

To: City Executive Board

Date: 11 June 2015

Report of: Housing Panel (Panel of the Scrutiny Committee)

Title of Report: Review of the HMO Licensing Scheme

Summary and Recommendations

Purpose of report: To present recommendations from the Housing Panel on the Review of the HMO Licensing Scheme

Key decision? No

Executive lead member: Councillor Scott Seamons, Executive Member for Housing

Policy Framework: Meeting Housing Needs & Efficient and Effective Council

Recommendations of the Housing Panel to the City Executive Board:

1. We recommend that the City Council renews the HMO licensing scheme in its entirety for a further 5 years (option 3). Consideration should be given to appropriate incentives and disincentives for landlords, and to the balance between taking a more pro-active approach to compliance whilst continuing efforts to extend the licensing scheme to cover more HMOs.

2. We note that the City Council is developing a Corporate Enforcement Policy and recommend that:

- a) Enforcement within the Private Rented Sector is a corporate priority,
- b) The Policy recognises that the City Council should take a different approach to enforcement in different sectors (e.g. Private Rented Sector, Public Spaces Protection Orders, etc.), rather than a one size fits all approach.

Introduction

1. The Housing Panel considered the Review of the HMO Licensing Scheme at its public meeting on 4 June 2015. The Panel would like to thank Ian Wright and Adrian Chowns for introducing this item and answering questions. The Panel would also like to thank Councillor Seamons for contributing to this discussion.

Summary of the discussion

2. The Panel strongly supported the HMO scheme and option 3 - renewing the HMO licensing scheme in its entirety for a further 5 years.
3. The Panel asked a number of questions including about; rates of compliance with conditions, information sharing with tenants, restrictions on new HMOs, legal limits on uses of income from HMOs, weekday tenants, children living in HMOs, and whether the City Council has any powers to limit rent increases and ensure longer tenures.
4. The Panel questioned whether there is more scope to incentivise good landlord practices and dis-incentivise bad landlord practices. The Panel heard that the City Council could look at lower charges for landlords who comply with the scheme and introducing a 'polluter pays' principle where landlords whose properties require more checks could contribute more to the cost of this. However, there is a fine balance and the scheme needs to remain self-funding. Fee structure options will be presented to Members in October.
5. The Panel also questioned whether the City Council has scope to introduce tougher penalties for non-compliance, for example when landlords seek to renew their HMO licence having failed to comply with the conditions of their previous licence. The Panel heard that the City Council is one of the toughest local authorities nationally in terms of enforcement but has scope to be tougher on non-compliance. The balance of activity is likely to shift somewhat from focusing on unlicensed HMOs towards ensuring greater compliance.

Recommendation 1 - We recommend that the City Council renews the HMO licensing scheme in its entirety for a further 5 years (option 3). Consideration should be given to appropriate incentives and disincentives for landlords, and to the balance between taking a more pro-active approach to compliance whilst continuing efforts to extend the licensing scheme to cover more HMOs.

6. The Panel agreed that strong regulation in the Private Rented Sector should be a high corporate priority for the City Council, noting that much of the worst housing in the city is within the HMO stock.
7. The Panel noted that a Corporate Enforcement Policy is due to go to the City Executive Board in November, and this could determine the Council's approach to enforcement in the Private Rented Sector. Members commented that the approach to enforcement in the Private Rented Sector should be very different from the approach taken in other sectors, such as Public Spaces Protection Orders, which require a more light touch approach in some instances. The Panel suggest

that the Corporate Enforcement Policy should be sensitive to the need for different approaches to enforcement in different sectors.

Recommendation 2 - We note that the City Council is developing a Corporate Enforcement Policy and recommend that:

- a) Enforcement within the Private Rented Sector is a corporate priority,**
- b) The Policy recognises that the City Council should take a different approach to enforcement in different sectors (e.g. Private Rented Sector, Public Spaces Protection Orders, etc.), rather than a one size fits all approach.**

Further consideration

8. The Panel agreed to review the proposed October report setting out the results of the statutory consultation and the proposed future of the licensing scheme, before it goes to the City Executive Board.
9. Officers agreed to look into a suggestion that HMO tenants should be entitled to free bulky item collections.
10. The Panel agreed to follow up on a question about controls over HMOs in the new Barton development with planning officers.
11. The Panel agreed that comparative data between investment levels in HMO stock compared to other sectors would be useful.

Executive response

To follow

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List of background papers: None

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