



Committee Report

PURPOSE: Final Decision Report

KEY OR NON-KEY DECISION: Non-key decision

COMMITTEE: Homes and Housing Delivery Committee

DATE: 04 April 2025

TITLE: Outcomes of the Central Additional Licensing Scheme

Ward(s): Ashley, Bishopston and Ashley Down, Central, Clifton, Clifton Down, Cotham, Easton, Hotwells and Harbourside, Lawrence Hill, Redland, Southville and Windmill Hill.

Officer presenting the report: Tom Gilchrist **Job title:** Service Manager Private Housing and Accessible Homes

Committee Chair: Cllr Barry Parsons

Executive Director lead: John Smith: Executive Director for Growth & Regeneration

Proposal origin: BCC Staff

Purpose of Report:

To report for information on the outcomes of the Central Additional Licensing Scheme covering the period 8 July 2019 to 18 December 2024.

Background:

1. Property licensing is a proactive way of raising housing standards and the management of privately rented properties. Under the Housing Act 2004, Local Housing Authorities have the discretion to designate the whole or part of their area as subject to Additional or Selective licensing.
2. Cabinet approved the Central Additional Licensing Scheme (CAL) relating to smaller houses in multiple occupation (HMO) covering the twelve central wards of Ashley, Bishopston & Ashley Down, Central, Clifton, Clifton Down, Cotham, Easton, Hotwells and Harbourside, Lawrence Hill, Redland, Southville and Windmill Hill. The licensing scheme was approved at Cabinet on 2 April 2019 and came into effect on 8 July 2019.
3. The scheme ran for five years, ending on 7 July 2024, although some licences remain in force beyond this date. This report provides information and an evaluation of the work undertaken on the scheme, covering the period from 8 July 2019 until 18 December 2024.
4. Designating a property licensing area enables the LA to proactively inspect private rented properties without tenants having to raise complaints about poor conditions or management practices potentially raising the risk of the landlord terminating their tenancy.

Key points to discuss:

5. Appendix A shows the key outcomes from the scheme.

Applications and Licences Issued

6. 3,801 licence applications were received during the five years of the scheme designation, with 3,800 licences issued. 669 of these licences were revoked at some point during the scheme, for a variety of reasons, including change in property ownership.

7. The number of licence applications is lower than the estimated 4,267. This can be explained in part by a higher-than-expected number of applications for licences as a result of the extension of mandatory licensing for HMOs occupied by five or more persons, were submitted for properties within the CAL licensing scheme area.

8. The Central Area Licensing Scheme generated fee income of £4,379,000, however the net outcome after costs were removed, was a deficit of £398,668. This shortfall in income was offset by an additional 304 properties applying for mandatory licences after the extension of mandatory licensing* was introduced. The additional licensing fee income generated by the additional 304 properties would be £370,880. As a result, the Central Area Licensing Scheme had a shortfall of income of £27,788.

9. Although Covid-19 led to delays in requesting the second part of the licence fee and in-turn led to delays in issuing licences, all required licences were issued within the licensing designation.

Inspections

10. When the licensing scheme was initially being considered, an analysis of the area identified the licensing area as having a significant proportion of HMOs that were being managed sufficiently ineffectively. A summary of the inspection outcomes are outlined below:

- 99% of licensed properties were inspected. The small number (20) not inspected were due to properties being under renovation, empty or where there was a change of occupation.
- Of the 669 properties where the licence was revoked, 359 had inspections carried out prior to the revocation.
- In total, 3,471 inspections were carried out to determine property conditions and the standard of management.
- 2,779 (80%) of licensed properties inspected, were found to have breached HMO management regulations.
- 3,375 (97%) of properties failed to meet licensing conditions on initial inspection.
- 1,035 (30%) of properties were found to have serious hazards (Category A-D).
- 2,146 (73% of improved properties) properties have had improvements made to fire safety.

11. Where remedial works have been required under the Housing Health and Safety Rating System (HHSRS), HMO Management Regulations and/or licensing conditions, the licensing inspection team works with licence holders and property managers to ensure works are completed on time. Appendix B shows photographs from some of the inspections, where remedial works were required.

