

Bath & North East
Somerset Council



REVIEW OF THE 2014/18 ADDITIONAL HMO LICENSING SCHEME

Housing Services

Review of the 2014 Additional HMO Licensing Scheme

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The logo for Bath & North East Somerset Council features the text "Bath & North East" on the top line and "Somerset Council" on the bottom line, both in a green sans-serif font. The text is enclosed within a blue rectangular border consisting of two parallel horizontal lines.

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Executive Summary



Following evidence gathering and formal public consultation as directed by the Housing Act 2004, on the 12th June 2013 the Council Cabinet made the decision to designate an additional HMO licensing scheme in Bath. The scheme which lasts for 5 years came into force on the 1st January 2014. It covers the electoral Wards of Westmoreland, Oldfield and the northern part of Widcombe and includes all HMOs with shared facilities. Extensive promotion of the scheme has taken place to raise awareness with landlords and the community. During the scheme it must be reviewed and if the scheme is to continue then it must be re-declared for a maximum of 5 years. This document forms that review.

The objectives of the scheme were to ensure minimum standards of safety and welfare; effective and appropriate management; reduction in the impact of poor HMOs on the community; reduction in poor energy efficiency and excess cold and support for landlords and agents to meet their obligations. The scheme does not run independently, and to compliment it and the objectives, a number of initiatives, partnerships and resources have been brought in and maintained, adding value to what can be delivered.

The additional licensing scheme has over 1000 licensed HMOs and over 900 Licence Holders, covering over 4000 bed spaces. The majority of licensed properties (55%) have four occupants, 22% have five occupants and 16% have three. The regulation of these homes has identified poor standards including inadequate fire precautions, breach of minimum standards and welfare issues which have been identified for improvement and proactively addressed by Housing Services. The HMOs in the scheme have been made more transparent to the Council and to the community, allowing the Council to efficiently contact the owners and managers for action and compliance.

Over 1700 inspections have taken place and over 2000 property specific licensing conditions have been applied to properties. These include conditions related to fire precautions with nearly 100 properties requiring a full mains

powered fire alarm system installing. On initial inspection, 31% of HMOs were found not to meet the Decent Homes Standard due to having a significant health and safety hazard. Typical hazards identified included inadequate fire precautions and falls. Without the additional licensing scheme then this inspection programme would not have been carried out.

Energy performance of the properties in the scheme was found to be higher than expected, with 5% failing to meet and energy rating of E or better and these were targeted for improvement through the Council's Energy at Home Scheme.

Statistics from Avon Fire and Rescue Service show a reduction in HMO fires in B&NES in the last 4 years.

Officers have worked extensively in the additional licensing area enforcing legislation and raising standards where required, acting on local intelligence and using a range of tools to identify unlicensed HMOs. Through this work properties have been brought into the scheme and standards raised, and where appropriate enforcement action has been taken. Enforcement of the scheme has resulted in 35 simple cautions being issued and six successful prosecutions for failing to licence properties under the scheme.

One of the biggest concerns from residents has been around appearance, garden maintenance and rubbish from HMOs. Since the start of the scheme, Housing Services has received 106 complaints relating to these matters. These have been quickly tackled with the licence holders and managers through the contact information gained through the scheme.

In May 2017 the Council carried out public consultation. Nearly all residents not living in HMOs who responded to the survey felt that shared houses should be licensed by the council. They also reported that HMOs are still having a negative effect on their local area from rubbish and recycling, noise, garden maintenance, property conditions, overcrowding and anti-social behaviour. Residents living in HMOs were generally positive, the majority responding that they were satisfied with their home. HMO residents' satisfaction levels were higher than in 2012 before the scheme came in.

Nearly half of landlords with licensed HMOs in the additional licensing scheme supported the scheme continuing. Over half agreed that the scheme had improved the safety and quality of HMOs. Nearly three quarters felt they were treated fairly and respectfully. By way of comparison, over one third of landlords without HMOs in the scheme wanted the scheme to continue and over a third thought it had improved safety and quality. Landlords also expressed unhappiness about the cost of the scheme, raised concern around lack of

consistency and a feeling that the good landlords are being penalised while bad ones get away with it. In addition, landlords told us that one of the biggest contributory factors for increasing rent was the cost of HMO Licensing.

Information from the Article 4 Direction Supplementary Planning Document shows the concentrations of HMOs (25% or more) known to the Council has spread covering a larger area over the last 3 years.

Levels of compliance have been good, all enforcement has been completed and compliance with licensing conditions is known to be around 84% compliance. There is room for improvement in monitoring, recording and achieving compliance to try to reach a higher compliance rate.

The additional HMO licensing scheme has been beneficial in improving standards across the designated area by reducing significant hazards, addressing management regulation failures and improving welfare conditions. Additional Licensing has allowed issues to be addressed quickly and efficiently, including the benefit of additional enforcement options that come with such a scheme, but mainly the ability to quickly get in contact with landlords and managers in an efficient way. This can only be done by knowing the contact information for landlords and management arrangements for properties, which is something that additional licensing provides.

The scheme needs to be well resourced through the fee income in order to operate effectively. In addition, Housing Services needs the resources to be able to maintain partnerships and complimentary initiatives to achieve the objectives of the scheme and as required, take robust enforcement action. For sustainable improvements to private rented homes, regulatory powers are essential, supplemented by providing landlords, property professional and tenants with resources, knowledge and support.

For future initiatives improvements are needed in reducing the time taken to issue licences; consider extending and widening the scheme to promote equity and consistency across a larger area; review the cost of the scheme to ensure it remains cost effective and fair; ensuring the council take strong enforcement action and ensure compliance is maintained.

Housing Standards & Improvements Team
Housing Services

Introduction

Since the 1st January 2014, Bath and North East Somerset Council (the Council) has operated an additional licensing scheme for HMOs in specific areas of the City of Bath.

The Council has a duty to enforce Part 2 of the Housing Act 2004 (the Act). This regulates standards in certain Houses in Multiple Occupation (HMOs). Since its implementation in 2006, the Council have undertaken a Mandatory Licensing Scheme for all HMOs with 5 or more people in properties with 3 or more storeys.

The aim of the legislation is to improve management, amenity and safety standards in HMOs and improve living standards within the community. It also gives local authorities discretionary powers to extend the scope of HMO Licensing by way of implementing an Additional Licensing Scheme to meet the needs of their locality if there is considered a need.

Following the Cabinet decision on the 12th June 2013, an additional licensing scheme was introduced in the City of Bath on the 1st January 2014 and will run until the 31st December 2018.

The scheme roughly covers the electoral Wards of Oldfield, Westmoreland and the north section of Widcombe as well as some surrounding roads.

The Additional Licensing Scheme extended the scope of licensing to cover most rented property with 3 or more occupiers from 2 or more households where there is sharing of a basic amenity such as a bathroom, WC or kitchen, regardless of how many storeys the property has. The Scheme runs for a period of 5 years during which the Council must undertake a thorough review of the scheme. At the end of the 5 years the scheme ceases to exist unless the Council re-declare the Additional Licensing Scheme following a comprehensive appraisal of the evidence and public consultation exercise.

The scheme was initially evaluated in January 2015 and has been regularly reviewed and monitored throughout. As we approach later stages of the 5 year period of the Scheme, this report has been prepared to provide an evaluation of the Scheme and to inform the possible extension of the Scheme for another 5 year period.

Any consideration for an extension of the scheme is dependent on the evidence. It could include a continuation of the existing scheme, contraction of the scheme, enlarging the scheme to cover identified issues or stopping the scheme in its entirety. If an extension is considered appropriate to tackle any issues identified through the evidence gathering, then any extension is likely to take place from the 1st January 2019.

Background

Legislative context

The additional licensing scheme was brought in under Part 2 of the Act and in accordance with General Approval issued by the Secretary of State.

Part 2 of the Act introduced licensing of HMOs in the private rented sector (PRS). Known as mandatory licensing, the Act requires that HMOs of 3 or more floors and five or more occupants, sharing basic amenities such as a bathroom, WC or kitchen require a licence. It also introduced powers allowing local authorities to bring in discretionary licensing schemes where there is an identifiable local need.

The PRS in England has undergone rapid growth in the last 10 years and is now the second largest sector, accounting for 4.3 million households. The PRS continues to grow and in 2014-15 accounted for around 19% of all households in England¹.

Local data gathered in 2017 indicated that the PRS in Bath and North East Somerset is higher than the national average and growing quickly, now accounting for 27% of dwellings in the district².

HMOs are often associated with poorer standards of management and quality and tend to be occupied by the more vulnerable members of society, often on lower incomes who lack social mobility and choice. HMO Licensing has been designed to tackle this and ensure that the poorest and highest risk properties in the private rental market meet legal standards and are properly managed to provide greater protection to the health, safety and welfare of the occupants of this type of property.

In Bath and North East Somerset, Housing Services Officers deal with a lot of issues and complaints originating from HMOs and spend a lot of time working with landlords to facilitate improvements. Whilst mandatory licensing captures a number of larger properties, it cannot deal with all the issues originating from the PRS because it applies to only a small proportion of the stock. It therefore makes little visible impact in an area, particularly one with significant issues associated with a high density of HMOs that fall out of the mandatory regime.

To tackle this, the Act allows Local Authorities (LAs) to extend licensing to other properties and this comes in two forms:

- Additional licensing of HMOs: enables LAs to licence other classes of HMOs which don't come under the mandatory licensing regime. It can apply to specific types of HMOs in specific areas as determined but the LA.

¹ Department for Communities and Local Government (DCLG), Obtaining and using Tenancy Deposit information, April 2017, page 3.

² Building Research Establishment (BRE), 2017

- Selective licensing: enables LAs to extend licensing to other types of properties in the PRS other than just HMO's.

Specific criteria relate to a designation for each type of discretionary scheme mentioned above.

Although lots of good work had been undertaken in B&NES, it became apparent that HMOs in parts of the City of Bath with the highest concentration of HMOs with shared facilities, were not adequately regulated through the mandatory licensing scheme leading to a range of common problems such as a higher rate of housing complaints, higher rates of hazards, rubbish accumulation, poor garden maintenance and poor housing conditions.

These issues associated with a high density of HMOs were recognised by the Council and methods to mitigate the risks and impact were considered.

On 14th March 2012 the Council Cabinet resolved to request that evidence be gathered to ascertain whether the legislative conditions for introducing additional licensing of HMOs could be met, and if so, undertake a 10-week public consultation exercise.

Following evidence gathering and formal public consultation that took place from 17th September 2012 until the 30th November 2012, the decision was made at the Cabinet meeting on the 12th June 2013 to designate an additional licensing area to come into force from the 1st January 2014 until the 31st December 2018.

Profile of the additional licensing area

Located in the World Heritage City of Bath, the additional licensing area covers approximately two and a half electoral Wards, namely Oldfield, Westmoreland, the north section of Widcombe and some surrounding roads.

There are approximately 7,500 residential premises in the additional licensing area and at the time of introduction of the scheme, over half of the HMOs with shared facilities known to the Council were located in this area. In 2014 the population of the three main wards covered by the scheme was over 19,000.³

³ Hampshire County Council (2015) West of England Dwelling Led Population Projections, accessed through the Council's published [JSNA](#).

