



Title	Discretionary Licensing in the Private Rented Sector
Purpose of the report	To make a decision
Report status	Public report
Report author	Stuart Taylor, Principal Environmental Health Officer
Lead Councillor	Matt Yeo
Corporate priority	Healthy Environment
Recommendations	<ol style="list-style-type: none">1. That members review and acknowledge the consultation outcome on the implementation of additional and selective licensing schemes in Reading.2. That members approve a phased implementation of discretionary licensing schemes consisting of Boroughwide Additional Licensing Scheme alongside the phased implementation of a Selective Licensing Scheme commencing with Battle ward.3. To note proposed timescales set out in the Appendix 3 and delegate power to make such designations to the Assistant Director, Planning, Transport & Public Protection in consultation with the Lead Member and Legal Services.4. That members note the resource required to implement the schemes, particularly staffing as set out in section 13 and Appendix 1.5. To approve the Additional HMO Licence fee set out in Appendix 2.

1. Executive Summary

- 1.1. Discretionary Licensing under the Housing Act 2004 (the 'Act') is a tool which the Council can use to improve housing conditions and management in the private rented sector. This report examines the available evidence, against the requirements of the Act and presents options for future service delivery for private sector housing regulation, including the implementation of discretionary licensing schemes. The aim of the schemes proposed is to drive change and provide better homes for residents, which national evidence shows has positive impacts on physical and mental health and for families, better educational outcomes.
- 1.2. On 21 February 2024 this Committee authorised the Executive Director of Economic Growth and Neighbourhood Services to commence a statutory consultation exercise with residents, private landlords, businesses and other key stakeholders on proposals for boroughwide additional licensing and a phased introduction of selective licensing, and to propose areas to be included in the consultation on these designations based on the evidence provided by a Stock Condition Report.

- 1.3. The Council currently operates a licensing scheme for larger houses in multiple occupation with 5 or more occupants, this is the national mandatory licensing scheme. The Act contains provisions for the Council to designate discretionary licensing schemes, of which the larger ones require Secretary of State approval.
- 1.4. The evidence cited in this report was gathered through a Boroughwide Stock Condition Survey, then from a consultation which ran in June-August 2024.
- 1.5. The main features of the Stock Condition Survey reported in the previous paper included:
 - That nearly 40% of the housing stock is in the private rented sector.
 - That there are over 3,000 houses in multiple occupation (HMO).
 - 37% of HMOs are likely to have serious hazards (under the Housing, Health & Safety Rating System).
- 1.6. Following the completion of the consultation and evaluation of a range of evidence, it is recommended that the Council proceeds to implement a Boroughwide Additional Licensing Scheme alongside the phased implementation of a Selective Licensing Scheme. This would drive up conditions and improve the management of the private rented sector. The recommendation for the phasing of the schemes is based on a number of factors, which includes:
 - The size of any scheme determines whether Secretary of State permission is required.
 - There are significant limitations in the labour market around qualified Environmental Health staff to undertake the work.
 - Phasing enables a focussed and targeted approach to achieving the outcomes.
- 1.7. Consideration has been given to the consultation responses, including the practicalities of setting up additional and selective licensing schemes, so a revised proposal is in place, compared to the proposals presented to the Committee in February 2024. In particular, this report seeks agreement to implement selective licensing of all rented properties in Battle ward. A decision to include Park and Redlands ward is to be deferred to allow the implementation and evaluation of earlier phases. The proposal is also amended for the date for designation of selective licensing in Battle Ward, which has been postponed to 2027 to reduce the officer resource required before that date.
- 1.8. The proposal to introduce a boroughwide Additional Licensing Scheme presented in February 2024 is retained, though the date of implementation is likely to be later in 2025 to allow for recruitment and other preparations (see timetable in Appendix 3).
- 1.9. The fees proposals have also been amended:
 - 1.9.1 The licence fee proposed for the Additional (HMO) Licensing Scheme is proposed to be increased in year (increasing from £950 to £1250 for a standard application).
 - 1.9.2 A discount is proposed for properties which are on the Council's Rent Guarantee Scheme (£250 instead of £750 for a selective licence).

2. Policy Context

- 2.1 Before making a decision to make a discretionary licensing designation the Council is required to:
 - ensure that the exercise of the power is consistent with their overall housing strategy; and

- seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others
- 2.2 The [Corporate Plan](#), [Housing Standards Enforcement Policy](#) and the [Housing Strategy](#) commit the Council to review evidence in relation to housing conditions and review the need for discretionary licensing schemes as part of wider actions to improve the quality and safety of housing for residents. The Housing Act 2004 sets out the duty to keep housing conditions under review and as part of this, whilst not a statutory requirement, councils undertake a 'Stock Condition Survey'.
- 2.3 [Berkshire West Health and Wellbeing Strategy](#) identifies that poor housing is one of the determinants of poor health. The Strategy commits the Council to consider the impact on health in work and to 'address the variation in the experience of the wider social, economic and environmental determinants of health'.
- 2.4 [Reading's Preventing Homelessness Strategy 2020 – 2025](#) includes a priority to increase access to decent, suitable accommodation and recognises that engagement on this will focus primarily on the private rented sector, particularly through the Rent Guarantee Scheme but also through other initiatives. The strategy also commits to working across teams within the Council to enable enforcement action relating to poor quality accommodation and drive-up housing standards. The recommended discretionary licensing designations will enable this activity to be expanded.
- 2.5 [The Community Safety and Serious Violence Strategy](#) highlights work of the Council and wider Community Partnership in dealing with antisocial behaviour. One of the Priorities in the strategy is to 'Improve the way the Community Safety Partnership works with communities to tackle anti-social behaviour and hate crime'. Although antisocial behaviour is not one of the criteria cited in the proposed designation, licences will contain some conditions relating to antisocial behaviour and the report highlights opportunities for partnership working relating to this issue.
- 2.6 The [Empty Homes Strategy](#) includes reference to tackling properties that affect areas and a Private Sector Initiatives Officer post is located within the private Sector housing team with focus on empty properties, to allow coordination of activity where required.

3. The Proposal

Background

- 3.1 Poor and unsafe housing can occur in all forms of home ownership and occupancy, but in general the private rented sector has the highest rates of poorer housing. A growing proportion of the population now live in privately rented properties. The stock condition report [Appended to the February 2024 committee report](#) contains the details of issues in particular relating to property conditions and compliance in the private rented sector.
- 3.2 The Council as a local housing authority has a range of powers relating to the private rented housing sector. The main powers are contained in the Housing Act 2004 ("the 2004 Act") which contains a range of duties and powers to improve the management and conditions across the private rented sector (PRS), including:
- Powers to issue improvement notices and prohibitions orders relating to property conditions.
 - HMO Management regulations
 - Property licensing.

Since 2016 financial penalties have been available as an alternative to prosecution for certain breaches of the 2004 Act.

3.3 The 2004 Act also introduced a statutory licensing scheme covering properties that are 3 or more stories with 5 or more occupants. In 2018, the government extended the scheme to include properties of 1 and 2 storeys, but still being applicable only to properties with 5 or more occupants. Generally, this is restricted to properties with occupants who share amenities.

3.4 The Act also introduced two other forms of discretionary property licensing:

Additional Licensing.

This is a discretionary power to declare all or part of the local authority's area subject to licensing of HMO's. It can cover 'smaller' HMOs that are currently outside of the mandatory licensing i.e. 3 and 4 person properties, generally those with shared facilities. A scheme designation could also include certain buildings converted into self-contained flats.

The authority must consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to problems either for those occupying the HMOs or for members of the public.

Selective Licensing.

A Selective Licensing Scheme means that all private landlords in a designated area must have a licence. Selective licensing aims to improve the private rented market. It means properties must be of a decent standard for a landlord to rent out. Selective licensing also gives tenants confidence that houses and flats in a designated area will be healthy and safe to live in.

A selective scheme is a discretionary power that councils may use in an area where the following criteria are met.

- low housing demand (or is likely to become such an area) and/or;
- a significant and persistent problem caused by anti-social behaviour;
- poor housing conditions;
- high levels of migration;
- high level of deprivation;
- high levels of crime.

In this context "anti-social behaviour" refers to conduct of occupiers or visitors to, residential premises—

(a) which causes or is likely to cause a nuisance or annoyance to persons residing, visiting or otherwise engaged in lawful activities in the vicinity of such premises, or
(b) which involves or is likely to involve the use of such premises for illegal purposes. such as crime, nuisance neighbours and environmental crime.

3.5 Licensing allows the Council to inspect, limit occupation, apply conditions and in certain circumstances to take control of a property. The 2004 Act sets the criteria for the Council to consider suitability of the property, management arrangements and to determine whether the landlord is a 'fit and proper' person to manage. The Council can charge for a scheme, with licences generally being issued for 5 years and individual licence costs based on cost recovery. [Appendix 2 of the February 2024 report](#) compares in more detail mandatory, additional and selective licensing scheme criteria and the conditions that may be attached.

3.6 In order to implement either of these discretionary powers, the 2004 Act requires other options are considered, that an evidence base is established and that a statutory public consultation is undertaken with all those affected by the proposal. In certain cases, Secretary of State approval is required, in particular where more than 20% of the local

authority's geographical area or private rented housing stock is to be covered by a selective licensing scheme. A formal designation must then be made, to implement a discretionary licensing scheme. This report seeks approval for the Assistant Director to make the formal designation, in consultation with lead member and legal services. Each designation would last for 5 years, unless terminated early.

