a property	This requires voluntary landlord engagement. Our experience is that attendance/membership is usually only by a relatively small proportion of landlords. A local landlords' forum was previously set up by the Council but was attended by only 30 landlords and agents. Attendance dwindled to ten and it was eventually disbanded in 2014. The national membership schemes are currently available but have not had a significant uptake or provided the necessary improvements in the borough. Rogue operators are unlikely to attend/engage. Accreditation scheme by Hull Council challenged by Humber Landlords Association but this was dismissed	LB Southwark Hull LB Newham West Lindsey DC Charnwood Borough Council (BC) Nottingham Bristol

It is difficult to gain information about where these measures have been used and their effectiveness, as publicly available data and reporting is not available.

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Alternatives to Selective Licensing

Alternative Measure	Strengths	Weaknesses	Example of Councils who have tested /discounted these alternatives as ineffective
Rely on prosecutions and civil penalties for housing offences	Provides a disincentive to keep properties in poor condition	These powers do not place any obligation on landlords to be proactive in improving property conditions. Successful prosecutions, or the imposition of civil penalties, do not themselves secure improvements in property conditions. The absence of licensing means that the Council cannot enforce against unlicensed properties or breaches in licence conditions which are needed to improve property conditions.	LB Waltham Forest Hull West Lindsey DC LB Southwark North East Lincs DC Durham CC Doncaster
Improvement grants to improve sub-standard properties	Grants subsidise improvement works, improving standards and deriving benefits for landlords and tenants	Generally, there are few grants available and the Council has very limited scope to offer grants through successful external funding bids. In the most part, grant awards would fund improvements that the landlord should in any event be carrying out to meet their legal obligations. Any grant scheme would be discretionary and would rely on voluntary landlord engagement	LB Waltham Forest LB Newham
ASB powers under other legislation	Formal notices can be served that address ASB identified at individual properties which, if complied with, would remedy ASB at that location	Action would generally be taken against the tenant in occupation. These powers do not place any obligation on landlords to be proactive in managing their properties to prevent or reduce the likelihood of ASB occurring and are therefore in effective without enforcement powers	LB Waltham Forest West Lindsey DC LB Southwark North East Lincs DC Durham CC
Targeted use of interim management and Empty Dwelling Management Orders	Removes rogue landlord responsibilities and transfers to responsible nominated agent Improves property standards	Resource intensive Not a long term or large scale solution (max 5 years) Reactive not proactive intervention Does not tackle poor management Represents a last resort intervention	Durham County Council Charnwood BC LB Waltham Forest Doncaster
PRS Enforcement Policy	Combines use of Civil penalty/ Management order	Relies on a reactive inspections Resource intensive Led to a landlord challenge	Hull

Without selective licensing it is difficult to gain information about where these measures have been used and their effectiveness, as publicly available data and reporting is not readily available.

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Alternatives to Selective Licensing

Alternative Measure	Strengths	Weaknesses	Example of Councils who have tested /discounted these alternatives as stand alone
Training schemes for private landlords	Improves links between landlords and Council Helps Landlords understand their responsibilities in line with legislation	Useful in conjunction with a licensing scheme No compulsion for landlords to attend or comply with the standards covered No enforcement powers for Council Unclear how this would be funded	LB Southwark LB Lewisham LB Wandsworth
Private sector leasing agency scheme	Can help prevent homelessness	Landlords often receive below market rent so do not readily sign up No compulsion for landlords to sign up Resource intensive for Council Not all properties eligible Does not represent a large-scale solution	LB Enfield LB Redbridge LB Southwark
Subsidise rents for vulnerable/low-income families	Allows vulnerable and those on low income to move into decent properties	Source of funding unclear Reactive and does not tackle the problem of poor property condition and poor management in the area	LB Enfield Durham CC
Cooperative working between Council & landlords		This works best when in conjunction with property licensing No powers for council to enforce No compulsion for councils to engage with the Council or join the scheme Very limited sanctions if landlords break guidelines Can only enforce minimum legal standards Does not improve property or management standards	Durham CC West Lindsey DC LB Enfield LB Waltham Forest LB Newham LB Southwark LB Ealing Bristol
Reactive response to tenant complaints	Does not require a selective licensing scheme to be in place	Reactive and does not improve property or management standards of properties Not all tenants aware of the service Many tenants are afraid of reprisal following a complaint Complaints can only be used to enforce minimum legal standards	Bristol

