



Ceredigion County Council – Additional Licensing Review 2023 Summary Review for Consultation

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Licensing of Houses in Multiple Occupation

The Housing Act 2004 introduced the licensing of Houses in Multiple Occupation (HMO).

The Act stated that an HMO is a building or part of a building that:

- Is occupied by more than one household and where more than one household shares or lacks an amenity such as a bathroom, toilet or cooking facilities.
- Is occupied by more than one household and is a converted building but is not entirely self-contained flats (whether some amenities are shared or lacking), with exemptions in relation to licensing, see below.
- Has been converted to self-contained flats but does not meet as a minimum standard the requirements of the 1991 Building Regulation and at least one third of the flats are occupied under short tenancies.

Part 2 of the Housing Act 2004 made it compulsory to licence larger, high-risk HMOs with three or more stories and five or more occupants (Mandatory Licensing). The licence lasts for a period of 5 years. The Act also gave Local Authorities powers to licence all or other types of HMO. Ceredigion County Council have made use of this and adopted an Additional Licensing Scheme to run alongside the Mandatory Licensing of HMO's since 2009.

The current scheme is set out as follows.

- HMOs occupied by three or more persons, forming three or more separate households regardless of the number of storeys in the following specified wards only:
Aberystwyth Bronglais, Aberystwyth Central, Aberystwyth North, Aberystwyth Penparcau, Aberystwyth Rheidol, Faenor, Llanbadarn Fawr Padarn, Llanbadarn Fawr Sulien
- The whole of the County of Ceredigion for:
 - HMOs occupied by 5 or more persons, forming two or more separate households, regardless of the number of storeys, and
 - Section 257 HMOs (Housing Act 2004)

The existing scheme comes to an end on 14th April 2023. We are therefore currently reviewing the existing scheme and seeking views as part of a consultation on whether to continue, adjust or otherwise change Additional Licensing of HMO's in Ceredigion.

Aims of an Additional Licensing Scheme

The aim of the licensing regime is to ensure that HMOs are:

- (i) suitably equipped with amenities and facilities for the number of occupants residing in them, including:
 - a. Heating: adequate means of space heating
 - b. Washing Facilities: Bathroom and toilet facilities
 - c. Kitchens Facilities and equipment, including the provision of hot and cold-water suitable cooking, storage and food preparation facilities, refuse disposal, fire precautions and adequate electrical sockets as examples.
 - d. Fire precautionary facilities and equipment.
- (ii) Effectively managed by 'fit and proper persons'.

The licence will:

- (i) Specify the maximum number of people who may live in the HMO.
- (ii) Include conditions relating to maintenance of gas, electric and fire smoke detection installations.
- (iii) Consider furniture safety and electrical equipment safety.
- (iv) Ensure adequate provision of heating, bathroom and kitchen amenities.
- (v) Ensure appropriate fire precautions, facilities and equipment.

The granting of a licence will also consider:

- (i) whether the landlord is suitable to manage the property
- (ii) what the management arrangements are for issues such as disrepair, emergencies etc.
- (iii) ensure landlords adhere to minimum requirements.

HMO Licensing Facts and Figures:

An evaluation of the Additional Licensing Scheme has been undertaken to evidence what has been achieved during the scheme and to provide background to the issues within the areas covered.

- 20.6% of population in Ceredigion are in Private rented properties (equivalent of 6,371 households) according to the ONS Survey 2021 (this compares to an all-Wales average of 14%).
- Of the total private rented sector there were 519 licensed HMOs (31st March 2023) A further 149 in the application process for renewal of licences. Of those licensed, 234 were properties licenced in accordance with the current Additional Licensing Scheme parameters.
- Of those currently licensed 56% are Mandatory, 40% Additional Shared Houses & 4% Additional Converted Flats.

The Council chose to vary the scheme in 2019 so that different rules apply to different areas or wards in the County. This approach has been taken elsewhere by other councils – often where areas of larger cities are wholly dominated by student lets, for instance. This approach was based on there being evidence of significant variations in the character of a region and in the demands on the Council’s services historically.