- 3.7 The Government has introduced the Renters Rights Bill to parliament. This covers some of the same issues as the Renters Reform Bill outlined to the Committee in February. The Bill sets out a range of provisions, including a range of new enforcement powers or duties. The introduction of a private rented sector database and compulsory membership of a landlord redress scheme could overlap with the aims of a discretionary scheme. Application of the Decent Homes Standard to the private sector may also impact the housing conditions requirements and enforcement.

Consultation exercise

- 3.8 Landlords and agents were invited to a launch event which took place on 6 June 2024 and a series of drop in events were held in June, July and August. An explanation of the proposals was published on the Council's website and the proposals were published on the Council's consultation platform ahead of an online survey launched on 13 June which ran to 29 August 2024 (11 weeks). The consultation documentation included the scope of the schemes, proposed standards and conditions to be attached to licences and the fees to allow full and informed engagement and feedback on the proposals.
- 3.9 288 responses were received to the survey. Separate written responses were received including from the University of Reading and landlord organisations.
- 3.10 Landlords were generally opposed to the proposals, though tenants were more supportive recognising the benefits of raising the standards of rental accommodation. Some respondents felt that the additional HMO licensing scheme was more justified than the selective licensing proposals. Concerns were expressed about the costs of the scheme and the impact of this being passed on in rent increases. Officers note the main costs for landlords who are already compliant will consist of the application fee. Standard (undiscounted) fees would be £150-£250 per annum, for selective and additional HMO licence respectively, or £12.50-£21 per month for 5 years (the standard term for a licence). A proposal to discount the application fee for properties using the Rent Guarantee Scheme has been added to the scheme fees, following the consultation.
- 3.11 Some respondents raised concerns of landlords pulling out of the market, which has been a commonly raised concern since licensing was introduced in 2006. Officers note that the introduction of mandatory licensing in 2006 and its extension in 2018 does not appear to have had this effect, as the size of the private rental sector in Reading has continued to grow.
- 3.12 Having considered and weighted the consultation responses, officers have concluded that it further supports the evidence from the stock condition survey that there are issues with property conditions in the private rented sector, which cannot be addressed by existing schemes or reactive interventions. In order to tackle these conditions, inspection of a significant number of properties is required, which has significant resource implications which can only be met through implementing a discretionary licensing scheme.
- 3.13 A more detailed summary of the consultation and officer's responses is appended.

Options Proposed

- 4.1 **Option 1 – preferred option**
A combination of additional licensing boroughwide and selective licensing in selected wards
- 4.2 The combination of boroughwide additional HMO licensing and selective licensing in certain wards was proposed in the [February committee report](#) and included within the public consultation.
- 4.3 The combination of an additional HMO licensing scheme and selective licensing scheme in Battle ward will cover approximately 3,300 properties. Income from licence fees will allow for cost recovery for increased inspection activity. The licence scheme will allow for assessment of compliance of existing regulations, such as gas and electrical safety certificate checks. Assessment of management arrangements and whether landlords and agents are fit and proper persons to hold a licence will take place and conditions applied to licences to provide suitable living conditions for occupants.
- 4.4 The proposal has been amended, to enable the available resource to be spread across the schemes. The timescale for implementing the selective licensing scheme is extended to 2 years after the first additional (HMO) licensing designation, with further designations at 2-year intervals thereafter, subject to resources being available.

Pros	Cons
Licensing schemes offer additional powers to assess whether a landlord or agent is a fit and proper person to hold a licence, helping to remove rogue operators from the market.	Having two designations may be more difficult to explain, which could impact on compliance. The process the Council must follow to set up designations under two parts of the Act may also be more complicated. This may be mitigated by spreading the phases and by the designations covering existing Ward boundaries.
Licensing enables management arrangements to be assessed, to decide whether a licence can be issued, rather than focusing on remedying individual defects.	There is a risk that there is not enough capacity to fully deliver one or both schemes, particularly due to recruitment issues. There is potentially a larger financial risk due to the increased resource to deliver two schemes (though less resource than a larger selective licensing scheme).
Licensing allows for amenity standards to be applied which can be difficult to enforce under other existing legislation.	Consultation responses highlighted concerns re costs of the scheme (and of these being passed on to tenants through increased rents) and also about landlords pulling out of the market, which would also potentially impact rent levels.
This is the most targeted approach. HMOs are predicted to be the worst sector for poor property conditions and the Wards chosen for selective licensing are predicted to have the worst conditions in the private rented sector in Reading.	
Applying additional licensing to some areas (instead of selective licensing to all areas) may make the number of licences more manageable.	
Phased implementation also allows us to	

tackle the same number of properties with less staff resource in each phase.	
The implementation of both types of licensing schemes delivers a significant sized scheme to allow us to tackle a significant number of properties.	

- 4.5 In order to implement the scheme, systems need to be developed to process applications and time is required to recruit capability and capacity. Officer resources will need to be front loaded to the initial implementation stage to deal with initial applications, this may reduce after an initial period. The staffing resource required to set up the scheme and to implement it (which will vary depending on size) must be identified. A working group will need to be set up of key staff within Public Protection, Legal, Human Resources and the Communications teams.
- 4.6 There are significant limitations in the labour market around qualified Environmental Health staff to undertake the work. Officers propose to utilise apprenticeships within the team structure to support the scheme. The ability to deliver a successful scheme is dependent on the availability of Officers and therefore, this will be closely monitored. The risks around staff resource are proposed to be mitigated by spreading the start dates for the designations.
- 4.7 The concerns around costs being passed on and landlords exiting the market were also shared by Rent Guarantee Scheme (RGS) and Homeless Prevention teams. In order to mitigate this we propose to offer a heavily discounted fee to RGS landlords (this particularly affects the selective licensing scheme in Battle ward).
- 4.8 In addition to committee approval, any designation proposal covering more than 20% of the geographical area or 20% of the private rented housing stock would then need to be sent to the Secretary of State. This would take a minimum of 3 months from being sent and could take up to 12 months. The recommendation from officers in Option 1 is below this threshold.
- 4.9 The benefits and risks of each of the proposed designations within this preferred option are set out below.

a) Additional HMO licensing large area (whole Borough)

This would cover a large area of the Borough or the whole Borough, equating to around 1800 properties.

Pros	Cons
A large scheme treats all HMO landlords equally	The data captured did not provide evidence in relation to buildings converted to self-contained flats, which may also be considered as a type of HMO and which may also have poor conditions. The properties would not therefore be covered by a designation.
A large scheme would have the greatest impact on the numbers of properties to be improved.	An additional licensing scheme would be a large undertaking and it would not therefore be possible to commence other large schemes at the same time. The scheme would only licence small HMOs currently not covered by the mandatory scheme. It would not cover other rented properties (this may be considered in a later phase, see below).

An HMO-only scheme targets the tenure type which the study shows has the most problems.	The evidence for taking action is weaker in some wards, so the scheme may be disproportionate and more open to challenge.
Enforcement within the whole borough will increase as a result of the identification of more non-compliant landlords, improved compliance from enforcement and increased awareness amongst residents and landlords, driving up standards.	If licences are to be processed and properties inspected this will be a major undertaking and not achievable within the existing staffing resource. There is a significant risk of not being able to recruit sufficient staff to operate the scheme, in particular relating to environmental health officers and other inspecting officers.
Planning consent may be considered a relevant factor in issuing a licence, following recent case law. Other authorities have	Conditions that restrict the number of occupants may have an impact on homeless prevention and availability of accommodation. This may be acute in cases where an existing occupant is required to leave in order to comply with a restriction and there may also be longer term impacts on the housing rental market.
The risk of displacement of HMOs from one area to another is reduced in operating boroughwide instead of in selected areas (potentially reducing the impact on areas with low concentrations of HMOs at present).	There will be an impact on the planning and planning enforcement teams workloads, particularly in relation to HMO's in the Article 4 area which may be uncovered but also in relation to larger sui generis HMO's (over 6 persons) without documented planning permission. This may be felt more acutely from boroughwide implementation

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b) Area based selective licensing (Battle, Park, Redlands)

- 4.12 Although some consultation respondents suggested schemes should operate borough-wide there is stronger evidence to support an area-based scheme, covering areas where more issues have been identified with housing conditions. This would be both more readily justifiable and deliverable than a Borough wide approach. Officers consulted on the implementation of a selective licensing scheme in a restricted number of wards.
- 4.13 Officers propose a phased implementation beginning with Battle in 2027, then Park, then Redlands at 2 year intervals thereafter (subject to review by officers prior to each and likely additional public consultation).
- 4.14 Officers recommendation is for the designations to be made based on evidence of poor property conditions. The stock condition report [Appended to the February 2024 committee report](#) contains the details of the property conditions found. Battle Park and Redlands Wards contained both high numbers of predicted hazards and a rate of serious hazards above the national average.

Pros	Cons
More likely to be achievable than a whole Borough scheme (depending on the number of properties in scope) with fewer additional resources.	Due to the size of the sector even one ward could take significant resource, with up to 5,014 PRS properties within a Ward (Battle Ward has a predicted 2,486 non HMO properties)

Will capture properties such as poorly converted flats (on a flat-by-flat basis) which are not covered by the proposed additional HMO scheme. Also targets individual landlords of these flats where there are multiple leaseholders in a converted building.	Targeting a small number of Wards may be seen as unequal, both landlords and tenants may feel that requirements in one area are not applied in other areas which may be perceived as unfair.
A selective licensing scheme could cover a broader range of properties, so may have more impact from covering a greater number of properties.	HMOs are predicted overall to have higher rates of poor property conditions and so the scheme covering all PRS may be viewed as less targeted.
A selective licensing scheme might also have more impact on a neighbourhood in areas where the total private rented sector level is high, but the percentage of HMOs is lower.	A selective licensing scheme may take more time to design and implement.
A scheme targeted on a smaller area would concentrate on the worst, so the interventions/applications to reach the poorer properties is reduced (so the benefits weighed against the cost of a scheme may be increased).	
A selective licence may not require an inspection in each case, this option therefore requires less resource and results in a lower fee for the landlord.	

