

## **HMO Licence holder survey**

### **Introduction**

We're seeking your views as a licence holder of a house in multiple occupation (HMO) in the city.

We want to introduce a new way of licensing HMOs to recognise and reward well performing landlords/agents and target the council's resources to those who are not managing their properties as effectively. If agreed this would come into place from 1st December 2023.

Currently, well performing landlords/agents who are compliant and are managing their properties well, pay the same licence fee and are granted a licence for the same duration as poorer performing landlords/agents. Typically, these licences are granted for five years. This approach is used by most local authorities in the country, but feedback we received during a consultation on HMO licensing in 2022 indicated that landlords feel this is unfair.

Because of this we are proposing to introduce a new approach to HMO licensing. Under the new scheme, poorer performing landlords/agents would be kept under closer review with short licence terms. This in turn means their properties will be inspected more frequently and they will pay more for their licence than well-performing, compliant landlords/agents. This is because the council will have to dedicate more resources to improve poorer performing landlords/agents.

If introduced, from 1 December 2023 we will gradually roll out these changes to all new and current HMO licences by assessing applications for Mandatory HMO Licences (occupied by five or more tenants) when they are next renewed.

We will issue HMO licences for one year, two and a half years, or five-year periods. The HMO licensing team will assess each application to identify which licence term the applicant will qualify for.

Licensing fees are charged on a cost recovery basis, and reflect the resources needed to administer each type of licence. Under the new proposals those eligible for a five-year licence will pay less than they currently pay under the existing mandatory licensing scheme, providing a saving for well-performing landlords/ agents.

We have already agreed to introduce these changes to all HMO licences issued under the additional licensing scheme starting from 1 September 2023 (HMOs occupied by three or four tenants, or certain converted buildings). This proposed change to mandatory licensing (HMOs occupied by five or more tenants) will align the council's HMO licensing schemes, ensuring consistency and equality for all HMO licences. We are also proposing to update the licence conditions for HMO licences, also as a result of feedback we received during a consultation on HMO licensing in 2022.

There is more information available here (item 9): [Agenda for Cabinet on Tuesday, 25th July, 2023, 2.00 pm Portsmouth City Council](#)

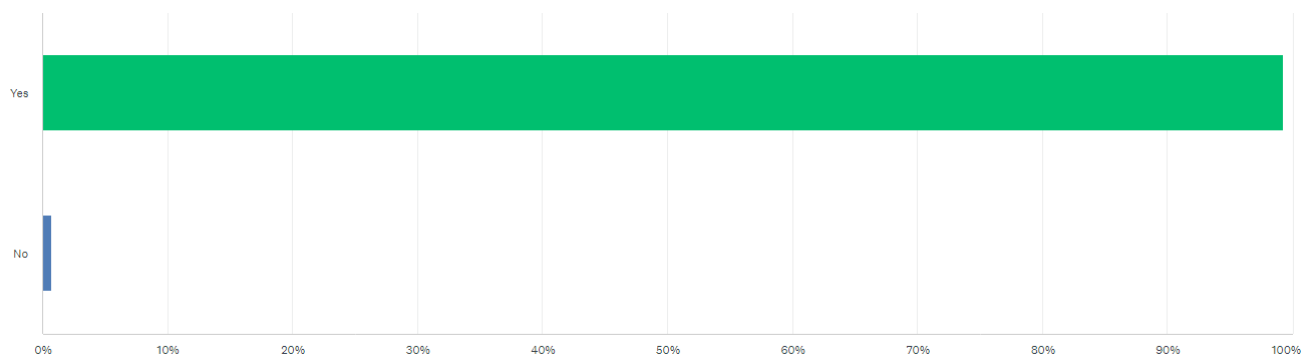
The survey was open from 26<sup>th</sup> July 2023 to 16<sup>th</sup> August 2023, and all current licence holders (695 in total) were invited to participate in the survey. The survey was available online and a paper format was provided to those that required this.

144 Responses were received in total, which equates to a response rate of 22% of all current HMO licence holders. The following shows the responses received.

Are you a licence holder of a licenced house in multiple occupation (HMO) in Portsmouth?