The following table outlines the main reasons why councils were rejected

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Challenges to schemes

Councils PRSL schemes maybe unsuccessful if they are challenged by landlords, (including through JRs,) and or rejected by DLUHC.
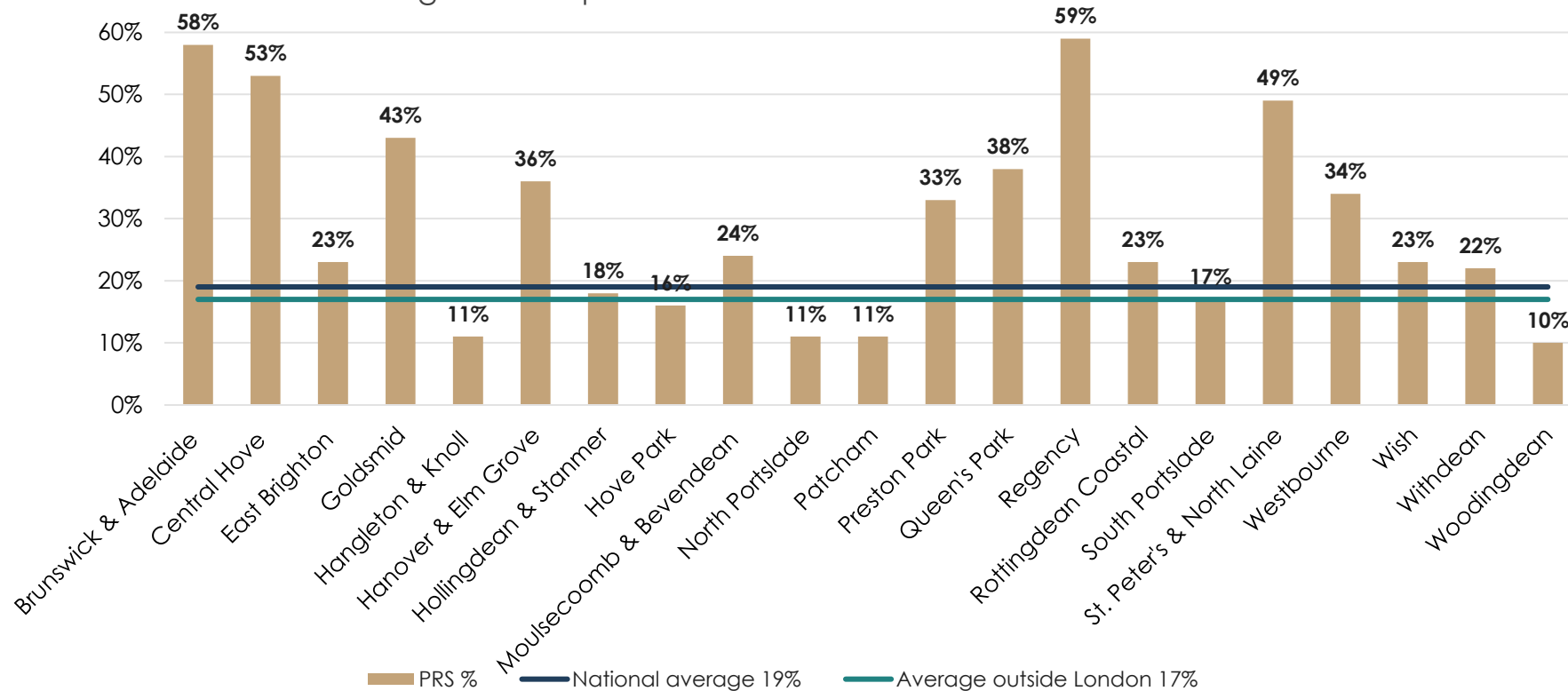
Some reasons why licensing schemes have been unsuccessful include:

1. Evidence challenged for proposed designations:
   - Brent,
   - Brighton,
   - Hastings,
   - Liverpool,
   - Luton,
   - Redbridge

2. Proposed scheme is not part of a wider council approach to tackle PRS issues:
   - Croydon,
   - Hounslow

3. Lack of evidence of successfully implementing previous schemes:
   - Croydon

4. Consultation challenged as it was not easily accessible or did not offer stakeholders opportunities to engage:
   - Croydon,
   - Durham,
   - Enfield,
   - Hounslow,
   - Manchester
   - North Somerset

5. Proposed licence conditions were unlawful/went beyond the scope of the legislation:
   - Great Yarmouth

The next slides focus on the evidence needed to underpin a scheme and its designations.

