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Meeting of the Council - Tuesday, 3rd September, 2024

7. **Additional HMO Licensing Scheme 2025 - 2030** (Pages 3 - 6)

From Cabinet, 27 August 2024



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Agenda Item 7

<p style="text-align: center;">Agenda Item 7 Council – 3 September 2024 Recommendation from Cabinet 27 August 2024</p>
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Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 27 August 2024

Present:

Members: Councillor G Duggins (Chair)
Councillor L Bigham
Councillor R Brown
Councillor AS Khan
Councillor J O'Boyle
Councillor K Sandhu
Councillor P Seaman
Councillor D Welsh

Non-Voting Deputy
Cabinet Members Councillor S Agboola
Councillor P Akhtar
Councillor S Nazir

Non-Voting Opposition
Members: Councillor S Gray
Councillor G Ridley

Other Members: Councillor N Akhtar
Councillor CE Thomas

Employees (by Service Area):

Chief Executives: J Nugent (Chief Executive), M Burrows

City Services and
Commercial: A Walster (Director), P Hibberd

Finance and Resources: B Hastie (Director), T Pinks

Law and Governance J Newman (Director), S Bennett, A Chowns

Property Services and
Development R Moon (Director)

Apologies: Councillors K Caan, G Hayre, P Hetherington, A Jobbar, R
Lakha, G Lloyd, P Male, C Miks,

Public Business

14. Declarations of Interest

There were no disclosable pecuniary interests.

17. Additional HMO Licensing Scheme Renewal 2025-2030

Cabinet considered a report of the Director of Law and Governance which provided the results of a statutory consultation carried out in relation to the future of additional licensing in Coventry and which sought approval to designate the whole of the City as subject to additional licensing under section 56(1)(a) of the Housing Act 2004 in relation to the size and type of Houses in Multiple Occupation specified in the recommendations of this report for a period of 5 years commencing on the 4th May 2025.

The report indicated that HMOs are properties that are occupied by a least 3 people in two or more households who share at least one basic amenity i.e. a kitchen, bathroom or toilet. The definition of a HMO includes bedsits, shared houses, flats, lettings with their own facilities and some types of poorly converted self-contained flats.

The Housing Act 2004 provides a power to the Council to introduce an Additional Licensing Scheme in its area. The power was intended to address the impact of poor-quality HMOs that fall outside of the mandatory licensing HMO definition and address management issues and poor property conditions.

On the 4th May 2020 the Council introduced a citywide Additional Licensing Scheme which required all HMOs in Coventry to be licensed. The scheme runs for a period of 5 years and as such will cease on the 4th May 2025. Within the Act there is a legal requirement to review the scheme "from time to time". To fulfil this requirement a consultation exercise was undertaken between July and October 2023 to seek views from all stakeholders on the progress of the scheme so far.

The review showed that the licensing scheme has made good progress in improving standards in a large number of HMOs, for example, the Council has added around 11,598 conditions to licences that has resulted in approx. £1.6m being invested into improving conditions. This investment would not have happened without the scheme, but there are still a significant number of properties that remain unlicensed and there continues to be issues with non-compliance and poor management.

The Council has been proactive in its approach to enforcement of unlicensed HMOs and non-compliance, so much so that this was recognised by the National Residential Landlord Association (NRLA) in their paper - the Enforcement Lottery: civil penalty usage by local authorities, which acknowledged that Coventry ranked first for issuing the most civil penalties for HMO offences in England.

It is clear however, that more needs to be done as a significant proportion of HMOs in the Council's area are still being managed ineffectively, and unlicensed properties are still present. The focus of this scheme will therefore be to

proactively target those unlicensed and non-compliant properties whilst ensuring that those properties that are already licensed continue to provide the standards required under the requirements of the licensing regulatory framework.

Cabinet considered a report on the 13th February 2024 (Minute 69/23 refers) and approved recommendations to proceed with a statutory consultation on the designation of a further scheme from the 4th May 2025 to the 4th May 2030. The city-wide consultation, details of which were outlined in the report, ran for 12 weeks from the 26th of February 2024 to the 17th of May 2024. The report outlined the results of this statutory consultation, details of which were appended to the report and sought a decision from Cabinet to consider the designation of the whole of Coventry as subject to additional HMO licensing for a further five years following the expiry of the existing scheme.

A further appendix to the report outlined the proposed timetable for implementation. The report indicated that, as any Additional Licensing Scheme can only run for a period of 5 years, this is in effect a new designation and a such the process is being implemented to ensure the continuous delivery of the first scheme. Once this designation comes into force it will also be subject to a statutory review and can only last a maximum of five years.

Cabinet noted that the Scrutiny Co-ordination Committee had considered the report at their meeting on 21 August, 2024 and had supported the Recommendations.

RESOLVED that Cabinet, noting that Scrutiny Co-ordination Committee support the Recommendations following their consideration of this matter, recommends that the City Council:-

1. **Considers the results of the statutory consultation and approves the following:**
 - I. **Designate the whole of Coventry City as subject to Additional Licensing under Section 56(1)(a) of the Housing Act 2004 for all Houses in Multiple Occupation (HMOs), irrespective of the number of storeys, that contain three or four occupiers;**
 - II. **Designate the whole of Coventry City as subject to Additional Licensing under Section 56(1)(a) of the Housing Act 2004 for all HMOs as defined under Section 257 of that Act where those HMOs are mainly or wholly tenanted, including those with resident landlords, unless if it is either:**
 - a. **a section 257 HMO consisting solely of two flats where neither of the flats is situated above or below commercial premises; or**

- b. a section 257 HMO where the flats share no internal or external common parts, and which are no more than two storeys high;**
- III. That the designations in paragraphs I and II above come into force on the 4th May 2025 for a period of 5 years;**
- IV. Delegate authority to the Director of Law and Governance to sign the Coventry City Council Designation of an Area for Additional Licensing of Houses in Multiple Occupation 2025 as attached at Appendix 2;**
- V. Resolve to adopt the HMO Licensing Policy 2025 as attached at Appendix 3 and review fees periodically to ensure they remain reasonable and proportionate and address any issues relating to surpluses or deficits in accordance with case law and the EU Services Directive.**