

Supplementary addition to the Cabinet report dated the 30 March 2015, titled:

Proposed Selective Licensing Scheme for Private rented Homes in Hastings

Recommendation:

That charitable organisations that own and/or manage housing in the designated area are subject to licensing but exempted from paying a fee.

Reasons for Recommendation:

1. The Council recognises the contribution made by charitable housing providers in the Borough of Hastings and although cannot exempt charities from the requirement to be licensed, it is proposed to exempt charities providing housing from paying a licence fee.
2. In making this recommendation, officers have taken account of the fact that there will be some additional financial impact on other landlords who will be required to pay a licence fee, but we consider that this is justifiable in terms both of the additional impact and of the reasons for giving the exemption.
3. The licence fees for non-exempt landlords are set out at paras 22-24 of the main report. The standard fee of £460 is already lower than the fee charged by many other authorities who have introduced selective licensing, and the discounts for those who apply early and/or those who are members of accredited schemes will make it possible for a landlord to obtain a licence for as little as £150. Phased payments (report para.28) over five years for larger landlords (more than 10 properties) will provide additional assistance. Officers consider these fees to be reasonable, proportionate and affordable by landlords, and that the reasons for exempting charities render it justifiable and desirable to do so.
4. The exemption is proposed for the following main reasons:
 - a. charitable landlords are not profit-making organisations;
 - b. their purposes in letting accommodation are charitable and generally for the purpose of providing decent accommodation for those on lower incomes, in some ways akin to social housing; charitable status and aims provide some assurance that the landlords are responsible landlord organisations that take their obligations seriously;
 - c. charitable landlords that are not registered providers of social housing are regulated by the Charity Commission; registered societies (formerly industrial and provident societies) are also regulated by the Financial Conduct Authority;
 - d. these factors together with officers' experience suggests that the licensing of charitable stock is likely to be less complex and expensive to process, for example because the standard of accommodation is already higher, tenant conduct is more appropriately dealt with, and the landlords are generally have a greater sense of responsibility.
5. Officers have also taken account of the fact that some housing provided by charitable landlords is exempt from licensing altogether (where the charity is also

a registered provider (s.79(3)(a), 2004 Act) as is social housing provided by profit-making registered providers (s.79(3)(b)) and local authority housing (Selective Licensing of Houses (Specified Exemptions) (England) Order 2006/370)

6. While those landlords are also regulated by the HCA, officers consider that charitable landlords in Hastings also provide accommodation that is similar to social housing in relation to the standard and management of the accommodation provided, by way of the charitable aims and objectives referred to above, e.g. the relief of poverty, and given that charities are subject to a substantive level of regulation beyond that of private sector landlords (even those who are accredited and who will be eligible for a significant reduction especially if they apply early).