

Cabinet

13th June 2023

Name of Cabinet Member:

Cabinet Member for Policing and Equalities – Councillor A S Khan

Cabinet Member for Housing and Communities – Councillor D Welsh

Director Approving Submission of the report:

Director of Streetscene and Regulatory Services

Ward(s) affected:

All

Title:

Review of Houses in Multiple Occupation (HMO) Additional Licensing Scheme 2023

Is this a key decision?

No – Although the Scheme covers all wards of the City, this is a request for a consultation to review the Scheme and will not significantly affect residents or businesses.

Executive Summary:

The duty to licence Houses in Multiple Occupation (HMOs) was introduced in July 2006 through powers provided under the Housing Act 2004 (the Act), at that time HMOs that were 3 or more storeys in height **and** occupied by 5 or more persons required a licence through the HMO mandatory licensing powers.

In October 2018 the definition for HMOs requiring a mandatory HMO licence was changed to include any HMO occupied by 5 or more people forming two or more households, in effect removing the three-storey requirement.

Additional licensing of HMOs is a discretionary power that, if introduced by Local Authorities, can be applied to those HMOs which are not required to be licensed under the mandatory licensing powers.

The provision of good quality housing for Coventry residents is a priority for the City Council and additional Licensing of HMOs was first introduced on the 4th May 2020. The scheme can only run for a period of 5 years, during which time the Council must carry out a review. The Additional Licensing scheme means that all HMOs, including those properties converted into self-contained flats without building regulations approval (Section 257 HMOs) require a licence.

Recommendations:

The Cabinet is requested to:

- 1) Authorise the implementation of a 12-week consultation on the review of the Houses in Multiple Occupation Additional Licensing Scheme in Coventry.
- 2) Request a future report to Cabinet which provides information on the achievements made during the Scheme thus far following the conclusion of the review, for a decision to be made regarding the future of the Houses in Multiple Occupation Additional Licensing Scheme in Coventry.

List of Appendices included:

Appendix 1 – Consultation Plan for Review of Additional Licensing Scheme 2023

Appendix 2 - Equality and Consultation Analysis form (this is a live document which will evolve throughout the consultation).

Background papers:

None

Other useful documents:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel, or other body?

No

Will this report go to Council?

No

Report title: Review of Houses in Multiple Occupation (HMO) Additional Licensing Scheme 2023

1. Context (or background)

- 1.1. The private rented sector (PRS) is an important part of our housing market, with 4.7 million households in England. The sector has undergone rapid growth over the last ten years and is now the second largest tenure in England.
- 1.2. HMOs form a vital part of this sector, often providing cheaper accommodation for people whose housing options are limited.
- 1.3. HMOs are known to be commonly occupied by students but there are also a growing number of young professionals and migrant workers sharing houses and flats. Some HMOs are occupied by the most vulnerable people in our society.
- 1.4. These people live in properties that were not built for multiple occupation, and the risk of overcrowding and fire can be greater than with other types of accommodation. The government wants to support good private landlords who provide decent well-maintained homes and not impose unnecessary regulation however, the nature of HMOs means that regulation of this part of the sector is widely agreed to be necessary.
- 1.5. Mandatory licensing of HMOs came into force in 2006 under the Housing Act 2004 (the Act) and originally applied to properties of three storeys or more with five or more people making up two or more separate households living in them.
- 1.6. As demand for HMOs increased in the decade since mandatory licensing was first introduced there has been a significant increase in properties with fewer than three storeys being used as HMO accommodation, notably two storey houses originally designed for families and flats.
- 1.7. Some have been used by opportunist rogue landlords who exploit their vulnerable tenants, and rent sub-standard, overcrowded and potentially dangerous accommodation. The growth of HMOs has also had an impact on the local community, including where inadequate rubbish storage leads to pest infestation and health and safety problems.
- 1.8. In May 2020 the Council introduced a citywide Additional Licensing Scheme which required all HMOs in Coventry to be licensed.
- 1.9. Within the Act there is a legal requirement to review the scheme “*from time to time*” following its operation. To fulfil this requirement the Council intends to commence a review of the Additional Licensing Scheme.

2. Options considered and recommended proposal

- 2.1. **Do nothing** - This option is not recommended because this would mean that the Council has not met its legal requirement to review the existing Additional Licensing Scheme. It could also prevent the Council from effectively making any licensing Scheme in the future which would affect the Council's ability to help protect the health, safety and welfare of tenants and residents in Coventry.
- 2.2. **Undertake a review of the additional licensing scheme – This is the preferred option.** The Council has a legal duty to undertake a review of the Additional Licensing Scheme. Therefore, Cabinet is requested to approve the recommendation set out in this report.

