

DECISION NOTICE OF AN INDIVIDUAL MEMBER OF GWYNEDD COUNCIL CABINET

DATE OF DECISION 20 May 2021

DATE DECISION PUBLISHED 21 May 2021

DATE DECISION WILL COME INTO FORCE and implemented,
unless the decision is called in, in accordance with section 7.25 of
the Gwynedd Council Constitution 28 May 2021

Cabinet Member: Councillor Craig ab Iago – Cabinet Member for Housing

SUBJECT

Additional Licencing Scheme

DECISION

To confirm the designation of the whole of the administrative area of Gwynedd Council as an Additional Licencing Area for Houses in Multiple Occupancy (HMO) in accordance with Section 56 to Section 60 of the Housing Act 2004, for a further period of 5 years from the 1st of June 2021.

To adopt a licence fee on the basis of £50 to process an initial application and £160 per room within properties which are shared, or per self-contained flat in buildings which have been converted to flats, and that this remains for a period of 5 years.

REASON WHY THE DECISION IS NEEDED

Please see attached officer report

DECLARATIONS OF PERSONAL INTEREST AND ANY RELEVANT DISPENSATIONS APPROVED BY THE COUNCIL'S STANDARDS COMMITTEE


None

ANY CONSULTATIONS UNDERTAKEN PRIOR TO MAKING THE DECISION

Consultation with
Gwynedd Council Statutory Officers

The results of the consultations are reported upon in the attached report

**DECISION NOTICE OF AN INDIVIDUAL MEMBER OF GWYNEDD COUNCIL
CABINET – OFFICER REPORT**

Name and title of Cabinet Member/s:	Cllr Craig ab Iago
Name and title of Report Author :	Carys Fon Williams
Date of Decision :	20 May 2020
Signature of Cabinet Member/s :	

Subject :

Additional Licencing Scheme

Recommendation for the Decision :

To confirm the designation of the whole of the administrative area of Gwynedd Council as an Additional Licencing Area for Houses in Multiple Occupancy (HMO) in accordance with Section 56 to Section 60 of the Housing Act 2004, for a further period of 5 years from the 1st of June 2021.

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Reason why Decision is needed :

A consultation was held regarding the proposal and the results of that process together with the responses are reported on in the attached Appendix. The detailed reasons for taking the decision, which takes into account the results of the consultation, are set out in the Appendix.

Under section 60(2) of the Housing Act 2004 the maximum period of HMO designation is 5 years. The intention of this proposal is to designate for a further period of 5 years.

The scheme was introduced to allow the registration of HMO's which fell outside the compulsory Registration Scheme. It confirms the registration fees which will apply for HMOs with regard to the cost of administering the scheme which will

apply for the next five years. The scheme confirms set standards which will be incorporated within the licence conditions and which will apply to all licenced residencies

This arrangement is essential in order to safeguard and maintain the quality of properties and to protect landlords and tenants

Relevant considerations :

The Department have prepared the document following consultation with :-

- Landlords
- Housing Agents
- North Wales Fire Service
- North Wales Police Service
- Bangor University
- Gwynedd Councillors
- Home Office – Immigration Unit

The fee assessment has been undertaken using a standard guidance and the figures have been scrutinised by the Finance Department.

Any consultations undertaken prior to making the decision :

Head of Finance – I support the fees recommended for 2021/22.

Monitoring Officer – I am satisfied that the requirements of the Housing Act 2004 have been met.

Local Member/s – Not a local issue

The Additional Licensing
Scheme for Houses in Multiple
Occupation (2021 – 2026)

Gwynedd Council

Consultation Document

Proposal – Continuation of the county wide Additional Licensing
Scheme for Houses in Multiple Occupation in Gwynedd



Additional Licensing as a means of
Controlling and enforcing standards in Houses
Of Multiple Occupation (HMOs) in Gwynedd

Introduction

Gwynedd Council has successfully worked in partnership with property owners, landlords, the Fire Authority, Landlord Accreditation Wales, Bangor University, North Wales Police and the Council's planning and waste management services to improve both the safety and quality of the housing stock within the Private Rented Sector in Gwynedd.

The Council introduced a county wide Additional Licensing Scheme in 2010 to enforce minimum standards within HMOs in Gwynedd, and as a result have made consistent progress in identifying and licensing rented properties and in doing so, improving general housing standards within the sector. The scheme was successfully continued during the 2016 to 2021 period.

It is our aim to ensure that all tenants are safe and secure, with adequate protection from hazards so that shared housing is of a high standard with regard to their general facilities, amenities and living conditions.

The private rented sector has an increasingly important role in the provision of housing options for those who are either not able to consider home ownership, or for whom social housing is not a viable option and also for the thousands of students attending university and higher education in Gwynedd. Over the past 5 years through Gwynedd Council's current Additional licensing scheme, 1564 licenses have been issued and consequently vast improvements have been made to standards in these properties.