5 Option 2 - Use of existing powers and tools

- 5.1 The consultation responses did include queries on why the use of existing powers could not be pursued to target poor landlords, without a licensing scheme. The previous report did consider some alternatives as set out below.
- 5.2 Strategic targeting of the worst property (or areas) is not happening on a proactive basis at present. Resources are occupied on the administration of the mandatory licensing scheme borough-wide and on responding to reactive complaints.
- 5.3 This option would utilise the data from the tenure intelligence modelling to target resources in certain areas of the borough and use existing powers around property conditions or antisocial behaviour.
- 5.4 Examples of activity utilising existing powers might include:
- Proactive targeting of properties with a low energy rating using enforcement powers under the MEES (Minimum Energy Efficiency Regulations or the Housing Act Part 1 (for example, using Improvement Notices).
 - Proactive inspections targeted at particular areas or property types.
 - Earlier use of formal notices.
- 5.6 These options are likely to be labour intensive without the fee mechanism to recover costs and relying on enforcement costs being charged for non-compliance (which is possible under some of the legislation but not all). It would be necessary to continue with the existing mandatory licensing scheme and although parts of these could be attempted, there is not sufficient existing resource to attempt these to any large scale. Officers do not therefore recommend this option.
- 5.7 The table below summarises some of the key issues relating to using our existing powers in isolation, without making a licence scheme designation.

Pros	Cons
Carrying on as we are, is more likely to be achievable within existing resource (increasing our activity is not).	Unlikely to achieve cost recovery (as this is not available under all the available powers), including cost recovery of the work undertaken on the licensing scheme proposals.
Less likely to require new approvals, some adjustments may be possible withing scope of existing policies and delegations	Would not benefit from the publicity and engagement (with landlords and tenants) that a designation may generate (though there has now been some publicity of our role though the consultation process). In particular it can be hard to reach tenants in the worst properties who may not know to approach us or who may be afraid to. Alternative publicity could be carried out to increase awareness to mitigate this.
Can make use of the data from the stock condition report in targeting of areas or of individual properties (without having to also interact with neighbouring properties in the area that are more likely to be compliant).	If increased formal notice action is implemented, landlords may complain or appeal to the court system on the basis that they would have completed the works voluntarily.
Use of existing powers is more targeted on the worst properties. Landlords may feel that extending licensing catches all landlords including good ones and is not targeting the worst landlords. This option may therefore have more stakeholder support.	Would not get us access to as many properties, which is needed to have the impact from assessing and finding remedies to poor conditions.

6.0 Alternative schemes

6.1 Further options are appended relating to large and small designations of each type of licensing scheme in isolation:

- Option 3 Additional Licensing Scheme - designating a HMO licensing scheme only.
- Option 4 Selective Licensing Scheme - designating a selective licensing scheme only.

7.0 Contribution to Strategic Aims

7.1 The proposal links to the 'Thriving Communities' theme of the Corporate Plan 2020-25. Under the Corporate Plan we are committed to ensure everyone has an equal chance to thrive wherever they live. The Plan also aspires to a place-based approach and for residents to feel safer from risk or harm. The targeted approach set out in the recommendations can contribute to ensuring equal access to a decent home across tenures and across the Borough.

7.2 The proposed recommendation to designate licensing schemes also contributes to improve "public health and prevent and reduce health inequality enabling people to live a full and healthy life". Specifically, improving living standards can have a positive impact on mental and physical health and wellbeing, as well as supporting improved educational attainment outcomes.

7.3 Berkshire West Health and Wellbeing Strategy 2021-2030 identifies that poor housing is one of the determinants of poor health. The Strategy commits the Council to consider the impact on health in work and to 'address the variation in the experience of the wider social, economic and environmental determinants of health'.

7.4 The proposals will allow the Council to take a population health approach to address the interrelated issues of poor health and housing. The link between poor housing

conditions and poor health outcomes is long established. The proposals aim to improve the stock of good quality homes which can reduce health inequalities. Improving the quality of housing, could therefore have a positive impact on the associated demand for healthcare and social care.

- 7.5 As noted above, the Council is required to ensure that the exercise of the power is consistent with their overall Housing Strategy; and seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others.
- 7.6 The Housing Standards Enforcement Policy and the Housing Strategy commit the Council to review evidence in relation to housing conditions and review the need for discretionary licensing schemes as part of wider actions to improve the quality and safety of housing for residents. The Stock Condition Report provided the evidence in relation to poor property conditions within parts of the private rented sector locally, in particular in the HMO market and within certain Wards. The decision to proceed with a scheme is therefore consistent with these strategies.
- 7.7 Reading's Preventing Homelessness Strategy 2020 – 2025 includes a priority to increase access to decent, suitable accommodation and recognises that engagement on this will focus primarily on the private rented sector, particularly through the Rent Guarantee Scheme but also through other initiatives. The recommendations in this report will tackle poor property conditions and introduce a fit and proper person test for landlords and managing agents of those properties covered by a scheme designation. The Strategy highlights issues relating to homeless prevention, and in particular preventing homelessness through the private rented sector. The proposed discount for RGS landlords helps to mitigate potential risks from landlords leaving the sector.
- 7.8 The Community Safety and Serious Violence Strategy 2023 to 2026 highlights work of the Council and wider Community Partnership in dealing with antisocial behaviour. One of the Priorities in the Strategy is to 'Improve the way the Community Safety Partnership works with communities to tackle anti-social behaviour and hate crime'. Although antisocial behaviour is not one of the criteria cited in the proposed designation, licences will contain some conditions relating to antisocial behaviour and presents opportunities for partnership working relating to this issue, for example through place-based problem-solving forums offering a multi-agency response.
- 7.9 The [Empty Homes Strategy 2020-2026](#) includes reference to tackling properties that affect areas and also refers to the Discretionary Empty Homes Grant which can be used towards eligible HMO work including fire precautions and amenities. A Private Sector Initiatives Officer post is located within the Private Sector Housing Team with focus on empty properties, to allow coordination of activity where required. The proposed licensing schemes can therefore work in conjunction with empty homes activity to improve local neighbourhoods.

8.0 Environmental and Climate Implications

- 8.1 The decisions in this report will impact on climate and environment through improvements in property conditions. The report identifies the number of properties in the private rented sector with poor energy efficiency ratings, a number of the housing hazards referred to will also relate to excess cold. Energy Performance Certificates compliance is likely to form part of the checks made in processing a licence application. The inspection programme and compliance actions resulting from a designation of discretionary licensing schemes will result in improved energy efficiency of some properties covered by the scheme.
- 8.2 In relation to waste, HMOs occupied by separate and multiple households, generate more waste and rubbish than single family homes. The Council in its function as the local waste

authority can make provision for landlords of HMOs to ensure there are appropriate facilities for storing rubbish their properties generate. All licensed HMOs (including those under Additional Licensing Schemes) will need to comply with the scheme. By providing the correct waste receptacles this enables recycling from these households. A licence holder's failure to comply with the Scheme is a breach of the licence and criminal offence.

8.3 There is a net medium positive impact to introducing the recommended schemes.

9.0 Community Engagement

9.1 A statutory process must be followed, the local housing authority must consult on the proposed scheme for at least 10 weeks. Guidance from DLHUC (now MHCLG) in relation to selective licensing suggests that 'The consultation should be informative, clear and to the point, so the proposal is readily understood. It should inform local residents, landlords, letting agents and businesses about the proposed designation, giving the reasons for proposing it, why alternative remedies are insufficient, demonstrating how it will tackle specific problems together with other specified measures, and describing the proposed outcome of the designation. It should also set out the proposed fee structure and level of fees the authority is minded to charge (if any).

9.2 Landlords and agents were invited to a launch event which took place on 6 June 2024 and a series of drop in events were held in June July and August. An explanation of the proposals was published on the Council's website and the proposals were published on the Council's consultation platform ahead of an online survey launched on 13 June which ran to 29 August 2024 (11 weeks). The consultation documentation included scope of the schemes, proposed standards and conditions to be attached to licences and the fees to allow full and informed engagement and feedback on the proposals.

9.3 The guidance also states that 'Consultees should be invited to give their views, and these should all be considered and responded to.' and that 'Once the consultation has been completed the results should then be published and made available to the local community. This should be in the form of a summary of the responses received and should demonstrate how these have either been acted on or not, giving reasons.'

9.4 All consultation responses must be considered and responded to as demonstrated in the appendices to this report. A 12-week standstill period follows a decision to make a designation. 288 responses were received to the survey. Separate written responses were received including from the University of Reading and landlord organisations. A summary of the consultation responses and responses to the issues raised are appended to this report.

9.5 Meetings were also held with voluntary sector groups as part of the consultation process.

10 Equality Implications

10.1 The proposals are not expected to have a differential people with protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex (gender) or sexual orientation), beyond the impact described below.

10.2 The proposals in the report will have a beneficial impact to residents in the private rented sector subject to the scheme(s), particularly those occupants of certain ages (particularly the very old and very young) who may be impacted more due to the risk of injury or poor health caused by poor housing conditions.

