

# HOUSES OF MULTIPLE OCCUPATION - ADDITIONAL LICENSING CONTROLS: CONSULTATION

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<b>Papers with report</b>	Appendix 1 – Proposed Additional Licensing Policy Appendix 1a – Proposed Additional Licensing Conditions Appendix 2 – Proposed Table of Fees and Charges Appendix 3 – Draft Consultation and Engagement Plan

## HEADLINES

### Executive Summary

This report outlines Hillingdon Council's progress in exploring an Additional Licensing Policy for Houses in Multiple Occupation (HMOs). The aim is to address concerns such as poor housing conditions, anti-social behaviour, and safety risks associated with unlicensed HMOs, while supporting the Council's broader goals.

To support this, Metastreet were commissioned by the London Borough of Hillingdon to undertake a Housing Tenure Survey to review dwellings in the Private Rental Sector (including Houses of Multiple Occupation) in the region and assess stressors related to the private rented sub-tenure. The evidence from the survey indicates support for additional regulatory controls in this sector to drive higher standards and compliance.

The Additional Licensing Policy has been formulated and is proposed to apply to the whole borough. Proposed licence conditions have been included within the policy, and a table of proposed licence fees has been formed.

The aim of the Additional Licensing Policy is to address concerns such as poor housing conditions, anti-social behaviour, and safety risks associated with unlicensed HMOs, while supporting the Council's broader goals to improve living conditions and communities.

To implement a policy of this type, the Council must undertake a public consultation on the proposed borough wide Additional Licensing scheme, associated conditions and proposed fees. Subject to consultation, the scheme would apply to all HMOs except those that require a mandatory licence. Property licensing serves as a mechanism to promote safer living conditions and improved standards in privately rented homes.

Subject to Cabinet approval, a full public consultation will commence at 5pm 31<sup>st</sup> October 2025 and end at midnight on 11<sup>th</sup> January 2026.

The consultation will seek views on the proposals prior to making any final decisions regarding the future of property licensing in Hillingdon. The Council will want to hear from individuals and

organisations likely to be affected by the proposals, including local tenants, landlords, managing agents, and members of the community who reside, operate businesses, or deliver services within the proposed designated areas or their surrounding neighbourhoods.

The final policy proposals, outcome of consultation and any associated fees or resource implications will be brought to Cabinet for consideration in February 2026, with implementation planned from Spring 2026.

The proposed policy can be viewed in Appendix 1, alongside Appendix 1a Proposed Additional Licensing Conditions. Also, the Proposed Table of Fees and Charges (Appendix 2) and the Draft Consultation and Engagement Plan (Appendix 3).

<p><b>Putting our Residents First</b></p> <p><b>Delivering on the Council Strategy 2022-2026</b></p>	<p>This report supports our ambition for residents / the Council of: Live in good quality, affordable homes in connected communities</p> <p>This report supports our commitments to residents of: Thriving, Healthy Households</p> <p>And the Hillingdon Housing Strategy.</p>
<p><b>Financial Cost</b></p>	<p>The costs of the consultation will be met through existing resources. Should an Additional Licensing Policy be implemented, the fees and charges linked to the scheme will cover the costs of the licensing and enforcement process.</p>
<p><b>Select Committee</b></p>	<p>Residents' Services Select Committee</p>
<p><b>Ward(s)</b></p>	<p>All</p>

## RECOMMENDATIONS

That:

- 1) the draft Additional HMO Licensing Policy Appendix 1 and associated proposed licence conditions in Appendix 1a, be agreed for consultation;
- 2) the draft Fees and Charges Schedule in Appendix 2 be agreed for consultation;
- 3) it be noted the consultation period will start at 5pm on 31<sup>st</sup> October 2025 and end at midnight on 11<sup>th</sup> January 2026;
- 4) the Consultation and Engagement Plan for the consultation in Appendix 3, also be noted.

### Reasons for recommendation(s)

The Council is committed to ensuring that homes in the private rented sector are safe, well managed and well maintained. Houses of Multiple Occupation (HMOs) provide an important source of affordable housing in the borough, and it is acknowledged that they fulfil a need within the overall housing stock of Hillingdon.

It is recognised that poor housing conditions and poorly managed HMOs can lead to adverse impacts on local neighbourhoods ranging from poor appearance and waste issues to more serious instances of anti-social behaviour and nuisance.

The Council recognises that poor standards in the private rented sector can have a detrimental impact on the wellbeing of residents and communities and is assessing whether there is a greater need for further regulation.

Hillingdon has made commitments to residents to scope and consider additional local regulation, through an Additional Licensing scheme and / or planning controls, to control the standards and numbers of HMOs in certain areas of the borough.

