

LABOUR GROUP AMENDMENT TO THE OPPOSITION MOTION REGARDING HOUSES IN MULTIPLE OCCUPATION (HMO)

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Added text underlined

Deleted text scored out

This council notes that for several decades a house or flat occupied by three or more unrelated persons who do not form a single household and share common amenities is defined as a House of Multiple Occupation (HMO), most recently under Sections 254, 257 and 258 of the Housing Act 2004. With five or more residents sharing common amenities, there is a requirement for the property to be licensed by the local authority.

The council further notes that there are approximately 9,000 such properties in Tower Hamlets with just half of these licensed as HMOs, with two licensing schemes known as Mandatory and Additional Licensing.

HMOs, where of good quality, make an important contribution to the private rented sector (PRS) by catering for different housing needs, including for some key workers, and by contributing to the overall provision of affordable or private rented stock. Meeting these housing needs are essential, not least as vital services including schools and hospitals are clear that the high housing costs in London make recruitment difficult.

While nationally many HMO tenants are students, in areas with high rents such as Tower Hamlets tenants are often young working people living in flatshares in order to meet high rent costs.

The council notes that from 1st January 2021 any person seeking an HMO licence in the borough will need to seek planning permission for this purpose, under what is known as an Article 4 Direction. This change was driven by a number of local authorities led by Newcastle upon Tyne City Council to protect the housing mix in particular areas of the City.

An Article 4 Direction allows local authorities to ~~remove~~ withdraw specified permitted development rights across a defined area. in some circumstances The use of an Article 4 Direction is that any proposed development that is within the scope of the Direction cannot be carried out under permitted development and will require a planning application to be submitted to the Council. This will enable the Council to consider the proposal in terms of its acceptability in planning terms. Article 4 Directions ~~and~~ must be accompanied by a plan that clearly shows the area that is subject to the direction, and the extent of the area needs to be based upon evidence.

~~Elsewhere councils are aiming to manage HMOs better by improving residents' standard of living and maintaining mixed communities. This is due to studies that show that a concentration of HMOs can be associated with the following issues:~~

- ~~• poor standards of accommodation~~

- ~~loss of local character~~
- ~~reduction in environmental quality~~
- ~~increased noise complaints~~
- ~~increased anti-social behaviour~~
- ~~loss of single family dwelling houses~~
- ~~increased levels of crime~~
- ~~increased pressures on car parking~~
- ~~increased pressure upon local services~~
- ~~changes to local retail provision~~

Despite restrictions on what actions can be taken, the council can take over the management of individual HMOs to prevent ASB and introduce a “selective licensing scheme” if residents of several houses in an area are behaving anti-socially. The result of this would require all landlords of properties in a specific area to have licenses showing that they meet “minimum standards.”

The Council operates three private sector licencing schemes: selective licensing for any private rented property in Weavers/Whitechapel/Weavers wards, mandatory HMO licensing for larger HMOS (5 renters or more) and an additional licensing scheme for smaller HMOs (3 renters or more) across the Borough apart from the selective area.

~~The Council notes that this change can also be traced to other concerns relating to a proliferation of HMOs. In December 2018 a rogue landlord in north west London was jointly prosecuted by the Boroughs of Brent and Harrow for operating sub-standard HMOs and received a record fine of £1.5million by the Courts. Other London boroughs including Lewisham have been extremely pro-active in their regulation of HMOs.~~

The Council notes that parts of the Isle of Dogs are seeing increasing numbers of family homes turned into HMOs and dramatically changing the area. In one case in a small square of town houses, all but one house in the development has been taken over and converted to HMO use by a single developer. Family houses have been extended outwards, upwards and further upwards with dormer windows and the rooms rented to students. A student hostel of 80 -100 rooms would require planning permission with conditions, payment of CIL and a Section 106 agreement. This change of use has avoided all of these elements. The effect has been to achieve an extended student facility by stealth, in a small square to the detriment of neighbours in the adjoining streets. Residents have noted that the gardens of the once individual properties have been combined and believe that this development should be considered commercial as opposed to single properties.