Answered: 144  
Skipped: 0

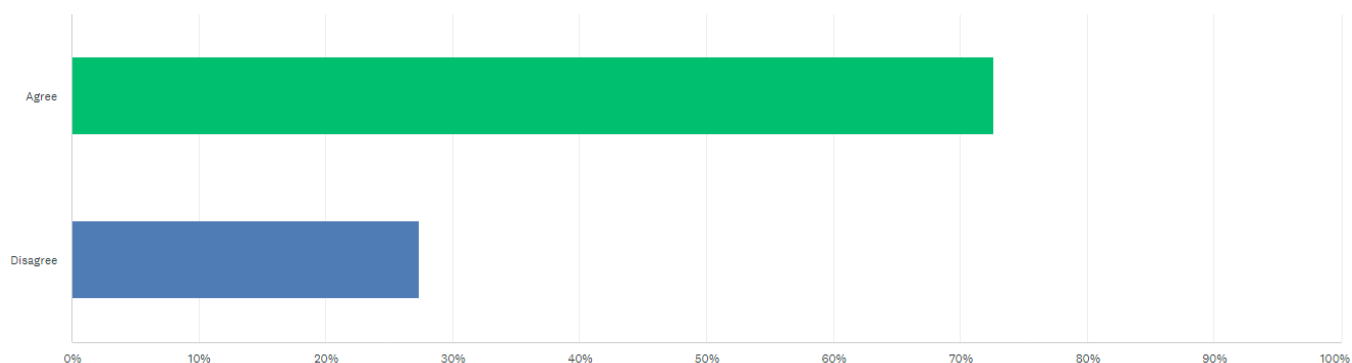
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Do you agree or disagree that these changes should be applied to the council's existing mandatory licensing scheme?

Answered: 128

Skipped: 16



Why do you disagree?

Answered: 29

Skipped: 115

- The current licensing is adequate
- There are enough rules in place to ensure that landlords maintain their properties to a high standard, this brings additional costs to landlords who already adhere to the rules and will drive an increase in rental costs to tenants.
- Because I don't feel a bad landlord is the one landlord who is applying for a licence in the first place. A bad landlord should be classed as the one who is running an HMO and not applied for the licence. If there are issues when the house is inspected and the landlord sorts these out in short period of time I see no reason to not grant them a 5 year licence.
- As is always you are punishing those that do it correctly , just another bill to get a certificate to say we are doing what we always do , I note you are not reducing the fee for " good Landlords "
- Pervious licensing scheme did not achieve the required goals. This is politically driven.
- The £53 annual benefit to a good 7 bed landlord is not commensurate to the £735 a year punishment to a bad 7 bed landlord - I think the spirit of the scheme is good however, I just feel the 'upside' should be more significant
- I feel this scheme only punishes bad landlords. I don't see the incentives for good. Also because it says if you don't have planning you will be penalised however with the 7 bed properties I have it has been stated Sui Gen is not needed as its not deemed a material

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change. I feel this will now go against me and cost me more for a HMO license when I am in fact a very good landlord.

- There are already enough changes nationally effecting landlords. These changes are sadly trickling down to tenants because the landlords can't shoulder all the costs. I class myself as a well performing landlord and my tenants would agree. The security of 5 year licences gives both myself and my tenants much better peace of mind because of the security they provide. By changing this policy to shorter licences the council risks adding to the housing crisis because there will be less accommodation available. Coupled with this, if landlords have licences removed this could further cut down on housing or also leave tenants homeless adding to the crisis further.
- This will just add more costs ultimately paid by the tenants. It should simply be no license if bad landlords don't make the expected grade like it currently is.
- Fundamentally, this is prone to abuse and variation based on assessing officer. I am of the opinion that the existing standard should remain. It is wrong to charge landlords more because they need to be inspected more often. There should be no difference in fee payable. However, frequency of inspection should change depending on compliance for EACH property, rather than for each landlord. Some landlords own multiple properties and have marked variation across them. Don't focus on landlord. Focus on property.
- You are making it very difficult to provide a service with zealous inspections looking fir trouble with some aspects not making sense. You will have more Landlords selling up and more people seeking accomodation.
- utter waste of time
- Overcomplication for no need. Certainty/security of a 5 year license enables long term planning, shorter licenses do not. It is the councils responsibility to police poor landlords anyway, so why change?
- Same fair standards need to be applied to all landlords without discrimination of one is better than another
- It is not a reward. Costs are already increasing even for the five year license. So it is a penalty, just a bigger penalty for shorter licenses. Doubling the license duration for accreditation is also a joke.. accreditation is a very simplistic process. Finally, you do not have the resources to inspect all these shorter licenses more regularly, you can barely keep up with the existing schemes.
- This is another way to drive out the smaller landlords in favor of your own accommodation blocks and the larger landlords who are in favour with Portsmouth City Council.
- Because looking at the new costs of renewing the licences this isn't at all about 'rewarding' good landlords, it is just about finding excuses to be able to bring in more money for the council.
- Portsmouth City Council has consistently demonstrated an anti landlord approach. I notice that your idea of a "longer"license is actually still just the standard five years. A longer license should be more like eight or 10 years. I suspect that tPortsmouth City Council are simply using this as a ruse to ensure that the average length of all HMO licenses reduces from five years down to 2 1/2 years or less. Trust levels with PCC are at an all-time low, and I do not trust ANYTHING that they choose to do will prove to be of benefit to landlords.
- Good landlords are already under pressure following rules and regualtions. We believe landlord who abide by licensing rules are good landlord no point in hammering them further with more red tapes and extra licensing fees. Tenants can take landlords to court easily for non compliance so they are well protected. Landlords need more protection against rouge tenants. Also what is the definition of a bad landlord vs good landlord? Why punish landlords who are already abide by HMO rules and regs?
- I don't know how you will achieve the 'cost recovery' objectives. The process is bureaucratic enough as it is.
- there is a PCC political agenda of certain council members bashing GOOD QUALITY LANDLORDS AND OPERATORS (because they can) and failing to take to task the LANDLORDS that consistently operate poor standards of property, where not much action is taken by the LA to hold them to task, even though the LA has the powers to do so!! This will merely be a way for the LA to reduce licence terms under a subjective process which will further penalize landlords who operate good quality stock with strong managements. These landlords are profitable as they operate with good systems ad processes. The profitability will be targeted by the LA that is under constant budgetary pressures which will entail LA