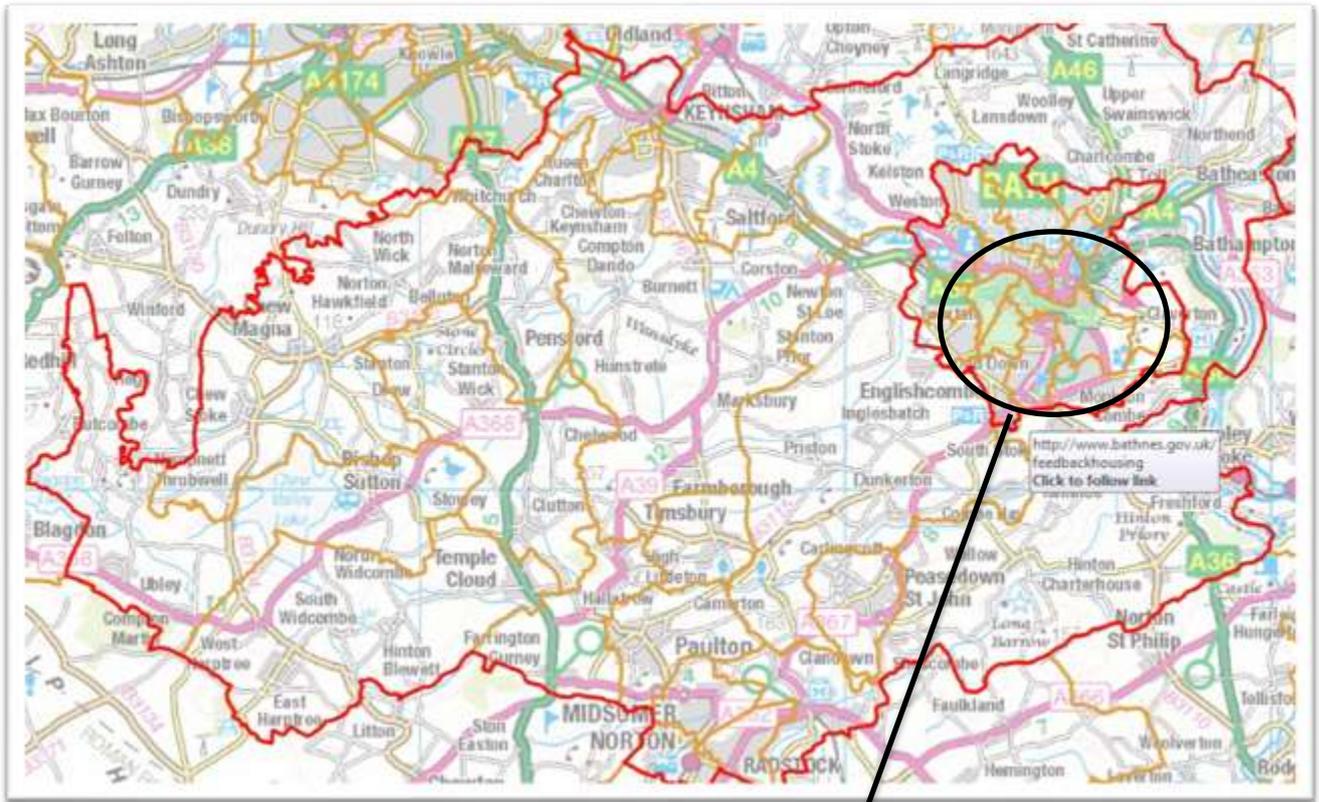


Figure 1 Map of Bath and North East Somerset

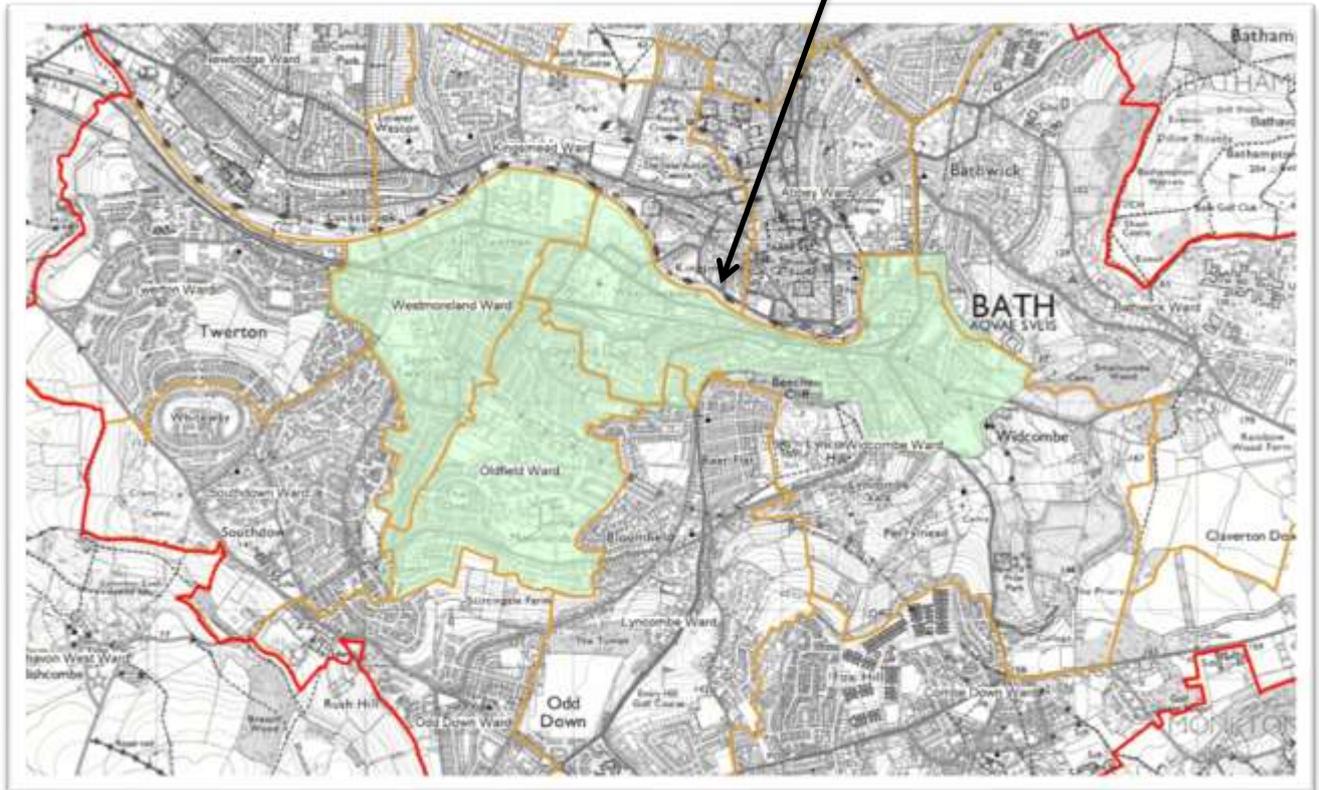


Figure 2 Map of the additional HMO licensing area 1

The City of Bath is home to two Universities: Bath Spa University and the University of Bath as well as a number of other colleges. 2014/15 data puts the number of full time students in Bath at just under twenty thousand (19,620)⁴ and this is expected to grow significantly in the next five years putting increasing demand on the PRS.

The population of Bath and North East Somerset in 2015 was nearly 185,000, 3,000 more than recorded in 2014. Notably, 11% of the population is aged between 20 and 24 years old, significantly higher than the national average of 6.6%. This can be related to the high student population in the district.⁵

The area covered by additional licensing is an attractive area to live in as it is in close proximity to the City centre and has good provision of amenities including bus routes to the universities and shops. Although there is a range of housing in the area and Bath is known for its Georgian architecture, typically most of the HMOs in the additional licensing area are Victorian terrace housing adapted to meet the demand for shared or multiple occupancy homes.

When considering the need for additional licensing and establishing the appropriate area to be covered in the designation, the Council considered a number of key factors:

- Housing Services knew of 725 HMOs with shared facilities in the proposed area not covered by the mandatory licensing scheme.
- Council Tax records had over 1000 dwellings recorded with student exemptions. Only a minority of these, 181 in total, were covered by the mandatory licensing scheme.
- Housing Services had received a higher rate of complaints about HMOs in the Wards of Westmoreland, Oldfield and Widcombe than in other areas.
- A higher rate of hazards had been identified in mandatory licensed HMOs in Oldfield, Westmoreland and Widcombe than in the rest of the district.
- 1 in 3 HMOs in Oldfield Ward had a serious health and safety hazard compared to a district average of 1 in 8.
- Survey responses from HMO residents advised that around a quarter had only been provided with battery operated smoke alarms. These are considered unacceptable due to the high failure rate which national evidence puts at around 45%. In addition around a quarter of respondents had not been provided with a fire blanket in the kitchen, considered essential in an HMO.
- A steady increase in fires reported in HMOs within Bath & North East Somerset had been recorded by the Fire Authority. The likelihood of a fire in an HMO compared to a single household was notably higher.

⁴ HESA, <https://www.hesa.ac.uk/data-and-analysis/students>, 2017

⁵ ONS 2015 Mid-Year Estimates, access through the Council's published [JSNA](#)

- Over 80% of service requests about HMOs received by the Councils regulatory services from the proposed area relate to HMOs with shared facilities.
- A direct relationship was identified between HMOs by Ward and domestic waste complaints. Given the high number of HMOs within the Wards of Westmoreland, Oldfield and Widcombe this was a particular local issue.
- Survey information suggested that at least 40% of HMO residents within the Westmoreland, Oldfield and Widcombe area were not provided with copies of Energy Performance Certificate despite this being a legal requirement. In addition almost a quarter reported that they had not been given a copy of the gas safety certificate, also a legal requirement.
- Survey responses from HMO residents indicated that two thirds had not been advised how to test their alarms or that they needed to be tested weekly. Over half were not advised what to do if there was a problem with the alarm.
- Residents expressed concerns about appearance of HMOs in their locality including untidy gardens, rubbish and poor repair causing problems in the local area.
- The majority of prosecutions taken against landlords and simple cautions issued to landlords by Housing Services had been in respect of HMOs in the proposed area.
- During the formal consultation process, 87% of residents of the proposed area and 30% of businesses and organisations (including landlords) agreed that the evidence showed a significant proportion of the HMOs in the selected area were being managed sufficiently ineffectively to cause problems for occupants or members of the public.
- A survey of non-HMO residents informed us that 93% were aware of shared houses in their local area. Of these, 54% reported that shared houses cause those problems – the top 3 concerns recorded were rubbish, noise and appearance.

Joined up approach - links to Council strategies

The **Housing and Wellbeing Strategy** set out the local authority’s strategic housing ambitions from 2010 to 2015 and was the key strategy in place when the scheme was introduced. Two of the key themes in the Strategy were ‘better homes’ and ‘happy and healthy lives’. Additional licensing is consistent with the housing strategy and contributed towards the agenda by:

- improving the quality and safety of HMOs within the scheme;
- tackling overcrowding by managing occupancy and ensuring minimum room sizes;
- helping low income and vulnerable households through a targeted approach;
- Improving partnership working with landlords, agents and other services to improve HMOs.

This strategy has completed its course and has now been superseded by a number of high level strategies mentioned below, the key one being the Council’s Economic Strategy.

Document	Key elements
<p><u>Economic Strategy</u></p>	<p>The strategy talks about the challenges facing the area with the increase in private renting and the high amount of HMOs at a level above the national average. It states that a quarter of the PRS fails to meet minimum standards and the effect this has on ill health from problems such as cold, damp, fire and falls costs the health service up to £5m per year.</p> <p>A key statement about improving existing homes is to “<i>Enforce minimum standards in rented housing and offer guidance</i>”</p> <p>One of the actions from the strategy is to “<i>Work with landlords to improve private rented housing...</i>” and this is a key element of additional licensing.</p> <p>Additional licensing compliments this initiative and addresses some of the challenges raised.</p>
<p><u>Corporate Strategy 2016-2020</u></p>	<p>Recognises that the forecast 11% population growth between 2014 and 2024 will put pressure on existing infrastructure such as housing. It also highlights that making homes more energy efficient</p>

	<p>plays a key part in reducing carbon emissions and fuel poverty. The additional licensing scheme and associated licensing conditions align well with this strategy and contributes towards some of the Councils key priorities.</p>
<p><u>Core Strategy</u> Adopted 2014</p>	<p>Objective 5 is focused on meeting housing needs and makes reference to the City's two universities and the number of student requiring accommodation.</p> <p>Despite the increased number of purpose built student blocks there remains a proliferation of HMOs in the Oldfield Park/Westmoreland area which on the ground at least shows no signs of slowing. The supply of new HMOs in the City of Bath has also been to some extent restricted by the Article 4 Direction leading to existing HMOs in key areas (incl. the additional licensing area) being in high demand.</p> <p>Additional licensing aligns well with this situation as it requires standards to be maintained in a buoyant market.</p>
<p><u>The Placemaking Plan</u> <u>Part 1 District Wide Strategy and Policies</u> <u>Part 2 Bath</u></p>	<p>The Placemaking Plan identifies HMOs as an important part of the local housing market, particularly within Bath, providing affordable accommodation for student, professionals and migrant workers among others.</p> <p>The plan recognises the pressure on housing stock in terms of high demand for HMOs and makes reference to licensing as a way to ensuring required management standards are met.</p>
<p><u>Housing Services Enforcement Policy</u></p>	<p>The key policy used to improve the PRS through enforcement mechanisms in B&NES. Additional licensing is consistent with the approach taken by this policy and the 2017 update.</p>

Table 1 Bath and North East Somerset Strategies

Aims and objectives of the scheme

The overall purpose of the additional licensing scheme is to improve the standard and management of all HMOs in the designated area. The scheme is expected to improve the designated area for the long term by giving the LA targeted access and knowledge about the HMOs in that area and the resources to proactively inspect and deal with them.

Better standards	<ul style="list-style-type: none">•through licensing conditions and property inspections to ensure properties are improved, health and safety hazards are reduced, fire safety provisions are installed and maintained, maximum occupancy and space standards are met and gas and electrical installations are safe.
Better management	<ul style="list-style-type: none">•through licensing conditions, information and support given to both landlords and tenants and by the Council and tenants knowing where HMOs are and how to contact the property manager. Those landlords operating poor HMOs will have to improve or face enforcement.
Fit and proper landlords	<ul style="list-style-type: none">•as those who are not considered fit and proper or who do not put satisfactory management arrangements in place will be refused licences and will not be permitted to manage licensed HMOs.
Community improvements	<ul style="list-style-type: none">•through better HMO management including waste management and upkeep of gardens. Residents will have better knowledge about the HMOs in their neighbourhoods through the public register of licenses and be able to contact landlords direct. The Council will quickly be able to act through better knowledge of HMOs and access to emergency contact details for licence holders and managers. Housing Services will be in a better position to share information with other Council Services and tackle problems as quickly as possible.
A targeted approach	<ul style="list-style-type: none">•focusing on HMOs within the area is likely that the benefits will be sustained and the local environment improved. Licensing conditions and better knowledge of where the HMOs are and who controls them will help ensure benefits to the local community. It is likely that garden maintenance and rubbish and recycling arrangements will be improved and responsibilities will be made clearer. Where anti-social behaviour occurs Housing Services can assist the anti-social behaviour team in taking the necessary action, landlords will be more accountable for the behaviour of their tenants and tenants will be clear on their responsibilities.
Energy efficiency improvements	<ul style="list-style-type: none">•through licensing conditions by ensuring energy efficiency ratings are brought up to an appropriate level prior to the introduction of national legislation in order to reduce fuel bills and fuel poverty and health issues from excess cold.

Figure 3 Aims and objectives

In summary, the additional licensing scheme would seek to:

- Ensure minimum standards of safety and welfare are in place
- Ensure that effective and appropriate management arrangements are in place
- Reduce the impact of poor HMOs in the designated area
- Reduce poor energy efficiency and excess cold
- Support landlords and agents to meet their obligations

Figure 4 Aims and objectives

and, contribute towards the **corporate objectives** of:

- Promoting independence and positive lives for everyone
- Creating neighbourhoods where people are proud to live
- Building a stronger economy

Figure 5 Corporate objectives

It was also recognised that by having more thorough knowledge of where the HMOs are in the area and contact details for who manages them, the Council could more efficiently deal with issues as they arise to secure real benefits for tenants and communities.

Delivering the scheme

Scope of the Additional Licensing scheme

Section 254 of the Housing Act 2004, lays down the definition of a House in Multiple Occupation (HMO) together with specific exemptions.

Mandatory Licensing, in summary, requires that HMOs with **three or more storeys and five or more occupants** from two or more households, sharing basic amenities are licensed.

Although not yet confirmed, this definition is expected to change in the coming months to remove the condition related to the number of storeys and the implications of this will be considered later in this document.

The Additional Licensing Scheme in the City of Bath extends the scope of licensing to cover most rented property with 3 or more occupiers who form 2 or more households regardless of how many storeys the property has. Since introducing the Additional Licensing Scheme, the number of properties licensed has increased from 364 properties to 1492.

Licensable HMOs	March 2012	April 2017	Predicted January 2019
Mandatory licensing scheme	364	463	c.900
Additional licensing scheme	0	1,024	0*

Table 2 Number of properties through the additional licensing scheme

*The additional licensing scheme runs until the 31st December 2018.

Introduction of the scheme

Once the Additional Licensing Scheme was approved on the 21st June 2013 following the cabinet meeting on the 12th June 2013, the statutory publicity was undertaken.

The legal notice of designation was displayed in Council offices and notice boards, on the Council website and published in the Bath Chronicle and the Western Daily Press on six separate occasions at fortnightly intervals for a period of ten weeks.

The notice of designation specified the details of the scheme, area and properties to be covered and the implementation date of the 1st January 2014.

In order to further raise awareness, extensive promotion of the scheme was also carried out, to summarise:

In June 2013 direct email/postal contact was made with known landlords and letting agents, landlord and letting agent organisations, both universities and students unions, Council services and Councillors, partner organisations including Bristol Debt Advice Centre and Citizens Advice Bureaux (CAB), residents and traders associations, Shelter, social housing providers, equality groups and consultees.

In December 2013, an email shot went out to all landlords email addresses held by Housing Services from the previous Accreditation scheme and Mandatory Licensing Scheme. A mailshot was also sent to 913 council tax (student) exempt properties in the additional licensing area and 828 known HMOs in the additional licensing area.

Front facing staff were trained so they could better advise members of the public and letting agents and HMO landlords were informed of the licensing requirement by inspecting officers in the additional licensing area.