Operational Licences

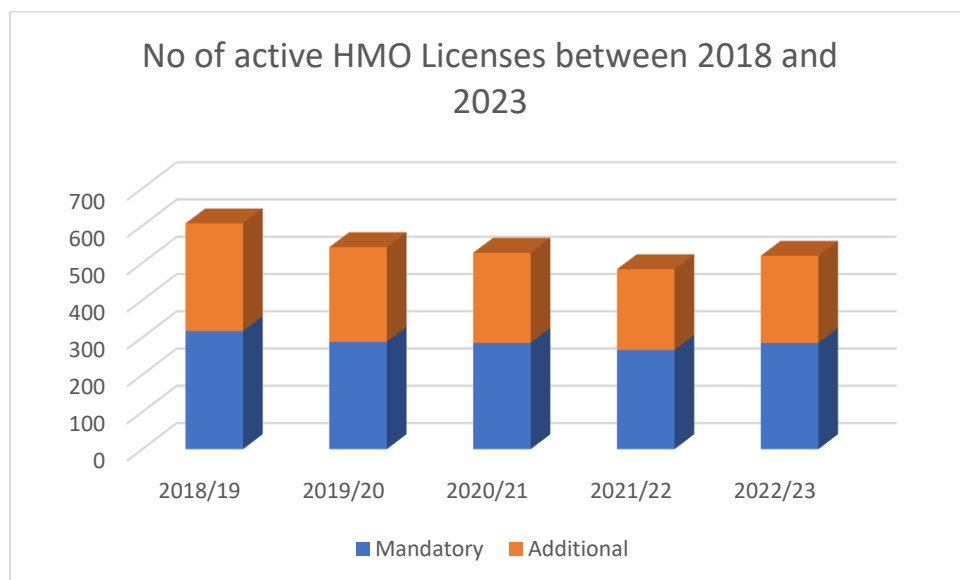


Fig. 1 Operational Licensed HMOs by Type 2019 to 2023

The Graph above highlights the number of operative HMO Licences (both Mandatory & Additional) from the introduction of the initial Additional Licensing Designation on the 19th April 2019 up to the 31st March 2023. It should be noted that the dip in licensed premises between 2021 & 2022 is likely to be attributable to the impact of the Covid 19 pandemic when it was not possible to undertake licence inspections. This led to a delay in the renewal of expiring licences and the inability to issue licences to new premises. As can be seen from the figures the number of licensed properties has increased in the last 12 months.

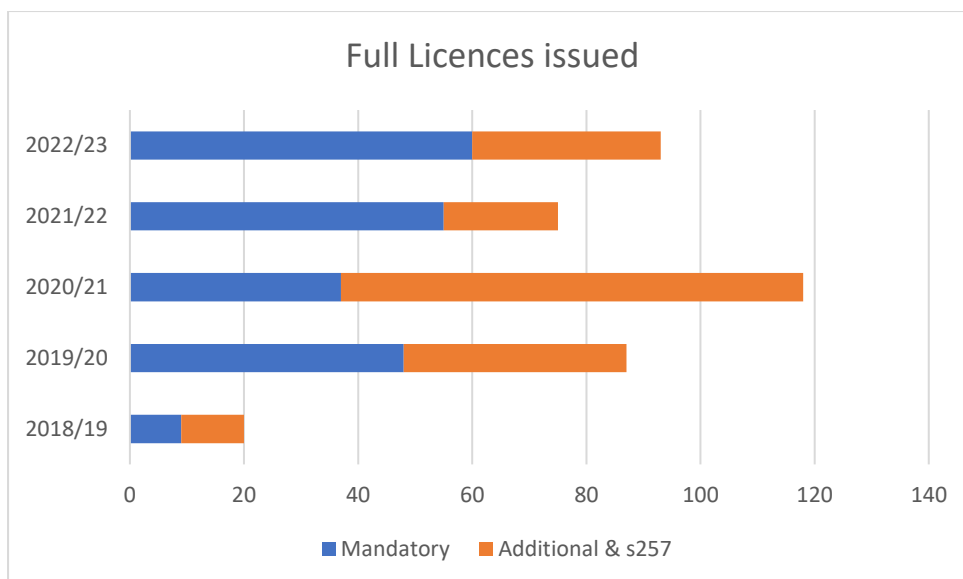


Fig. 2 Number of Full and Conditional Licences 2019 to 2023

The above graph shows the split in the number of mandatory and additional licences issued without conditions since the introduction of the current Additional Licensing Designation on the 19th April 2019 up to the 31st March 2023.

The table below shows the percentage of licences issued with and without conditions.

