

Appendix 5

Title of proposed EIA	Additional Licensing in the Private Rented Sector
Reference No	EQUA1014
EA is in support of	New Function
Review Frequency	No preference
Date of first review	15/07/2024
Directorate	City Operations
Division	Regulation and Enforcement
Service Area	Private Rented Sector
Responsible Officer(s)	<input type="checkbox"/> Sajeela Naseer
Quality Control Officer(s)	<input type="checkbox"/> Rehana Kosar
Accountable Officer(s)	<input type="checkbox"/> Mark Croxford
Purpose of proposal	Additional Licensing in the Private Rented Sector
Data sources	Survey(s); Consultation Results; Statistical Database (please specify); Other (please specify)
Please include any other sources of data	MHCLG report on Selective Licensing 2019 Statistical database referred to is the HMO Stressors report commissioning for Birmingham in May 2022
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Not Applicable
Age details:	
Protected characteristic: Disability	Not Applicable
Disability details:	
Protected characteristic: Sex	Not Applicable
Gender details:	
Protected characteristics: Gender Reassignment	Not Applicable
Gender reassignment details:	
Protected characteristics: Marriage and Civil Partnership	Not Applicable
Marriage and civil partnership details:	
Protected characteristics: Pregnancy and Maternity	Not Applicable
Pregnancy and maternity details:	
Protected characteristics: Race	Not Applicable
Race details:	
Protected characteristics: Religion or Beliefs	Not Applicable
Religion or beliefs details:	
Protected characteristics: Sexual Orientation	Not Applicable
Sexual orientation details:	
Socio-economic impacts	Tenants of houses of multiple occupation are more likely to be deprived than occupants of other tenures. The additional licensing scheme would require all houses in multiple occupation to be licenced and maintain a certain standard.

Please indicate any actions arising from completing this screening exercise.	None
Please indicate whether a full impact assessment is recommended	
What data has been collected to facilitate the assessment of this policy/proposal?	Consultation with the general public, landlords, tenants groups and other interested parties. Birmingham HMO Stressors report
Consultation analysis	<p>90% agreed that poor property conditions are a problem in some areas of the city</p> <p>92% agree that anti-social behaviour is a problem in some areas of the city</p> <p>93% agree that waste incidents are a problem in some areas of the city</p> <p>86% agree with the proposal to introduce additional licencing</p> <p>81% believe the proposed scheme would have a positive impact on them</p> <p>74% agree that the scheme would contribute to reducing anti-social behaviour linked to HMOs</p> <p>70% agree that the scheme would contribute to reducing waste incidents linked to HMOs</p> <p>78% agree that the scheme would contribute to improving property and management standards of HMOs</p>
Adverse impact on any people with protected characteristics.	The premise of the scheme is to improve the standard of of HMOs in Birmingham and hence the living conditions of the tenants. There will be no adverse impact.
Could the policy/proposal be modified to reduce or eliminate any adverse impact?	N/A
How will the effect(s) of this policy/proposal on equality be monitored?	EA will be reviewed after year one.
What data is required in the future?	Intervention, enforcement and complaint data will be collected.
Are there any adverse impacts on any particular group(s)	No
If yes, please explain your reasons for going ahead.	
Initial equality impact assessment of your proposal	
Consulted People or Groups	
Informed People or Groups	
Summary and evidence of findings from your EIA	The prooposed additional licensing scheme for HMOs will not have an adverse impact on any groups from a protected characteristic.
QUALITY CONTORL SECTION	
Submit to the Quality Control Officer for reviewing?	No
Quality Control Officer comments	I am happy to pass this EIA to the Accountable Officer for final approval.
Decision by Quality Control Officer	Proceed for final approval
Submit draft to Accountable Officer?	Yes
Decision by Accountable Officer	Approve

Date approved / rejected by the Accountable Officer

22/11/2022

Reasons for approval or rejection

As Accountable Officer I have investigated if the EIA has considered the impact on the actual tenants if the costs were passed on in rent. I am advised: Consideration has been given to whether landlords will pass the licencing fee on to their tenants to recover their costs. A 2019 report commissioned by the Government "An Independent Review of the Use and Effectiveness of Selective Licensing" found no evidence to suggest that licensing has had a demonstrable effect on rent levels. The Council acknowledges that this report looked at the impact of selective licensing but considers that the conclusions can be applied to additional licensing. The private rented sector is a competitive market and market forces mean that rents are set at a level the market will bear. On average, lower quartile rents in areas which adopted selective licensing increased by 274% over a representative five-year period, whilst the licence fee alone (spread over 60 months) would account for an average increase of less than 3%. Even in the minimum case, the data found that the rent increase over the five year period was over 22 times the increase that can be put down to the licence fee alone. This is compelling evidence that the impact of market forces on rent levels dwarfs that of the cost of a licence.

Based on this i am content on the scope and information in the EIA. M Croxford

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No

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