



Building Research Establishment.
HMO Licensing Review.

Housing Regulation Team

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Dear Sirs,

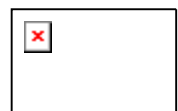
Leeds City Council's submission to the BRE review of HMO Licensing.

I refer to the current review of HMO licensing being undertaken by BRE and welcome the opportunity to submit the views of this authority on the implementation and effectiveness of this regime. This authority has now received over 3,000 applications and has issued in excess of 2,500 licenses and therefore feel we have a valuable contribution to make to the review process.

In preparing this submission I have attempted to consider the positive as well as the negative impacts of the process and have, for ease of reference, highlighted these separately below:

Areas of Concern Include:

- The Government neglected to provide a set of standard forms, proposed licences or suggested sample conditions that all local authorities should use. This caused each authority to spend excessive amounts of time in devising and producing standard application forms and draft licences that then needed to be consulted with and ratified by all interested parties. In Leeds this process took the best part of 14 months of intensive work to achieve consent from all parties. In our view an agreed application form and licence, produced by Government prior to implementation of the regime, would have achieved greater consistency amongst authorities and prevented excessive resources being expended.
- There appears to have been insufficient and less than efficient consultation carried out prior to implementation of the regime. The inclusion of wash basins in bedrooms as a mandatory licence condition was always contentious and was unpopular with landlords and local authorities and was eventually overturned. However, in Leeds we



- had already issued a large number of licences that included this condition and these still remain and will ultimately require variation.
- A further, and more extreme example of this, is the lack of national guidance on fire safety that existed at the start of the process. In Leeds we proceeded to agree a set of fire safety principles, in conjunction with West Yorkshire Fire and Rescue Authority (WYFRA) and the other West Yorkshire local authorities. Following extensive consultation with all interested stakeholders, including the various landlord associations, these standards were formally adopted and prompted the appropriate conditions on HMO licenses in Leeds. However, we are now faced with the introduction of the new LACORS national fire safety guidance which, in part, has a slightly lower standard of fire precautions and detection than those adopted by Leeds. Therefore, in Leeds we now have over 2,500 licences issued with conditions that have now been undermined by the new national guidelines. This has caused a great deal of frustration and has proved very unpopular with the landlords.
 - The whole process can be seen as very bureaucratic as it has 2 stages each of which requires consultation with the licence holder/manager and interested parties. The variation and revocation processes are similar and very resource intensive. Even simple alterations to licenses are time consuming and considering an authority such as Leeds has such a high number of licenses issued this is a major drain on resources.
 - In our opinion there was a lack of detailed advice and support at the start of the regime. This resulted in authorities interpreting the legislation in different ways which also caused confusion for landlords. A prime example of this lack of guidance is the way authorities all charge differing levels of fees for licenses. The landlord organisations have used this perceived lack of consistency to “play” one authority against another and this is far from ideal.
 - It can be argued that it has been the responsible landlords, such as those in accreditation schemes, that have complied with the requirements of licensing. It is apparent that the rogue landlords have not cooperated and have hidden from the process. These landlords are exceptionally hard to trace and this process is very resource intensive. Indeed, authorities will need to make a decision at some stage whether to target resources at tracing those properties remaining unlicensed (with diminishing returns) or undertaking the necessary programmed inspection of the properties licensed.
 - The lack of preparation and guidance for this regime has led to severe delays in the process in some authorities. This brings the HMO licence process into question and several landlord associations and lobby groups openly question it’s effectiveness when some authorities are yet to issue a single licence.
 - We also have serious concerns over the effectiveness of the “Fit and Proper Person” test. This process concerns strict objective criteria and is inflexible in it’s approach. Anecdotally many authorities, including Leeds, have serious concerns over the conduct and ability of certain landlords but find it difficult to apply the fit and proper criteria.

Positive Aspects:

- The process has in our opinion greatly raised the profile of the Private Rented Sector (PRS) in the city and provided a platform to promote higher standards in the housing stock.
- The regime has provided the authority with a comprehensive list of all licensable properties and landlord details throughout the city. The process has provided the catalyst to improve and further develop the management systems operated by the Council due to the need for data returns. However, in turn, it must be noted that this in

itself has proved a significant drain on resources to deal with the I T complexities and reporting requirements.

- A key benefit has been the extensive networking and improved dialogue with a range of stakeholders and partners. This has undoubtedly strengthened relationships and working groups in this housing sector.
- The licence conditions have allowed for improved fire safety, amenity standards and maintenance levels to be raised throughout the sector.
- A key benefit for Leeds has seen the introduction of compulsory training for landlords on managing properties as a licence condition. This has been difficult to operate and regulate but has been well received and produced a good working relationship between the Council and the Residential Landlords Association (RLA) who were tasked with delivering the training to an agreed standard.
- The very fact that the service has had to be self financing has encouraged the development of new and efficient ways of dealing with a complex administrative process.

In addition to the above points it would be sensible for us to make a couple of suggestions on how we think the regime could be improved further. A simple improvement would be achieved by a comprehensive Government publicity campaign aimed not only at landlords who had yet to comply but also at the consumers to raise awareness over their rights as tenants. A further improvement would also see influence placed on the courts regarding the level of fines imposed on landlords for non compliance with the licensing legislation. Recent prosecution results in Leeds have seen positive results for the Council but the level of fines has not truly recognised the seriousness of the offence. This not only undermines the work of the Council but also sends the wrong message to landlords as even the representatives of the landlord associations are pushing for stronger penalties and higher fines against those landlords convicted of offences.

Finally, we would submit that the ultimate objective of the HMO licensing regime was to improve housing conditions and raise the competence of the landlords in the private rented sector. In our opinion, the jury is still out in this respect.

I trust the above is helpful in this review and I would advise that if you wish to discuss these points in any greater detail then we would be more than happy to do so.

Yours faithfully,

Mike Brook
Acting Housing Regulation Manager.