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4. The Private Rented Sector in Brighton and Hove

- To be included in a designation the area must have a high proportion of PRS property, greater than the national average. Nationally the private rented sector currently makes up **19%,** however outside of London the figure is **17%**

- For inclusion in a designation, it also needs to meet at least one other criteria with robust data to justify this – ASB, deprivation, migration, poor property conditions, crime or low housing demand. DULHC will be seeking any LA to demonstrate that this significantly worse than the local and or national average.

- Currently 15 wards* have PRS above the national average however only 9 are currently estimated to have evidence of another criteria, so could be considered for inclusion in a designation at present.

Bar chart of PRS % by ward, with reference lines for National average 19% and Average outside London 17%.

Ward	PRS %
Brunswick & Adelaide	58%
Central Hove	53%
East Brighton	23%
Goldsmid	43%
Hangleton & Knoll	11%
Hanover & Elm Grove	36%
Hollingdean & Stanmer	18%
Hove Park	16%
Moulsecoomb & Bevendean	24%
North Portslade	11%
Patcham	11%
Preston Park	33%
Queen's Park	38%
Regency	59%
Rottingdean Coastal	23%
South Portslade	17%
St. Peter's & North Laine	49%
Westbourne	34%
Wish	23%
Withdean	22%
Woodingdean	10%

Legend: PRS % — National average 19% — Average outside London 17%

This shows that PRS is high enough to warrant further research, but the data is not available to determine designations.

Overview of data required for each criteria

Before an informed decision can be made around the need for a selective licensing scheme or the shape of designations, a in depth evidence gathering exercise needs to take place. The table below shows only the core data that needs to be triangulated with other data sources.

Criteria	Data required	Benchmark	Notes & Challenges
%PRS	• % of PRS in the proposed designation areas	National average 19% Average outside London 17%	Must be above national average to be considered for inclusion
Property Conditions	• % cat 1 hazards per ward; complaints per ward • Tenant complaints per ward • Notices served (informal & formal) • Local Child poverty measure analysis (HM Revenue & Customs data) • EPC data • Gazetteer • Experian/Mosaic	National average of Cat 1 hazards 13%	One of the most straightforward criteria to evidence against PRS and show how licensing in conjunction with other activity can make an improvement
Deprivation	• 2019 Indices of deprivation ranking by ward (should be below average) • Barriers to housing services per household/ward • EPC data (Number of properties with EPC F & G ratings) • SAP Energy ratings per dwelling/ward • Tenant deposit scheme data • Gazetteer • Experian/Mosaic	IMD National average 5 (1-10)	One of the most straightforward criteria to evidence against PRS and show how licensing in conjunction with other activity can make an improvement
ASB	• Repeat ASB offences by property- may include: • Police crime data (e.g., burglary, inconsiderate/aggressive behaviour • Fire services data • Council noise complaints • Envirocrime (e.g., wrongly presented waste) • Number of ASB related complaints by dwelling/ward	Above 5% repeat incidences	Difficult to link ASB to specific properties in PRS and this needs to be a persistent problem. Police data not always available/Council data not always linked to UPRN
Migration	• Analysis of Property turnover (e.g., agency such as Rightmove) • Population increase of around 15% or more over a 12 month period	UK average 12.3%: People who have moved in the last 12 month period	Data is difficult to gather
Crime	• Repeat ASB offences by property- may include: • Police crime data (e.g., burglary, inconsiderate/aggressive behaviour) • Envirocrime (e.g., wrongly presented waste) • Number of ASB related complaints by dwelling/ward		Difficult to prove licensing can improve crime statistics Difficult to link to PRS Proving link to PRS
Low Housing Demand	• Average House price in problem areas compared to other areas in the locality • Number of empty properties/ condition of these properties • Duration properties are empty/ on market • General appearance of the locality e.g., fly tipping, pests, envirocrime	National average price £276,759 Average in Brighton: £407,000	Very difficult to evidence (as seen by Liverpool). Only applicable if compared to properties within the LA's area

The data collection exercise needs to be comprehensive-For each criteria and other evidence e.g., local cases studies for example should also be gathered to strengthen the application

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Key observations of Brighton and Hove PRS

The following observations are for illustrative purpose only and based on the current incomplete data sets and evidence.

