

Additional Licensing Evidence Report

Summary

Introduction

Legislation allows Local Housing Authorities to introduce additional licensing of Houses of Multiple Occupation (HMOs) where there is evidence that certain HMOs are being managed sufficiently ineffectively so that they give rise to problems for the tenants or for members of the public in the vicinity.

Housing is a key priority for Birmingham residents and the City Council, and it plays a significant part in all our lives. The location, type, and quality of the homes in which we live has a major impact on the rest of our lives including the employment we can access and how long we can expect to live. Without question the human need for food, water and shelter are the highest priorities in life. We therefore urge you to consider our proposals carefully.

Birmingham City Council is keen to hear your views on the proposal to introduce additional licensing of HMOs in all 69 wards of the city before any decisions are made.

If you are a tenant, resident, landlord, letting agent or a business, living or operating in one of the proposed areas you could be affected by the proposals in this document.

This information document is a summary of the proposals. A more detailed evidence report can be downloaded from the Council's consultation hub at www.birminghambeheard.org.uk/place/additional-licensing. The consultation on this proposal starts 9am Monday 4th July 2022 and will run for 10 weeks, closing at 9am on Tuesday 13th September 2022.

Following consultation, a full report on the findings and outcomes of the consultation will be presented to the Council's Cabinet who will make a decision on whether to implement the proposed scheme. If approved, the aim is to start the scheme in April 2023 and it would be would in operation for five years.

What is an HMO?

As a simple rule of thumb, an HMO is any property (house or flat) occupied by three or more people comprising two or more households who share facilities (kitchen, bathroom and/or toilet) and occupy the property as their only or main residence, even if they are all friends and occupy the property on a single tenancy

It can also include converted blocks of flats known as Section 257 HMOs. Section 257 of the Housing Act 2004 applies to whole converted properties rather than individual dwellings and describes an HMO as a building:

- which has been converted into and consists of self-contained flats
- where the conversion work did not comply with the appropriate building standards and still does not
- where less than two-thirds of the flats are owner-occupied

What is Additional Licensing?

The Housing Act 2004 (“the Act”) provides local authorities with the power to designate areas as being subject to an additional licensing scheme, in relation to some or all of the HMOs in their area, which are not already subject to mandatory licensing.

If an additional licensing designation is approved, the landlord of every House of Multiple Occupation that is not already subject to mandatory licensing would be required to obtain a licence from the Council (subject to a number of exemptions set out in the full evidence report on page 39). At the end of the five year period, the scheme will be reviewed.

It is a criminal offence to let a property in an area designated for additional licensing without a licence. Failure to apply for a licence could lead to prosecution and the offence is punishable by an unlimited fine.

Legislative Framework

The Housing Act 2004 allows Local Housing Authorities to extend licensing beyond the scope of mandatory licensing. An Authority can designate part or all of its area as subject to additional licensing for specified types of HMO where it considers that a significant proportion of the HMOs (of the type it is considering licensing) are being managed sufficiently ineffectively, so as to give rise to problems for the occupiers or members of the public.

Evidence Summary

The city is predicted to have 11,933 HMOs that share basic amenities (“section 254 HMOs”) distributed across all 69 wards. Bournbrook & Selly Park has the highest number of HMOs (1,159), followed by Soho & Jewellery Quarter (418) & North Edgbaston (414)

215 HMOs have an Energy Performance Certificate Rating of F and G rating and are therefore likely to fail the Minimum Energy Efficiency Standard statutory requirement.

Complaints made by tenants about HMOs are common and are distributed across all wards with the Council receiving 1,441 complaints between 2016 and 2021. The highest number of complaints were related to Bournbrook and Selly Park (153) and Stockland Green (74).

The Council predicts that 5,866 HMOs in Birmingham are likely to have a serious home hazard (Category 1, HHSRS). This represents 49.2% of the HMO stock, significantly higher than the national average (12%) for the private rented sector as a whole.

28,490 waste incidents are linked to 6,848 HMOs. Soho and Jewellery Quarter (1,496) and Bordesley Green (1,297) have the highest number of waste incidents linked to HMOs. The original pool of waste data linked to a residential property included 106,831 records. Therefore, 26.7% of all waste records have been attributed to predicted HMOs although they only make up 2.6% of all dwellings (452,754).

Over a five-year period to March 2021, 11,241 ASB incidents have been linked to 4,107 predicted HMOs in Birmingham (approximately a third of predicted HMOs). Bromford & Hodge Hill (468) & Bartley Green (435) have the highest recorded level of ASB.

1,599 HMOs (14.2% of the total) were the source of two or more incidents over the same period which can be an indicator of properties that are poorly managed. Bartley Green (62) and Weoley & Selly Oak (62) have the highest recorded level of repeat ASB incidents linked to predicted HMOs.

The data shown in the above section provides the evidence that supports the view that a significant proportion of HMOs in Birmingham are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public. The Council are therefore proposing to licence all HMOs not already covered by mandatory licensing including those in purpose-built blocks and those living in section 257 HMOs.