Fig. 3 HMO Licensing: Total Licences Full / Conditional 2019 to 2023

Year	Number of full licences issued	Number of conditional licences issued
2019/20	89 %	11%
2020/21	92 %	8 %
2021/22	84 %	16 %
2022/23	78 %	22 %
2023/24	68 % (April – Nov)	32 % (April to Nov)

Programmed inspections were suspended during lockdown. This impacted the number of renewal and new licences that were issued in this time. It can also be seen that the ratio of licences issued with conditions has increased post Covid -19 suggesting a slip in overall standards during this period.

Analysis of a 25% sample of inspection records for properties with additional licences indicate that 37% were in a worse condition post Covid than their last inspection prior to the Pandemic.

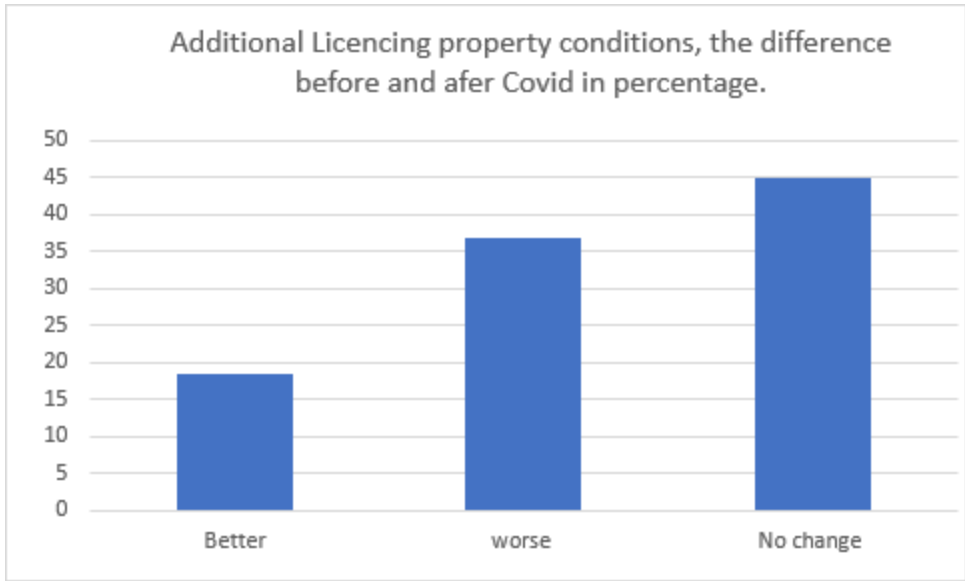


Fig. 4 Percentage difference in condition before and after Covid 19 Pandemic

HHSRS Analysis: Ceredigion (2018 to 2023)

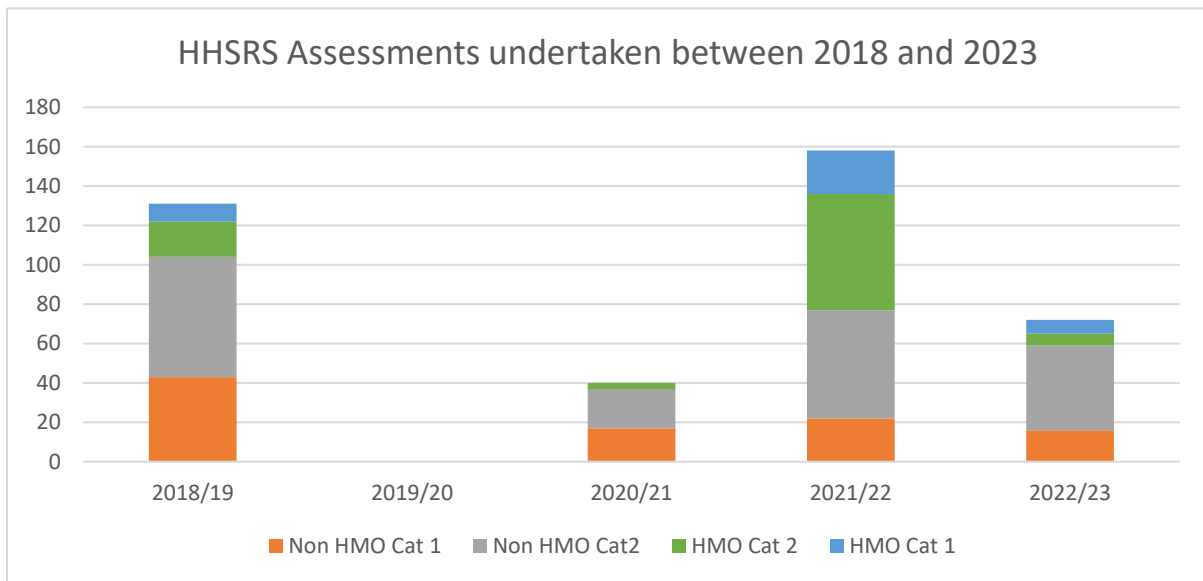
The information presented here covers the condition of residential properties, including Houses in Multiple Occupation (HMOs), assessed under the Housing Health and Safety Rating System (HHSRS).