12. Covid-19 had a big impact on the inspection programme, with the country going into full lockdown restrictions in March 2020 and January 2021, as well as other periods with some form of restrictions on

staff being able to undertake property inspections. During this time, inspections stopped and officers performed other tasks. There were also a number of abortive visits where occupiers of properties had been isolating or exhibiting Covid symptoms, or reluctant to have inspecting officers in their homes. Despite these major challenges, all of the required inspections were carried out.

13. Covid-19 also affected the enforcement of the scheme in a similar way, the Council had to change its enforcement policy as a result of government guidance. For a period, resources in the licence enforcement team were reallocated to the inspection programme.

14. 2,928 houses in multiple occupation have been improved have so far been improved following inspection, with further improvements likely to be made over the coming months as works required on schedules of works are completed. This clearly justifies the reasons why the licensing scheme was introduced.

Enforcement Action

15. The following enforcement actions have been undertaken to-date as part of the licensing scheme:

- 1,157 formal and informal notices served on landlords requiring works to be carried out to improve 1,035 properties (30%) licensed under this scheme;
- 295 licence applications were received following unlicensed investigations, resulting in fees of £120,000 being recouped;
- 65 Part 2 licence fees were chased resulting in £46,647 being paid.
- 80 cases of unlicensed properties were referred to the licence enforcement team, which led to 75 Part 1 and Part 2 licence fees (totalling £44,000) being paid. In 5 cases a fee was no longer payable and, in some cases, Civil Penalty Notices were served.
- Overall, in excess of £200,000 in licence fees was recovered as a result of investigations.
- 151 cases where licence requirements were not completed following inspection have been referred to the licence enforcement team for possible formal action. 77 of these cases have been investigated and resolved.

16. Tenants of one landlord with up to nine rented homes in the CAL area have been protected from poor property management when their landlord was banned from letting and managing properties.

17. So far, formal enforcement action has been taken for unlicensed properties under the Housing Act 2004, currently resulting in seven Civil Penalty Notices (CPN), with combined penalties of more than £24,000.

18. A further five CPNs were served in relation to licence conditions and HMO Management Regulation breaches, resulting in combined penalties in excess of £39,000.

19. The council has assisted tenants in making Rent Repayment Orders (RRO) applications where the landlord failed to license an HMO. This led to three RROs, totalling £15,911.

20. Some cases were closed due to not meeting the criminal test for evidence or the public interest test. This is a reflection in part of the complexity of offences dealt with.

21. There are currently seventy-four open cases with the licence enforcement team relating to inspections carried out under the CAL scheme, where evidence suggests they have not complied with the licence on

their property. These investigations can continue whilst licences issued are still in force.

Referrals

22. Eighty-six referrals have been made to other departments, agencies and service. The majority of referrals were to Council Tax, HSE re: gas safety, Avon Fire, the Neighbourhood Enforcement Team (NET) and Bristol Waste regarding rubbish, and to the empty property team. The majority of these referrals would have resulted in these agencies inspecting the property and responding to the referral.

Scheme Fees

23. The income generated from this scheme is £4,379,000. This is lower than the expected £4,950,000 which may be due to various reasons:

- Lower than expected number of licensable properties in the scheme area;
- Some of the properties expected to be covered by this scheme, were included in the introduction of extended mandatory HMO licensing which started in October 2018;
- Difference between the estimated and actual number of charities and properties exempt from licensing;
- Difference between the estimated and actual number of properties eligible for certain discounts and 'found' unlicensed fees;
- Change of use of properties from HMO to non-HMO.

24. The Housing Act 2004 allows local housing authorities to charge a fee for property licences, taking into account all costs incurred by the authority in carrying out the licensing function. The authority cannot make a profit from licence fees and the fees cannot be used to subsidise other Council functions.

Conclusion

25. The outcomes achieved in the scheme clearly show that the proactive inspection and improvement of private rented homes has been achieved with most properties now meeting the required standards following inspection. Licensing has improved property conditions and management and significantly reduced the amount of health and safety hazards for tenants within the licensing area.