Both of the universities were engaged and all landlords advertising through [Studentpad](#) were directly contacted about the scheme and the website was updated with a link to the Council's [HMO Licensing](#) pages.

Face to face meetings were held with groups and individuals and several further articles appeared in the local press.

The Council accepted applications from October 2013 and it was pleasing to see that 840 applications were received prior to the commencement date of the 1st January 2014.

The council also introduced an electronic application form to make the application process more efficient for landlords as well as the council. This resulted in 90% of initial applications being received and paid for electronically.

Complimentary initiatives and partnerships

Supplementary to HMO licensing, a number of initiatives that address the challenges faced in the additional licensing area and key partnerships are discussed below.

[Planning restrictions](#) have been introduced through an [Article 4 Direction](#) in the City of Bath and the Supplementary Planning Policy (SPD) was introduced around the same time as the additional

licensing scheme. This policy restricts dwellings being converted from single family homes to small HMOs where there is a high density in the surrounding area. The Article 4 Direction applies to the whole of the City but specifically bites in and around the additional licensing area where there are noticeably higher concentrations of shared house type HMOs. With this policy restricting new supply, and the demand for shared houses remaining high, licensing ensures that minimum levels of safety, welfare and management are maintained in the existing HMO stock. Housing Services work closely with Development Control, Planning Policy and Planning Enforcement to address issues with HMOs that occur in the additional licensing area.

[Reactive housing condition inspections and enforcement](#) is undertaken by Housing Services, usually following a complaint from a tenant. Reactive enforcement runs alongside additional licensing and addresses poor conditions and hazards that may arise. Complaints regarding properties in the Additional Licensing scheme are able to be dealt with in a more efficient manner as full information on ownership, management and property layout is already known.

[Energy at Home](#) was introduced in 2014 by the Council to reduce domestic carbon dioxide emissions and tackle fuel poverty whilst maximising economic benefit for B&NES. In the early stages of the additional licensing scheme, Energy at Home offered grants to private landlords to facilitate energy efficiency improvements. This included landlords of licensed HMOs with identifiable EPC ratings below E who were contacted directly.

West of England Partnership

The [Landlord Panel](#) is made up by the four West of England Local Authorities (Bath and North East Somerset Council, Bristol City Council, South Gloucestershire Council and North Somerset Council) and professional bodies that represent landlord and letting agent at a local and national level. It provides an opportunity for the Council to consult with landlords and agents, share ideas and concerns and discuss key issues affected the sector.

Through the West of England Partnership, the Council offer a voluntary [Landlord Development Programme](#) to encourage learning in the business of being a landlord and allow landlords to gain recognition for their professional knowledge.

The Development Programme is based on the [Landlord Manual](#), a comprehensive guide to all aspects of being a landlord which is available to all landlords. The latest third edition was released in 2014 and updated in respect of additional licensing.

The annual [Landlord Expo](#) provides information seminars, networking opportunities and trade stands to all landlords and agents to improve their knowledge in the sector.

The [West of England Rental Standard](#) was launched in 2016 and relaunched in 2017 having been refreshed in conjunction with landlords, letting agents and tenant groups. Providers of accreditation schemes and apply to be endorsed by the Rental Standard which looks to recognise good practice and improve standards in the private rented sector.

A [dedicated webpage](#) www.bathnes.gov.uk/hmos has been designed specifically for HMO licensing to provide all the information landlords need to know about HMO licensing and how to apply for a licence. For further support, a duty officer is always available during officer hours to provide information and advice to landlords and tenants via a direct telephone helpline which connects directly to the Housing Standards and Improvement Team.

The [Waste Campaigns Team](#) are very active in the additional licensing area both reactively and proactively promoting good practice around recycling and rubbish. In October a [student welcome campaign](#) is launched which involves door knocking hundreds of properties and providing information on recycling and rubbish collections as well as possible enforcement if guidelines are not followed. This is followed up with weekly monitoring and enforcement where necessary. [Student move out](#) is also a very contentious time and promotional activities are targeted around April and May. Hundreds of student HMOs are visited in the additional licensing area and roadshows are held at both University campuses. British Heart Foundation donation bins are also provided in the additional licensing area during the move out period and have generated tens of thousands of pounds worth of donations.

[HMO Licensing newsletter](#) has been developed and is distributed to all licence holders to keep landlords informed of legal changes, topical issues and general information. Without additional licensing Housing Services would not be able to reach as many landlords to keep them updated.

A [Student Community Liaison Officer](#) is jointly funded by the Council, The University of Bath and Bath Spa University through the [Student Community Partnership](#). The aim of the post is to promote close working relationships between the universities, their students and residents. Housing services working closely with the Liaison Officer are able to deal with problems as and when they arise more quickly, and residents have a point of contact to address issues such as anti-social behaviour.

The [fees](#) structure for additional licensing included an [accreditation discount](#) of £100. This discount recognised good practice and rewarded landlords for voluntary joining a recognised accreditation scheme.

Housing services have maintained a [strong profile](#) in the additional licensing area and have been able to use this to draw on local intelligence to identify and find solutions to problems and issues that arise, including potentially unlicensed HMOs.

Housing services work closely with [Avon Fire and Rescue Services](#), to address local fire safety issues and jointly tackle issues when they arise. This involves consulting on fire safety matters, agreeing procedures and jointly promoting fire safety.

[New partnerships](#)

A partnership with the [UK Border Agency and Immigration enforcement](#) is used to help identify and target unlicensed properties.

Housing Services have also started working with the [National Anti-fraud Network \(NAFN\)](#) to help tackle unlicensed HMOs. This network helps the Council obtain the owners details and determine the penalty level set within a Financial Penalty Notice. It also helps with information gathering such as finding out what other properties landlords own or companies they are involved with.

Improved collaboration with landlords through the [West of England Rental Standard](#).

Enforcement approach

The [Enforcement Policy](#) assists the Council in carrying out good enforcement practice and provides guidance to landlords, businesses and others on what to expect from the Council in regards to promoting compliance with housing law.

The Enforcement Policy sets out the principles of good enforcement practice and how Housing Services will apply these principles. Housing Services will aim to be open, act proportionately, and be consistent and helpful in its approach to enforcement. We will also consider the impact of regulatory intervention on businesses and the business community in accordance with the Regulators' Compliance code.

The policy also states how the Service will deal with individuals and organisations who do not comply with the requirements of the Housing Act 2004 and other relevant housing legislation. The policy also refers to rights of appeal and the Councils complaints procedure.

The updated Enforcement Policy includes reference to new relevant legislation and also explains how Housing Services proposes to implement Financial Penalties for certain offences under the Housing and Planning Act 2016, including failure to comply with licensing conditions and failing to licence HMOs.

The Enforcement Policy is complimented by the [Charging Policy](#) which details how and when Housing Services will charge for services, including some enforcement action and HMO Licence applications.

Evaluation of the Additional Licensing scheme

Purpose of the evaluation

The scheme was introduced on the 1st January 2014 and will remain in place until the 31st December 2018 unless revoked. During this time the scheme must be reviewed and if the scheme is to continue then it must be re-declared for a maximum of 5 years.

This evaluation represents the review of the scheme, building on previous updates and analysis that have taken place over the course of the scheme. The aim of the evaluation is to review whether the scheme has achieved its objectives, where positive impacts have been made and where there could be improvements.

Additional licensing has brought over 1000 HMOs into the licensing regime and under the enhanced regulatory provisions that come with it.

All HMOs in the scheme were inspected prior to a licence being issued and many have been subject to further inspections throughout the duration of their licence. This represents a seriously enhanced level of enforcement and oversight then would otherwise have been achievable.

If the scheme is having a positive impact on the area, then consideration should be given to extending the scheme for a further 5 years. This report looks to review the scheme so far and the impact it has made.

Scope

The primary data source for this report is taken from the Council's database and information held by Housing Services. Where other sources are used they will be referenced throughout this document.

Limitations

Licences last for up to 5 years and during that period properties can change hands and move in and out of requiring a licence. HMOs may also migrate between the additional and mandatory schemes. As such, statistics will vary dependant on reporting periods and when reports are run. Results will therefore change from time to time throughout the period of the licensing scheme.

Impact of the scheme

Applications for a licence

From October 2013 until April 2017, a total of 1,193 licence applications were received, the majority in the three months before the scheme came into force.

Year / quarter	Q1	Q2	Q3	Q4	Total
2013	-	-	-	840	840
2014	109	33	34	18	194
2015	18	22	17	17	74
2016	18	22	19	10	69
2017	16	-	-	-	16
Total	-	-	-	-	1193

Table 3 Licence applications received per year

The volume of licence applications received by the Council in a relatively short period of time meant that it took a considerable time in some cases to issue the final licence.

In 2014, the average time to issue a final licence from receipt of a valid application form was 39 weeks. In 2015 the average was 55 weeks; in 2016 it was 11 weeks and in 2017 the average was 9 weeks (1st quarter).

The spike in 2015 was as a result of the back log from applications received in previous months.

A survey of HMO licence applicants in September 2014 found only 60% of applicants were satisfied with the service provided. Analysis of the comments indicated that the main reason for dissatisfaction was the waiting time for the HMO licence. This concern was understandable however difficult to address as each licence is specific to the property, drafted individually and the complex licensing process constrained by prescriptive legislation as well as limitations to existing technology.

The key elements to the processing procedure is summarised below: On receipt of an HMO licence application form.

- Acknowledge the application within 10 working days
- Evaluate application form, validate and record details
- Email the applicant/proposed licence holder to request further information if required and request payment
- Carryout the fit and proper persons check on proposed licence holder(s) / manager(s).
- Arrange inspection
- Undertake inspection, record results. Follow up works as required.
- Issue proposed licence to all interested parties
- Consider any representation
- Issue final licence to all interested parties

Revoked and withdrawn applications

Of the 1,193 applications received, 169 licences have been revoked or applications withdrawn. This is due to HMOs being sold or no longer requiring a licence. To our knowledge 12 HMOs have returned to being single households.

Numbers of licensed properties

	March 2012	April 2017
Mandatory licensing scheme	364	463
Additional licensing scheme	0	1024
Total		1487

Table 4 Number of licensed properties

Since the introduction of additional licensing, 23 properties have gone from the additional scheme to the mandatory scheme due to increase in occupancy or change in layout, often as a result of a loft conversion or splitting large bedrooms. This does not account for the 20% increase in mandatory licensed HMOs seen over the last five years which in part, can be explained by new developments and conversions in the centre of Bath, as well landlords maximising income by increasing occupancy. There is a strong demand for HMOs in the City of Bath so it is only natural that landlords will seek to benefit from this market.

The **definition of a mandatory licensable HMO** is expected to change in the coming months to effectively remove the condition on number of storeys. This will mean that in England, all HMOs with 5 or more people sharing a kitchen or bathroom will require a licence, regardless of storeys. There will be some exemptions for purpose built flats but it will mean that around 300 properties currently licensed under the additional licensing scheme will migrate to the mandatory scheme.

Licence holders

There are roughly 921 Licence Holders in the additional licensing scheme.

Some licensed properties have more than one licence holder; it is common place for there to be two licence holders and some HMOs have three or four.

Over 300 Licence Holders have more than one licence and nearly 50% of these hold 3 or more licences.

Occupation of additional licensed HMOs

The majority of licensed properties (55%) have four occupants. 22% have five occupants and 16% have three.

Only three HMOs in the scheme have more than 7 occupants.

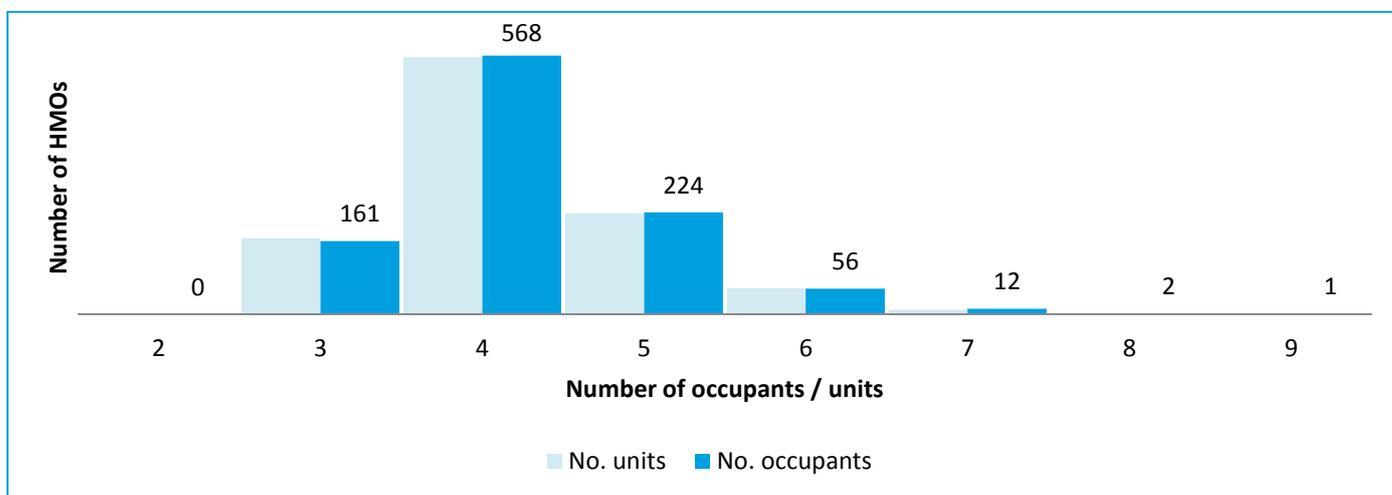


Figure 6 Maximum occupants/units in HMOs

*Units = Individual dwelling in a building e.g. bedroom, bedsit, self-contained flats.

With the changes to mandatory licensing expected, over 700 HMOs will still fall out of the need for licensing if the additional licensing scheme ends on the 31st December 2018.

Bed spaces

As of April 2017, there were 4,320 bed spaces licensed under the additional licensing scheme covering 1,024 properties. The average number of occupants as discussed above is around 4 per HMO.

Coverage of Additional Licensing

In the additional licensing area, nearly 14% of the residential premises (of which there are approximately 7,500 in total) are covered by the scheme.

Licences issued by Ward (November 2016)

The chart to the next page shows the spread of additional licences issued by Ward.

Nearly half of all licences issued were located in the electoral Ward of Westmoreland.

Only a small number were outside of the main Wards covered which are Westmoreland, Oldfield and Widcombe (north).

The map on the next page shows the licensed HMOs in the additional licensing area.

The blue dots indicate the properties in the additional licensing scheme and the red dots are mandatory licensable HMOs. The majority of HMOs requiring a licence are in a central area crossing the boundary between all three of the three main Wards.