Below is an analysis of significant Category 1 and 2 Hazards identified in Ceredigion over the period April 2018 to 31st March 2023.

Fig. 5 Category 1 and 2 Hazards (%age of total assessments) identified in Ceredigion 2019 to 2023

Year	Total No HHSRS Assessments Non HMOs	Total No Category 1 & 2 Hazards identified	Total No HHSRS Assessments HMOs	Total No Category 1 & 2 Hazards identified
2018/19	77	104	23	9
2019/20	189	53	33	10
2020/21	27	37	30	3
2021/22	62	77	4	81
2022/23	45	59	10	13

Fig. 6 Category 1 and 2 Hazards identified in Ceredigion 2018 to 2023



The HHSRS is used to determine whether residential premises are safe to live in. It replaced the Fitness Standard in July 2006. Local authorities use the System to determine whether a hazard exists that may cause harm to the health and safety of a potential occupant. Hazards are divided into two categories. Those which score high on the scale (and therefore the greatest risk) are called Category 1 hazards. Those that fall lower down the scale and pose a lesser risk are called Category 2 hazards. Where a condition is classified as a Category 1 hazard the local authority has a **duty** to take the appropriate enforcement action. The local authority **may** take enforcement action in respect of Category 2 hazards.

HHSRS Hazards Identified

A range of Hazards are identified during HHSRS assessments – Damp and Mould and Excess cold occur most frequently as indicated in Fig.7 below.

Within Ceredigion there are significant incidents of Damp and Mould Growth deficiencies identified within HMOs which may be attributable to inefficient heating systems, lack of insulation and disrepair. Fire safety defects in HMOs are also significant. Excess cold hazards illustrate the adequacy of the heating, insulation and ventilation measures within the property. SAP/ EPC data is also taken into consideration. HMO licensing within the county has helped to ensure sufficient heating and insulation is provided within licensed properties.