26. Further progress will be made over the coming months to ensure that works required following inspections are completed within the licence period.

27. Properties licensed under the Central Area licensing scheme will be required to apply for a new licence under the Citywide Additional (HMO) Licensing Scheme, when their current licences expire.

28. The table below shows the key outcomes.

Table 1 – Key Scheme Outcomes

Outcome	Number
Applications received	3,801
Licences issued	3,800
Inspections	3,471
Hazard Awareness Notices	177

Informal Improvement Notices	965
Formal Improvement Notices	15
Schedules of works issued re: works required to comply with HMO Management Regulations	2,779 ^D
Number of properties improved	2,928 ^C
Number of properties where fire safety improved	2,146 ^C
Number of service requests received	1,559 ^B
Number of requests for advice and guidance	11,111 ^E
Referrals to other organisations/departments	86 ^A

Table Notes

A. This includes all referrals in the licensing area some of which may not relate to a licensed/licensable property.

B. This includes all service requests received in the licensing area some of which may not relate to a licensed/licensable property.

C. There are properties which have been inspected but are yet to have a compliance check, so these figures will increase over the rest of the licensing scheme.

D. A flat which is not an HMO may be subject to HMO Management Regulations if contained within a Section 257 block.

E. This includes all requests for advice and guidance in the licensing area, including during the three months prior to the scheme coming into effect.

* The Housing Act 2004 sets out a description of Houses in Multiple Occupation (HMO) which are required to be licensed under the mandatory HMO licensing scheme. Prior to 1st October 2018, all HMOs of three or more storeys and occupied by five or more persons living in two or more separate households were required to be licensed. On 1st October 2018, the storey requirement was removed, meaning that all HMOs occupied by five or more persons living in two or more separate households were required to be licensed, regardless of the numbers of storeys.

Corporate Strategy alignment:

1. Under 'Housing Supply', the Corporate Strategy states that 'We will also work to improve conditions in the private rented sector'.
2. This could also come under the 'Health, Care and Wellbeing' theme which makes specific reference to inequality of income, in housing conditions, education and schooling, and workplace conditions can all lead to persistent stress and poverty that result in lower levels of wellbeing and more ill-health along with challenges for carers.

City Benefits:

1. Demand for housing in Bristol is high, resulting in the rapid growth of the private rented sector over the last 10 years. This scheme has ensured that housing conditions and management practices have improved, in order to meet minimum housing standards and licensing conditions. This will improve living conditions for those living in the private rented sector, which often houses some of the most vulnerable residents in the City.

Consultation Details:

1. Appropriate consultation was undertaken in 2018 prior to the introduction of the scheme.

Background Documents:

1. [Houses in Multiple Occupation Licensing Scheme Extension](#)
2. Property Licensing consultation report 2019.

Revenue Cost	£	Source of Revenue Funding	The entire cost of the scheme was funded through licence fees.
Capital Cost	£N/A	Source of Capital Funding	N/A
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/> If yes - existing or new saving? N/A	OR Income generation proposal <input type="checkbox"/>

1. Finance Advice: This report is for noting. There are no significant financial implications requiring consideration.

Finance Business Partner: Martin Johnson Interim Finance Manager Housing and Landlord Services 18 March 2025

2. Legal Advice: There are no legal issues arising. This report is for noting.

Legal Team Leader: Legal Team Manager: Anne Nugent, 12 February 2025

3. Implications on IT: I can see no implications on IT regarding this activity.

IT Team Leader: Alex Simpson – Lead Enterprise Architect, 12 February 2025

4. HR Advice: There are no HR implications evident.

HR Partner: Celia Williams, HR Business Partner, 14 February 2025

APPENDICES

Appendix A – Further essential background / detail on the proposal	NO
Appendix B – Equality Impact Assessment (EqIA)	YES
Appendix C – Environmental Impact Assessment	NO
Appendix D – Decision Risk Assessment	NO
Appendix E – Exempt Information	NO
Appendix F – Details of consultation carried out - internal and external	NO
Appendix G – Options appraisal matrix	NO
Appendix H – Business case / financial analysis	NO