As a result locally we also face problems with;

- Council tax is per property and does not reflect the number of adults now residing in each property
- Loss of affordable homes in the planning process
- Loss of S106, CIL, New Homes Bonus as new properties are not being built to meet this demand
- School place planning becomes problematic as we lose family size homes with no replacement

- Water pressure – numerous adults in a family sized property consume more resources than single families
- Rubbish removal is increased
- Transport provision is affected

The council is using its licencing and planning powers to seek to ensure HMO's meet certain standards and to manage the impacts of HMOs on local areas. The HMO Article 4 Direction, now in force, requires new HMOs to apply for planning permission. Through the planning process, matters such as the cumulative impacts (number of HMOs in the area), the suitability of the proposed location (accessibility levels), housing design (quality) and management (addressing ASB and crime) can be explored in assessing the suitability of the proposed use.

The council notes that many of ~~these~~ the past conversions are by the same developer and that London Renters have protested as to the management of these properties as well as nearby residents who are affected by them.

The Council further notes that that the Newcastle upon Tyne Article 4 Direction was to protect housing mix in a defined area.

The Council legally has to consult interested parties when issuing licensing but can only refuse a licence in very specific circumstances.

Once a property is licenced a copy of that licence remains in the premises and under its conditions requires the landlord to provide minimum standards of conditions, management, amenities and tenancy behaviour.

The Council resolves to:

- Continue to stand up for renters in HMOs.
- Lobby the Government to allow us to extend licensing schemes more broadly, and to lobby for a mandatory licensing scheme to be introduced for short term lets including Airbnb.
- Support the Mayor of London's campaign to introduce rent controls.
- Request that the Overview and Scrutiny Committee considers what further measures the council could take to support renters and minimise any potential negative impacts from HMOs.
- Update Note that the register of licensed properties used as HMOs is updated monthly and ensure that all 9,000 are correctly registered.
- Ensure Note that the register is accessible to enquirers by listing all properties by alphabetical address in an initial section and a second section listing details of each owner with a list of their properties as it is published in an Excel format.
- Ensure that HMRC are aware of this list of landlords with HMO's.
- Ensures the planning process reflects and protects the housing mix of each area of the borough.
- Note that following the introduction of the Article 4 direction, any new small scale HMOs require planning permission, but this does not necessarily mean that there will be any physical changes to a dwelling and homes may be HMOs for a short period and then revert to family homes.
- Note that decent quality homes for sharers are an important part of the borough's

housing mix.

- ~~Ensures that reports to the planning committee identify applications as potential HMOs. This will enable officers and members to consider the housing mix as opposed to approving what appears to be a simple extension.~~
- Note that those that are extending homes with a view to occupation as an HMO will need to apply for planning permission for that use. It would be unlawful for the planning committees to speculate on the future use of a property if that is not the subject of the application and requires permission in its own right.
- Explore whether available resources allow us to ~~That the Council~~ write directly (ideally via personally addressed mail (if registered on the electoral register) to each HMO tenant occupant making them aware of the rules that apply to their landlords and how and where to complain if the landlord is not following the rules. ~~This should be done every few years given the turnover in such properties.~~
- Note that when a licence is issued a copy of the licence should be displayed within the property detailing the conditions that the licence holder must comply with.
- ~~Encourage via the planning process the provision of dedicated accommodation e.g. for students to meet this demand rather than rely on private individuals changing the demographic mix of Tower Hamlets by buying up scarce family homes.~~
- Note that the demand for housing in Tower Hamlets is high and available properties are relatively scarce.
- ~~Change the parking rules so that HMO's have access to only one parking permit per property.~~
- Finally note that the council should ~~seek~~ continue to work with residents and councillors to protect the interests of residents and future tenants in the licensing and approving of HMOs.