10.3 The improved housing conditions resulting from the proposal will support individuals at high risk of poor health outcomes, a priority in the [Berkshire West Health and Wellbeing Strategy 2021-2030](#).

11 Other Relevant Considerations

- 11.1 The Council must ensure that it has robust evidence against relevant criteria for designations. The data has been examined by officers to see which scheme fits with the proposed designated area. The impact of the size of scheme on the number of properties with potential to be improved must also be balanced against the resources available to implement the scheme.
- 11.2 The designation must be supported by a series of documents to support implementation including internal procedures, guidance for landlords, template licence conditions, amenities standards and other supporting information. Some of these were produced in draft form and included in the consultation. Further work is required to review consultation feedback for implementable change and to create working documents. These must be completed before applications can be taken.
- 11.3 The publicity surrounding the proposed schemes, including at consultation and designation stage, may raise awareness of the Council's role in enforcing standards in the private rented sector. As well as the benefits of this, increased awareness on compliance may also lead to increased demand on the service responding to enquiries and complaints about property conditions (as well as about the scheme itself). The design and implementation of the schemes, though proposed to be met through cost recovery, are likely to impact on service delivery in day-to-day operations of the private sector housing team. A further assessment may need to be conducted into the impact on other Council services and stakeholders to ensure that capacity exists.

12 Legal Implications

- 12.1 The Housing Act 2004 Parts 2 and 3 contains the provisions under which any selective or Additional Licensing Scheme may be made and also the conditions which can be included on a licence. The legal requirements for designation and for the conditions that may be attached to a licence under each type of scheme are set out in Appendix 2 of the [February committee report](#). The Council is required to consider whether alternative courses of action would meet its objectives.
- 12.2 The Provision of Services Regulations 2009 will apply. Local Authorities introducing new requirements for businesses, are obliged to comply with the Regulations. This extends to administrative or procedural rules and practices which are part of authorisation processes, and to conditions that are attached to licences where this condition is a part of the authorisation process. Fees charged by a competent authority under an authorisation scheme must be reasonable and proportionate to the cost of the procedures and formalities under the scheme, and must not exceed the cost of those procedures and formalities. [The Department for Business, Energy and Industrial Strategy \(BEIS\) has published guidance](#) Other authorities have faced legal challenges relating to the requirements of these regulations, in particular relating to fees.
- 12.3 The Council must consult persons affected by any designation and consider the representations made by them. A failure to follow the correct procedure could result in an application for judicial review, or in the Secretary of State not making the designation where approval is required. A failure to apply legally compliant conditions onto a licence may result in successful appeals against licence decisions to the Residential Property Tribunal.
- 12.4 The proposals in the report are likely to result in an increase in formal enforcement action, due to the number of properties proposed to be brought into the scope of the additional regulation.
- 12.5 A person commits an offence if they have control of or manage a house which is required to be licensed but is not, or if they fail to comply with the licence conditions. Such a person is liable on summary conviction to a fine, or a financial penalty may be imposed by the Council (as an alternative to prosecution) of up to £30,000. Any rent paid to the landlord of a property which was required to be licensed but was not, may be liable to repayment by order of the Residential Property Tribunal.

- 12.6 A management order may be made in respect of a property which is required to be licensed but is not. A management order gives the local authority control of the property.
- 12.7 Caselaw indicates that the planning status of a property may be a relevant consideration when issuing a licence. Consultations with planning and planning enforcement confirms that issues raised from applications and inspections may impact on these services. This is particularly the case in relation to the Article 4 area.
- 12.8 Although it is envisaged that most licences issued would be for the full term of the designation (5 years), there is no requirement for the Council to issue a licence for the full length of the scheme. Issuing a shorter licence is an alternative measure where there are issues at the property, this might include poor management, poor property conditions or issues around planning permission. In these circumstances, it is proposed that the council would generally issue a one-year licence in the first instance to allow sufficient time to regularise the planning position or other issues. Licence holders could then apply for a further licence. This would apply across the mandatory and additional HMO schemes. It may also apply to the selective licence scheme in certain circumstances. For example, before starting any works to satisfy licence conditions to a protected property or inside a conservation area.
- 12.9 Some of the issues above may require amendments to the Housing Standards Enforcement Policy, if necessary this may follow in a separate report.
- 12.10 The progression of the Renters Rights Bill announced in the Kings Speech in July 2024 may impact on the regulations facing landlords in this sector and may to some extent duplicate provisions of a licensing scheme. The Secretary of State may also review the types of designation which does not require their approval at any time but in particular following enactment of the Bill, though no proposals have been seen relating to this. The extent of the additional work required to enforce the Renters Rights Bill (if enacted) is not known, if the other options are pursued this may make it more difficult to find additional capacity to cope with these requirements. If options in this report are pursued, this may make it more difficult to find additional capacity to cope with any new requirements resulting from the Bill, if enacted. In mitigation there are opportunities to cancel a designation once made and there may be positives from having staff already here should the new powers and responsibilities come into force.

13. **Financial Implications**

- 13.1 Licensing allows local authorities to recover costs related to the administration and processing of a Scheme – but not its enforcement. The significant costs are staffing for a combination of processing and inspecting officers. Initial setup costs are also recoverable through licence fees, estimated at c£50,000. Supplies and services (including printing, equipment, health and safety costs) form the other running costs. There is capital expenditure anticipated in relation to purchase of equipment, though primarily the implications of the decision relate to revenue.
- 13.2 Fees will be set at a level to ensure full cost recovery. This will be monitored closely, and the scheme will need to be amended if full cost recovery is not achieved.
- 13.3 Although feedback from the consultation exercise was that the proposed fee levels were too high, we have also reviewed comments relating to the Council's ability to implement the scheme. The fee proposals have therefore been amended to achieve cost recovery.
- 13.4 The additional HMO licence fee proposed is the current fee set for the mandatory licensing scheme. However, the fee is proposed to be increased in year, increasing from £950 to £1250 for a standard application. This is required to allow for a full inspection programme to be implemented and to cover the running costs of the scheme implementation. The Standard fee will be kept to the consultation proposal of £950 in the first part of year 1 to act as an incentive to apply early.

- 13.5 A discount is proposed on the Selective Licensing Scheme for properties which are on the Council's Rent Guarantee Scheme (£250 instead of £750 for a selective licence). These properties are generally let below market rents and the reduction is to incentivise and retain landlords onto the scheme. The fee calculations on how many landlords are estimated to take on the accreditation discount rate were recalculated together with other measures, to ensure the overall costs of the scheme is neutral.
- 13.6 Revenue Implications are set out in Appendix 1
- 13.7 Capital costs are estimated at £10,000 (computers and other equipment costs).
- 13.8 The proposed fees and charges, the predicted income and revenue expenditure and a comparison with other authority's fees are set out in Appendices to this report.

14.0 Value for Money (VFM)

- 14.1 The proposed options, taking account the public benefit and health benefits and cost recovery element of the scheme, presents value for money.

15.0 Risk Assessment.

- 15.1 The key financial risks associated with any scheme are:
- Consultation costs can be recovered through the scheme fee but will not be recoverable if the designation is not made. Consultation and setup costs will also not be met if the Scheme cannot proceed due to legal challenge or failure to obtain Secretary of State approval (where required).
 - Income does not cover expenditure. Previous models of expected income from the extension of mandatory licensing in 2018 were not met due to a smaller than expected number of applications.
 - The income set in the proposal for Option 1 runs at a deficit if the later phases are not implemented (particularly if the Additional Licensing Scheme is not renewed). This can be mitigated by use of temporary contracts particularly for the selective licensing phases.
 - The licence fee may only be used to recover costs related to the operation of the licensing scheme. Property inspections may identify other deficiencies which require enforcement under different legal provisions, which in most cases do not have cost recovery mechanisms attached for officer time. If the Service is unsuccessful in recruiting to the posts required to process applications and inspect properties, this may delay the issuing of licences which would impact on a proportion of the fee income. The bulk of the application fee is payable upfront but a proportion is payable once the decision to issue a licence is made.
 - The concerns around costs being passed on and landlords exiting the market were also shared by Rent Guarantee Scheme (RGS) and Homeless Prevention. This could impact on homeless prevention budgets resulting from increased costs from presenting homeless households and lack of private sector landlords willing to accommodate them. In order to mitigate this we propose to offer a heavily discounted fee to RGS landlords (this particularly affects the Selective Licensing Scheme in Battle ward), who operate at below market rents.
 - At the end of the scheme there is a risk of additional costs relating to redundancies if there is no follow up designation or similar scheme generating licence fee income.
- 15.2 The risks around staff resource are proposed to be mitigated by spreading the start dates for the designations. The Council benefits from having an existing core team of experienced officers, who it is anticipated will be able to assist with the development of the enlarged team. We also propose utilising apprenticeships within the wider team structure, to mitigate for the difficulties in recruiting environmental health officers. These measures will instil resilience into the project. It is recognised that it may be necessary to pause or cease implementation of either or both schemes if sufficient numbers of staff cannot be recruited to implement the scheme.

15.3 There may also be potential to mitigate staffing issues and costs through outsourcing licence processing and inspection to an external provider, it is noted this would require a further report and a separate committee decision to be implemented.