1. **There is insufficient data, and the existing data is either too old and/or incomplete to inform the Council's approach to selective licensing** Further work is required to gather accurate and up to date evidence at a property level (UPRN) on a ward-by-ward basis:

   • A Stock Condition Survey needs to be undertaken to comply with the Housing Act 2004. The one carried out in 2020 only considered 4 wards (204 properties) and does not give a city-wide picture

   • Housing conditions data (Feb 2022) is based on disrepair issues in a B&H report on officer intervention and so is not exhaustive. Given levels of fuel poverty, age of stock and other indicators within the B&H Community insight data, a further comprehensive study of Cat 1 & 2 hazards is needed before a decision can be made around property conditions in the area.

   • As there is not an existing selective licensing scheme little additional data exists. Experience and data from the additional scheme, which is about to lapse should be included in any application for selective licensing.

   • **This report is reliant on the 2011 census.** This would need to be reviewed with the release of the 2021 census data which is due around May 2022.

2. **With the insufficient data available the best estimate is:**

   • 15 wards have PRS above the national out-of-London average of 17%

   • Currently best estimate 9 wards across 2–4 designations could possibly be eligible, covering 62% of total PRS and 23,181 properties – Deprivation, High Migration and ASB, and High Migration. This is based on <u>available data</u> only against 6 criteria and legislative requirements

   • If the data was robust, due to its size and if B&HCC wanted to proceed, then it would need DLUHC approval.

3. **Property conditions have not been included as a possible criteria because of the lack of existing data**, but this would need to be reviewed as part of a suggested further evidence gathering exercise and then could be included. We anticipate that it is likely there would be evidence to include some wards under this criteria but without updated evidence this cannot be confirmed.

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To identify possible gaps in overall strategies that may impact how B&HCC proceed, we have reviewed:
• Existing council policy and strategy
• Alternatives
• Existing evidence and current available data to support any selective licensing scheme

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Council Strategies and Policies needed for a holistic strategic approach

An up-to-date or refreshed Housing Strategy must outline how the implementation of a Selective licensing scheme will be used as part of the council's coordinated approach to Housing and housing related issues. To be considered, a Selective Licensing Scheme the council must:

- Be consistent with the overall housing strategy and form part of a coordinated approach to homelessness, empty properties and other relevant policies, dependent on the criteria the application is based on, such as ASB.

- Show a joined-up approach to resolving B&Hs housing issues and licensing is an intrinsic part of this. Ideally, strategies and policies would mention licensing as vital to their approach in improving housing and the situation for private renters.

- Have a **"Golden thread"** of selective licensing weaved through all relevant council strategy:

  o Housing Strategy

  o Empty Homes Strategy

  o ASB Strategy

  o Private Sector enforcement Strategy

- Outline how other activity will work with property licensing to tackle the issues identified and where Council will work with third sectors/partnerships to achieve the desired objectives for each of these strategies and any selective licensing scheme.

Strategies must have a "golden thread" of property licensing running through them.