These aims support our overall Council ambitions for residents:

- Safe and Strong Communities
- Thriving Healthy Households
- A Thriving Economy

Full Council passed a motion on 11 July 2024, resolving to address issues outlined below:

*"That this Council recognises the problems caused by unlicensed HMOs in the borough, from anti-social behaviour to poor housing conditions. This Council is committed to ensuring good quality housing in the borough and resolves that a report be sent to Cabinet considering the sufficiency of evidence required under Part 2 Housing Act 2004 to extend licensing obligations to all properties with 3 bedrooms housing multiple unrelated occupants and to commence consultation on the implementation of this additional licensing obligation where it is justified."*

The Council has made a commitment to residents to consider and evidence the viability of an Additional Licensing Policy. Upon completion of the Housing Tenure Survey and consideration of the full evidence, the Council is now recommending Additional Licensing Policy controls and will carry out a full public consultation to gain views and feedback on the scheme.

The Housing Tenure Survey in Hillingdon presents compelling evidence in support of introducing an Additional Licensing Scheme for Houses in Multiple Occupation (HMOs). The survey explored the characteristics of the Private Rented Sector (PRS), the extent and condition of HMOs, and the impact of housing-related issues such as serious hazards and antisocial behaviour.

It found widespread concerns around poor property management, under-regulation, and tenant safety, particularly in HMOs where serious hazards were 3 times the national average. Many properties are not currently licensed, and there are indications of significant non-compliance among landlords.

The findings highlight the need for stronger oversight and enforcement to address poor housing conditions and recurring issues such as noise disturbances, waste problems, and repeat ASB incidents.

The proposed licensing scheme aims to improve housing standards, protect tenants, reduce community disruption, and promote responsible landlord practices. It would apply to all HMOs not already covered by mandatory licensing and is intended to run for up to five years, helping to create safer, more stable neighbourhoods across the borough.

Full analysis of the Housing Tenure Survey data can be found in Appendix 1 of the Proposed Additional Licensing Policy.

### **Alternative options considered / risk management**

1. Do nothing/continue with the current arrangements. This would not meet the commitments made in the Council motion and would not have any impact on the issues arising within the private rented sector leading to that Council motion, or future implications of the Renters Rights Bill. This option is not recommended.
2. Consider the use of other powers to deal with issues with HMOs, i.e. further interventions and enforcement for housing standards breaches, use of ASB and environmental crime powers, further education and engagement with private landlords to achieve higher standards of management within the sector. This option is viable and can be used either in isolation or alongside an Additional Licensing Policy, where justified. However, the Council motion recognises that the use of existing powers has not effectively controlled the impact of HMOs on local communities.
3. The Council could consider a partial Additional Licensing Policy which applies only to certain Wards, however, the evidence demonstrates that concerns across every data set is present in all Wards.

### **Democratic compliance / previous authority**

Cabinet may consider and determine matters in relation to additional licensing. Any decision to extend the Article 4 Direction for small HMOs would require approval by Full Council.

### **Select Committee comments**

None at this stage.

## SUPPORTING INFORMATION

### 1.0 Proposed Project Timeline

The project timeline to consider additional licensing is set out below and is currently on schedule:

Project stage	Date/Deadline
Provision of full Housing Tenure Survey report	August 2025
Data Analysis and drafting options for Additional Licensing Policy and potential Article 4 Direction.	September 2025
Financial analysis on potential fees and charges.	September 2025
Consultation plan developed.	September 2025
Cabinet consider draft policy for full public consultation.	23 <sup>rd</sup> October 2025
Consultation starts – <i>statutory minimum of 10 weeks</i> .	31 <sup>st</sup> October 2025
Consultation ends.	11 <sup>th</sup> January 2026
Consultation analysis and formulation of final policy.	January 2026
Implementation planning for Private Sector Housing Team.	February 2026
Cabinet Decision on final policy and fees/charges/ Full Council Decision on Article 4 Direction.	February 2026
Implementation on policy begins.	Spring 2026

### 2.0 Requirements for a full consultation for Additional Licensing

Steps the Council will need to take to ensure that the consultation is extensive and will meet the legal requirements of the Housing Act 2004;

- Full engagement with residents and resident's associations
- Engagement with Ward Councillors
- Engagement with the Private Sector Landlords Forum
- Engagement with known Hillingdon landlords/managing agents and Landlord Associations
- On-line consultation survey to seek views
- Notifications to all surrounding councils advising on proposal
- Notification to Landlord's Associations for comments
- Engagement with organisations with a significant number of transient tenants i.e. Brunel University, NHS, etc
- Engagement with the Metropolitan Police and Police Crime Commissioner
- Engagement with the London Fire and Emergency Planning Authority
- Engagement with internal Council Services i.e. Community Safety, Youth Justice, Care Leavers, Anti-Social Behaviour etc.