16. **Timetable for Implementation**

16.1 An indicative timetable is set out in the Appendix 3.

17 **Background Papers**

17.1 There are none.

Appendices

1. Financial implications
2. Proposed fees
3. Indicative timetable
4. Fees comparison
5. Option 3 Additional Licensing Scheme designating a HMO licensing scheme only
6. Option 4 Selective Licensing Scheme designating a Selective Licensing Scheme only
7. Renters Rights Bill summary
8. Consultation methodology and responses
 - Responses from organisations (NRLA and Propertymark)
 - University of Reading survey
 - Reading Borough Council Survey questionnaire results

Appendix 1. Financial Implications

The financial implications arising from the proposals are set out below:-

1. Revenue Implications

	Additional HMO Licensing		Additional + Selective Licensingx1 Ward			Selective Licensingx2 Wards	
	2025/ 26 £000	2026/ 27 £000	2027/ 28 £000	2028/ 29 £000	2029/ 30 £000	2030 /31 £000	2031/ 32 £000
Employee costs	294	294	555.5	555.5	555.5	474.5	443
Other running costs	24.5	14.5	25	25	25	21	19
Capital financings N/A							
Expenditure	318.5	308.5	580.5	580.5	580.5	495.5	462
Income from: Fees and charges	314	314	589.5	589.5	589.5	497	497
Grant funding (specify)							
Other income							
Total Income	314	314	589.5	589.5	589.5	497	497
Net Cost(+)/saving (-)	+4.5	-5.5	-9	-9	-9	-1.5	-35

The proposal is therefore cost neutral.

Notes

1. Income from fees and charges = application fee income
2. 2024/25 and 2025/26 Additional licensing income only.
3. All years – income displayed as evenly distributed over 5 year scheme designations though there is likely to fluctuation with more applications in year 1 and 2 of each designation.
4. 2029/30 and 2030/31 reduction in income due to lower fee for selective licensing

Appendix 2 - Fees and charges

Additional HMO licensing

Year 1 early bird fee

Description	Licence fee
Standard fee	£950.00
Accredited landlord discount - for those applicants who are members of a landlord accreditation scheme, such as accredited members of the National Residential Landlords Association (NRLA). The property must be accredited at the time the application is made.	£800.00
Late applications -where the property has been licensable for 12 weeks prior to the application being made. This is to offset the costs of chasing applications from non-compliant landlords.	£1,200

Mid-year 1 onwards

Description	Licence fee
Standard fee	£1,250.00
Accredited landlord rate	£1,000.00
Late applications - where the property has been licensable for 12 weeks prior to the application being made. This is to offset the costs of chasing applications from non-compliant landlords.	£1,500

Selective licensing fee

Description	Licence fee
Standard fee	£750.00
Rent Guarantee Scheme rate – for properties in use by the Council's rent guarantee scheme	£250.00
Accredited landlord rate - for those applicants who are members of a landlord accreditation scheme, such as accredited members of the National Residential Landlords Association (NRLA). The property must be accredited at the time the application is made.	£650.00
An increased fee is proposed for late applications, where the property has been licensable for 12 weeks prior to the application being made. This is to offset the costs of chasing applications from non-compliant landlords.	£1,000

Appendix 3 Indicative timetable

February 2024	<ul style="list-style-type: none"> •HNL Committee 21st February
June-July-August 2024	<ul style="list-style-type: none"> •Statutory Consultation
November 2024	<ul style="list-style-type: none"> •HNL Committee update on Consultation and decision
November 2024-March 2025	<ul style="list-style-type: none"> •Scheme design (application guidance, licence conditions, supporting documentation) •Workforce design and recruitment
December 2024- TBC 2025	<ul style="list-style-type: none"> •If Secretary of State approval required 3 to 12 months required to seek approval
March 2025	<ul style="list-style-type: none"> •Formal designation notice declared and advertised. Followed by statutory 3-month Notice Period at minimum
March-June 2025	<ul style="list-style-type: none"> •Scheme publicity •Staff training
June 2025	<ul style="list-style-type: none"> •Additional hmo licencing go live •Applicants received, initial processing
2025-2027	<ul style="list-style-type: none"> •Additional hmo licencing - 1 scheme in operation, inspections and issuing of licences
March 2027	<ul style="list-style-type: none"> •Designation of Selective Licensing Scheme (Battle ward). Formal designation notice declared and advertised. •Followed by 3-month statutory Notice Period at minimum
Q2 2027	<ul style="list-style-type: none"> •Selective licencing in Battle go live •Applications received initial processing
2027-2029	<ul style="list-style-type: none"> •Additional hmo licencing plus selective licencing in Battle ward. 2 schemes in operation, inspection an dissuing of licences
2029-30	<ul style="list-style-type: none"> •Review of scheme effectiveness, decision on whether to renew designation of additional hmo licence scheme and/or further selective licencing schemes.

Appendix 4 - Licence fees comparison

Selected local authorities with discretionary licensing schemes

LHA	Type of scheme	Application fee £ *based on standard undiscounted fee - HMO fees based on 5 person
Birmingham	Mandatory HMO	1125
	Additional HMO	755
	Selective	700
Bristol	Mandatory HMO	New – 1886 Renewal - 1564
	Additional HMO	1300
	Selective	799
Coventry	Mandatory HMO	840-1300 Renewal - 810
	Additional HMO	As above
	Selective	Proposed 380 did not proceed
Ealing	Mandatory HMO	1550
	Additional HMO	1200-1300
	Selective	750
Guildford	Mandatory HMO	987
	Additional HMO	NA
	Selective	NA
Islington	Mandatory HMO	1440 (288/room)
	Additional HMO	703 (self contained flats)
	Selective	800
Manchester	Mandatory HMO	1321 Renewal - 1121
	Additional HMO	NA
	Selective	736-936
Nottingham	Mandatory HMO	1123-1981
	Additional HMO	As above
	Selective	887-1233
Oxford	Mandatory HMO	505- 2640
	Additional HMO	266-557
	Selective	705
Slough	Mandatory HMO	800
	Additional HMO	As above
	Selective	533
Southampton	Mandatory HMO	716-1211
	Additional HMO	NA
	Selective	NA

Appendix 5

Option 3 Additional Licensing Scheme designating a Selective Licensing Scheme only

This option would look at licensing smaller houses in multiple occupation only (in addition to the HMOs covered by the existing scheme. This would cover properties with 3 or 4 occupants forming separate households (usually with shared facilities). An estimated 3272 HMOs exist in the Borough, of which around 1,400 are licenced under the existing scheme.

The study does suggest that there are issues around both property conditions and anti-social behaviour in relation to houses in multiple occupation.

a) Large area (multiple wards, up to the whole Borough)

This would cover a large area of the Borough or the whole Borough, equating to around 1800 properties. The scheme by itself could therefore have a considerable impact on property conditions.

Pros and cons are as above though in relation to carrying out this option alone:

Pros	Cons
An HMO-only scheme targets the tenure type which the study shows has the most problems.	An Additional Licensing Scheme would only licence small HMOs currently not covered by the mandatory scheme. It would not cover other rented properties.

b) Small area

In this sub-option a smaller area would be selected, typically this would be a ward or a group of wards. Battle ward and Redlands ward have been identified as the priority areas (341 properties). Abbey ward or part of Abbey ward could be added to incorporate up to an additional 688 properties.

A smaller area-based scheme, would cover areas where more issues have been identified with housing conditions. This and it would be both more readily justifiable and deliverable than a Borough wide approach.

The number of HMOs that would be caught up would vary by ward, for example, Abbey has a relatively low number of HMOs on the existing scheme, it would take another 688 licences to cover the HMOs in this area. Battle conversely would only take an additional 124 applications for all HMOs to be licenced in this area, with a similar impact (see below). Category 1 hazard levels in Battle are predicted to be significantly higher when expressed as a rate (46.1%).

Pros	Cons
More likely to be achievable within existing resource (depending on the number of properties in scope) or with fewer additional resources.	Does not cover so many properties so fewer properties are improved
The impact on other services in particular planning may be reduced (though the main impact is likely to be in relation to the Article 4 area would remain to a significant extent in relation to Park and Redlands).	The data captured did not provide evidence in relation to buildings converted to self-contained flats, which may also be considered as a type of HMO and which may also have poor conditions.
HMOs are predicted overall to have higher rates of poor property conditions and in turn picking the worst of these for the scheme may be viewed as more targeted.	An Additional Licensing Scheme would only licence small HMOs currently not covered by the mandatory scheme. As a result, many poorly managed properties occupied by single households such as self-contained flats would be excluded from the

	<p>scheme, diminishing the impact. Selective licensing allows for all private rented properties to be covered, rather than just HMOs.</p>
<p>A smaller targeted scheme allows outcomes to be evaluated rapidly by the service and its partners. The scheme could be used as a pilot prior to expansion into further wards. Changes can be made on a smaller scale as necessary and improvements to future schemes may be better informed.</p>	<p>There may be market distortion within the affected areas including loss of some properties from the sector, this may impact on adjoining areas or other parts of the wider area. For example, further conversions to HMOs outside the designation boundary and/or rogue landlords may be displaced into other areas of the borough as a result of licence avoidance.</p>
<p>A focussed neighbourhood approach could more easily incorporate a multi- agency approach as resources can be more readily marshalled.</p>	<p>Conflicting priorities between agencies may mean that the areas selected as a priority for housing conditions are not a priority for other departments or agencies (so the benefits of co-operation are reduced)</p>
<p>Capacity/resource can be tested without the same level of financial commitment that may be required by a larger scheme. E.g. if the enforcement resource is insufficient, this can be reviewed as this is a key part of any scheme but is not covered by licensing fees.</p>	<p>A requirement to carry out a statutory consultation again if the scheme is to be extended into other parts of the borough.</p>
<p>Starting with a focus on the area evidencing greatest need, the scheme could in subsequent years be extended to cover additional Wards with experience fed back in as the scheme progresses.</p>	<p>We note that further investigation may be required to establish the detail of the property numbers particularly in Abbey Ward and whether blocks of modern converted student housing have impacted on this figure.</p>
	<p>Landlords inside the area may feel unfairly targeted and tenants outside the designation may feel disadvantaged.</p>

Appendix 6

Option 4 Selective Licensing Scheme

a) Large scheme (from 20% of the area to whole Borough)

A large scheme encapsulating all of Reading's Private Rented Sector could have as many as 30,982 properties within it. Although 4,862 (15%) of these properties are predicted to have category 1 hazards, the rate does vary between wards.