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individuals / officers acting accordingly. This unintended consequence will not help good landlords and will put costs up. This will only be passed to the tenants, the people that the government are currently seemingly trying to assist!!!

- PCC cannot source enough staff for the new workload under additional licencing structure. Just had an 'initial' inspection on a mandatory HMO after 4.5 years!
- I am concerned that the decision as what type of landlord you are categorised as will be very subjective. In a recent meeting between the Council and Portsmouth Landlords your speaker indicated that you only expected 10% of landlords to be good and receive a five year licence.
- There is no definition of what is a good landlord and what is a poor landlord. Therefore, how can a landlord meet the good Landlord criteria?
- The change from 5 to 3 people who are unrelated was changed back in the noughties when council struggled for money, then it was changed back to 5 or more and now times are hard again it has been re-introduced. It obviously was not done for safety or it would never have changed back the last time!
- Because it does not reward the better landlords who have provided quality accommodation for many years. It only penalises the poor quality landlords. The increased costs overall (utilities, mortgage rates, punitive tax etc) allied to punitive legislative changes mean I am selling my HMOs removing quality homes from the local housing market. The government persecution of private landlords has lead directly to this decision. There is no benefit to being a good landlord. This proposed scheme keeps good landlords exactly where they were..... Landlords providing sub standard accommodation should be heavily penalised with removal of the licence and fines. They get the rest of us a bad reputation when we invest time and money providing good standards
- 1. There's clearly an anomaly in the proposed Fee Structure with the £862 (5-bed base) Part 2 fee on a 5-year Renewal being higher than for the £825 for a New Application. This is not the case in the current fees, nor proposed for the shorter duration licences. It looks as if, perhaps, the Part 2 Renewal Fee was intended to be £762 not £862; is this a typo/error? 2. The proposals include conditions which are in breach of / beyond the scope allowed by Housing Act 2004, and otherwise legally dubious, and potentially exposing PCC to costly legal action... 2.1. The requirement that Tenancy agreements include specific points (payment method, etc) will clearly be in breach of Housing Act 2004 section 67 (6), which states: "A licence may not include conditions requiring (or intended to secure) any alteration in the terms of any tenancy or licence under which any person occupies the house.". 2.2. The legal basis for the accreditation requirement for a 5-year licence is not at all obvious. If permissible at all (ie within the scope set out in Housing Act 2004 section 67, it would appear to be a very loose and indirect interpretation of section 67 (2)(f): "conditions requiring the licence holder or the manager of the house to attend training courses in relation to any applicable code of practice approved under section 233.". Whilst, it is plain that PCC can demand a landlord attends training in nationally approved codes of practice as a one-time event, it is not at all clear they may require an ongoing affiliation with a third-party organisation. This would certainly be open to legal challenge, and if that occurs several years down the road, it could lead then to class-action financial claims for the difference in licence fees as being owed to a large number of landlords denied a 5-year licence simply for not being accredited. PCC legal counsel needs to review this. As an alternative, it would be far cleaner, ie plainly lawful, to specify/list nationally defined codes of practice that landlords are expected by PCC to have some formal training in at the beginning of/shortly after a licence term, with examples of courses/providers that cover the material, but then also allow accreditation as an alternative to attendance of the one-time courses. 2.3. Stipulating in the promotional materials that alterations subject to Building Regulations must be certified by Local authority Building Control (LABC) is likely a breach of Unfair Trading Regulations 2008. Besides LABC, there are 2 other perfectly legitimate ways to have Building Regulations Compliance certified: (i) Using a provider on the competent persons register, that is, someone qualified to self-certify their work (eg any FENSA registered window installer or any Gas-safe certified gas fitter), and (ii) a private Building Control Body (BCB) on the CICAIR register. Whilst in reality, it is unlikely PCC would dismiss a valid certificate, the misleading omission of the alternatives in the published licence conditions is, on the face of it, a breach of Unfair Trading Regulations 2008, with reference to paragraphs 3(3)(b), 3(4)(b), 6(1)(a) therein; this potentially exposes PCC to costly legal action in the future. 2.4. PAT testing provider restriction is wholly unreasonable and unjustified. A prohibition on using good quality services provided the multitude of small local businesses in Portsmouth area, well-established in providing PAT Test services to local HMO Landlords,