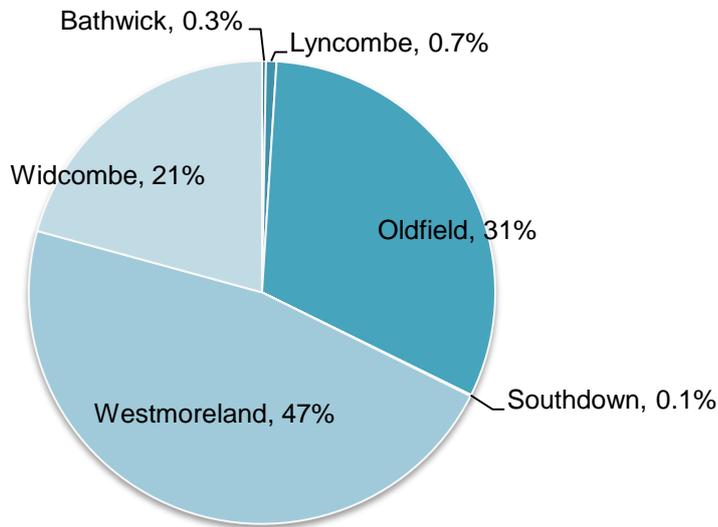


Figure 7 Licensing by ward

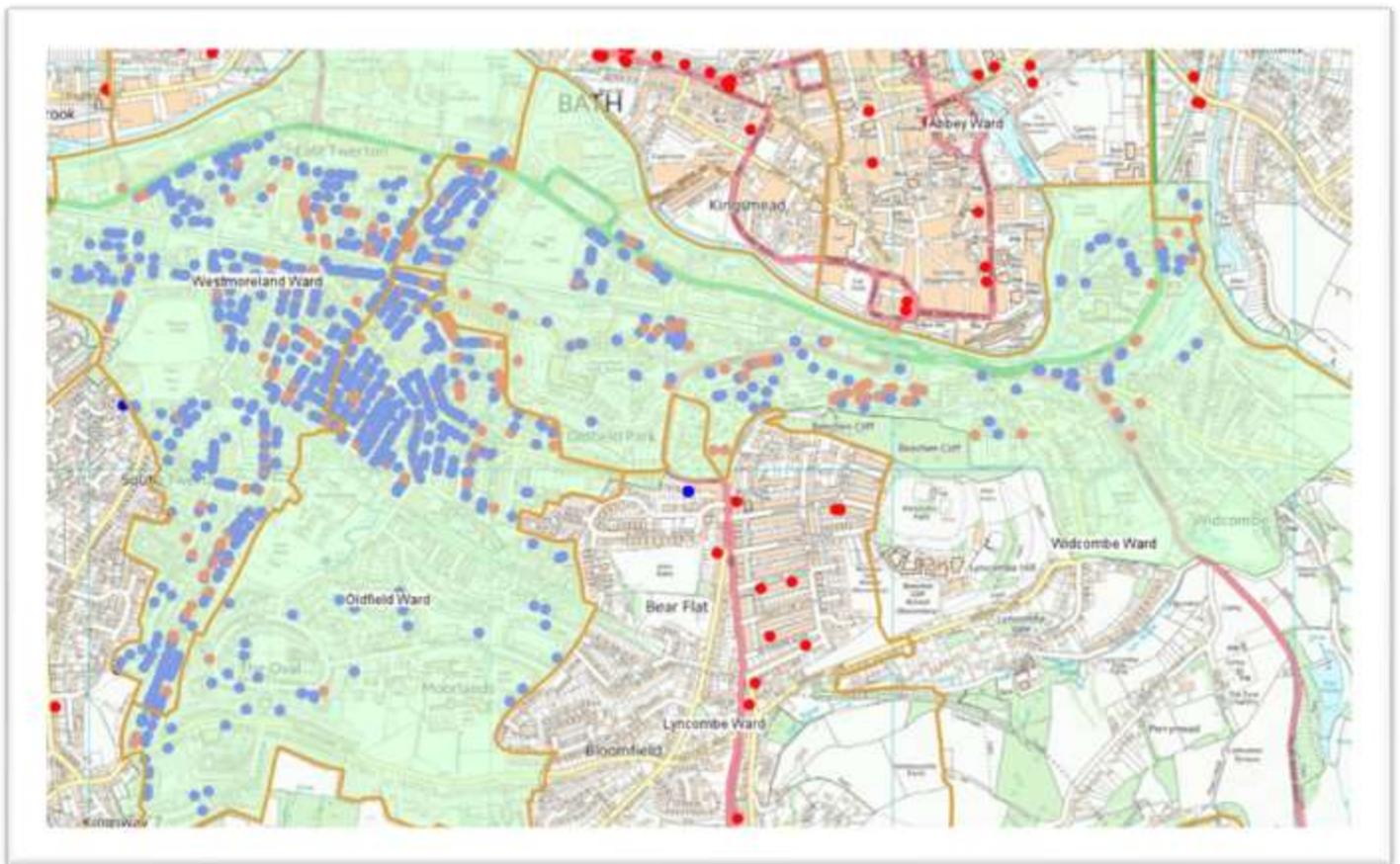


Figure 8 Map of the licensed HMOs in the additional licensing area

Inspections

When the additional licensing scheme was introduced, Housing Services committed to inspect every property upfront before issuing a licence and this was achieved by adopting a high intensity inspection regime over an initial 6-9 month period mainly in 2014.

Supplementary to the upfront 'pre-licensing' inspection, Housing Services have conducted a significant number of revisits and compliance visits as detailed in the table below visiting properties in the scheme nearly 1800 times. This high intensity targeted action could not have been achieved without the additional licensing scheme being in place.

Visit type	Number
Initial inspections and revisits	1508
Compliance inspections and revisits	276
Total visits (as of April 2017)	1784

Figure 9 Additional licensing inspections

Licensing conditions required

A key element of the additional licensing scheme is the [HMO Licensing Standards](#). These standards are specifically applied to licensed HMOs and ensure minimum levels of safety and welfare are maintained.

Where an HMO fails to meet the licensing standards, works are specified on a property specific basis to bring the property up to standard and these are applied as Schedule 3 licensing conditions.

Across the scheme, 2,118 property specific licensing conditions (Schedule 3 conditions) have been applied to new licences when issued up until April 2017. The conditions applied can be grouped into the following categories.

Grouped conditions

Grouped conditions	Conditions applied		Compliance %
	Number	%	
Heating	57	3	74
Bathroom/toilet facilities	125	6	74
Fire precautions	1663	79	86
Kitchen facilities	129	6	78
Space standards	144	7	81
Total (as of April 2017)	2118	100	84

Table 5 Additional HMO licensing - Count of schedule 3 conditions

As can be seen in the table above, the biggest improvement required to meet the licensing standards was related to fire precautions accounting for over three quarters of all conditions applied. These are discussed further below.

Other requirements included meeting minimum space standards which was usually related to small bedrooms but also undersized kitchens and living areas. Additional bathroom and sanitary facilities including extra WCs, wash hand basins and ventilation. Suitable kitchen facilities including ventilation, sinks, cookers, microwaves and fridge/freezers etc. A smaller number of conditions were applied requiring additional room heating.

Of these schedule 3 conditions, the majority have been complied (see last column of table above). It should be noted that the level of compliance is likely to be higher as different conditions come with varying time scales for completion typically from six to twelve months and Housing Services do not re-inspect to confirm every condition.

HMOs are re-inspected on a priority basis. Housing Services look to tackle the properties are most concerned about first, based on works required on the first inspection, conditions needed or other management concerns.

Compliance

Turnover

We recognise that within the scheme properties will change ownership and consistency of management will change. By May 2017, 103 additionally licensed HMOs had changed ownership while continuing to operate as licensable HMOs.

Of the 103 HMOs sold as a going concern, the chart to the right indicates the level of compliance just after point of sale.

At the pre-licensing inspection following receipt of a new application, two thirds of the HMOs were compliant with the licensing standard; over one third still required improvement to meet the licensing standards.

Previously only 7% of these specific properties were compliant with the licensing standard.

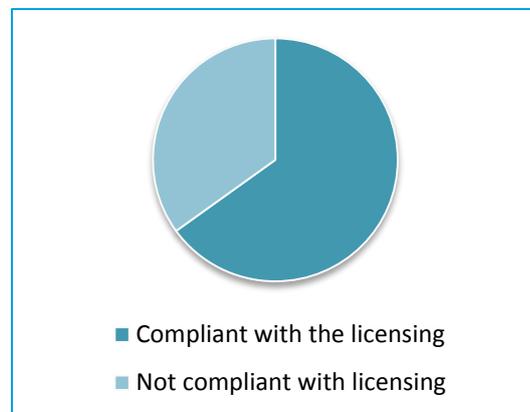


Figure 10 Compliance with HMO licensing

A number of conclusions could be reached as to why this was the case including better understanding of the standard, indeed the standard did not have to be met before additional licensing was introduced in January 2014. In many cases it is likely to be compliant landlords simply improving their properties once advised what they needed to do. It may also have been a condition of sale or to improve saleability as well as acceptance of the standard and improved knowledge in the sector.

What is clear is that despite conditions still being required in 1 in 4 cases, properties have been improved to meet the safety and welfare requirements in the licensing standards. It also indicates the market is not static and landlords are prepared to still buy properties that require licences. The figures highlight as well, that we cannot be complacent and compliance visits are needed to ensure standards are improved where needed and maintained.

Compliance visits

Between July 2015 and April 2017, 249 initial compliance inspections were undertaken, covering around 24% of the HMOs licensed in the scheme. The primary purpose was to check that licensing conditions had been complied with.

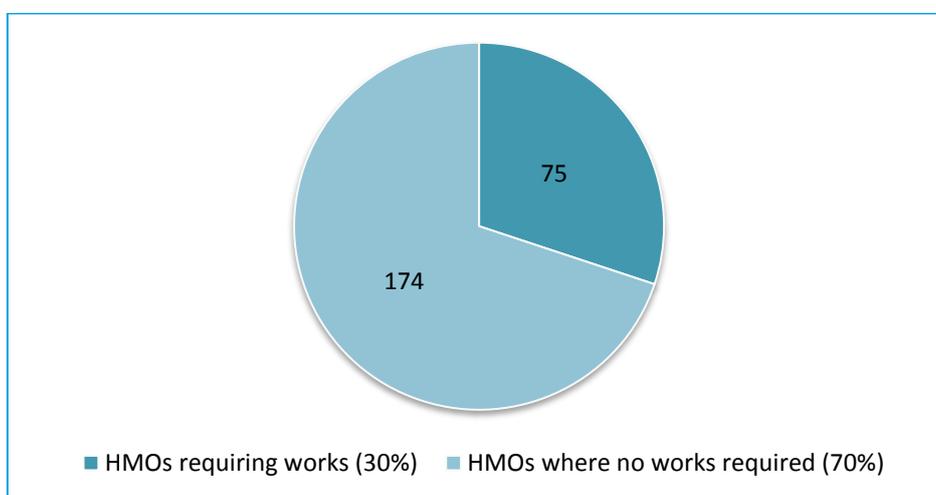


Figure 11 Works required following compliance revisits (07/15 -04/17)

75 HMOs (30% of those inspected) require some work to bring the property up to minimum standards. This includes works to meet licensing conditions, management regulations or the Housing Health and Safety Rating System (HHSRS).

In addition, 30 breaches of licensing conditions were recorded which needed to be resolved.

Fire precautions

During the evidence gathering for the additional licensing scheme, it was identified that there was a higher prevalence of fires in HMOs than in single household properties.

The largest number of schedule 3 conditions applied to licences where they didn't meet the standard was related to fire precautions, and these were broken down in to the following specific conditions...

Conditions related to fire precautions	Number applied	Number complied	% compliance
Full fire alarm system required	94	94	100
Upgrade of current fire alarm	500	425	85
Emergency lighting required	1	1	100
Fire door/door upgrade to kitchen	434	371	85
Security escape locks	366	316	86
Fire blanket to kitchen	268	219	82
Total	1663	1426	86

94 properties required a full mains powered fire alarm system installing in the property. This is a standard requirement in line with national fire safety guidance published in 2008.

The majority of works were upgrading the existing fire alarm system, usually by extending the coverage to including for example, a heat alarm in the kitchen or smoke alarm in the living room.

Upgrading the door to the kitchen which is the highest risk room was the next most common requirement, in order to protect the means of escape. In HMOs with 3 or more storeys a fire door is required; where the property has up to 2 storeys the door must be a close fitting solid door.

Smaller low cost improvements yet still vital for the safety of the occupants, was to replace inappropriate locks with thumb turn style escape locks and provide a suitably positioned fire blanket to the kitchen.

Property standards

On initial inspection, 31% of HMOs (June 2016) were found not to meet the Decent Homes Standard due to having a significant health and safety hazard. Typical hazards identified included inadequate fire precautions and falls.

To address these hazards, as well as installing schedule 3 licensing conditions and leaving schedules on site following inspections, 265 schedules of work have been served under the management regulations and Housing Health and Safety Rating System (HHSRS).

Energy ratings

The B&NES Housing Stock Conditions Survey 2012 indicated that 13.5% of households in the private rented sector in B&NES were in fuel poverty. In the additional licensing area, the survey indicated that in Oldfield & Widcombe, >21% of private sector dwellings had a household in fuel poverty and in Westmoreland this was 16% to 19%.

This information combined with local knowledge about Excess Cold hazards in HMOs provided evidence to introduce a licensing condition requiring an energy rating of E or better within 2 years from the date of the licence.

This condition was caveated to bring it in line with Government regulations and national schemes available at the time. It was agreed that the condition would be met if the maximum package of measures that could be funded under the Green Deal and ECO (Energy Company Obligation) had been carried out, even if it did not take the energy rating up to an 'E'. Unfortunately, since the introduction of this condition, the Government stopped funding the Green Deal in 2015 and access to ECO funding can be limited. This has made access to funding more difficult than anticipated although financial assistance is still available through the Council's Energy at Home Scheme.

At the beginning of the scheme and as part of the licensing process, Energy Performance Certificates (EPCs) were requested for all HMOs.

By June 2015, 844 EPCs had been received and of these, only 37 HMOs (5%) failed to meet an energy rating of E or better.

These properties were targeted through the Council's Energy at Home scheme offering incentives to improve the energy ratings.

The EPCs recorded by June 2015 through the licensing scheme were compared with the Housing stock conditions survey from 2012. As can be seen from the chart to the right, the energy ratings of HMOs in the scheme were favourable when compared with the district average for the private rented sector.