Pros	Cons
A large scheme treats all landlords equally.	A large scheme will need consent from the Secretary of State, which will also increase the timescale for delivery
The scheme would have the greatest reach, with the potential to improve the greatest number of properties.	The evidence for taking action is weaker in some wards, to the scheme may be disproportionate and more open to challenge and will cover more properties that are already compliant
Will capture properties such as poorly converted flats (on a flat-by-flat basis) which are not covered by the proposed additional HMO scheme.	The resources to process such a scheme would be larger and beyond current capacity
A Selective Licensing Scheme could cover a broader range of properties, so may have more impact from covering a greater number of properties.	The selective scheme covering single household dwellings has more differences to the existing licensing scheme than an additional HMO scheme, and so may take more time to design and implement
A selective licence may not require an inspection in each case, this option therefore requires less resource and results in a lower fee for the landlord.	Predicted rates of poor conditions taken across the PRS was as high as the HMO predicted rate in no wards, so a selective scheme alone would not be tackling the worst conditions. A greater number of properties that are already safe would be covered by the scheme.
	A Selective Licensing Scheme may take more time to design and implement.

The principal reason to reject this options is a lack of capacity to deliver a scheme of this size. An inspection of each property may not be strictly necessary for the operation of an Additional Licensing Scheme. However, the designation would need to demonstrate how licensing would improve the sector. If the reason for implementing the scheme was cited as poor property condition, then licensing without inspecting and achieving improvements may be harder to justify.

b) Area based selective licensing (small scheme under 20% threshold)

This option would involve implementation of a Selective Licensing Scheme in a restricted number of wards. Drawing on evidence from the feasibility Tenure Intelligence study there is stronger evidence to support an area-based scheme, covering areas where more issues have been identified with housing conditions. This would be both more readily justifiable and deliverable than a Borough wide approach.

Battle, Park and Redlands wards were identified as priority areas with the highest rate of predicted category 1 hazards and with high numbers of properties with poor energy performance.

There are other options for areas to be included, such as areas of deprivation, or areas most intensively impacted by high levels of private rented sector properties. Abbey and Park are estimated at 61 and 57% of total residential properties respectively. Due to the size of the sector in these wards, however, there will still be a significant number of properties within the scheme. A Selective Licensing Scheme in many of the wards would be as large in scope as the proposed Additional Licensing Scheme.

Pros	Cons
More likely to be achievable than a whole Borough scheme (depending on the number of properties in scope) with fewer additional resources.	Due to the size of the sector even one ward could take significant resource, with up to 5014 PRS properties within a ward
Will capture properties such as poorly converted flats (on a flat-by-flat basis) which are not covered by the proposed additional HMO scheme.	Targeting a small number of wards may be seen as unequal, both landlords and tenants may feel that requirements in one area are not applied in other areas which may be perceived as unfair.
A Selective Licensing Scheme could cover a broader range of properties, so may have more impact from covering a greater number of properties.	HMOs are predicted overall to have higher rates of poor property conditions and so the scheme covering all PRS may be viewed as less targeted.
A Selective Licensing Scheme might also have more impact on a neighbourhood in areas where the total private rented sector level is high, but the percentage of HMOs is lower.	A Selective Licensing Scheme may take more time to design and implement than additional licensing due to more differences than the current scheme.
A scheme targeted on a smaller area would concentrate on the worst, so the interventions/applications to reach the poorer properties is reduced (so the benefits weighed against the cost of a scheme may be increased).	Predicted rates of poor conditions taken across the PRS was as high as the HMO predicted rate in no wards, so a selective scheme alone would not be tackling the worst conditions.
A selective licence may not require an inspection in each case, this option therefore requires less resource and results in a lower fee for the landlord.	

Appendix 7- Renters Reform Bill summary

The Renters' Rights Bill will:

- **Abolish section 21 evictions** and a position where all assured tenancies are periodic.
- **Amended possession grounds** as no fault evictions using section 21 will no longer be permissible amended grounds for possession are proposed.
- **Provide stronger protections around rent increases.** Although landlords will still be able to increase rents to market price for their properties and an independent tribunal will make a judgement on this, if needed.
- **Introduce a new Private Rented Sector Landlord Ombudsman** . This will bring tenant-landlord complaint resolution on par with established redress practices for tenants in social housing and existing schemes for property agent services, with binding decisions being made by the ombudsman.
- **Create a Private Rented Sector Database.** Landlords will need to be registered on the database in order to use certain possession grounds. New enforcement powers are proposed for not belonging to an ombudsman scheme and for not registering on the database.
- **Give tenants strengthened rights to request a pet in the property**, which the landlord must consider and cannot unreasonably refuse. To support this, landlords will be able to require pet insurance to cover any damage to their property. This is likely to be enforced via the courts and the ombudsman service, rather than enforcement action taken by local authorities.
- **Apply the Decent Homes Standard to the private rented sector** with proposals for enforcement action by councils if the required standards are not met.
- **Apply 'Awaab's Law' to the private sector**, setting legal expectations about the timeframes within which landlords in the private rented sector must take action to make homes safe where they contain serious hazards. This is currently proposed to take place by introducing implied terms into tenancies and not for direct enforcement by local authorities.
- **Make it illegal for landlords and agents to discriminate against prospective tenants in receipt of benefits or with children** – this is proposed to be enforced by local authorities.
- **End the practice of rental bidding by prohibiting landlords and agents from asking for or accepting offers above the advertised rent.** Landlords and agents will be required to publish an asking rent for their property and it will be illegal to accept offers made above this rate. This is proposed to be enforced by local authorities.

Enforcement powers proposed in the Bill includes expanding civil penalties, introducing a package of investigatory powers and bringing in a new requirement for local authorities to report on enforcement activity.

Rent repayment orders are also proposed to be amended to enable up to 2 years rent to be reclaimed in case of certain breaches and extending who might have to pay them. These orders can be applied for directly by the tenants, local authorities can make a claim in certain cases where benefits have been paid.

(source [Guide to the Renters' Rights Bill - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guide-to-the-renters-rights-bill))

Appendix 8 - Consultation responses

Feedback on the scheme was primarily taken through an online survey. To support this a series of in person events were held, where feedback was taken though it is noted these were aimed at introducing attendees to the schemes, so the responses were unlikely to have been fully informed on the full details of the proposals.

The first event was on the day of the consultation launch. Following a presentation the attendees, who identified as landlords and agents at registration, were split into small groups to allow round table discussions. To take account of the fact attendees would not yet have read through the documentation, discussions were centred around three key themes.

This event was followed by a series of drop in events. Overall these were poorly attended and again the majority of attendees were landlords and agents, though an event in Battle was attended by over 20 people and a mixture of landlords and local residents, with a small number identified as tenants. The responses from the launch event, the later drop-ins and the Redlands event are therefore listed separately.

It should be noted that the attendees may in some cases have responded to the consultation survey, but some may not have

Launch event (6 June Council Chamber)

Theme 1 - What properties are covered by the scheme.

Concerns raised included

- Landlords felt that Selective Licencing in Battle should be moved closer to town and not start from Reading West Bridge.
- Why can't RBC just target properties that are reported, rather than just blanket licensing using up valuable time and resources chasing good LLs?
- What is the background for having these new licensing processes?
- Comparisons with Scotland where it was felt an attendee that it has led to pushing prices up (cost of housing and rents), a widespread/higher concentration of homelessness and slum type areas. Some attendees also noted that Slough had discontinued their Selective Licensing Scheme
- The opinion was that the bad LLs will still evade licensing and continue to fly under the radar.
- Selective Licencing shouldn't include single household properties. As it was felt that these were low maintenance and generally well maintain with long term families.
- If extended licensing is brought in for 3-4 bed HMO's, renting for sharers will become hard as the market will become smaller as the landlord will avoid the HMO market and only let to families to avoid the licencing.

- The impact on homelessness particularly in relation to s21 (no fault) evictions was mentioned by some attendees.
- It was mentioned that they believed good landlords would be pushed out of renting.
- Landlords moving out of market already due to fees, taxes on properties in the area
- Concerns about the Renters Reform Bill (the events happened prior to the general election) including duplication
- That the Council already has powers to enforce so why do we need licensing scheme.
- Some attendees felt we are punishing smaller landlords with the proposals
- Implications on tenants being served notice + not leaving and then LL dealing with it
- Queries on policing noise nuisance and antisocial behaviour - how will this be done and how can the Council assist landlords with this
- How did we carry out stock condition survey, such as queries on numbers given in the stock condition report and use of the word 'likely'

Ideas included

- Exemptions for landlords who recently purchased, new build properties
- Feels like LLs are just being penalised constantly
- No value to selective licensing but additional HMO licensing was felt worth it for 5 year licence by some attendees
- Feel that if additional licensing was put in then wouldn't rent to 3 people in a way to avoid scheme
- Early bird fee - Oxford charged 280?
- Concerns about ensuring there are realistic timeframes for processing
- Why stagger the selective licence
- Concern about how to police rogue landlords who continue to evade schemes
- How would we circulate news to ensure compliance with new schemes
- Slough Council has ceased their selective licensing - should we consult them?