It is therefore our aim to ensure that the achievements already attained to date are built upon in the coming years by re-introducing the Additional Licensing Scheme.

Legislation

The Housing Act 2004 has been in force in Wales since June 2006 and has changed and improved the way in which HMOs are regulated.

It introduced a duty on local authorities to operate a Mandatory Licensing Scheme for certain types of HMOs which consist of three or more storeys with five or more occupants.

787 Mandatory Licenses have been issued in Gwynedd since 2006. The aim of the licensing regime is to ensure that HMOs are suitably equipped with amenities and facilities for the number of occupants and to ensure they are effectively managed by fit and proper persons. A licence specifies the maximum number of people who may live in the HMO and includes specific standard licence conditions which apply to all licences. A copy of these conditions can be seen in the Appendix to this document.

The Housing Act 2004 also contains provisions enabling Local Authorities to extend licensing to other categories of HMOs. These will address particular problems that may exist in smaller HMO properties and also some converted self-contained flats.

Factors that need to be considered by a local authority before a decision to seek a designation for Additional Licensing is made are listed below:-

- (a) Consider that significant proportion of HMOs are being managed ineffectively as to give rise, or likely to give rise to one or more particular problems either for those occupying the HMOs or for members of the public.
- (b) Consider whether there are any other causes of action available to them that might provide an effective method of dealing with the problem or problems in question.
- (c) Consider that making the designation will significantly assist them to deal with the problems and
- (d) Consult persons likely to be affected by the designation

All of the above were taken into consideration before a decision was made to adopt a county wide Additional Licensing Scheme in 2010 and 2016, and will be considered again during its consultation period as Gwynedd Council seeks to extend the 2021 Scheme for a further 5 years.

Evaluation of current Additional Licensing Scheme (2016 – 2021)

The scheme was introduced to capture HMO properties which fell outside the requirements of the Mandatory Licensing Scheme. The Scheme set out fees which would apply for licensing those HMOs which would cover administering the scheme for the period of the licence, which was for 5 years. The scheme also had in place specific standards incorporated as licence conditions which would apply to all licensed dwellings.

Evidence obtained during the consultation period prior to the scheme supported the need for an Additional Licensing Scheme in Gwynedd. The scheme includes all HMO's which are occupied by 3 or more people who form 2 or more households, and self-contained flats that do not meet the 1991 or subsequent Building Regulations.

The scheme has enabled the Council to tackle a wide range of problems in HMOs by way of conditions attached to licences. This has streamlined the mechanism for enforcing minimum standards and management conditions, including the suitability of the landlord.

The Additional Licensing Scheme is compatible with the Housing Strategy as it aims to provide good quality accommodation to all residents within Gwynedd. With recent changes in welfare legislation there is a greater need for shared properties in particular for persons under the age of 35 who are now only paid a single room rent on benefit. The private sector housing market is continually increasing and with the

downturn in the economy since the Covid-19 pandemic, younger people are finding it harder to get on to the housing ladder and are continuing to share accommodation past their student/younger years as a more affordable alternative. We have also seen changes in the use of Houses in Multiple occupation within the County, seeing more single working persons cohabiting in these types of properties. Houses in Multiple occupancy are also a more affordable option for housing homeless individuals, with numerous units already in use.

The Additional Licensing Scheme allows the Council to target its resources to deal with some of the most problematic properties in Gwynedd in a risk based approach, with education of landlords, proactive inspections, and enforcement action.

Other benefits of the scheme include assisting the Environmental Services team by working with landlords to provide greater recycling for larger HMOs, and the provision of larger bins for properties housing more than 5 tenants. The licensing scheme through various incentives with North Wales Police has also introduced security measures to combat high burglary incidents in certain areas of Gwynedd.

The scheme has been extremely effective in reducing hazards within HMOs, with 636 of the 928 licences being issued with conditions requiring the undertaking of significant improvement works, having a dramatic effect on standards and safety within those HMOs (Refer to table below)

Table 1. Number of conditional licences issued 2016 - 2021:

Conditional licences	Conditional Licenses	Total Licenses
Year 1	193	238
Year 2	162	191
Year 3	143	195
Year 4	113	148
Year 5	25	156
Total	636	928

During the last 5 years the Department has improved standards in **850** HMOs by the removal of **2,706** Category 1 and 2 hazards from those premises (Refer to table 2)

Table 2. Number of Hazards removed from HMO's:

No. Hazards improved 2016-2021	HMO Cat 1	HMO Cat 2
Year 1	188	641
Year 2	186	554
Year 3	175	482
Year 4	135	271
Year 5	27	47
Total	711	1,995

Category 1 hazards are defined as deficiencies that could potentially cause serious harm to occupants if not removed.

