



To: Communities and Neighbourhoods Scrutiny Board (4)

Date: 13th July 2023

Subject: Review of the Additional Licensing Scheme

1 Purpose of the Note

- 1.1 To provide the Board with information about the review of the Additional Licensing Scheme for Houses in Multiple Occupation (HMOs) and provide Members an opportunity to take part in that review.

2 Recommendations

- 2.1 The Communities and Neighbourhoods Scrutiny Board (4) are recommended to:
 - 1) Consider the information provided in the briefing note and Appendix 1 & 2.
 - 2) Provide comments to be considered as part of the review of the Additional Licensing Scheme.
 - 3) Agree to receive the final Cabinet report, which will provide information on the progress of the Scheme thus far following the conclusion of the review.

3 Background and Information

- 3.1 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.
- 3.2 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.
- 3.3 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.

- 3.4 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.
- 3.5 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.
- 3.6 HMOs form a vital part of this sector, often providing cheaper accommodation for people whose housing options are limited.
- 3.7 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.
- 3.8 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.
- 3.9 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.
- 3.10 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.
- 3.11 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.
- 3.12 In May 2020 the Council introduced a citywide Additional Licensing Scheme which required all HMOs in Coventry to be licensed.
- 3.13 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. Details of the review can be found at Appendix 1.

4 Health Inequalities Impact

- 4.1 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.

Appendix 1: Consultation Plan

Appendix 2: Equalities Impact Assessment

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