Other points raised included

- one landlord asking if we had the statistics on who is purchasing the properties e.g. small and one off landlords like them or large portfolio landlords?

- Some attendees felt that if there are breaches occurring and the areas identified are evidenced to be the worst affected, then did not see an issue with it being 'policed'.
- Clarification was needed by some attendees on exactly which properties were included and it was felt it would be useful to add postcodes and addresses for each ward
- Voluntary groups should be contacted to speak with vulnerable people - empower needed for these people to report

Theme 2 - Requirements (amenity standards/conditions).

Concerns included:

- 2 x Landlords were concerned on the cost implications to their properties and whether the Council will be pushing for a higher standard than they already have. They felt they have everything they are legally required to have, and the properties are rented through the Council's Rent Guarantee Scheme (RGS).
- 2 x Landlords were of the opinion that conditions should not include white goods, as they are always having to take them out and store them, due to TTs having their own white goods. 1 x LL disagreed with this as she often has TTs that can't afford white goods.
- 2xLandlords feel that already pay the agent to do all of this and that RBC was duplicating the process. (housing Act & HHSRS was explained, which they did not appear to be aware of).
- Good Landlords paying for bad Landlords all over again and relying on Landlords being honest, was mentioned. Resulting in the honest Landlords being licenced and bad one not.
- For properties that have been converted into flats, will the standards take into consideration those that haven't been insulated properly causing damp, mould and noise issues?
- For family homes that fall under selective licensing, will room size affect the assessment of overcrowding resulting in small rooms not being able to be used as a bedroom where they currently are used?
- Makes sense to have the same standards for the mandatory HMO licensing and extended licensing. There should be less strict standards for selective licensing e.g. no fire doors, emergency lighting etc.
- For 3-4 bed HMO's, the requirement to install fire doors, emergency lighting, fire alarm panel etc. would be onerous and costly, therefore shouldn't be implemented. If it is, many landlords will leave the market as they don't make enough money from the properties to cover the cost.

Other points raised included

- There were no real issues of concerns regarding amenity standards/conditions. They were considered in most cases obvious and necessary.
- 3 X Landlords agreed condition should stipulate cooking, washing facilities and toileting facilities as these are essential.

- This did raise the comment again about using the money and inspectors to inspect all properties so they can target the problem ones. Staffing and financial resource issues were explained to the LLs who appear to except how impractical it would be in the current climate.
- Conditions for selective licensing match the current guidelines

Theme 3 - Fees and where the money goes.

- Landlords not happy to pay a fee to be told the property is fine. This was mainly with reference to single household properties.
- Landlords feel that the Licensing Scheme/Fee may push rents up. As the extra they would have to do takes time/money that will need to be recouped in some way.
- It was mentioned generally that it was thought the fee was high.
- Concerns that the fees for the scheme will be passed to the tenants, other attendees also felt there may be an impact on prospective landlords looking to invest
- General census was the fees were high in comparison to Scotland and Oxford.
- There was concern about where the money would be going but some attendees noted a need for more 'on the ground' officers,.

Other points raised included

- Landlords would like a sliding scale based on the size of the property e.g. 2, 3 or 4 bed.
- Landlords agreed that there should be a larger discount for Accredited Landlords (some mentioned it being free).
- If when a property is inspected and is found to be in good condition. RBC should only be charging for the inspection.
- It was felt that Landlords with many properties e.g., 10 or more. Should be allowed to apply for licences over a period to spread costs e.g., 2 to 3 properties every 3 months. Consideration should be given to landlords who own multiple self-contained units in one property to only pay a one-off fee for the whole property rather than for each individual unit.
- 2 x Landlords felt they should pay a lower fee, as they are already on the RGS scheme. Therefore, their properties have been inspected and repairs carried out in accordance with their requirements.
- 2 x Landlords felt they should be allowed to pay the fee over several months e.g., 10 - 12 months. 1 x LL disagreed as she thought the fee should be paid in one go.
- Some attendees didn't see money's worth in the current licensing scheme
- Use the RGS scheme to spot check properties instead.

Drop in events

(Battle Library, South Reading Community Hub, Hexham Rd Community Centre)

Concerns raised by landlords at the drop-in events included:

- People will pull out of the market, some suggested that as landlords are exiting their properties are not being bought by PRS landlords and so properties are being lost to the sector and that there is a particular need in Reading for shared housing especially for young people.
- That tenancy sign ups in the student market are in October, ready for the following June/July and this creates difficulties how to account for the scheme when setting up next years tenancies (and therefore that by the time of this decision some student contracts will already have been entered into).
- Rents will be increased and that in smaller properties the costs of compliance are split between fewer tenants.
- Will end up being counter productive.
- Bad landlords being pushed further underground.
- That the scheme does not tackle poor conditions in housing association and the Council's own stock.
- That this scheme comes on top of other costs such as the raising of the minimum energy rating and non-return of deposits.
- That the proposed fee for this is higher than their letting agent fees.
-

Ideas identified during the events included

- to offer more of an incentive for landlords to come forward rather than imposing more burden on all landlords - i.e. more carrot less stick - such as a council tax reduction- but understands the issue of affordability for the council too.
- To allow the cost to be split and paid monthly/yearly

Consultation survey

The survey was created in-house using a mixture of tick-box answers and space for more detailed written responses. Respondents were asked separately about the proposed selective and the additional HMO licensing schemes including specifically about the proposed fees, amenities standards, and costs and impact on rents, as well as about the proposed scope of the schemes.

The survey was completed by 287 respondents, the largest number of respondents were landlords (125) with a small number of letting agents (5) and managing agents (4). Owner occupiers (70) and tenants (54) made the other significant groups. 29 respondents listed themselves as other, made up of Resident (3), Resident but a single property landlord in [another local authority area], Support local authorities in raising standards in the PRS, live in the area, potential landlord and 1 person stated “none of the other categories”

The consultation questionnaire responses are separately appended, Officers' responses to the key themes of the consultation are set out below.

Issues with the sector

Respondents have reported a range of issues with their rented properties, including problems with damp, asbestos, and general disrepair. Many have experienced significant delays in getting these issues addressed, with some waiting for months without any action being taken. There are also complaints about poor communication from landlords and letting agents, with some tenants feeling ignored or forgotten.

A few respondents have had more positive experiences, noting that their landlords were responsive and attended to issues promptly. However, these seem to be in the minority.

Some tenants have reported feeling threatened with eviction or rent increases if they push too hard for repairs to be made. There are also instances where landlords have been described as unprofessional or even abusive.

2 respondents indicated that they were very satisfied and 7 satisfied when they reported the issue to their landlord or agent, conversely 6 were dissatisfied and 7 very dissatisfied.

Landlords tended to agree with the statement that properties are well managed, more owner occupiers tended to disagree or strongly disagree with this statement. Four tenants agreed or strongly agreed with the statement, 25 disagreed or strongly disagreed.

It should be noted there may be some bias in the reporting, if tenants without issues might feel less inclined to answer this part of the survey. However, the responses indicate there are issues with property condition which are a cause for concern and indicate a need for better regulation and enforcement in the private rented sector to ensure timely repairs and maintenance, improved communication between tenants and landlords/agents, which could be improved by a licensing scheme through inspection and property conditions. Issues around protection for tenants from retaliatory actions when reporting issues might be assisted by the licensing requirements relating to adequate management arrangements and/or for landlords and agents to be a fit and proper person to hold a licence.

Scope of the Selective Licensing Scheme

Many of the responses to this question did not specifically answer what type of property or what areas ought to be covered by a scheme. There were few suggestions on specific areas but the following points were made.

A common concern is that the scheme could lead to increased costs for landlords, which may be passed on to tenants in the form of higher rents.

Later in the survey there were specific questions on costs of compliance and impacts on rent. The survey showed concerns about this from a small number of tenants as well as from landlords. The private rental sector is a business and as such it is expected that additional costs in most cases will be passed on to the consumer (the tenant). It must be noted there is nothing in the Housing Acts or related legislation to prevent licensing-related costs being passed on, though there may be some restrictions on how and when rent increases may be applied and in some cases there is a right of appeal to a tribunal.

The application cost of £750 when expressed over the 5 year term of a licence is £12.50 per month per property. However we did note concerns that this was an additional cost coming on top of other financial burdens, both regulatory and non-regulatory. The average monthly private rent in Reading was £1,456 in August 2024. This was an increase from £1,283 in August 2023, a 13.5% rise. According to ONS figures average rents in Reading have been increasing at over 10% consistently throughout 2024 (when compared to the same period in 2023) so there are already pressures on rent levels and affordability. The licence fee impact of 12.50 would represent around 1% of the ONS average rent figure.

Some respondents feel that the scheme could lead to a reduction in available rental properties

Past experience in Reading from the introduction of mandatory HMO licensing and the extension of that scheme in 2018 to 1 and 2 storey properties shows that the size of the private rented sector continued to increase despite these changes.

Some respondents feel that the scheme should be limited to specific areas or property types, such as Victorian properties or HMOs while others believe it should be expanded to include all of Reading.