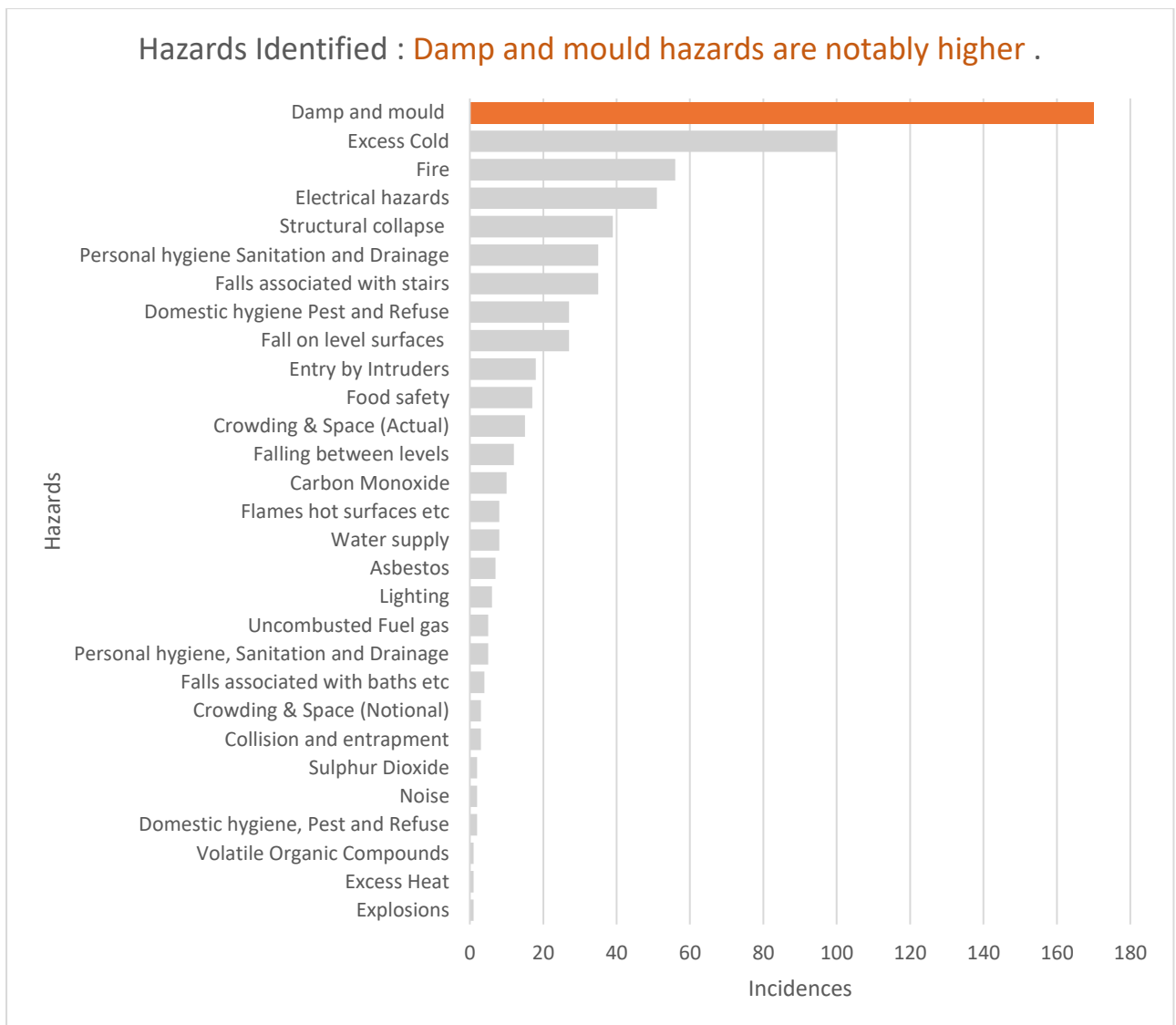


Fig. 7 Category 1 and 2 Hazards identified in Ceredigion 2019 to 2023

Housing, Environmental and Nuisance Complaints/Service Requests in the Private Rented Sector

Below we consider the demand on the service in relation to licensing visits, housing inspections and following complaints in relation to housing standards, management, tenancy and nuisance related complaints associated with Houses in Multiple Occupation. These are categorised into the following.

- Licensing and Programmed Inspections:** Relates to inspections of licensed HMOs and includes both those initiated on receipt of a HMO application and any risk based programmed inspections required during the license period based on the size of the property and housing and management standards.
- HHSRS and Property Conditions:** These relate to complaints associated with housing and management standards which may present either Category 1 or 2 hazards under the HHSRS or maintenance and management concerns. These

are usually in response to complaints made by the occupants or their representatives.

- **Eviction and Tenancy Matters:** These include complaints of instances of alleged harassment, illegal eviction, and tenancy agreement disputes as examples.
- **Empty Property Complaints:** Previously licensed HMOs which are vacant and having a negative impact on the local community.
- **Unlicensed HMOs:** Includes proactive and complaint lead investigations made by the authority into unlicensed HMOs.
- **Noise Complaints:** Complaints directly attributable to the occupants and/ or their visitors in HMOs.
- **Nuisance – Waste:** Complaints made to the authority regarding waste and refuse accumulations, fly-tipping and wrongly presented domestic waste directly attributable to HMOs.
- **Nuisance – other:** Relates to issues causing a nuisance to either occupants or local residents and may include drainage and odorous complaints as examples.