EPC rating	% of HMOs
A	0
B	1
C	12
D	57
E	26
	4

F	
G	1

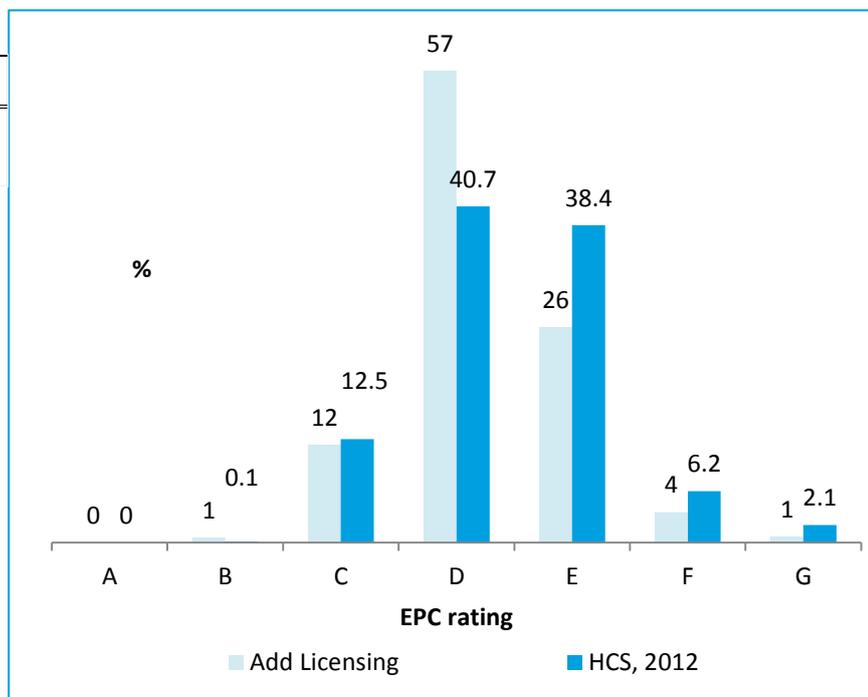


Figure 12 EPC ratings additional licensing vs housing conditions survey

Enforcement

Housing Services have conducted multiple investigations into suspected unlicensed HMOs, resulting in a range of actions including:

- Interviews under caution
- Formal warning letters
- Simple cautions
- Prosecutions

The most serious cases have resulted in offering simple cautions to landlords and managing agents and taking prosecutions. Details for some of the action taken are detailed below:

Simple Cautions issued for failing to apply for an additional HMO licence

A Simple Caution was previously called a formal caution and is similar to a police caution. It can be issued where it is considered under the public interest test to be the most appropriate and proportionate sanction as an alternative to prosecution. It requires acceptance by the defendant and an admission of guilt. It is a formal warning which stays on a person's record and effectively provides a last chance.

Year	2014	2015	2016	2017	2018	Total
Number	9	0	15	11 (by Sept)	n/a	35

Table 6 Simple cautions issued

Prosecutions are the most serious penalty and represent a criminal conviction. On conviction in the magistrates Court, fines for failing to licence a property are unlimited and for breaching conditions are up to level 5 on the standard scale, currently £5,000. However, fines handed down are often much lower and take account of the defendant's culpability, harm, mitigation, aggravating factors and assets.

Date	Offences	Sanctions
April 2016	Failing to apply for an additional HMO licence.	Fine: £1,000 Costs: £1,500 Victim surcharge: £100 Rent Repayment Order: £400 Total: £3,000
April 2017	Failing to apply for an additional HMO licence. Failing to apply for a mandatory HMO licence. Breaching Management Regulations.	Fine: £4,900 (9 offences) Costs: £1,249.60 Victim surcharge: £170 Total: £6,319.60
Sept 2017	Failing to apply for an additional HMO licence.	Fine: £4,000 Costs £275 Victim surcharge: £85
Sept 2017	Failing to apply for an additional HMO licence.	Fine: £4,000 Costs £275 Victim surcharge: £85
Sept 2017	Failing to apply for an additional HMO licence.	Fine: £4,000 Costs £275 Victim surcharge: £85
Sept 2017	Failing to apply for an additional HMO licence.	Fine: £4,000 Costs £275 Victim surcharge: £85

Table 7 Prosecutions taken for additional licensing offences

Prosecutions provide an incentive to other landlords to comply with housing law and it is noticeable that for a short period of time following a successful prosecution and associated publicity, calls to Housing Services increase and landlords actively engage to ensure they are compliant.

Unlicensed HMOs identified

In May 2017 Housing Services sent out a large mail shot to all non-licensed residential dwellings in the additional licensing area. This letter went out to over 6,700 properties raising the profile of the scheme and asking for information on any potential unlicensed HMOs and feedback on the current scheme. This mailshot directly led to 7 HMO investigations, with 3 being confirmed as unlicensed HMOs. Investigations into these are currently on going.

Other methods used to identify unlicensed HMOs:

- Receiving and investigating local intelligence
- Council tax and land registry information

- Attending local landlord meetings to raise the profile
- Historic data held by housing
- Street walking exercises
- Right move searches
- Student pad searches
- Community Liaison Officer / Universities
- Tenancy deposit protection information - we have recently been given access to this information with details for landlords, agents and occupants.

Reduction in HMO fires in B&NES

Fire statistics recorded by Avon Fire and Rescue Service were analysed against the 2012 House Conditions Survey.

The 2008 - 2012 data where the fire service attended residential fires that indicated there were 5.03 fires per 1000 HMOs compared to 2.83 fires per 1000 single households. A look at more recent data for the financial years 2013/14 – 2016/17 shows that the number of HMO fires attended by the fire service has reduced to 1.96 fires per 1000 HMOs. This trend is not matched by single households which have shown an increase in fires to 4.73 per 1000 dwellings.

A lot of work has been done around fire safety in B&NES over recent years, not least through HMO Licensing, where fire safety improvements have been fundamental to the scheme and better awareness has been promoted to both landlords and tenants.

Gardens, rubbish and recycling

During the consultation before implementing the scheme, one of the biggest concerns raised by residents was the appearance of HMOs in the additional licensing area. This was often linked to rubbish and recycling problems as well as messy gardens, and this has proved to be one of the most contentious issues we have been made aware of throughout the scheme.

- The evidence told us that there was a relationship between both HMOs and domestic waste complaints and HMOs and requests for street sweeping. The Wards with the highest concentration of HMOs appear to be related to concerns of domestic waste being left out on the wrong day and an increased need for street sweeping.
- Residents told us that they felt the area was messy with waste in gardens and unkempt gardens. Responses to the formal consultation told us that residents were concerned about HMOs causing problems with recycling and rubbish, parking, noise and poor appearance.



Figure 13 Guidance for landlords on the conditions for recycling, rubbish and gardens

Once the scheme was in place and after further consultation and research, in July 2015 Housing Services published [guidance](#) to help landlords comply with the licensing conditions

related to recycling, rubbish and gardens. The guidance also acts as a tool for landlords, tenants, residents and Council officers to help manage expectations on enforcement action and promote a consistent approach.

The guidance is on the HMO webpages and has been communicated to all licence holders and agents.

Since the start of the scheme, Housing Services has received 106 complaints relating to the appearance of HMOs in the scheme, poor garden maintenance and rubbish and litter.

Complaint type	Appearance	Gardens	Rubbish	Total (Sept 17)
Number	9	46	51	106

Figure 14 Complaints about the appearance of HMOs

Additional Licensing has allowed such issues to be addressed quickly and efficiently, including the benefit of additional enforcement options that come with such a scheme, but mainly the ability to quickly get in contact with landlords and managers in an efficient way.

Case studies

Complaint of rubbish in the additional licensing area

Complaint received by Community Liaison Coordinator - July 2017.



Figure 15 Photo of rubbish in additional licensing area

The Community Liaison Coordinator contacted the tenants, Waste Services and Housing Services.

The property was a licensed HMO and Housing Services held contact details for the landlord and manager of the property.

Housing Services contacted the manager. The manager responded and removed the rubbish the same day.

Complaint of rubbish outside a licensed HMO

Complaint received by Community Liaison Coordinator - July 2017.



Figure 16 Photo of rubbish outside a licensed HMO

Complaint referred to Waste Services and Housing Services.

Housing Services held details for the Licence Holder and contacted them the same day.

The Licence Holder responded the same day and confirmed they had cleared the rubbish.

The complainant was contacted and asked to contact us again if the problem reoccurred. No further issues.

Complaint of rubbish at an HMO in the additional licensing scheme

Complaint of rubbish and a gull's nest received by Housing Services - April 2017.



Figure 17 Photo of rubbish and gull's nest

Council Connect and Waste Services contacted to organise street sweeping.

Housing Services held details for the Licence Holder and contacted them the same day requesting action. Details also given for the Council's gull nest removal contractor (NBC).

The Licence Holder responded the same day and confirmed they had taken action, contacted NBC, messaged the tenants and will be visiting the property.

The complainant responded... *“Many thanks for your extremely swift follow up and all the actions you have taken, this is hugely appreciated – sincerely, will make such a difference!!”*

Garden Survey – April 2017

In April 2017, Housing Services carried out a garden survey on a number of roads in the Additional Licensing area, namely Brook Road, Coronation Avenue, Claude Avenue, Triangle North, and Lymore Terrace.

377 properties were surveyed, which included 146 licensed HMOs. The front gardens of the properties were assessed to include the condition of the vegetation, any loose rubbish and if refuse containers were provided. The assessment was done in accordance with the Gardens, rubbish and recycling guidance mentioned earlier.



Table 8 Loose rubbish in front garden

The majority of front gardens were classed as being in good or reasonable (ok) condition across all properties surveyed. This is broken down between licensed HMOs and properties without a licence in the table below.

Property	Good	OK	Poor
LHMO	14%	85%	0%
Properties without a licence	41%	55%	1%

Table 9 Classification of front gardens

Properties without a licence had more front gardens classed as good, whereas licensed HMOs had mainly ok / reasonable gardens. The only properties (2) with front gardens classed as poor were not licensed ones. The remainder did not have front gardens.

It was also noted that 23% of licensed HMOs had loose waste in their front garden compared to 6% of non-licensed HMOs. Where non-compliance with licensed conditions was identified, the landlords were informed and required to take action.

In summary, the report indicated that the front gardens of properties that were not licensed HMOs were in a typically although not greatly, better condition than the front gardens of licensed HMOs. On another note, this survey identified one unlicensed HMO which was investigated. A Simple Caution was offered to the owner as the most appropriate way to deal with the offence and the property is now correctly licensed with the Council.

Feedback from stakeholders

Telephone survey autumn 2014

In autumn 2014 Housing Services phoned a number of licence holders to get feedback on their experiences of the additional licensing scheme. 154 landlords were contacted and 43 responses were received.

46% of landlords felt that licensing had helped them improve their understanding of the safety requirements required in their HMOs. 30% disagreed. 24% neither agreed nor disagreed.

69% agreed that they had been treated fairly through the application process, 12% disagreed and 18% neither agreed nor disagreed.

When landlords were asked how they found out about needing a licence under the additional licensing scheme, they informed us they were informed via the following channels:

- 67% informed by their agent
- 13% directly from the Council
- 11% other
- 5% through the local press
- 4% through personal contacts
- None were informed by a landlord association

Consultation May 2017

In May 2017 Housing Services asked landlords and residents for their views on the additional licensing scheme. The consultation was promoted on the Council website, through social media and directly to local residents, residents groups, landlords, letting agents, the universities and landlord organisations.

Over 1000 responses were received, of which 37% (381) were landlords and 63% (658) were residents.

A summary of the responses is shown below:

293 landlords who owned properties in the scheme responded.

- 73% felt they were treated fairly and respectfully. 8% did not.
- 41% believed licensing has improved the condition of HMOs. 21% disagreed.
- 51% believed the scheme had improved the safety and quality of HMOs. 15% did not agree.
- 81% had increased their rent since joining the scheme because of an increase in local rental prices, cost of HMO licensing, property improvements and maintenance or repairs.
- 44% were in favour of the scheme continuing, this was higher than for those landlords without licensed HMOs; 37% did not want the scheme to remain.

*Landlords with HMOs in the scheme were generally **more positive** about the impact of licensing. A large number of landlords said the scheme was **expensive**, increases **rents** and the fee should be reduced. Other comments **supported** licensing as a tool to improve **safety** in the rental market.*

Figure 18 Views of landlords about HMO licensing

Comparison between landlords in the additional licensing scheme

1. September 2014 - telephone survey (43 responses)
 2. May 2017 – landlords consultation (293 responses)
- In 2014, 69% of landlords in the scheme agreed that they had been treated fairly through the application process, 12% disagreed and 18% neither agreed nor disagreed
 - In 2017, from the same demographic, 73% felt they were treated fairly and respectfully. 8% disagreed. 18% neither agreed nor disagreed.

88 landlords without HMOs in the scheme responded.

- 27% believed licensing has improved the condition of HMOs. 35% disagreed.
- 35% believed the scheme had improved the safety and quality of HMOs. 29% disagreed.
- 44% were not in favour of the scheme continuing; 38% wanted the scheme to remain.

*Landlords who were not part of the scheme were generally **less positive** about the impact of licensing. Comments were split between being in favour of additional licensing and being against it. Some landlords felt licensing is just an **income** for the council, lacks **consistency** and targets the **good landlords**.*

Figure 19 Views of landlord about HMO licensing

637 residents who did not live in HMOs responded.

- 86% of responders were living in the additional licensing area compared to 14% living outside the scheme area.
- Residents were very negative about shared houses having an effect on their local area in particular rubbish and recycling, noise, garden maintenance, property conditions, overcrowding and anti-social behaviour.
- 96% felt that shared houses should be licensed by the council.

*Residents not living in HMOs felt that HMOs are responsible for a lack of **community, parking** problems and the area being **messy**. There was a feeling there are **too many** HMOs resulting in a lack of **affordable** housing and robust **enforcement** is needed by the council to tackle poor conditions.*

Figure 20 Views of residents about HMO licensing

21 residents who lived in HMOs responded.

Due to the small response rate the data should be treated with caution, but still reflects the feelings of the respondents.

- 81% lived in HMOs within the scheme and 19% outside the scheme.
- 90% were satisfied with their home although nearly half said their home had been affected by damp or mould.
- 88% who lived in HMOs in the scheme area had working fire alarms on every floor compared with 50% of those living outside of the scheme area.
- 71% agreed the management of their home is good and 90% knew what to do if their home needed a repair. 81% had 24 hour contact details for their landlord or agent.
- 81% would recommend their home to a friend if they moved out.
- 29% were not given a gas safety certificate – a legal requirement.
- Two thirds were informed about recycling and rubbish collection days.

*Residents living in HMOs expressed views about **poor conditions** and poor management as well as experiences of **good landlords** and **good HMOs**. There was concern about high rental **fees** and lack of choice.*

Figure 21 Views of residents about HMO licensing

Comparison between HMO residents in the scheme area prior to additional licensing and since the introduction of the scheme.

1. May 2012 - B&NES HMO Residents survey (78 responses)
2. May 2017- Occupants of HMOs in the additional licensing scheme (17 responses).
 - In 2012, 73% of HMO residents in the scheme area said they were satisfied with the facilities in their home. 15% said they were dissatisfied.
 - In 2017, 94% of respondents who lived in the additional licensing area said they were satisfied with their home; 6% were dissatisfied.
 - In 2012, 62% were satisfied with the management of their home. 24% were dissatisfied.
 - In 2017, 71% agreed that the management of their home is good; 24% disagreed.
 - In 2012, 69% were satisfied that their home provides a safe and healthy place to live. 21% were dissatisfied.
 - In 2017, 82% agreed that their home provides a safe and healthy place to live; no respondents disagreed. The remainder neither agreed nor disagreed.