Many of the responses to this question did not specifically answer to indicate what type of property or what areas ought to be covered by a scheme. Some responses including from landlords did support the chosen areas. There were few suggestions on specific areas but more responses, including from landlords, commented that the scheme should be boroughwide. There were comments particularly from landlords that the schemes ought to be limited to houses in multiple occupation, and not to cover single person or single households. Note licensing of HMOs was a separate part of our proposal and so HMOs would not require a licence under the Selective Licensing Scheme, if already licenced under the additional or mandatory HMO licensing schemes.

Some consideration was given to applying schemes to property age. This would present practical difficulties as areas can have mixed property age within one street and the age of a property may not be recorded on council systems.

There are suggestions for alternative approaches, such as targeted enforcement against known problematic landlords or properties

This included some comments that only problem properties ought to be required to have a licence, however the schemes can only be implemented based on a designated area and cannot target some specific properties but exclude all others.

As referred to in the main body of the report, the use of existing enforcement powers was considered but there is not sufficient funding to increase inspection and enforcement activity at scale without utilising licence fee income.

There were calls for a distinction between different types of HMOs.

The stock condition survey results predict elevated numbers of hazards across both smaller and larger HMOs. There is already a fee structure in place which charges additional amounts after the 5th bedroom. The amenity standards proposed also differentiate requirements based on the number of occupants.

Some respondents support the idea of licensing to improve living standards and hold landlords accountable. There is however also scepticism about the effectiveness of the scheme in addressing issues with bad landlords and tenants, with some suggesting that it unfairly targets all landlords. Concerns were raised about the potential for landlords to operate 'under the radar' and avoid compliance.

The schemes proposed attempt to strike a balance between applying a level playing field between landlords and targeting the worst properties. Our proposal is to use the licensing scheme for an area based approach selecting the areas where property conditions are predicted to be the worst.

We intend to revise our enforcement policy to allow for robust enforcement and utilising information from the stock condition survey to proactively check on properties, as well as to allow for online reporting of suspected illegally operating unlicensed properties by members of the public and the property profession.

Respondents also questioned the council's ability to enforce and process the licenses effectively.

Ability to manage the licensing process and enforce has been considered further. The revised proposal in this report scales back the proposal presented to committee in February 2024, phasing proposed selective licensing designations in 3 wards and also starting the scheme later, so that there are not more than 2 schemes operating at once and to allow initial work to concentrate on the additional HMO licensing scheme.

As noted above, we intend to revise our enforcement policy to allow for robust enforcement and utilise information from the stock condition survey to proactively check on properties

We also note concerns about time taken to process applications on our existing mandatory HMO licence scheme. We have been attempting a recruitment process to help address this and risks to our proposals around recruitment are noted in the report together with proposed mitigations.

Overall, there is a clear divide between those who believe the scheme could improve housing conditions and those who see it as an unnecessary burden that could have negative consequences for both landlords and tenants.

Organisations responding to the consultation

Three responses were received from larger organisations, as these bodies represent a larger group they are included separately here.

Propertymark

Propertymark is a membership and professional body for estate and letting agents, property inventory service providers, commercial agents, auctioneers and valuers, comprising over 18,000 members representing over 12,800 branches.

Propertymark stated they are supportive of efforts by local authorities to improve housing stock, but object to the licensing proposals. The organisation stated a preference for a regulatory framework that seeks to educate landlords rather than punitive measures. Their opposition was framed on the following headings:

Scope of the scheme

Propertymark commented that the Article 4 (planning restriction) area impacts on the quality and number of houses in multiple occupation.

Officers note that impacts of the discretionary licensing proposals on the existing Article 4 scheme are noted in the report.

Propertymark also queried the impact social housing on social problems in the proposed areas.

It is noted that complaints about our own stock and other social housing were not included in the stock condition report, where these properties could be identified. It is also noted that the proposed selective licensing designation is to be based upon poor property conditions, rather than ASB or other social impacts.

Costs of the scheme

Propertymark sought clarity on the costs of the scheme and whether it is value for money and cost effective. The predicted costs are appended to this report. Officers consider the scheme is value for money and is being introduced on a cost recovery basis.

Fees

Propertymark notes licence fees, which they state are higher than some other authorities including some London Boroughs. However, they cited the fee in Newcastle as £650 for a selective licence, whereas our research suggests it costs £900. Some fees from around the country are appended to this report. They also queried the difference in fee levels between the additional and selective schemes, it is proposed that all additional HMO licences will have an inspection whereas a proportion of selective licences will have an accompanying inspection, reducing costs.

Propertymark also sought a discount on the fee for their members. We do not propose to offer a discount at present where the agent is accredited or has completed training. The proposal is for discounts to be offered to accredited landlords only, generally the landlord is the licence holder.

Impact of cost-of-living and landlords/ Impact on supply of homes/Unintended consequences

Propertymark noted concerns about landlords leaving the market, impact of cost of living (rents), which was also raised in the survey responses and discussed above.

Propertymark in particular cited their own research, which concluded 53% of properties in the PRS that were sold in March 2022 left the PRS and concern landlords may invest elsewhere.

The issue of landlords exiting the market has been noted as a risk but officers note that previous introduction of mandatory licensing scheme in 2006 and expansion in 2018 did not appear to have this impact.

Property Condition

Propertymark noted older stock and investment required particularly to improve energy efficiency. The Council does offer funding in some cases as published on our website [Property adaptations and grants - Reading Borough Council](#).

Energy efficiency

Propertymark noted proposals relating to increasing the minimum EPC rating, we do consider compliance with this legislation in our current scheme. We await a government consultation on these proposals and draft legislation, to understand their impact further.

Empty Properties

Propertymark notes issues surrounding empty properties and our existing powers, details of our empty property strategy and empty homes grant are referred to elsewhere in this report.

Current enforcement

Propertymark noted issues on capacity to deliver, mentioned in previous consultation responses. Recruitment of adequate staff is considered to be the key to this as noted in the report. They also commented on enforcement and the preference to educate. Officers note that we have previously attempted this through our landlord accreditation scheme, but were unable to form engagement. We continue to deal with many cases through advice and other non formal action, but backed up with formal action where needed. The number of properties in poor condition as identified in the stock condition report remains high. We have an existing housing enforcement policy and should the proposal be approved, this will be reviewed and adjusted as necessary.

Engagement with landlords and letting agents

Propertymark noted the importance of landlord engagement and our previous accreditation scheme. Details of the consultation engagement are noted elsewhere in this report, the Council also generally hosts a landlord forum annually and we also attend forums at University of Reading. Should the proposals in this report be adopted we will put together a communications strategy to supplement the information produced in the consultation phase to raise awareness of and develop the ideas for implementation of the scheme.

Tackling Anti-Social Behaviour (ASB) / Selective licensing and s21

Propertymark noted concerns about ASB as well as issues around serving notice on tenants and landlords ability to tackle this. The proposed discretionary licensing schemes, in particular the selective licensing schemes, are proposed to be issued on the basis of poor property conditions rather than ASB grounds. In relation to service of notice by landlords, we publish guidance on our Click before you Evict pages [Click Before You Evict - Reading Borough Council](#) and work with partner agencies including the voluntary sector, as well as the aforementioned landlord forums. This forms part of our wider Housing Strategy.

National Residential Landlords Association

The National Residential Landlords Association (NRLA) is a membership organisation representing landlords, with over 110,000 members. NRLA opposes the implementation of discretionary licensing by local authorities, according to their consultation response. Their objections were based around the following headings:

Antisocial behaviour and low housing (sic)

The NRLA made similar comments to PropertyMark relating to concerns about ASB as well as overcrowding. They highlighted issues around landlords ability to monitor properties and landlords ability to tackle this. They queried how landlords can be supported with this.

We publish guidance on our Click before you Evict pages [Click Before You Evict - Reading Borough Council](#) and work with partner agencies including the voluntary sector, as well as the aforementioned landlord forums.

Waste management

THE NRLA commented I particular on bulky waste, for which the Council already offers both a free and paid collection service for households.

Existing Enforcement Powers and Activity

The NRLA commented on existing enforcement powers, discussed in option 2 of this report. They highlighted particular powers including on waste management, plus, criminal behaviour orders and crime prevention orders. The also highlighted a range of powers available under the Housing Act 2004

As noted in the main body of the report, use of existing powers was considered but we do not consider this option suitable or sustainable for a scale up of activity, which is necessary to deal with the scale of the predicted property conditions.

They also queried data on social housing, though our in-house systems do not record tenure in a reportable way the stock condition survey analysis did exclude social housing from the statistics where possible, as referred to above.

Conclusions and alternatives

The NRLA concluded by suggesting alternative approaches such as utilisation of council tax records to identify landlords. Officers note that there are multiple types of person who might be liable for council tax and this information in itself would not lead to the significant number of inspection needed to assess and improve property conditions, which is provided by the proposed licensing schemes. This forms part of the broader approach listed in option 2 in this report. Officers consider that a significant number of properties need to be inspected to improve property conditions and we do not consider this can be resourced without a licensing scheme.

NRLA suggest that outcomes of the scheme ought to be reported and officers will consider a reporting mechanism as part of the scheme implementation, should a designation be approved.

University of Reading

The University carried out its own survey drawing on the questions in the Council's survey and also held focus groups. The university's report is presented in full below. They identified concerns about poor property conditions, which is the primary issue the proposed discretionary licensing scheme hopes to tackle. Respondents were broadly supportive of the Additional Licensing Scheme proposals but raised concerns about costs, and of these being passed on.