simply because they do not also offer services subject to Building Regulations Compliance (and thereby qualifying to be on the national Competent Persons Register) is outrageous. PAT testing has nothing to do with Building Compliance and, so, the Competent Persons Register is not relevant to PAT test specialists. Whilst all electricians on the Competent Persons Register will do PAT testing in certain contexts, eg together an EICR on a 5-year cycle, few electricians fully-qualified for installation/alteration work will want PAT testing work on it's own. Whereas those specialising with appropriate skills and experience and dependent on the work will be barred by PCC with the new proposed Licence Conditions, potentially with devastating consequences to their businesses. Again, this may expose PCC to potential legal action from the affected businesses, or Landlords being forced to pay higher costs to fully qualified electricians who price services significantly higher than PAT specialists to avoid the work. 3. Licence conditions relating to Housing Act 2004 section 67 (2) (b) do not pass the test of being "reasonable and practicable" as stipulated in the wording of 67 (2)(b). 3.1. Requiring written procedures for ASB in the case of a self-managing landlord with a small portfolio of 1 or 2 properties and no staff at all having written procedures makes no sense, it is not reasonable. Anti-Social Behaviour can take so many extremely varied forms and the most appropriate action will naturally be guided by principles and values rather than procedures. A "reasonable and practicable" step towards reducing ASB would be something less pointless or onerous like: " the licence holder shall provide a PCC published guide on what constitutes ASB to tenants at commencement of each tenancy." with PCC then also producing such a guide to be given to tenants. 3.2. Requiring that licence holders provide contact details to occupiers of adjacent properties does not pass the "reasonable and practicable" test either. When a neighbouring property is another HMO with a high turnover of occupants, it is not at all reasonable to expect a landlord to have any knowledge of when those neighbouring occupants change. Even in the case that there is a a long-standing owner-occupier directly next door on the same street, that would be generally easier, of course, to effect, but still really hard to prove that it had been done. You drop a card through the letterbox, which may be discarded. When the neighbour calls PCC, they deny ever having received the information. From PCC's perspective, it will appear to be breach of the licence conditions when it isn't. Furthermore, there is no definition here of adjacent; presumably it's the neighbours with party walls that are the key concern, but the curtailage of the property may be technically adjacent to several properties on another street. There's no clarity here on what would constitute proof of compliance. It's really poorly-thought through and is not mature enough to be included as a licence condition at this juncture.

- Some of the requirements for a five year licence have little to do with actual performance or standards. For example, accreditation can be passed with very little effort and serves as a tick box exercise. Planning also generally has little to do with performance and there are plenty of properties involved that don't legally require planning permission, which is contradictory. Most of the problems that come up within these areas can be served best with other existing legislation/powers so just creates problems and costs for landlords/agents with no prior performance issues. The planning issues would have resolved by itself at some point now that conveyancing solicitors are properly undertaking due diligence and requiring planning/lawful Use certificates upon the sale of HMO properties for some time now. Linking five year licences to a department (planning) that is not currently operating effectively is a bad choice at this moment in time. The current housing market is such that tenants are less likely to complain about bad landlords due to fear of homelessness so this is where efforts could be better focussed. Perhaps offer anonymous investigation (not reporting to the landlord immediately) with the tenant until determination of whether there is a fault with the landlord that you are able to act upon with the permission of said tenant might help? This way, you are more likely to obtain better information about possible rogue landlords/agents who have more than one property that you can work towards watching closer on other matters?
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- As an experienced landlord with several properties letting to students, I have many years experience of PCC licensing. From my point of view it has mostly consisted of submitting documentation and not much else. Adding extra layers and changing structures will create more administration for the council and take up resources which could be used to locate and prosecute the illegal (under the radar) landlords.
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## Do you have any further comments?

