

## HMO Licensing in Cardiff – An Update Report

### Community & Adult Services Scrutiny Committee

8 June 2016

#### **1. Background**

- 1.1. The Housing Act 2004 introduced provisions for Mandatory Licensing of Houses in Multiple Occupation, which commenced in June 2006. Mandatory licensing applies to HMOs having 5 or more occupiers in a building having 3 or more storeys, with this definition being a means of targeting the powers at properties of higher risk, particularly with regard to fire safety. Houses that have been sub divided into self-contained flats, which account for many of the larger 3 storey buildings in Cardiff, are not covered by mandatory licensing; these powers are therefore focussed more on shared houses and bedsits.
  
- 1.2. The same Act also introduced discretionary powers for the introduction of Additional Licensing Schemes so that Councils may target HMOs where it is believed that they are being poorly managed with the consequence that they are having an impact on the occupiers or on a neighbourhood.
  
- 1.3. In November 2008 a Council Motion called for a coordinated approach for dealing with the impact of HMOs on communities in Cardiff and in particular for the use of additional HMO licensing powers. A study followed which concluded that the most pressing case for introduction was in Cathays, with a commitment to further examine the case for Plasnewydd and Gabalfa in future. Additional Licensing schemes may only run for 5 years and then lapse if not reintroduced. The introduction of an Additional Licensing Scheme is onerous; the Council must pass an evidential test proving that those HMOs are badly managed with the very real prospect of challenge at Judicial Review if unsuccessful.

1.4. The Cathays scheme started on 1 July 2010 and expired on 30 June 2015. The scheme was re-declared and re-commenced on 1 January 2016. Whilst undertaking the Cathays scheme, the Council engaged Opinion Research Services to undertake a House Condition and Environmental Survey in Gabalfa and Plasnewydd. The study concluded that there was insufficient evidence to declare a scheme in Gabalfa at that time but that the conditions warranted a scheme in Plasnewydd. The Plasnewydd Additional Licensing Scheme was introduced in November 2014.

## **2. Progress**

2.1. The Council has licensed 950 HMOs in Cardiff under mandatory licensing powers.

547 of these are in Cathays with those houses that have had loft conversions extending the property to 3 storeys accounting for many of these HMOs. 277 of the mandatory licences are in Plasnewydd.

2.2. The Council has published a comprehensive evaluation of the initial Cathays Scheme 2010 to 2015. In summary;

- An additional 1664 HMOs were licensed along with 510 under mandatory powers bringing the number of HMOs licensed in the ward to 2,174.
- All HMOs were inspected for compliance with adopted HMO licensing standards relating to Fire safety, kitchen and bathroom facilities and space standards with an occupancy cap applied to all HMOs based on these standards.
- The Housing Health and Safety Rating system was also applied to all HMOs in order to eliminate hazards and risks to health, with a particular focus on entry by intruders and excess cold hazards.
- 467 HMOs with improved means of escape in case of fire
- 372 HMOs with upgraded kitchen, bathroom and toilet facilities
- 249 HMOs made secure against burglary
- 217 HMOs with affordable warmth and energy efficiency improvements

- 1030 hazards identified during Housing Health and Safety Rating System inspections removed. The hazards relate to fire safety, damp and mould growth, carbon monoxide, electrical hazards, food safety, falls on stairs and between levels, and asbestos.
- Downward trends for burglary, noise complaints and pest control complaints
- Joint working with the Police has led to an 81% reduction in burglary in the top 5 streets with this approach being extended to a further 10 streets.
- 831 landlords with properties in Cardiff accredited by Landlord Accreditation Wales largely due to incentives offered under the Cathays Additional Licensing Scheme.

2.2.1. Since re-introduction of the Cathays Scheme, slow progress is being made.

The number of HMOs licensed under the scheme is now 1710 with 547 licensed under mandatory provisions. The total number of licensed HMOs in Cathays is 2,257.

2.2.2. In Plasnewydd, the Council has issued application forms to 685 HMOs. 375

HMOs have been licensed, so with mandatory licences also the total number of licensed HMOs in that ward is 652. A further 140 applications are in process and we are chasing the remaining 180 applications which are yet to be returned by landlords.

2.2.3. The Housing Enforcement Team has carried out a significant piece of work to re-calculate HMO licensing fees following an activity based costing exercise.

### **3. Challenges**

3.1. During the last 12 months, the Housing Enforcement Team has been transferred to a Shared Regulatory Service under Vale of Glamorgan Council as the host authority. A re-structuring exercise has been undertaken in order to deliver a service in the face of a challenging budgetary climate, with training of those staff who are new to the HMO licensing function.

3.2. There has been significant turnover of administration staff which has hampered the team's ability to effectively chase landlords who do not voluntarily comply with their responsibilities. Landlords are not submitting applications in sufficient numbers and the rate of return is much lower than in Cathays.

#### **4. Next steps.**

4.1. The service is in the process of recruiting and training new Customer Support Officers and a Licensing Support Officer which will assist greatly with the administration of the HMO licensing service and, in particular, the chasing up of landlords who fail to make applications.

4.2. The Housing Enforcement Team has carried out a proactive door to door survey in Plasnewydd Ward in all streets to the North of Albany Road. This has been successful in generating applications. There is a need to carry out a similar exercise in the Southern part of the district in September when the student population returns following the summer break.

4.3. There is an ongoing piece of work being undertaken to increase prosecution activity for failure to licence and to publicise those prosecutions in order to encourage voluntary compliance.

4.4. The new fee structure allows for a discount of £150 to those landlords who are re-licensing HMOs first licensed during 2010/11 and where those properties are fully compliant with HMO standards. A mailshot of all landlords requiring licence renewal will be carried out within the next month.

#### **5. Conclusion**

5.1. Cardiff has 17% of all privately rented properties in Wales. The private rented sector grew in Cardiff from 13.2%, or 16,827 units, in 2001 to 21.9% or 31,220 units in 2011. The City has an estimated 8,000 HMOs and a resident student population of over 30,000.

- 5.2. HMO licensing is a valuable tool for driving up standards. It is difficult, painstaking work with some landlords proving reluctant to apply and the majority of HMOs failing to meet standards on first inspection. The work is being undertaken at a time of significant financial challenge and organisational change.
- 5.3. The report outlines a number of current difficulties and challenges, while identifying a number of steps required to improve current performance.
- 5.4. The wider picture shows that over 3,000 HMOs in Cardiff are now licensed and that much work has been undertaken to restructure the Housing Enforcement Team so that it can continue to resource this challenging but important work moving forward.
- 5.5. The steps taken in the intervening period following the introduction of the Shared Regulatory Service mean that the Council are in a stronger position in 2016/7 to increase the pace of HMO licensing in Plasnewydd. It should also be recognised that we are 18 months into a five year programme and we will be better placed to monitor progress at the end of this financial year.
- 5.6. In respect of Cathays it is anticipated that the additional financial incentives being given to landlords to re-apply under the scheme will increase the pace of new applications. In both Cathays and Plasnewydd prosecution of non-compliant landlords will remain an option to be used to ensure that the scheme remains on track.
- 5.7. The public health benefits of HMO Licensing remain significant, as evidenced by the evaluation report outlined above. The density of HMOs that make up the private sector in Cathays and Plasnewydd fully justifies the use of Additional Licensing schemes as a tool to mitigating some of the negative impacts that their presence can lead to.

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