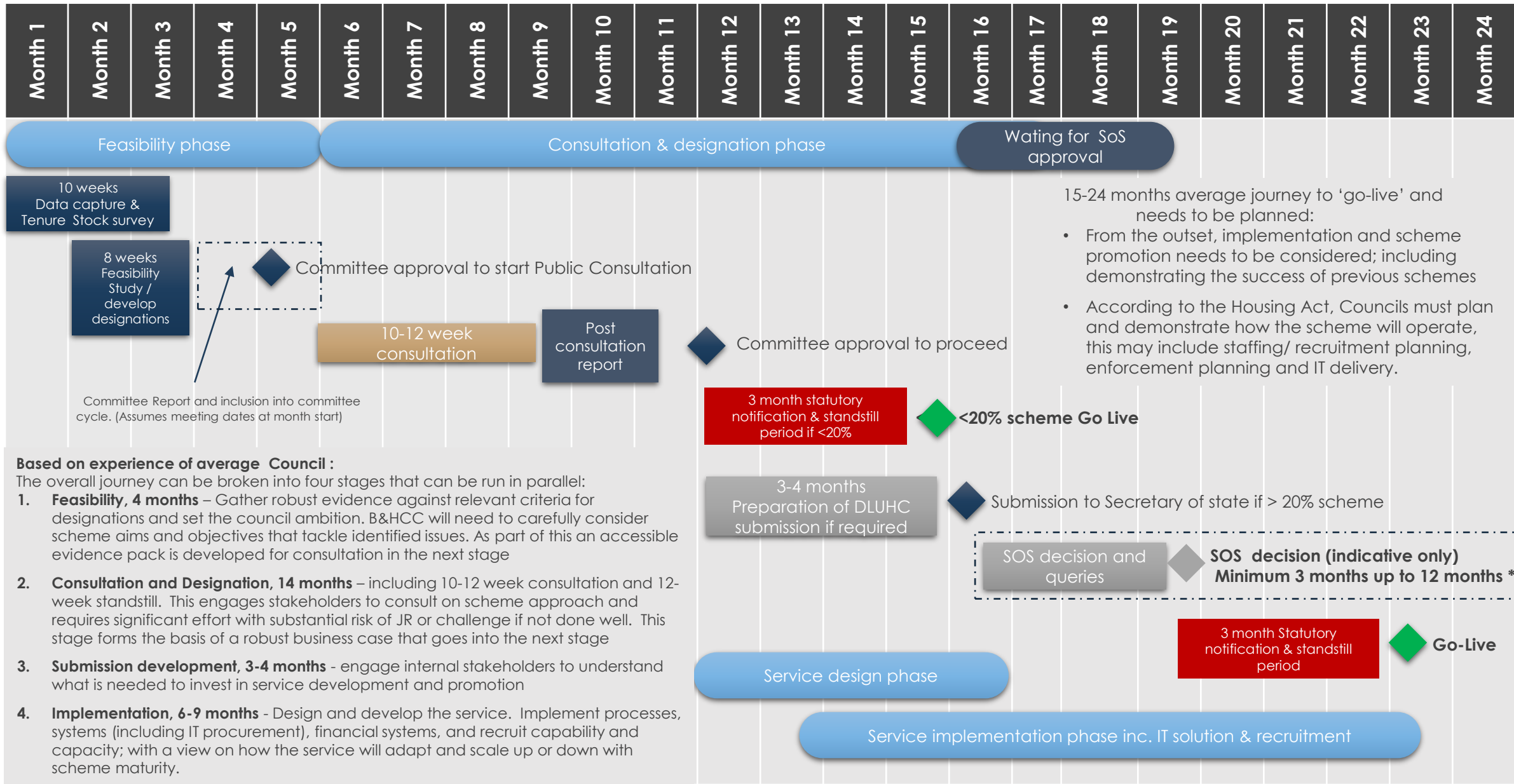CADENCE INNOVA

Conclusions and challenges around the data

In order to develop robust designations, there are several challenges around the current evidence and data sets:

- There is currently insufficient evidence and much of the data is too old or incomplete to be able to decide on criteria and robustly justify a selective licensing scheme in B&HCC

- Further work would be needed initially to gather accurate and up to date evidence about the PRS in B&H at property level on a ward-by-ward basis

- The 2020 Stock condition Survey only considered 4 wards (204 properties) and as such does not give a city-wide picture of what is going on in the PRS or where the main issues pertain

- Little data exists about the PRS in the area as there hasn't been a selective licensing scheme in force before

- Anecdotally several wards have high levels of HMOs and student accommodation which will need to be extracted from the data and evidence for specific criteria to be considered e.g., ASB or migration

- Social housing will also need to be identified and extracted from PRS data

- To meet the ASB criteria, it is essential to link the ASB incidents to UPRNs (properties) in the PRS as well as demonstrating that some of these are persistent issues. This data is currently not available

- The data on housing conditions is based only on the disrepair issues requiring officer intervention according to PSH Request for Assistance-Review document (B&HCC, Feb 2022) and so can only be indicative of potential issues. More work is required do determine that this criteria is relevant

- Deprivation and Property conditions – given levels of fuel poverty, age of property and other indicators (B&H Community insight data) some areas of B&H show deprivation levels comparable to the national average, we recommend further study around cat 1 & 2 hazards on a ward-by-ward basis

It is vital to consider the property licensing journey as a whole, as each stage needs to meet the legislative criteria and feeds the next step. The following slide outline the entire journey.