The Draft Consultation and Engagement Plan can be viewed in Appendix 3.

### **3.0 Links to Corporate Priorities**

- 3.1 The Hillingdon Housing Strategy highlights the need to develop a more detailed understanding of the private rented sector including its condition, linked to potential concerns regarding fire precautions, inadequate heating, sub-dividing of properties, overcrowding, damp and mould growth and poor housing conditions for vulnerable households. This included an action to 'gather evidence regarding the prevalence of poor conditions in the different parts of the private rented sector and consider the feasibility of different discretionary licensing options.'
- 3.2 The evidence will inform wider strategic and policy issues which the Council can consider. For example, conversions of sheds/garages/outbuildings, exploitation, modern slavery and trafficking, those arriving to the UK through Heathrow, vulnerable tenants etc.
- 3.3 The evidence has indicated 1,871 hidden HMOs, which could lead to additional Council Tax and Business Rate income streams for the Council.

### **4.0 Conclusion**

- 4.1 The analysis of Housing Tenure and borough profile data results in a recommendation for a borough wide Additional Licensing Policy for Houses of Multiple Occupation (HMOs).
- 4.2 The project is on track and commits to deliver a 10-week consultation and engage with residents and various stakeholders.
- 4.3 The proposed policy enables additional regulatory controls on HMOs in the borough which would help to address the issues identified, including anti-social behaviour, poor housing conditions, and safety concerns.
- 4.3 The workstreams mentioned in this report are currently unbudgeted with the exception of the Housing Tenure Report. However, they utilise in-house resources where possible to keep cost to a minimum.
- 4.4 The Council must also consider the implications of the Renters Rights Bill, which will introduce new regulatory responsibilities and enforcement powers.

### **Financial Implications**

Additional licensing for Houses of Multiple Occupancy is currently at a formative stage and being managed within the existing resource and as such will not require any immediate financial budget.

Approval of this new policy will be decided in February 2026 by Cabinet and upon this decision costs connected to these works will be assessed for budgeting purposes to ensure any operational ongoing financial impact will be fully contained within the service area. To that end relevant Fees and Charges will be factored in to ensure full cost recovery.

## RESIDENT BENEFIT & CONSULTATION

### **The benefit or impact upon Hillingdon residents, service users and communities?**

Evidence shows that a significant proportion of HMOs in the borough are being managed ineffectively, proven by the cumulative presence of serious housing hazards and/or significant and persistent ASB.

For residents, the proposed measures aim to improve housing standards, reduce anti-social behaviour, and enhance neighbourhood quality. Benefits would include better landlord accountability, safer living conditions, and more consistent enforcement.

Residents and the wider community will have an opportunity to submit their views to the Council for full consideration through a full public consultation exercise.

The Human Rights and Equalities Impact Assessment will be updated upon close of the consultation period to take into account the full range of information available.

### **Consultation & Engagement carried out (or required)**

As the Council proposes an Additional Licensing Policy based on the analysis of need to date, it is necessary to undertake a full public consultation and engagement exercise.

As Additional Licensing would have a significant impact on HMO administration and management in the borough, a longer consultation period is needed for a minimum of 10 weeks to ensure that appropriate time is given to full engagement exercises.

The consultation will start on 31<sup>st</sup> October 2025 and end on 11<sup>th</sup> January 2026. During this consultation period, the Council will engage extensively with residents and landlords.

## CORPORATE CONSIDERATIONS

### **Corporate Finance**

Corporate Finance have reviewed this report and concur with the Financial Implications set out above, noting approval is sought for the draft Additional HMO Licensing Policy and associated proposed licence conditions, along with the draft Fee Schedule, can proceed to public consultation.

Furthermore, it is noted, the programme to develop the Additional Licensing Policy including the consultation will utilise existing resources to contain the costs associated within existing budgets, which will be monitored through the regular monthly monitoring cycle.

Additionally, it is noted that if in February Cabinet approve the new Additional Licensing Policy, the scoping of service resources and the relevant fees and charges will be assessed to ensure full cost recovery of the service and included within the MTFS.

## Legal

Legal Services notes the proposed implementation of an Additional Licensing Policy together with Table of Fees and Consultation and Engagement Plan. The main provisions from the relevant legal framework under the Housing Act 2004 are already included within the body of the report and referenced under the 'background papers' section of this report.

The scheme is proposed under Part 2 of the Housing Act 2004 and will permit Hillingdon Council to designate areas for additional licensing of HMOs not covered by mandatory licensing. The proposal is to implement a borough-wide additional licensing scheme.

Sections 56 and 57 outline specific requirements that must be carried out before adopting the proposed policy.