Over the last 5 years 214 enforcement actions were undertaken in Gwynedd (refer to table 3) improving the lives of 3,914 of the County's residents.

Table 3. Number of enforcement action:

Enforcement Action	Enforcement action	Licensing conditions	Total enforcement
Year 1	71	193	264
Year 2	53	162	215
Year 3	32	143	173
Year 4	38	113	151
Year 5	20	25	45
Total	214	636	850

Whilst the scheme has made a significant difference to HMOs in Gwynedd, there are still a number of issues being identified by officers within these properties. For instance the recent economic downturn due to the Covid-19 pandemic is expected to be a further issue with a number of landlords failing to maintain or invest in their properties, either due to the inability to carry out essential maintenance work or due to a shortfall in rent. In addition, a number of poor management practices have been identified, including a lack of upkeep of essential repairs and failure to provide safety measures and certification.

The scheme has also allowed us to liaise with North Wales Police and Border Control Wales to resolve numerous antisocial behaviour issues, arson reduction and immigration matters.

In order to continue with the proper regulation of HMOs in Gwynedd it is recommended that appropriate licensing standards are continued by the declaration

of a New Additional Licensing Scheme, which will enable the Council to address, through licensing conditions, matters of concern identified by tenants, members and key stakeholders.

It is recommended that the scheme continues to be applied to the whole of the county (as it was in the previous scheme) to be equitable across the County.

As can be seen in **Table 4** below, there is evidence that a high proportion of HMOs are not being managed effectively, by the identification of a significant number of Category 1 and 2 hazards. Although other courses of action available to the Council could deal with some of the issues in HMOs, they will not provide the holistic and more effective powers available through the licensing regime to deal with many of the safety and environmental issues encountered in smaller HMO's. The designation will significantly assist the Council in dealing with the problems in HMOs.

Table 4. Hazards identified:

Number of Hazards identified in HMOs 2016 - 2021	HMO Cat 1	HMO Cat 2
Year 1	188	641
Year 2	186	554
Year 3	175	482
Year 4	135	271
Year 5	27	47
Total	711	1,995

The new scheme proposes to introduce a new fee structure. The cost of operating the scheme has been thoroughly calculated and will cover the cost of administrating the scheme, which includes officer time in inspecting properties, the administration of licences and the continual monitoring of properties throughout the duration of the scheme. These fees will apply to both Additional and Mandatory Licensing.

The fee will be chargeable on the basis of a fee of £50 to process the application form and an additional £160 per bedroom in shared accommodation or per self-contained flat in buildings which have been converted into flats. The fee will be relevant for a period of 5 years. As an example, a typical shared property with 4 bedrooms would be required to pay $£50 + £160 \times 4 = £690$ for a licence which equates to £2.65 a week for a period of 5 years.

The fees include the work of satiating hazards in HMO's, this is an example of the fire hazards reduced to an acceptable level within HMO's across the County within the last 5 years

Number of Fire Hazards Inspected 2016 - 2021	Number of Cat 1 and 2 hazards identified	Total of Cat 1 hazards recued to an acceptable level	Total of Cat 2 hazards improved to an acceptable level
Year 1	289	100	189
Year 2	245	90	155
Year 3	209	85	122
Year 4	147	69	78
Year 5	36	15	21
Total	926	359	565

Since the continuation of the Council's Additional Licensing scheme in 2016, 850 of properties have been improved, improving the living conditions for 3914 of Gwynedd residents. (Refer to table 5)

Table 5. Number of persons benefiting:

(Average of 4.6 persons per HMO)

2016-2021	HMO's improved	Persons benefiting
Year 1	221	1018
Year 2	240	1105
Year 3	208	959
Year 4	148	681
Year 5	33	151
Total	850	3914

Continuing the Licensing process has enabled the Council to tackle a wide range of problems in HMOs by way of conditions attached to licences. This has streamlined the mechanisms for enforcing minimum standards and management conditions, including the suitability of the landlord.

There have been times where landlords have failed to work with the Council to improve their properties and as such enforcement action has been necessary, and have been dealt with swiftly under the licensing regime. Without additional licensing in place, such issues would have been subject to long drawn out legal matters, which would not have necessarily removed the hazard from the premises at significant cost of time and resources for this and other Council Departments.

The private rented sector in Gwynedd, and in particular HMO's play an important part in the local housing market. HMOs provide a substantive form of occupation for students, families, single people and smaller households who live in shared house or bedsit type accommodation. With recent changes in welfare reform and the homelessness banding prioritising those in greatest need for social housing, the need for this type of accommodation will increase. However, in order to prevent such properties from causing problems especially in areas of high HMO concentration, they need to be effectively managed and regulated. Without a new designation the Council will be unable to ensure that these properties provide housing of a satisfactory standard and most importantly maintain these standards.