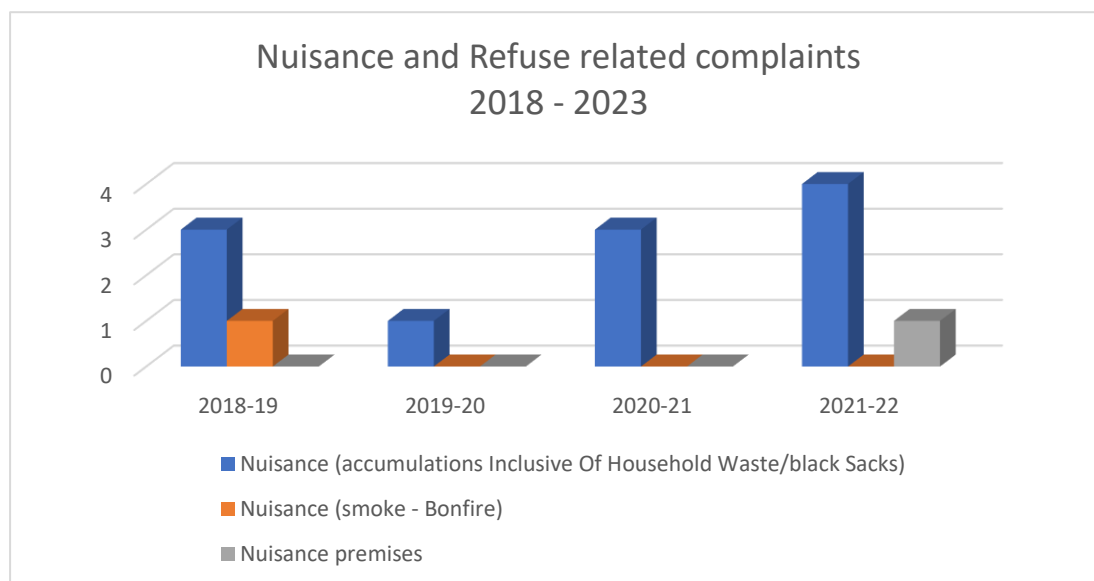


Fig. 8 Nuisance and refuse related complaints associated with HMO premises

The last 5 years have seen a reduction in nuisance and waste related complaints associated with licensed HMOs. This may be due to the existence of the licensing regime but is also likely to be impacted by the Covid 19 Pandemic and fewer properties being occupied during the various lock downs.

The graph below indicates the number of noise complaints received that were associated with HMO premises in the Aberystwyth area. No complaints were received relating to HMOs in the towns of Lampeter and Cardigan during this period.

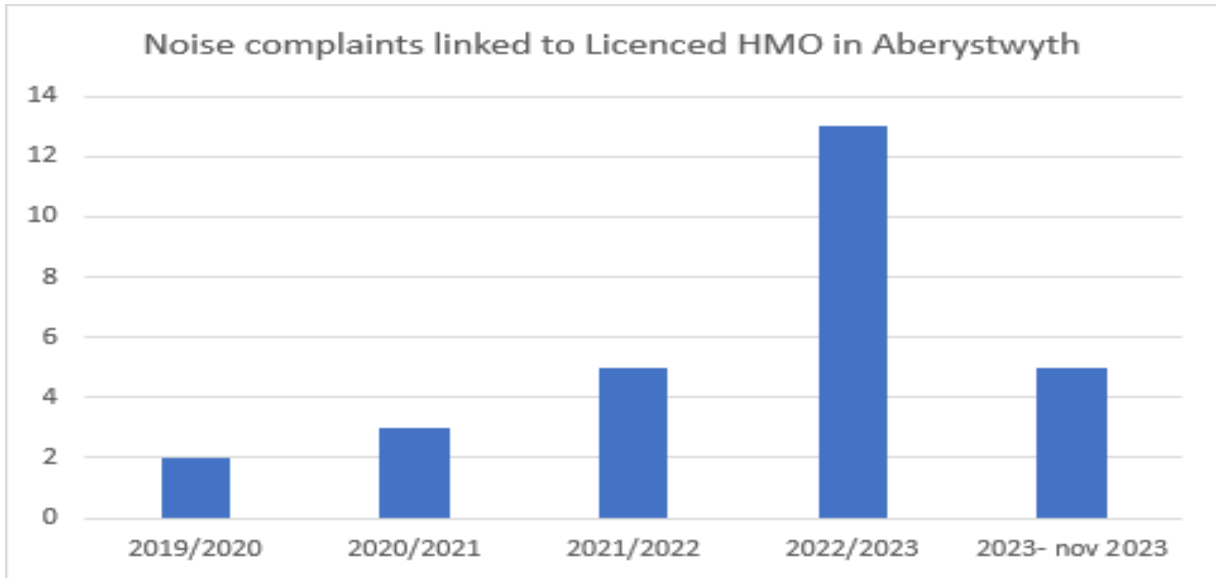


Fig. 9 Noise complaints received between 2019 and 2023 associated with Licensed HMOs