Free text comments

In addition, a lot of free text comments were received, and these are listed in full in appendix 1.

A summary of the common themes is given below:

HMO Residents

Respondents were asked– *“Do you have any other comments concerning your experience of living in a shared house?”*

10 unique responses were received to this question resulting in 22 distinct comments. They have been categorised in descending order as follows...

- **Poor conditions and management**

“There was significant mould and damp. The landlord was out of the country and did not have anyone living in the U.K. who could manage the property.”

“The house I am currently living [in] is great... But there are some awful places I have lived in, in Bath. Mould and Damp Problems. Irresponsible landlords. Overpriced rent.”

- **Good landlords and good HMOs**

“It’s a great house in a great location with a fantastic responsive friendly landlady.”

“There was damp but I phoned the landlord and he fixed it. Whenever I need something he comes and fix things”

- **High rents and high fees**

“Extortionate agency fees when the agents do not manage the property”

“Landlord has increased rent by £315 PCM for the 2017-18 academic year!”

- **Lack of control and choice**

“You can’t own or rent a house or flat to yourself here in Bath.”

- **Densely occupied HMOs**

“The communal space is often sacrificed for more bedrooms, and you are very much at the mercy of the landlord in terms of getting crucial facilities fixed.”

- **Against more regulation**

“I strongly object to the intrusion of these additional council regulations...”

Residents who did not live in HMOs and did not live in the additional HMO licensing area

Respondents were asked: “Do you have any other comments concerning your experience of shared houses in your area?”

56 unique responses were received resulting in 122 distinct comments. These were banded into common categories and are referred to in descending order as follows...

- **HMOs have a negative impact on the local area**

Including...

- **Lack of affordable housing**
 - *“The more HMOs in an area, the less affordable houses for families there are.”*
- **Parking problems**
 - *“We are in Southdown and are virtually surrounded by HMOs. They all have multiple cars, which create lots of issues for parking. Rubbish is often left outside, attracting seagulls... I am very concerned about the impact of HMOs on communities, house prices etc. etc.”*
- **Anti-social behaviour (ASB) and noise problems**
 - *“Unfortunately my only experience of HMOs close to my home is student flats and houses. Unfortunately these residences have greatly impacted on my quality of life - making excessive noise at anti-social times, not following guidelines on rubbish collection, inconsiderate parking... the list of problems is endless. I don't feel that allowing more and more student accommodation in areas where non students live works. The hours kept by students are so far removed from those of families and professionals that it will not work. It also forces local non students out of Bath because there are no 3 and 4 bedroom houses for them to move to!”*
- **Waste problems and untidy gardens**
 - *“Gardens are left to become overgrown, rubbish left in street when animals rip sacks etc., parking can be irresponsible and inconsiderate and it takes away from family housing stock which is desperately short.”*
- **Occupants of HMOs tend to be transient in nature leading to a lack of community; Lack of respect for families and communities.**
 - *“I think the most serious impact of HMO's is to break up long established social networks, by introducing lots of transient people. This erodes community...”*

- Too many HMOs
 - *“The last thing we need is another vast HMO building. Most of the HMO license holders are not Bath residents. I doubt they have the same care or pride in the community as owner-occupiers do.”*
 - *“We have 3 student occupied houses in our street; this has increased noise, rubbish and parking issues.”*
- Enforcement of HMOs needed
 - *“...Such properties are also falling into disrepair as landlords are not maintaining them properly and this is detrimental to properties around them. Any property which has a license from the council should be regularly checked by the council and the landlord fined and their license revoked if they do not maintain the property adequately”*
- Unhappy that student occupants of HMOs do not pay council tax
 - *“The Landlord of an HMO should pay the full costs of Council Tax on behalf of their Tenants.”*

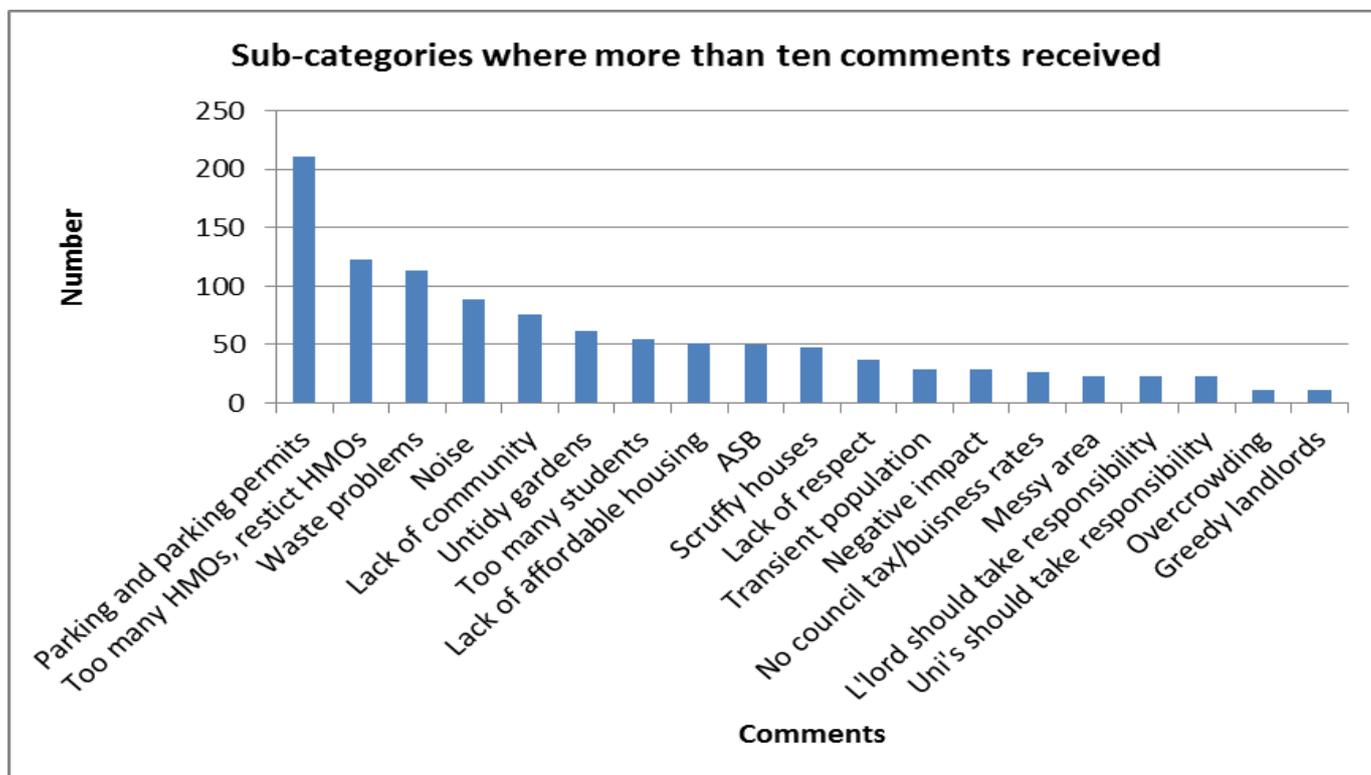
Other comments included

- Affects property and rental prices
- University needs to take responsibility
- HMOs are essential form of housing
- Whole area is messy
- Take university accommodation into account
- Landlords should take more responsibility
- Need to distinguish between Student and Professional HMOs
- Too many students

Residents who did not live in HMOs but did live in the additional HMO licensing area

Respondents were also asked: “Do you have any other comments concerning your experience of shared houses in your area?”

445 unique responses were received resulting in 1,242 distinct comments. The graph below gives a flavour of the comments received.



Many of the comments received were strongly directed around planning issues such as parking and the proliferation of HMOs in certain communities. A lot of comments were also directed at students and concerns about studentification of areas.

The comments have been grouped together in to common themes and the top ten are listed below in descending order:

1. Communities - lack of community and impact of students and transient population

Including:

- Lack of community and social balance
- Too many students and too many student HMOs. Areas are becoming like a student city/ghetto
- Lack of respect for families/communities

- Transient population
- Ghost town out of term time
- Need to distinguish between student and professional HMOs
- There are no professional sharing just students
- Difficulty for owner occupiers to sell property in HMO area

“Taken the life and soul out of the community. People moving on. Depriving local people of properties in the area. Both universities increasing numbers so problem keeps getting worse”

“Not right to allow overcrowded, student multi occupation in quiet residential streets. Impacts very negatively and destroys quality of life.”

There were positive comments such as...

- Most students are fine; students contribute to the local economy; previously lucky with quiet student neighbours

“I think the licensing is important to protect the tenants. I have previously lived in HMOs and have had positive experiences but know many that haven't. I think there should be a set limit of HMOs in any one road.”

2. Concerns about parking and the need parking permits

“The huge number of students in our area puts extreme pressure on available parking in all streets, despite the Uni and Council telling us that students don't have cars. The effect that after mid. June (students go) and there are spaces to park, says it all.”

“Shared houses in our area significantly affect parking, reducing the off street parking considerably for non-shared residential houses. This reduces our standard of living as we cannot park easily outside of our own home sometimes.”

3. Untidy gardens, messy area and scruffy properties

- Untidy gardens
- Scruffy houses
- Whole area is messy

“I have lived here for 34 years and in the past few years I have noticed how overgrown and untidy many of the gardens are, particularly the lower end of street. Recycling boxes and bags, or black bin bags are left strewn all over the place, even after collection day.”

4. Numbers of HMOs

- The main comments related to there being too many HMOs and numbers should be restricted

“We need more families in our street far too many shared houses.”

5. HMOs are responsible for waste and recycling problems

“Multiple Occupancy creates multiple rubbish problems... Multiple tenants have no interest in the care and upkeep of the area/property generally, as they are just passing through, which leads to general cleanliness problems in the road.”

6. Noise issues

- Noise / house noise
- Noise from late night bus service and street noise

“They are generally nice young people but can occasionally make noise late into the night. . .”

“There is also an increased noise level through the wall daily as there are four times as many people occupying that property, and they stay up so late that it is so hard to get to sleep I have to wear headphones.”

“We have the noise of 4 washing machines, 4 bathroom vents, 8 people slamming door at random times”

7. Affordability

- Lack of affordable housing
- HMOs affect property prices and devalues single household homes
- Shared housing is a cost effective / affordable way for people to live

“If housing is specifically targeted to a high number of rent paying tenants for financial reasons, this leaves less housing stock for families and other members of society for which it is not suitable.”

“Forces families out of the area and makes houses too expensive to rent and buy. Oldfield Park had dramatically gone downhill with all the HMOs.”

8. Comments about landlords

- Landlords should take responsibility
- Only interested in money/profit
- Lack of maintenance and management

- Landlords do not live locally

“Greedy landlords are destroying what was once a community area. The impact is massive...”

“Landlords are not interested and are not held to account.”

“Landlords who make a lot of profit from shared housing should be required to make sure the house is regularly maintained.”

9. Anti-social behaviour (ASB)

“I have problems with litter, noise and anti-social behaviour caused by student houses on a daily basis. Buying a house in this area is the biggest mistake of my life. This is no place to raise a family. There is no sense if community.”

“We suffer excessive noise and anti-social behaviour with no redress as there are no out of hours officers”

10. Conditions, management, licensing and enforcement

- Regulation needed and council needs a robust enforcement policy to tackle poor conditions/management and unlicensed HMOs.
- Overcrowding is an issue in HMOs
- Licensing has been positive

“I have lived in various HMOs within B&NES before my current address - and the property condition is always terrible. The landlords neglect the properties and have left them in a state that no-one in 2017 would live in (had they any other choice).”

Other categories included:

- General negative impact of HMOs
- Unhappy about students not paying Council Tax / business rates not being paid
- Universities should take more responsibility
- Buses and transport – too many buses and student buses.
- General positive comments about HMOs – HMOs are generally fine

Landlords without HMOs in the additional licensing scheme

Landlords were asked: *“Is there anything you would like the Council to do differently related to HMO licensing?”*

There were 19 unique responses resulting in 35 distinct comments. Below are some common categories mentioned in descending order...

- **Broadly in favour of additional HMO licensing**

“I think close scrutiny of rental accommodation is important and if I changed the rental status of mine to HMO, I would be happy to comply with any licensing.”

“Introduce it for all shared rental properties.”

- **Broadly against additional HMO Licensing**

“Apply the same rules as the government guidelines. That is, only licence large HMO's. Licensing small HMO's has only increased rents which does not help tenants.”

- **Licensing fees are just an income for the Council**

“It is just money making exercise for the Council. We are sick of the Council looking for ways to make money out of Landlords.”

- **Lack of consistency**

“It is reported that different surveyors demand different standards, they do not have a standard checklist to work from, this leads to good landlords trying their best becoming frustrated with the authority and licensing process.”

- **Penalising good landlords while bad landlords get away with poorer standards**

“Licensing to my mind hits the good landlord whilst the bad landlord, as always gets away.”

Other comments included:

- Support voluntary accreditation;
- Tenants are the problem;
- Students have a choice not to use poor housing.

“Much of the poor conditions found in HMOs are caused by untidy Tenants (litter, poorly kept gardens, noise etc.)”

Landlords with licensed HMOs in the additional licensing scheme

Landlords were also asked: *“Is there anything you would like the Council to do differently related to HMO licensing?”*

There were 124 unique responses resulting in 213 distinct comments. These were banded into common categories and are referred to in descending order as follows...

1. Unhappy about the expense of the scheme and the licensing fees

- The costs should be reduced
 - *“I don't mind my properties being checked, they are of a high standard - but object to the licensing cost.”*
 - *“Reduce the fees for those Landlords who have shown they adhere to the requirements of letting and HMO legislation”*
- The scheme is too expensive and costly
 - *“The cost of the application was high. If the system is to remain, perhaps those that are already registered should have a discount/better rate when renewal is due.”*
 - *“...If the scheme is to continue after December 2018, careful thought needs to be given as to how much to charge landlords. Whilst there is obviously a cost to the council of implementing the scheme, I feel that the charge was disproportionate and it will inevitably be passed on to tenants at some point.”*
- Costs are passed on to tenants
 - *“I just put 20% margin on the extra cost and pass it on to the poor old tenant!”*
- The fees are just an income / tax for the council
 - *“I am a good landlord and my house was up to par....To me HMO licensing is a tax.”*
- General unhappiness about having to pay the fee and what the fee is paying for
 - *“...I found that I felt penalised in having to pay a fee when I am a good landlord anyway”*

"It feels that we are being "hit" from all directions... taxes, increased HMO charges, increased insurance & trade[s]men prices (because we're an HMO... and not a "domestic" account)... actually feel very despondent about it all in truth... and may sell up and get out!"