Answered: 67

Skipped: 77

- The costs for the new licensing feel disproportionate for a scheme that is supposedly at cost.
- na
- The assessment of poor performance sounds as if it may be a bit arbitrary? I presume that the assessment criteria will be available for scrutiny? On the whole, I consider the cost of HMO renewal to be excessive.
- No other than if someone applies straight away for the licence and is a member of PDLA and NLA they should automatically be eligible for a 5 year licence.
- I think its a fair approach
- The landlords that will comply are the good ones , those in the back ground that you do not know about will just continue and we will just end up paying more for what will probably turn out to be a worthless certificate
- I believe this will incentivise landlords to make sure the property is fully compliant with current hmo guidelines and believe it is a great idea going forward
- I am totally in favour of introducing measures that make the life of non-compliant landlords more difficult and expensive
- no
- I think that it is a fair scheme. My only comment would be that if an HMO is not up to standard, the Landlord is given an appropriate timeframe to remedy the problems. If they do not make the required improvements, then they should be penalised.
- I feel we would be considered a "good landlord " as we always try to comply ,but would like to know what the criteria is. At times we felt we were doing anything requested correctly to comply, to be told later on there were other items that were different to what we thought we were applying . There just needs to be clarity on requirements.
- Please change the need for a Sui Gen on a 7 bed house.
- no
- The proposal makes sense. It will make better use of council resources.
- This is a good idea, and a welcome move. For a long time it has felt like, by pro-actively keeping on top of licensing, maintenance and accreditation, we are actually at a financial disadvantage to those landlords who try and avoid detection. This is a step in the right direction towards making the bad landlords pay more towards HMO regulation, rather than keep targetting the good ones.
- I think that all the officers who do inspections should really read and understand all of the requirements because on multiple occasions landlords have been failed on things, that at appeal, have passed because the inspector was unfamiliar with all of the regulations.
- Good landlords who comply with all legislation should be given some recognition for running good properties, it is usually the bad landlords who dont even register
- The criteria for grading performance needs to be clearly defined and transparent and not a subjective view from assessors. This should be published in advance of starting the scheme so Landlords can align their performance to the criteria in advance of applying for a renewal.
- yes I think this is a good idea
- No
- It appears PCC are using a scheme to increase the cost of a license on hmo landlords to employ more HSO so they can inspect there own properties and housing association properties as this will be a future requirement as PCC has no idea of the condition of this kind of housing stock!
- Good/compliant landlords should have benefits for providing quality accommodation in the City
- This is ripe for abuse and corruption. Having such freedom to charge some people more or less depending on what an individual inspector feels is risky and opens PCC up for appeals and litigation due to potentially unfair application of rules. Keep it simple. Fees are set, but

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frequency of inspections may vary. The current frequency can remain, but compliant landlords can have it less frequently (cutting cost for PCC on admin).