### *Ineffective management of a significant number of HMOs*

Hillingdon Council must demonstrate that a significant proportion of HMOs in the area are being managed ineffectively, resulting in problems such as anti-social behaviour or poor housing conditions ensuring consistency with Hillingdon's housing strategy and coordinated approach to homelessness and empty homes.

Extensive research has been carried out and evidence gathered to justify a borough-wide approach as outlined in the commissioned Housing Tenure Survey. Key features of the survey have identified:

- An estimated 2,537 HMOs exist in Hillingdon, of which only 666 are licensed indicating 1,871 hidden HMOs.
- 30% of HMOs in Hillingdon are predicted to have serious housing hazards, three times the national average.
- 3,850 ASB incidents linked to HMOs over five years, with repeat ASB indicating poor management.
- HMOs are dispersed across all wards, not concentrated in specific areas
- Existing enforcement powers under the Housing Act 2004 are reactive and slow, and voluntary schemes lack reach and enforceability.

### *Statutory Public Consultation*

Section 56(3) outlines that Hillingdon must conduct "*take reasonable steps to consult persons who are likely to be affected by the designation and consider any representations made in accordance with the consultation...*" Statutory consultation must be inclusive and transparent. A minimum of 10 weeks is proposed, which is in line with precedent, best practice and judicial fairness.

The consultation must fulfil established public law principles on consultation, namely fairness and adequacy, which are mainly defined by the 4 Gunning principles:

- 1) Consultations must occur while proposals are still at a formative stage
- 2) Sufficient information needs to be supplied to consultees to give the consultation 'intelligent consideration'



- 3) There needs to be an adequate time for the consultees to consider the proposal and respond
- 4) Conscientious consideration must be given to the consultation responses before decisions are made

### *Other Public Law Considerations*

Hillingdon Council must also consider that its decision to implement a borough-wide additional licensing scheme is Wednesbury Reasonable, the decision must therefore;

- Be based on relevant considerations (e.g. housing conditions, ASB data).
- Not influenced by irrelevant factors.
- Not irrational or perverse.
- Supported by evidence and consultation outcomes.
- Proportionate and within the powers granted by legislation.

The additional licensing scheme must also be mindful of its public sector equality duty (PSED) under section 149 of the Equality Act 2010. To this end, a comprehensive an Equality and Human Rights Impact Assessment (EHRIA) evaluating the potential impact of the proposed policy on different groups within the borough has been carried out as part of the proposal. It is recommended that the EHRIA is revisited and updated post consultation.

### *Fee Structure and Cost Recovery*

Section 63 of the Housing Act 2004 permits Hillingdon to require any application for a licence under Part 2 to be accompanied by a licence fee. This fee may properly cover all costs incurred by the Council in carrying out its licensing functions.

Having developed a two-part fee structure (see Table of Fees), Hillingdon has had regard to the legal precedents established in *R (Hemming) v Westminster City Council* and *R (Gaskin) v LB Richmond Upon Thames* [2018] EWHC 1996 (Admin). These cases confirmed that the EU's Provision of Services Directive enshrined in UK law as the Provision of Services Regulations 2009 applies to licensing fees and the processes involved in implementing and delivering such schemes.

The Directive and case law require that fees must be split into two distinct stages:

Stage 1 (Part A): Covers the costs of administering and processing the application. This fee is payable upon submission and is non-refundable if the application is unsuccessful.

Stage 2 (Part B): Covers the costs of managing and enforcing the scheme. This fee is payable only if the licence is granted.

Local authorities are not permitted to demand fees in advance for anything other than the costs of administering the application. However, they may legitimately recover wider costs once a licence is approved. This two-stage approach ensures transparency, fairness, and compliance with legal standards. It is recommended that Hillingdon review fees and charges annually to ensure they remain proportionate and cost neutral.

## *Conclusions*

The proposed borough-wide additional licensing scheme is legally justified under the framework and supported by robust evidence. It aims to improve housing conditions, reduce ASB, and enhance tenant safety. Implementation is subject to statutory consultation and Cabinet approval.

Following the consultation, there will be a further Cabinet report submitted. Further legal commentary will be provided at the appropriate stage, informed by the outcomes of the public consultation and the recommended course of action arising from it.

## **BACKGROUND PAPERS**

- [Housing Act 2004 \(legislation.gov.uk\)](https://legislation.gov.uk)
- [The Licensing and Management of Houses in Multiple Occupation \(Additional Provisions\) \(England\) Regulations 2007 \(legislation.gov.uk\)](https://legislation.gov.uk)
- [Houses in multiple occupation and residential property licensing reform: guidance for local housing authorities - GOV.UK \(www.gov.uk\)](https://www.gov.uk)
- [Cabinet update report – July 2025](#)