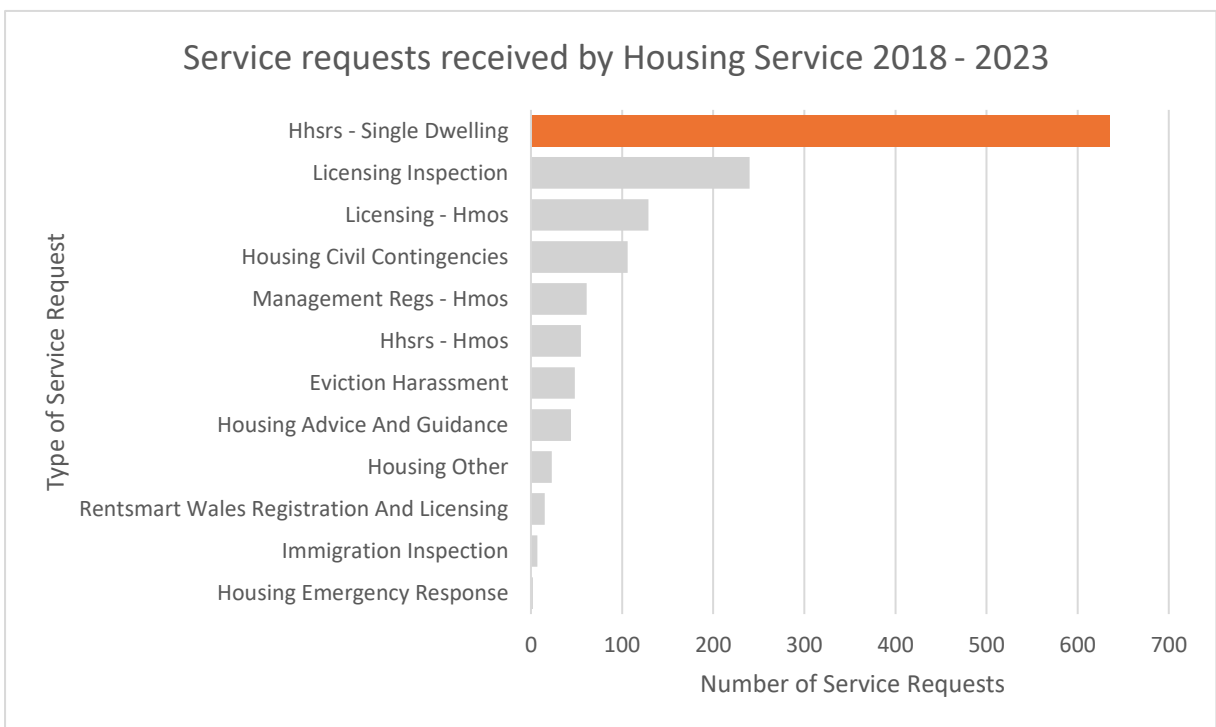


Fig. 10 Housing related Service requests received 2018 - 2023

The above graph indicates the range and number of service requests received by the Housing Service during the last 5 years.

Fig. 11 below indicates the range and number of service requests relating to HMO properties between 2018 -2023