2. Broadly in favour of additional HMO licensing

"I think it is a really good thing that there should be good quality and above all safe rental properties available. Anything that helps achieve that is a good thing."

"I think the licencing is a step in the right direction that will help to clean up the rental market and ensure a better rental experience for tenants. I think the council should continue with this good work."

"I feel that it is a good scheme for increasing safety and quality of HMO's."

3. The council need to be more consistent

"Council inspectors should be better trained so that there is more consistency in feedback/findings at different properties."

"Licencing can only really work effectively if the Council has the resource/motivation to follow through consistently with checking on the resolution of any issues highlighted."

4. The council need to work better with landlords

"Treat landlords better with respect and courtesy."

5. Supportive of voluntary accreditation

"Bring back the accreditation scheme; it was more proactive, helpful and overall more positive. What a huge loss that the council cut it!!"

"I think it would be better to re-introduce the star accredited system and to insist that HMO landlords have at least two stars."

6. Broadly against additional HMO licensing

"Withdraw it. The 'student areas' were originally built for transient workers. It is the residents that are the problem."

"...£500-600 along with the pedantic hoops to jump through is ridiculous."

7. Positive about how the scheme has been run and experience so far

"I am very pleased[d], for the way the council has conducted HMO Licensing, very professional. "

8. Extend the scheme to include all HMOs / across the whole of Bath

“Licensing should be looked at over the whole of Bath and certain areas should not be targeted.”

“HMO licensing should apply to all landlords not just landlords in a small area around city centres”

9. Tenants are responsible for problems that landlords get the blame for

“Most of us landlords work hard to provide good accommodation and there are bad tenants as well as bad landlords.”

10. Landlords are not treated well

“Work in a more supportive and accessible manner with the understanding that Landlords are trying to upgrade and improve premises on an ongoing basis and give good value. Landlords need protection as well as tenants”

“We have been required to keep gardens tidy yet the private houses allow shrubs to grow over backways preventing access. We all should be treated equally. Yet again targeting Landlord I am an NLA member and to treat my membership seriously.”

11. Penalising good landlords while bad landlords get away with poorer standards

“Penalises the good landlords because of the few bad ones”

12. Unhappy with inspections and inspecting officers

13. Want more inspections

14. The council need to enforce against unlicensed HMOs and bad landlords

“There are still rogue landlords out there.....they need to be targeted.”

15. Need to reduce bureaucracy and paper work

“In my case the HMO has been another load of useless paperwork and cost which simply feeds through to rents; which ultimately results in even more people living in shop doorways.”

16. Unhappy about minimum bedroom sizes

“There should not be such a definite restriction on room size. Extra area to supplement a smallish room was not taken into consideration by the local council. Good condition two star 4 bedroom house became limited to three bedrooms resulting in a significant loss in rent.”

17. The Council need to be more joined up

“... HMO team in the office had no idea about planning regs for developments like our outhouse upgrade, unable to give any advice or help”

18. Continuous changes - hard to keep up, needs to stop

Licensing standards and conditions

A number of comments were made relating to the standards and conditions that are required through licensing, examples of these include:

- Produce a guidance document showing what is required

“...provide a booklet as to what is required in a HMO from the outset, i.e. Smoke Detectors, Fire Glass/Doors. Extractor fans etc. in the entire BANES area, not just single out Oldfield Park etc.”

- Reduce works required to a property.
- Sometimes minor issues seem to be categorised as major.
- Previously accredited but had to do significant fire safety changes despite the regulations being the same.

Rental prices

One of the arguments against licensing was that the fee would push up rents.

In January 2013, Housing Services did a poll of a number of agents who managed mandatory licensed HMOs.

The poll of 8 agents indicated that the common weekly rent for a 5 bed mandatory licensed HMO was £414 per week (£83 per room per week). This equates to £360 per room per calendar month. All agents had increased their rent since the property became licensed although no agents sited the licensing fee as being a reason for the increase, with the main factors noted being market conditions and demand.

A look at current rents as of April 2017 showed that the typical rent for properties in the Additional Licensing scheme averaged out to be £403 per room per calendar month. Rents ranged from £300 to £500 per room per month.

In a 4 year period rents appear to have typically increased by over £40 per room per calendar month.

Consultation with landlords in the scheme undertaken in May 2017 indicated that the majority of landlords had increased their rent since joining the additional licensing scheme because of an increase in local rental prices, cost of HMO licensing, property improvements and maintenance or repairs. In contrast to 2013, the cost of licensing now seemed to be a factor.

To put it into context, a landlord applying on the 1st January 2014 for a licence for 4 occupants would have paid £600. If they kept the property for the duration of the scheme the fee would equal out to be £120 per year or £2.50 per room per calendar month. This is only the licensing fee and

does not take account of the cost of works that may have been required to bring the property up to the licensing or minimum legal standards.

Spread of HMOs

In July 2013 the Council introduced a Supplementary Planning Document (SPD) on HMOs in Bath to provide the planning framework to assess planning applications for a change of use from family homes to HMOs under the Article 4 Direction.

The maps below show the spread of HMOs where there is known to be a 25% or more concentration of HMOs.

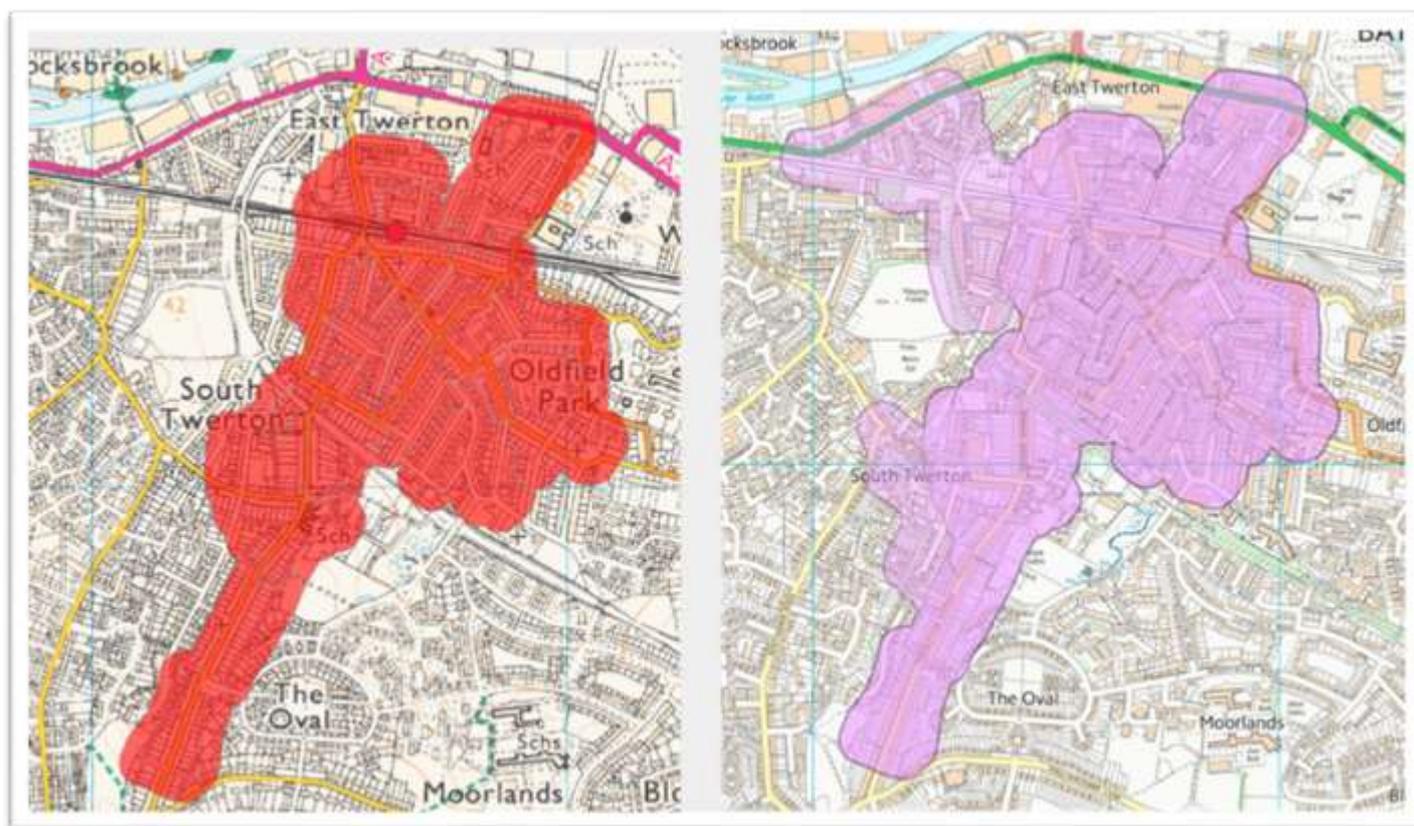


Figure 22 Map of the concentration of HMOs in Bath

25% concentration of HMOs in Bath. The red map on the left is from 2013; the purple map on the right is from December 2016

The purple map on the right shows how the concentrations of HMOs (25% or more) have spread covering a larger area. Notably, the spread of HMO density seems to be most apparent in the area known as South Twerton and the western part of Westmoreland ward. Although the spread has increased, it is clear that the more comprehensive information gained through the additional licensing scheme has better informed the data used for the planning policy document. In 2013 the HMO data in the area wasn't as well understood as it is in 2017.

Evaluation

This section seeks to evaluate how the scheme met the objectives, what can be learnt and where the gaps.

The purpose

The overall purpose of the additional licensing scheme was to improve the standard and management of all HMOs in the designated area for the long term. This was broken down in to a number of objectives.

Objectives	Progress / achievements	Gaps / areas for improvement
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Better standards

The scheme has over 1000 licensed properties, the majority of which required some improvements to bring them up to the licensing standards and minimum legal standards.

On initial inspection 31% of HMOs were found to have significant health and safety hazards which have been addressed through informal and formal action.

Over 2,100 specific licensing conditions have been placed on licenses to bring the properties up to minimum licensing standards, including works required to improve and meet heating, sanitary facilities, fire precautions, kitchen facilities and space standards.

The biggest area requiring improvement was fire precautions, with nearly 100 properties requiring a full fire alarm system and over 500 requiring an upgrade. The majority of these (86%) have been confirmed as now compliant.

HMO licensing has focussed to a large extent on improving fire safety in HMOs and promoting good practice for landlords and tenants. This runs in parallel with a reduction in fire incidents in HMOs in B&NES which have declined since 2012/14.

The figures indicate that 84% of conditions have been complied with. Although it is believed that compliance is actually higher as the lower risk properties have not all been checked, there is no confirmation. For future schemes new methods for achieving and verifying compliance should be explored.

On compliance inspections, 30 breaches of licensing conditions were recorded which needed to be resolved. Further consideration is needed on how standards can be monitored and slippage reduced.

Need to consider how 100% compliance can be achieved and maintained.

Options include self-declaring compliance with licensing conditions; requiring landlords to provide a compliance statement; publishing compliance to make non-compliance more transparent; revisiting all properties at least once; charging for additional visits/work as the legislation allows; charged for accreditation/compliance scheme and chargeable re-visits.

Quality control on inspections should be considered also, to ensure inspections are carried out

Better
management

thoroughly to avoid anything being missed and addressing alleged inconsistencies.

In terms of fire safety, a reduction in fire incidents in HMOs is not matched in single household properties which have shown an increase. This could be a consideration for future interventions.

A number of landlords have been required to appoint local managers and amend their management arrangements as a result of licensing.

All licensed HMOs have an appointed licence holder who is accountable for the property and the management of it. The Council have contact details for all licence holders, property managers and out of hours contact information.

In many cases landlords have appointed local managers to look after their properties where they have been unable to adequately manage the properties themselves.

Help and advice has been given through the licensing process to assist landlords in managing their properties and provide useful information.

Property managers have been supported by complimentary initiatives such as the West of England Rental Standard, landlord manual, website resources and telephone help and advice.

The scheme has allowed managers to be more informed and more professional and to foster better understanding of legislative requirements.

Complimentary initiatives to encourage good management are the West of England Rental Standard,

Many landlords take their responsibilities seriously and treat the management of properties as a professional business and want to provide a good service to tenants and the community. However, some landlords will only do the minimum they are required, not transferring standards to other properties in their portfolio.

There is no requirement for formal training, membership of professional bodies or accreditation. Consideration should be given to further encouraging training or landlord accreditation to help foster sustainable learning and transferable property management skills.

which endorses good practice and the landlord development programme which is designed to increase knowledge in the sector.

Fit and proper landlords

All licence holders and managers have been through the fit and proper person checks administered by the Council.

Fit and proper person status is determined primarily on self-declaration as well as local prosecution information and intelligence from council officers.

Through this process, all landlords have been checked and one landlord has been refused fit and proper person status.

Improvements to this process could be made by carrying out enhanced checks on all licence holders such as Disclosure Scotland or Disclosure Barring Service checks. This would make the procedure more comprehensive and robust as it would not rely on self-declaration. Any consideration for enhancing this part of the process would be more resource intensive so consideration needs to be given to cost benefit.

National legislative changes are expected which may include additional checks. These are likely to come in 2018.

Community improvements

The Council have received through the scheme, detailed information on the ownership and management of HMOs in the scheme, including out of hours contact details. This has allowed the council to quickly and efficiently contact landlords, identify properties and seek resolution to neighbourhood issues when they arise such as rubbish and garden complaints.

The local community also have a better understanding of where the HMOs are in the area and are able to contact landlords directly by using the information in the public register.

Residents were very negative about shared houses having an effect on their local area. They were particularly concerned about rubbish and recycling, noise, garden maintenance, property conditions, overcrowding and anti-social behaviour.

The survey in May 2017 indicated that various community issues such as rubbish, gardens and scruffy HMOs is still a concern.

These issues were part of the case for bringing in an additional licensing scheme and seem to still be a concern to local residents.

Resourcing complaints of this nature is a challenge and a consideration needs to be given to putting a specific resource in the scheme area.

At present, the current procedure for first time complaints relating to the external parts of HMOs are not initially verified, and complainant information is replied upon when contacting landlords. This is usually a successful approach.

A more robust approach to addressing issues associated with gardens, rubbish and external issues could be considered where landlords are given more directed time scales

Targeted approach

Prior to the introduction of the scheme, a survey of non-HMO residents said that 93% were aware of shared houses in their local area. Of these, 54% reported that shared houses caused those problems – the top 3 concerns being rubbish, noise and appearance.

Good links have been forged with Waste Services and the Student Community Liaison Officer to assist with dealing with issues as they arise by taking a multifaceted approach. For example, when a complaint comes in regarding waste issues, untidy gardens or noisy parties, Council Connect deal directly with waste on the highway; if the property is occupied by students - the Student Community Liaison Officer contacts the occupants directly to request action; Waste Services undertake community engagement and visit problem properties to promote good practice; Housing Services directly contact landlords and managers for action and Environmental Protection investigate nuisance issues. This has led to more efficient action dealing with issues that directly concern communities.

