



Cabinet Member Report

Meeting or Decision Maker: Cabinet Member for Communities and Regeneration

Date: 14 April 2021

Classification: General Release

Title: HMO Additional Licensing Scheme Recommendation to Full Council

Wards Affected: All

City for All Summary

VIBRANT COMMUNITIES

An additional licensing scheme will enable residents of Westminster living in private rented properties to thrive as they will be empowered to challenge irresponsible landlords by using regulations and standard best practice which will be introduced under the scheme.

GREENER CLEANER

Improving the standards of HMOs in the private rented sector will have a significant impact on the health of residents in Westminster as adverse impacts on health brought about by housing hazards will be reduced.

SMART CITIES

Introduction of a new system to automate the application for HMO licenses.

Key Decision: Key Decision

Financial Summary: Under the Housing Act 2004 we are able to cost recover fully under this scheme.

Report of: Raj Mistry, Executive Director of Environment and Communities

Contact Details: rmistry@westminster.gov.uk

1. Executive Summary

- 1.1 This report outlines the work to date on the introduction of the Additional Licensing Scheme across the borough and asks the Cabinet Member to recommend that the Council adopt the scheme.
- 1.2 Following a consultation and introduction of a new Private Rented Sector Strategy; which included proposals to introduce HMO Additional Licensing, the council consulted on the Draft Additional Licensing Scheme the results of both are attached as Appendices B and C respectively.

2. Recommendations

The Cabinet Member is asked to:

- Recommend the HMO Additional Licensing scheme to Full Council for adoption at its meeting on 21 April 2021 having considered the results of a 10 week statutory consultation period.
- Recommend the designation (attached as Appendix D) which sets out HMOs that will be subject to additional licensing under section 56(1)(a) of the Housing Act 2004.
- Recommend that the designation is made on the 23rd April 2021 and comes into force on the 30th August 2021 and lasts for a period of 5 years from that date.
- Recommend the licensing conditions and amenity standards proposed at “Draft Additional Licensing Scheme” (attached as Appendix A).
- Recommend the proposed licence fee structure (attached as Appendix E).

3. Background, including Policy Context

- 3.1 The aim of this project is to design and implement an Additional Licensing Scheme to improve housing standards and the management of Houses in Multiple Occupation (HMOs) within the private rented sector in Westminster as part of a wider Private Rented Sector (PRS) Strategy.
- 3.2 Westminster has one of the largest private rented sector stocks in the country which encompasses properties ranging from million-pound penthouse suites to shared flats above high street shops. The private rented sector represents over 42% of the housing stock in the city. Many of these properties are Houses in Multiple Occupation (HMOs) typically shared dwellings or properties that have been converted from other properties into flats. A recent study found that up to 9500 dwellings in Westminster were potentially HMOs.
- 3.3 The study also found that poor housing conditions are prevalent in the HMO sector. 4,178 (42.5%) HMO properties are predicted to have at least 1 serious hazard and that HMOs place a disproportional demand on council services; 9,539 HMOs received 25,341 council interventions over the study period. Some of the worst housing conditions can be found within the HMO stock and these properties often have inadequate or non-existent fire precautions, have cold rooms and are damp and overcrowded. (More information and this study can be found in Appendix A)

- 3.4 The Council consulted in October 2020 on a new PRS strategy which included proposals for an Additional Licensing Scheme which was received favourably. The results of the PRS Strategy consultation were published in January 2021 and are attached as Appendix B to this report.
- 3.5 The council then consulted on proposals to introduce an Additional Licensing Scheme for HMOs across the City (statutory minimum 10 week consultation). The consultation period opened on 19 November 2020, and closed on 18 February 2021, with 88 responses received. Results from this consultation were published on the Council's website in the week commencing 5 April and are attached as Appendix C to this report.
- 3.6 Combined results from both consultations indicate support for the introduction of a HMO Additional Licensing Scheme in Westminster.
- 3.7 Results from this consultation have been published on the Westminster City Council Website.

4. Financial Implications

- 4.1 Under this scheme the Council is permitted to recover its costs in full. Fee Calculations set out in Appendix E to this report reflect cost recovery *only* and have been reviewed since the consultation in line with all costs known at this stage.

5. Legal Implications

- 5.1 The Council is being recommended to designate the area of its district as subject to additional licensing in relation to a description of HMOs specified in the designation (Attached as Appendix D to this report) – Housing Act 2004 - Part 2 Section 2 Designation of Additional Licensing Areas to meet the aims of the additional licensing scheme as set out above as of 30th August 2021. The scheme is to last for a duration of 5 years at which point it will be reviewed.

6. Consultation

- 6.1 Details regarding consultation are set out in section 3 of the report.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

Rebecca Gordon, rgordon1@westminster.gov.uk

BACKGROUND PAPERS:

Appendix A – Draft Additional Licensing Consultation Document (Scheme)

Appendix B- PRS Strategy Consultation Analysis

Appendix C- Additional Licensing Scheme Consultation Report

Appendix D- City of Westminster Notice of Designation

Appendix E- Fees

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member for *Communities and Regeneration***

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____
NAME: **Councillor Heather Acton**

State nature of interest if any

(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled *HMO Additional Licensing Scheme Recommendation to Full Council* and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for *Communities and Regeneration*

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal and Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.