A new scheme will allow the Council to continue its engagement with landlords, ensure satisfactory management arrangements, improve and maintain standards, reduce the risk of fire and other hazards, improve amenities and repair, and support inexperienced landlords with accountability for the behaviour of their tenants and anti-social behaviour.

A new designation will further improve the quality of housing and will benefit both tenants and the wider community in Gwynedd.

Consultation

Before making an appropriate decision on an additional licensing scheme in a specific area, there is a requirement under the Housing Act 2004 that the Authority consults with persons or institutions before a designation can take effect.

Table 2 lists those who were consulted and the number of replies received.

Table 2 – List of those consulted

Targeted Audience	Number of those consulted	Replies Received
Landlords	200	34
Tenants	15	0
Councillors	75	1
Fire Authority	1	1
North Wales Police	2	1
Property Agents	8	0
Bangor University	1	0
Social Landlords	3	0

Shelter Cymru	1	0
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Table 3 compiles the comments received from the different target audience.

Table 3 – Comments Received

Target Audience	Comments Received	Comments from the Service
Landlords	26 Support the Scheme.	Very grateful for the support and encouragement to continue with the scheme.
	7 Not supportive stating that landlords are already burdened with the costs of improving the standards of their Properties, that it increases unnecessary bureaucracy where legislation is already in place and is not an efficient use of Council resources.	The scheme already demonstrates that the improvements that result from HMO licensing is of great benefit to the residents of Gwynedd and see no need to change the scheme. The Service does not consider the scheme to be burdensome compared to the benefits of licensing.
	1 landlord asks for the scheme to focus on refuse issues in Bangor.	The need to manage refuse is listed as one of the conditions in the licenses which are issued under this scheme. The HMO Licensing Service also targets specific areas in Bangor that suffer from refuse and burglary offences in conjunction with North Wales Police.
Councillors	1 Councillor not supportive of licensing further HMO's in Bangor as it destroys communities and causes antisocial behaviour and a mess.	The need to manage refuse is listed as one of the conditions in the licenses which are issued under this scheme. The HMO Licensing Service also targets specific areas in Bangor that suffer from refuse, antisocial behaviour and burglary offences in conjunction with North Wales Police.
Fire Authority	North Wales Fire and Rescue Service consider the Additional Licensing Scheme an effective tool to identify and deal with properties that may have otherwise slipped our	Very grateful for the support and encouragement to continue with the scheme and the recognition that the Scheme is a benefit to them as an external agency.

	<p>attention.</p> <p>Information sharing between Agencies has been vital to the effective resolution of fire safety issues within HMO's across the County.</p> <p>Joint inspections have proved to be invaluable and it is hoped that these can resume during 2021.</p>	
North Wales Police	<p>Having read the additional licensing report they agree that the scheme has many benefits and it's their view that an extension is required</p>	<p>Very grateful for the support and encouragement to continue with the scheme and the recognition that the Scheme is a benefit to them as an external agency.</p>

Conclusion

Since introducing the Additional Licensing Scheme in 2010, the improvements made to dwellings has improved the living conditions of 8,209 of Gwynedd's residents.

The licensing process has allowed the Council to manage a number of issues within HMO's through the conditions attached to the licenses. This has rationalized the mechanisms to enforce the minimum standards and management conditions including the suitability of the landlord.

There have been occasions that landlords fail to work with the Council to improve the standard of their properties and because of this enforcement actions had to be taken, dealing with those occasions expediently under the licensing process. Without additional licensing in place matters like these would have escalated into a protracted legal battle which may not necessarily have addressed the hazard in the property.

The private rented sector in Gwynedd, especially HMO's, play an important role in the local housing market. HMO's provide significant accommodation to students, families, single persons and smaller households which live in a house which is shared or a bedsit. Because of the recent changes in improving wellbeing the need for accommodation such as this will increase. Even so, in order to prevent properties of this type from causing issues especially in areas where there is already a prevalence of HMO's there is a need for their effective management. Without a new

designation the Council will not be able to ensure that these properties are provided in a suitable condition and that their conditions are maintained at this level.

A new designation will allow the Council to continue consulting with landlords to ensure that effective management is in place, improving and maintaining standards, reducing the risk of fire and other hazards, improving facilities and supporting inexperienced landlords who are liable for the behaviour of their tenants and helping tackle antisocial behaviour.

A new designation with further help improve the quality of housing and will be of benefit to tenants and the wider community in Gwynedd.

Recommendation

Approve the re-designation of the Houses in Multiple Occupation Additional Licensing Scheme (HMO) across the County in Gwynedd to include all HMO's in the County (as defined in the Housing Act 2004) in order to continue standards in properties.

Approve the new fee structure for both licensing schemes within the County.

Continue with the arrangement of employing officers to administrate the scheme through use of the new fees from the licensing system, in accordance with the requirements of the Housing Act.