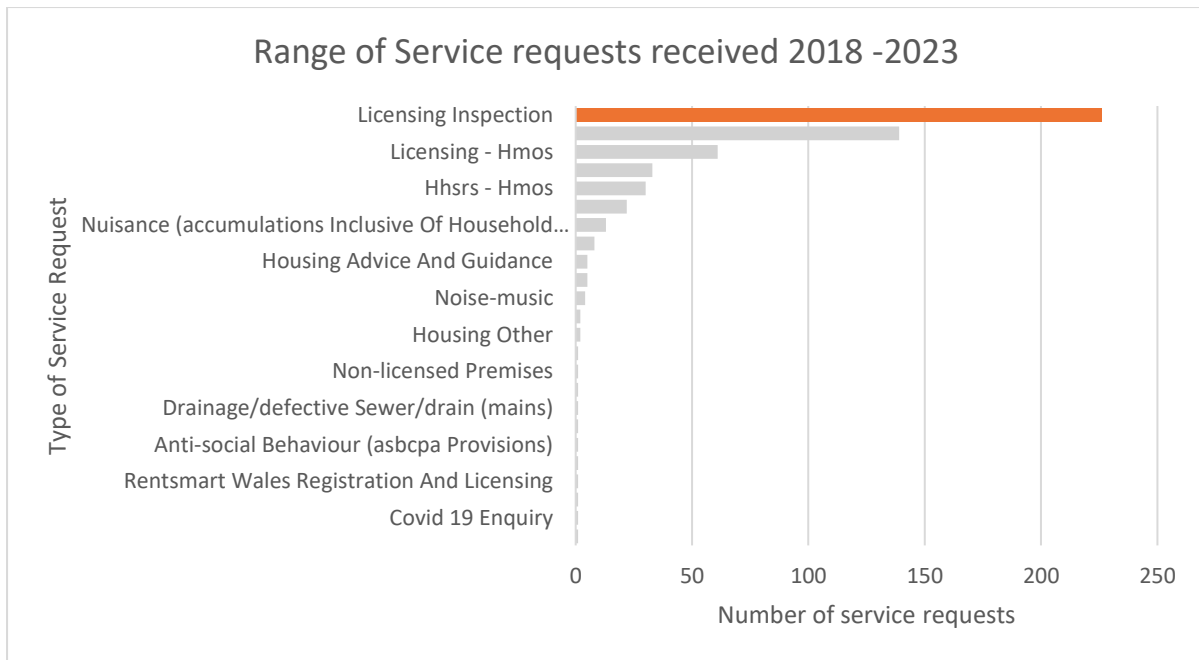


Fig. 11 Range of Service Requests received 2018 – 2023

The Effects of the COVID 19 Pandemic.

The Covid 19 Pandemic had a significant impact on both the mandatory and additional HMO licensing schemes. The County has 2 Universities and a significant number of HMO's particularly in Aberystwyth are occupied by students. During the Pandemic students returned to their homes and undertook their studies online. In addition, all physical inspections of residential premises including HMOs were suspended for long periods. This included both programmed licensing inspections and licence application checks.

The suspension of inspections had a knock-on effect of delaying licenses being renewed and an interruption to routine licence programme creating a large backlog of properties requiring inspection. This in turn has impacted the standards of repair experienced in HMO properties that have been inspected in the last 18 months as we recover from the Pandemic. This is reflected in the data recorded in Fig.3 in respect of the number of Licenses issued in 22/23 with conditions attached.

During the Pandemic, Ceredigion saw a significant growth in property prices as demand outstripped supply. Prices began to increase as soon as the Pandemic reached Wales in March 2020 and grew significantly throughout 2021.

As a result, nationally, Ceredigion has the 4th highest Housing Affordability Ratio behind Monmouthshire, Vale of Glamorgan and Cardiff. This makes it harder for local people and first-time buyers to purchase in their chosen communities, especially when considering earnings in Ceredigion are below average. The median annual earnings, by place of residence, was £23,576 in 2021 in Ceredigion.

This in turn increases the demand for accommodation in the County. A number of Landlords have taken the opportunity to leave the rental market and have sold their properties. This in turn has resulted in a decrease in the number of HMOs in the County.

Proposals for the future of the Additional Licensing Scheme in Ceredigion

The options below are being explored as part of the Ceredigion County Council Additional Licensing Designation Review. Proposals being considered include:

Option 1 - To continue with the Additional Licensing Scheme in its current form, whereby licensing applies to:

- HMOs occupied by three or more persons, forming three or more separate households regardless of the number of storeys in the following specified wards only:
Aberystwyth Bronglais, Aberystwyth Central, Aberystwyth North, Aberystwyth Penparcau, Aberystwyth Rheidol, Faenor, Llanbadarn Fawr Padarn, Llanbadarn Fawr Sulien
- The whole of the County of Ceredigion for:
 - HMOs occupied by 5 or more persons, forming two or more separate households, regardless of the number of storeys, and
 - Section 257 HMOs (Housing Act 2004)

Option 2 - Licensing all properties which meet the following criteria on a county wide basis:

- Those properties occupied by 5 or more persons, forming two or more separate households, regardless of the number of stories, **AND**
- Section 257 HMOs (Housing Act 2004) created by converting buildings into flats where the conversions did not meet the Building Regulations 1991 Standards and they have not been subsequently brought up to the relevant standards.

Option 3 - To allow the existing Additional Licensing Scheme to expire on the 19th April 2023 and not declare/designate an Additional scheme in its place.

Your views and feedback will help shape the priorities and future framework of HMO Licensing in the county.

Appendix 1 – Map showing extent of current Additional Licensing Scheme in Aberystwyth