- There are many rental houses in Portsmouth that are rented to families and escape regular inspections. Many of these are substandard and have other people living in them that are not related. Thus needs to stop
- We despair.
- stop building empires
- may be the council can look into keeping the same number of rooms in spite of small communal areas, as those areas are hardly used by the tenants.
- Your idea is a fantastic initiative for professional landlords who keep their properties in the best condition possible. To be in the same band as poor landlords who do not actively maintain their rentals is unfair so to create this system is effective, efficient and rewarding. Many thanks, [Personal details removed].
- Stop making it difficult for hmo owners by changing the specifications of the property on a regular basis it's
- The definitions for allocating landlords to one length licence or another need to be very clear, and not dependent upon one officer's assessment. There should also be a right of appeal, particularly if the additional costs for under-performing landlords are substantial. It should also be made clear how a landlord can progress to becoming a longer licence holder.
- Seems fair
- Not sure why I bother responding to surveys and consultations, they are always ignored in favour of the pre-decided outcome.
- what is the point of this survey - one question and 99% will answer the same i guess
- You need to be fair for all landlords. Looks like Portsmouth City Council has even less morals than ever.
- What about non licensed properties. I get lots of tenants through who are from unlicensed ones
- Good proposal for those of us who keep good properties and provide information on time
- Landlord needs more support to deal with rouge tenants. Rent arrears should be made criminal offense not just a civil offense. Buy to let standard will improve if tenants are equally held accountable for wrong doing.
- Would be good to know what proportion of "bad" landlords there are.
- I think there are plenty of ways you could reward better performing landlords. - 7 year licences for exam please. You target them because you have their details and they are upfront and honest and open. The bad ones are underground and difficult to deal with so you focus more attention on the good ones which seems counter intuitive
- I believe attending a course to show competence should've necessary for those landlords currently holding a five years license providing they are compliant in all other areas as it seems another unnecessary hoop to jump through and more landlords will avoid declaring HMO'S
- What I do worry about is the lack of advertising of this scheme therefore landlords unaware of it and fail to complete the accreditation in time will be automatically deemed as 'bad' landlords. How can you make that judgement just because they haven't attended a course with the NRLA. This is what licence conditions are for. Make them do the course via a condition as you have done before. Also only 2 accreditation schemes recognised when some landlords may have other training, such as membership with the CIEH :-). Also worry how you guys will administer this. It will be a complete nightmare as it is. Good luck!
- None
- Would be good to help good landlords when needed. We are trying and willing to ensure we provide excellent Accommodation to tenants.
- I have a large portfolio of premium rental property, I have argued for many years that rental property should be star rated 1 to 5 stars, would you go to a 1 star hotel in Spain !!!! Portsmouth council did it with food. I would welcome a meeting with Private sector housing to put forward ideas to vastly the Portsmouth stock of housing.
- Review the political motives of the LA and the negative impact on Private sector housing
- As long as the rules are applied fairly and also sensibly then I agree with this. I do however, firmly believe that the rules should not be so rigid and there should be allowance for a small degree of interpretation/allowance under the inspection routine. For example if a room is a tiny bit too narrow or a window not exactly right - there should be allowance for judgement both by



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the owner and the inspector and the property should be looked at as a whole. I am very concerned if the regime is too strict many houses will be removed from the PRS and rents will become very high as tenants fight for a room.

- agree that good landlords should be treated better than bad landlords, but PCC do not have the resources and it just looks like a money maker
  - It would depend on how you assess 'well performing'. I am suspicious the extras fees will be applied liberally to poor performing landlords (taking no account of the now non existent responsibilities of the tenants as has become usual). Whereas reduced rates will be very rare. The HMO licence represents to good landlords a stealth tax on top of never ending costs in regard to building regs, fire regs, soaring mortgage costs - you want to pile some more on the top. After 25 years as a landlord of an HMO I have experience which has never been sought. It is a constant effort in regard to management and costs to keep things to a high standard and all legislation progressively does it piles more costs and responsibilities on the landlord and none whatsoever on the tenant - or housing department for that matter. I am even responsible for keeping the property clean and tidy - not the tenants! I employ a cleaner, I still battle with this. In 10 years of legislation nothing has assisted the landlord and I would be astounded if anything in your proposal really does. I have also not received a response after two weeks from Housing at Portsmouth in regard to a renewed licence so is any analysis of how you are actually performing going to be made?
  - Are regular inspections proposed to assess the condition and status of the HMO?
  - I would also like to see the cost of the 5 year licence reduced rather than just the 1 and 2.5 year licence fees increased. This would surely be better and fairer for all with the same, if not more money coming into the council than the previous, flat rate scheme. Landlords also need to be fully aware of the terms / conditions that are required / expected at each tier. So far, from what I have seen, it is rather vague.
  - The revised set of licence conditions overall look like bilge from a brain-storming session without being filtered and appropriately refined and checked for practicability before being published. The fee table too hasn't been checked for error before publication. This is appallingly low quality output from PCC PSH.
  - I don't think 5 year licences should be tied to planning or accreditation that is over and above what is required legally on a national level. The other requirements are fine even if some are unnecessary as required by law elsewhere already.
  - You have to wonder if the medium term goal is to simply increase licence income for a cash strapped council because it will be much more expensive for landlords of smaller properties - unused to the regular "red tape" procedures.
  - Whilst the proposal to licence poor performing landlords for shorter periods will increase the cost to them and incentivise them to do better, the cost of renewing a five year licence has nevertheless increased to more than double what it was a couple of years ago. I do not think this is fair on existing landlords who are compliant. A more moderate increase would be appropriate.
-