Across the designated area, standards have been improved in HMOs and safety issues have been addressed. This has led to proactive improvement for members of the community who live in HMOs.

Additional licensing has given the Council targeted access and knowledge about the HMOs in the designated area and the resources to proactively inspect and deal with them.

The designated area was chosen due to the high concentration of HMOs in the area and the issues identified relating to poor standards and management.

for action.

To achieve this, a new approach could be considered where all complaints of this nature are verified by a council inspection. A detailed schedule could then be issued where needed and a further visit undertaken in a set period of time to check compliance and gather evidence. Where the issues have not been addressed then enforcement action could be taken. For ongoing problems this approach could help expedite the process.

Financial penalties have recently been introduced nationally and can be used for breaching licensing conditions, management regulations and unlicensed HMOs. The introduction of these new powers can be used positively to address non-compliances such as those mentioned above.

The same burden of proof is required as for a prosecution, but the process should be more efficient and the income from the penalty notice can be used to fund enforcement activities.

The scheme only positively impacts on the designated area and does not transfer to other areas.

In conjunction with the Article 4 Direction, Supplementary Planning Document, this targeted approach may have led to more HMOs being created in areas surrounding the additional licensing area. There are two main reasons for this; firstly, financial – landlords of smaller

The additional licensing scheme has over 1000 HMOs currently licensed.

By being included in the scheme, these properties have come to the attention and under the regulation of the Council so the local issues identified could be addressed.

This has allowed the Council to more efficiently deal with issues as and when they arise to secure real benefits for tenants and communities. Not least, by the council knowing where the HMOs are and who controls them, this allows for a more proactive approach and encourages landlords to be more accountable for the behaviour of their tenants.

By putting a focus on safety, welfare provision and management, the HMOs in the designated area have been proactively targeted for improvement to enhance the HMOs and general environment that would otherwise have been left to a more reactive approach.

Landlords, manager and tenant's responsibilities have been made clearer through targeted licensing to facilitate improvement in the area.

The Additional licensing scheme has assisted the Council in targeting and addressing some of the high risk premises, that otherwise there would be no obligation to proactively visit, whilst reducing the burden on the Council Tax payer by recovering fees.

In addition, a garden survey was carried out in April 2017 in the scheme area to address a commonly held concern about untidy gardens and poor rubbish and recycling practices. Targeted compliance visits have been undertaken throughout the scheme and officers are well known to landlords and residents.

HMOs can avoid paying the licensing fee and paying for the associate cost of works if they are outside of the scheme area and not known to the Council. Secondly, due to the high concentration of HMOs in the scheme area, this has made it increasingly difficult to convert single household properties into HMOs due to the planning restrictions.

To lead to more comprehensive improvements, consideration should be given to expanding the scheme area.

Energy efficiency

The scheme included conditions related to energy efficiency to address identified issues with excess cold hazards and fuel poverty.

Through the scheme the Council were able to collate a list of energy ratings for licensed properties and target resources to properties with low energy ratings for improvement.

Positively, this approach identified that the majority of HMOs had reasonable energy ratings and only a small number had a rating of F or below.

These properties with a low rating were targeted through the Council's Energy at Home scheme and where applicable offered incentives to improve the energy ratings.

Conditions related to energy efficiency improvements were linked to the energy rating and caveated to bring them in line with Government regulations and national schemes available at the time (Green Deal and the Energy Company Obligation).

A lot of changes have taken place since these conditions were introduced and consideration should be given to reviewing the conditions to make them more current and meaningful.

Table 10 Evaluation table of HMO licensing scheme

How the scheme was delivered

The private rented sector is a rapidly growing section, accounting for 25% of dwellings in B&NES. With this increasing sector, providing a large amount of essential housing to residents of B&NES, regulation needs to keep up to date to ensure housing provides a safe and healthy place to live.

Following designation of the scheme, substantial publicity was undertaken and awareness activities to try and make as many landlords and agents aware as possible. This was successfully undertaken although a number of landlords, including some who have been cautioned by the Council, claimed not to know about the scheme. In May 2017 all properties in the designated area were contacted about licensing to pick up any on-going unlicensed properties. Additional areas of publicity and awareness should be explored for any future schemes.

The scheme does not run independently, and to compliment it, a number of initiatives, partnerships and resources have been brought in and maintained, adding value to what can be delivered.

When the scheme came in, there was a substantial delay in issuing licences from receipt of valid applications, causing some concern amongst landlords. This was in part due to the commitment to inspect all properties up front before issuing licences and resources were directed towards inspections rather than final processing. To address concerns that the delay caused, alternatives methods for process and delivery should be explored.

The scheme has covered the homes of over 4000 people across over 1000 properties. The highest concentration of HMOs was found within the electoral Ward of Westmoreland, followed by Oldfield and Widcombe. The regulation of these homes has identified poor standards including inadequate fire precautions, breach of minimum standards and welfare issues which have been identified for improvement and proactively addressed by Housing Services. The HMOs in the

scheme have been made more transparent to the Council and to the community, allowing the Council to efficiently contact the owners and managers for action and compliance.

The issues identified have been found through a large number of targeted inspections, totalling over 1,700 since the designation of the scheme. This has been made possible through the scheme and funding through the licensing fee, and would not have been possible or anywhere near as comprehensive through other means.

Levels of compliance have been good, all enforcement has been completed and compliance with licensing conditions is known to be around 84% compliance. As discussed previously, there is room for improvement in monitoring, recording and achieving compliance to try to reach 100%.

Fire was identified as being one of the biggest areas of non-compliances when compared to the LACORS Housing Fire safety guidance. These were addressed either through direct enforcement action or licensing conditions. Improvements were found to be needed for such things as fire alarms, doors, locks, fire blankets and dangerous inner room layouts. 86% of compliance has been recorded with licensing conditions related to fire precautions, and 100% of properties which required a fire alarm have had one installed to the correct standard. Prior to the introduction of the scheme, there was no proactive requirement in place for landlords to provide a mains powered fire alarm system in accordance with national fire safety guidance in their HMOs. This scheme has helped achieved this and put measure in place to provide early warning in the event of a fire and save lives.

In addition, it has been noted that fire incidents in HMOs have declined in the last 4 years.

Officers have worked extensively in the additional licensing area enforcing legislation and raising standards where required, acting on local intelligence and using a range of tools to identify unlicensed HMOs. Through this work properties have been brought into the scheme and standards raised, and where appropriate enforcement action has been taken. This has resulted in six prosecution cases and issuing 35 simple cautions for offences related to unlicensed HMOs. The prosecutions have been widely publicised in the local press and to local landlord groups.

The Article 4 Direction that was introduced in 2013 and currently under review provides evidence collected from housing data, that the spread of the concentration of HMOs has changed over the last 4 years. The area where there is 25% or more HMOs has increased to cover a wider area indicating a spread of HMOs.

Feedback from Consultation

Landlords

There were encouraging signs that a large number (44%) of landlords with licensed HMOs in the additional licensing scheme supported the scheme continuing. The majority (51%) also agreed that the scheme had improved the safety and quality of HMOs. This was positive from those landlords directly affected by the scheme, indicating that a large proportion could understand the benefits. They also reported satisfaction with how they were treated; 73% felt they were treated fairly and respectfully.

Conversely, landlords not involved in the additional licensing scheme did not appear to want to be part of it. Only 38% wanted the scheme to continue and only 35% thought it had improved safety and quality.

Landlords were also given the opportunity to make free comments. Landlords with licensed HMOs in the additional licensing scheme commented that they were both broadly in favour of the scheme and broadly against it; opinions were mixed on this. They also expressed unhappiness about the cost of the scheme which many felt was too high. There were concerns raised about lack of consistency from officers and requests for the Council to work better with landlords and re-introduce accreditation. Some landlords were positive about their experience of licensing and some felt licensing should be expanded. Others blamed the tenants for problems and stated that they did not feel landlords were treated very well. There was also a feeling that the good landlords are being penalised while bad ones get away with lack of enforcement. Some were unhappy with the inspections while others wanted more. Too much paperwork and bureaucracy was raised, an inevitable impact of licensing and there were requests to be more joined up. A dislike of change and being made to do works was also highlighted.

Landlords told us that one of the biggest contributory factors for increasing rent was the cost of HMO Licensing. There were several other important reasons, but this should be considered as a risk in a private rented market where demand and rents are already high.

Landlords without HMOs in the additional licensing scheme again expressed mixed views on being for and against HMO licensing. There was a perception that licensing is a way for the council to make money out of landlords, concern around a lack of consistency and a feeling that the good landlords are being penalised while bad ones get away with it.

Residents (not living in HMOs)

Nearly all residents who responded to the survey (96%) felt that shared houses should be licensed by the council. They also reported that HMOs have a negative effect on their local area from rubbish and recycling, noise, garden maintenance, property conditions, overcrowding and anti-social behaviour. These concerns were common regardless of whether the residents lived in the additional HMO licensing area or outside it, and included requests for the Council to tackle poor conditions and robustly enforce where properties fall below standards.

Residents also raised a number of issues with HMOs which cannot be dealt with through HMO licensing and these have been referred to the relevant departments. They included a lack of affordable housing for families, parking problems, lack of community from transient populations, too many HMOs, and unhappiness that students don't pay council tax.

Residents (living in HMOs)

Positively, the majority of HMO tenants who responded were satisfied with their home and would recommend their home to a friend if they moved out. They did however report high rents and in some cases were unhappy about their property conditions. The response rate was disappointing, and more work is needed to get a better understanding of tenants' views.

Limitations of self-regulation

Although lots of good work had been undertaken in B&NES, it became apparent that HMOs in parts of the City of Bath with the highest concentration of HMOs with shared facilities were not adequately regulated through the mandatory licensing scheme or through voluntary initiatives. This had led to a range of common problems such as a higher rate of housing complaints, higher rates of hazards, rubbish accumulation, poor garden maintenance and poor housing conditions.

Consultation for the scheme recognised that many landlords wanted to see voluntary measures such as accreditation continued and further developed to address the issues raised. However, it has been noted that simply using voluntary schemes although beneficial, does not instil for the long term, sustainable improvements that can be achieved through regulation across the sector.

This has become apparent through licensing as on a number of occasions landlords and agents with accredited properties have been operating other properties outside of the accreditation scheme which were substantially below minimum recognised standards. These have been picked up through additional licensing where it has been evident that standards and knowledge gained through Accreditation has not been transferred to all stock.

Resourcing voluntary measures is an issue, and monitoring landlords to ensure standards are being achieved is resource intensive. Experience has shown that if this is not done regularly with physical inspections then standards can slip, notwithstanding that a large proportion of landlords choose not to participate with voluntary initiatives.

Conclusions

- The additional HMO licensing scheme has been beneficial in improving standards across the designated area by reducing significant hazards, addressing management regulation failures and improving welfare conditions.
- Regulatory provisions targeting local issues are needed to make a meaningful improvement in standards.
- The scheme has promoted better standards of safety, welfare and management across the scheme area. Expanding the licensing area to cover a larger geographical area is likely to promote these improved standards for a larger number of properties and residents. On the flip side, expanding the area will impact a greater number of landlords which in turn could contribute towards higher rents for tenants across a bigger area.
- The Council needs to be well resourced to ensure it can:

Through the HMO licensing function.

- process and issue licences in a timely manner;
- follow up on standards and conditions;
- take robust enforcement action where required;
- respond appropriately to community concerns;
- Ensure officers are well training to improve consistency.

Through the Council's enforcement function.

- address and follow up significant hazards and management regulation breaches where identified;
- identify unlicensed HMOs;
- respond to both reactive and proactive complaints and service requests;
- Take robust enforcement action where required.

- Any introduction of a scheme or initiative needs to be well publicised and communicated to landlords and property professionals.
- To make meaningful and sustainable improvements in property conditions, regulatory powers are essential, supplemented by providing landlords, property professional and tenants with resources, knowledge and support.

Recommendations

Reduce the time taken to issue licences.

Landlords who submitted applications in 2014 suffered long delays before they received their final licences – as much as 55 weeks.

Recommendations:

- Speed up the application process by looking at new technology to streamline the process and provide a better customer journey. Three online solutions have been investigated; one is being actively pursued to deliver a solution which will allow customers to make fully electronic applications which update back office systems and ensures validity and payment at point of application. This will make the process more efficient reducing administration time.
- Consider only inspecting higher risk properties up front and programming in inspections after licences issued within a 6-12 month timeframe.
- Develop a new licence template so that schedule 3 conditions are applied generically rather than on a property specific basis therefore ensuring that landlords are fully aware of the requirements and negating the need for an upfront inspection. Procedure needed to prioritise properties for an upfront inspection and subsequent follow-up.
- Back office sign off procedure – reducing need for two sign offs at proposed and final stage. Process currently being trialled with sign off at the proposed stage only if there are no modifications required.

Lack of equity for HMOs operating outside of the scheme boundary

HMOs in adjoining wards and streets that are not in the scheme area and fall outside of mandatory licensing do not have to meet the same standards and level of regulatory intervention.

Recommendations:

- Explore the evidence to see if there is a need for a wider scheme to cover HMOs in surrounding Wards.
- Implement the changes to the mandatory HMO licensing scheme to cover all HMOs with 5 or more occupants sharing amenities.

Cost of the scheme

The consultation indicated that the cost of the scheme is not popular amongst landlords and there is a broad feeling that costs are too high. The licensing fee can only be used to provide the scheme and is not available for local authorities to make a profit; equally it is inappropriate to make a loss and burden the council tax payer.

Recommendations:

- Ensure the licensing fee is appropriate to the cost of delivering the scheme.

Enforcement

There were a number of comments around the need for strong enforcement of the scheme, talking rogue landlords and consistency amongst officers.

Recommendations:

- Housing Services Enforcement Policy is being updated and officers will be trained in the new policy and associated procedures.
- The new powers under the Housing and Planning Act need to be developed and introduced to help tackle rogue landlords.
- Ensure resources are in place to proactively inspect the higher risk premises including those with poor management history and identify and take action on unlicensed HMOs.
- Ensure officers are adequately trained to ensure consistency in enforcing standards, giving appropriate advice and keeping up to date with relevant changes.

Compliance

Not all licensed properties are re-inspected or receive a compliance inspection. This has led to a gap in confirmation that standards and conditions have been met. There was also a concern that community improvements are not being achieved.

Recommendations:

- Explore methods for increasing the compliance rate to 100%.
- Look at new approaches for verifying and acting upon public concerns such as waste complaints and untidy / messy gardens.
- Implement the new powers under the Housing and Planning Act 2016.
- Consider introducing landlord training / membership of a professional trade body to enhance understanding and sustainable improvements.

1. Free text comments received from the HMO consultation survey May 2017

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