3. Results of consultation undertaken

- 3.1. No consultation has been carried out at this stage. Cabinet is requested to approve a 12-week consultation to commence on the 1st July 2023 and to consider the results of that consultation together with findings from the review in a future report.

4. Timetable for implementing this decision

- 4.1. The Council must complete a review within the lifetime of the licensing scheme. The scheme was introduced in May 2020, so this is an opportune time to review the scheme as a sufficient amount of time has now passed to measure the effectiveness of the scheme. The consultation plan provided as Appendix 1 to the report sets out the stages involved and the proposed reporting of the results of the review.

5. Comments from the Interim Chief Executive (Section 151 Officer) and the Chief Legal Officer

5.1. Financial implications

The financial implications associated with the recommendation are limited to the employee costs associated with carrying out the review and any costs involved in arranging and publicising the events. These costs will be managed within existing resources.

5.2. Legal implications

The legal issues relating to this report are set out within the Housing Act 2004.

Local Authorities have the ability to designate areas and therefore renew schemes containing HMOs to be subject to additional licensing, without the need for approval from the Government.

Under Section 60(3) of the Act there is a legal requirement to review the scheme "*from time to time*" following its operation.

6. Other implications

6.1. How will this contribute to achievement of the Council's Plan?

The One Coventry Plan 2022-2030 is currently being finalised and sets out the Council's vision and priorities for the city, with a vision of working together to improve our city and the lives of those who live, work and study here by creating a city where our residents get the best possible start in life, experience good health and age well and are protected and valued as residents and communities.

Housing is a key determinant of health and as a Marmot City the Council recognises the importance reducing health inequalities. The Council's Housing and Homelessness Strategy 2019-2024 affirms this view and also acknowledges that housing plays a crucial role in the economic growth of the city.

The PRS plays a fundamental role in providing affordable housing and the ambition for Coventry is *"to improve the use of existing homes"*.

The Housing Strategy links into the Council Plan and the Health and Wellbeing Strategy by contributing to the delivery of the key corporate priorities but also in supporting the local economy through ensuring communities have stable and safe places to live.

6.2. How is risk being managed?

If the review of the Additional Licensing Scheme is not approved, the City Council will not be complying with its legal requirements to conduct such a review. The Council may not be able to perform its full regulatory functions through the use of additional licensing in the future.

The review will inform decisions taken by regulatory services that will have an impact on the interests of private landlords, agents, and tenants.

6.3. What is the impact on the organisation?

The review should have limited impact on the organisation. There is no human resource, financial or ICT implications as the review will be completed using current resources.

6.4. Equalities / EIA

The review of Additional Licensing scheme makes links to the Council's Equality and Diversity Policies and an Equalities Assessment exists for regulatory activities. A specific Equalities Assessment has been completed for this report and is attached at Appendix 2 to the report.

6.5. Implications for (or impact on) climate change and the environment?

The review of the Additional Licensing scheme does not provide an opportunity for the Council to address issues relating to the climate change agenda.

6.6. Implications for partner organisations?

The review of additional licensing contributes towards the work of the Community Safety Partnership, Planning and Regulatory Services.

Report author:

Name and job title:

Adrian Chowns

Property Licensing and Housing Enforcement Manager

Service:

Regulatory Services

Streetscene and Regulatory Services

Tel and email contact:

Email: adrian.chowns@coventry.gov.uk

Tel: 024 7697 2222

Enquiries should be directed to the above person.

Contributor/ approver name	Title	Service	Date doc sent out	Date response received or approved
Contributors:				
Davina Blackburn	Strategic Lead Regulation	Regulatory Services	04/05/2023	10/05/2023
Michelle Salmon	Governance Services Officer	Law and Governance	10/05/2023	10/05/2023
Names of approvers for submission: (officers and members)				
Cathy Crosby	Finance Officer	Finance	10/05/2023	12/05/2023
Gill Carter	Legal Officer	Law and Governance	10/05/2023	12/05/2023
Andrew Walster	Director of Streetscene and Regulatory Services	-	12/05/2023	19/05/2023
Julie Newman	Chief Legal Officer	-	12/05/2023	15/05/2023
Councillor A S Khan	Cabinet Member for Policing and Equalities	-	22/05/2023	24/05/2023
Councillor D Welsh	Cabinet Member for Housing and Communities	-	22/05/2023	24/05/2023

This report is published on the council's website: www.coventry.gov.uk/councilmeetings