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Indicative Selective licensing timeline

Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24

Feasibility phase

Consultation & designation phase

Wating for SoS approval

10 weeks Data capture & Tenure Stock survey

8 weeks Feasibility Study / develop designations

◆ Committee approval to start Public Consultation

Committee Report and inclusion into committee cycle. (Assumes meeting dates at month start)

10-12 week consultation

Post consultation report

◆ Committee approval to proceed

3 month statutory notification & standstill period if <20%

◆ **<20% scheme Go Live**

3-4 months Preparation of DLUHC submission if required

◆ Submission to Secretary of state if > 20% scheme

SOS decision and queries

◆ **SOS decision (indicative only)**
Minimum 3 months up to 12 months *

3 month Statutory notification & standstill period

◆ **Go-Live**

Service design phase

Service implementation phase inc. IT solution & recruitment

15-24 months average journey to 'go-live' and needs to be planned:

- From the outset, implementation and scheme promotion needs to be considered; including demonstrating the success of previous schemes

- According to the Housing Act, Councils must plan and demonstrate how the scheme will operate, this may include staffing/ recruitment planning, enforcement planning and IT delivery.

Based on experience of average Council :
The overall journey can be broken into four stages that can be run in parallel:

1. **Feasibility, 4 months** – Gather robust evidence against relevant criteria for designations and set the council ambition. B&HCC will need to carefully consider scheme aims and objectives that tackle identified issues. As part of this an accessible evidence pack is developed for consultation in the next stage

2. **Consultation and Designation, 14 months** – including 10-12 week consultation and 12-week standstill. This engages stakeholders to consult on scheme approach and requires significant effort with substantial risk of JR or challenge if not done well. This stage forms the basis of a robust business case that goes into the next stage

3. **Submission development, 3-4 months** - engage internal stakeholders to understand what is needed to invest in service development and promotion

4. **Implementation, 6-9 months** - Design and develop the service. Implement processes, systems (including IT procurement), financial systems, and recruit capability and capacity; with a view on how the service will adapt and scale up or down with scheme maturity.

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5. Conclusions and next steps

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The sector is growing and is increasingly important to meeting housing need for many groups

PRSL is only one tool to improve housing standards and needs to be part of a strategic approach

PRSL should be self funding in terms of the administrative cost

Our experience is that licensing should be planned for as at least a 15-24 month journey

A successful application needs robust, triangulated and benchmarked evidence. Presently this isn't available to B&HCC

There will be landlords who will oppose and challenge any PRSL approach, so each stage needs to be addressed correctly

The cost of getting it wrong is extremely high in terms of reputation, resources, time and money
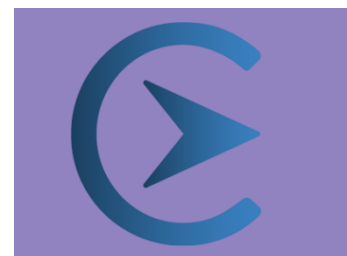
This is a complex and long process. Cadence have used their experience of supporting multiple Councils with selective licensing schemes to develop this report

Next steps:

1. Council to decide on their ambition and appetite for PRSL

2. If they want to proceed, to carry out a Tenure Intelligence and Stock Conditions Study

3. Undertake analysis to determine designations and how scheme(s) should be approached and implemented; including developing investment case

4. Selective licensing is a tool the council can use to improve PRS conditions. As part of the application, the council should demonstrate its strategic approach to improving standards in PRS. It should consider renewing additional licensing, as well it's other relevant strategic policies that impact PRS standards.

5. Agree overall licensing route map and mobilise council teams

6. Based on evidence take decision whether to proceed with consultation.

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