Desired Outcomes

The targeted outcomes for the proposed scheme over the five period are:

- Ensure that at least 75% of licensable properties are licensed
- In 100% of licensed properties that have been inspected, compliance with licence conditions have been achieved or enforcement action taken or in progress.
- Inspect 80% of licenced premises
- To reduce ASB incidents linked licensed properties by 20%
- To reduce waste incidents linked to licenced properties by 20%

If the proposal is implemented, the Council will provide regular and open publication of progress against targets and outcomes.

Alternative options considered

We have considered other courses of action to address the issues described in this report. These include the use of traditional enforcement action and landlord accreditation. However, we do not believe that either individually, or collectively, that they would prove sufficiently effective, or be as an effective means of tackling deprivation and crime in the city.

Licence Fees

The Council is able to recover the costs of administering the scheme and would charge landlords a licence fee. The fees relate to costs of the scheme and cannot be used for other purposes. The Council has calculated that the cost for up to a five-year licence to be £755 per property. This is split between a Part A fee of £325 which is due on application and covers the processing cost, and a Part B fee of £430 which covers compliance and enforcement and must be paid before granting a licence.

Licensing conditions

The Licence will include a range of conditions aimed at ensuring licensed properties are safe, meet basic standards, and that they are managed in a satisfactory way. The proposed conditions are set out in full in the Appendix of the evidence report.

The proposed licencing conditions include requirements related to:

- Gas safety
- Electrical appliance safety
- Furniture fire safety
- Smoke and carbon monoxide (where applicable) alarms
- Tenant reference
- Landlord “fit and proper person” assessment
- Measures to prevent overcrowding
- Security of the property
- Waste and recycling
- Emergency contact arrangements

Data Summary

The table below and continued on pages and provides a summary of the main evidentiary data referred to in this report.

Ward	All figures below relate to predicted HMOs				
	No. of HMOs	Complaint recorded against HMOs	ASB incidents linked to HMOs	Repeat ASB incidents linked to HMOs	Waste issue linked to HMOs
Acocks Green	293	50	218	30	784
Allens Cross	92	9	200	23	75
Alum Rock	339	48	197	31	945
Aston	311	50	110	25	1151
Balsall Heath West	163	15	131	14	473
Bartley Green	225	21	435	62	407
Billesley	161	17	259	39	514
Birchfield	159	16	48	10	461
Bordesley & Highgate	146	10	309	23	473
Bordesley Green	267	43	134	13	1297
Bournbrook & Selly Park	1159	153	133	25	808
Bournville & Cotteridge	118	17	132	17	130
Brandwood & King's Heath	157	26	108	20	345
Bromford & Hodge Hill	173	22	468	35	242
Castle Vale	32	0	5	1	52
Druids Heath & Monyhull	109	8	171	28	104
Edgbaston	93	3	112	15	145
Erdington	248	29	109	16	982
Frankley Great Park	95	2	138	24	115
Garrett's Green	94	9	219	31	81

Ward	No. of HMOs	Complaint recorded against HMOs	ASB incidents linked to HMOs	Repeat ASB incidents linked to HMOs	Waste issue linked to HMOs
Glebe Farm & Tile Cross	244	23	295	48	702
Gravelly Hill	172	39	76	14	283
Hall Green North	174	24	177	28	316
Hall Green South	43	5	29	3	56
Handsworth	188	44	64	12	593
Handsworth Wood	213	33	134	26	1222
Harborne	297	29	192	34	717
Heartlands	145	22	243	22	316
Highter's Heath	77	6	116	20	162
Holyhead	280	37	106	23	1137
King's Norton South	133	13	420	48	132
Kingstanding	194	28	159	31	461
Ladywood	265	20	259	45	618
Longbridge & West Heath	182	9	432	59	199
Lozells	123	10	66	11	401
Moseley	176	18	153	22	300
Nechells	100	8	290	19	289
Newtown	113	9	209	25	151
North Edgbaston	414	63	160	31	874
Northfield	56	3	48	8	125
Oscott	134	20	158	27	267
Perry Barr	174	15	103	25	607
Perry Common	89	5	78	17	113
Pype Hayes	75	5	71	15	97
Quinton	168	13	183	37	398
Rubery & Rednal	87	6	225	26	147
Shard End	124	8	226	28	315
Sheldon	124	8	396	35	194

Ward	No. of HMOs	Complaint recorded against HMOs	ASB incidents linked to HMOs	Repeat ASB incidents linked to HMOs	Waste issue linked to HMOs
Small Heath	251	41	114	14	766
Soho & Jewellery Quarter	418	58	343	60	1496
South Yardley	101	7	100	16	439
Sparkbrook & Balsall Heath East	331	40	139	24	1129
Sparkhill	251	38	78	14	928
Stirchley	103	6	112	19	153
Stockland Green	348	74	190	31	908
Sutton Four Oaks	17	1	10	0	21
Sutton Mere Green	34	1	36	5	24
Sutton Reddicap	56	2	70	14	29
Sutton Roughley	19	2	17	3	11
Sutton Trinity	29	1	21	3	27
Sutton Vesey	70	8	39	5	101
Sutton Walmley & Minworth	39	3	31	1	27
Sutton Wylde Green	22	1	11	2	19
Tyseley & Hay Mills	156	21	142	22	466
Ward End	174	21	226	26	433
Weoley & Selly Oak	261	25	418	62	355
Yardley East	82	3	180	17	140
Yardley West & Stechford	109	12	124	19	191