CABINET

DATE	19th August 2026
REPORT OF	Councillor Paul Batson, Portfolio Holder for Housing, Infrastructure and Transport
RESPONSIBLE OFFICER	Carolina Borgstrom, Director Economy, Environment and Infrastructure
SUBJECT	Houses of Multiple Occupancy Cabinet Working Group Findings Report
STATUS	Open
FORWARD PLAN REF NO.	CB 06/26/01

CONTRIBUTION TO OUR AIMS

This report supports the Council's strategic aims by focusing resources on implementing a range of new housing legislation to improve enforcement and oversight of standards in the private rented sector. Continued investment in resources to investigate any housing standards complaints received by the Local Authority, would further provide an opportunity to increase our data and insight around the shared accommodation sector and provide further information to inform future policy decisions or regulatory interventions.

EXECUTIVE SUMMARY

This report sets out the findings of the HMO Cabinet Working Group, which recommended further transformational investment into a proactive, intelligence-led approach to validating and inspecting smaller HMOs across North East Lincolnshire. It also recommends that the Empty Homes Strategy and Housing Needs Assessment are referred to a joint Scrutiny Panel for further review.

The Working Group's preferred approach was to progress local validation and targeted inspection activity. Officers recognise the value of that approach. However, given current capacity pressures, the absence of confirmed funding, and the imminent introduction of the national landlord database, officers consider that the most proportionate approach is to defer a standalone local validation exercise and reassess the position once the national dataset is available.

RECOMMENDATIONS

That Cabinet:

1) Agrees to defer any standalone local HMO validation exercise until the national Private Rented Sector landlord database is available, and requests officers review the position once the database has been implemented and its local data can be assessed.

2) Approves the referral of the Empty Homes Strategy and the Housing Needs Assessment to a joint Scrutiny Panel of the Communities Scrutiny Panel and the Transport, Infrastructure and Housing Scrutiny Panel for further review.

REASONS FOR DECISION

The national Private Rented Sector landlord database introduced through the Renters' Rights Act is expected to improve future intelligence and support enforcement, with implementation phased in from October 2026. This will gradually enable the Council to take a more proactive and intelligence-led approach to identifying and assessing smaller HMOs across the borough, so that resources can be targeted towards properties where there is a greater likelihood of housing condition, management or wider neighbourhood concerns. Whilst allocation of transformational has the potential of providing the data more rapidly, it would create a financial pressure on finite transformational resources. It may further divert project management resources from existing statutory and priority work at a point where new legislation is rapidly already increasing the Council's oversight and enforcement options in the private rented sector, which is likely to deliver similar outcomes in a more cost-effective way.

1. BACKGROUND AND ISSUES

1.1 The HMO Cabinet Working Group reviewed the current position on Houses in Multiple Occupation across North East Lincolnshire, with a particular focus on smaller HMOs that do not require planning permission or mandatory licensing. While these properties remain subject to housing standards legislation, the absence of a licensing requirement means the Council does not hold a definitive register.

1.2 The Working Group noted that existing data provides only a screening view and cannot confirm the number, location or impact of smaller HMOs. Current complaint data is not recorded by property status, making it difficult to evidence any direct link with housing hazards, anti-social behaviour, poor management or pressure on family housing.

1.3 Officers therefore developed a data-led pilot to identify properties with characteristics consistent with small HMOs and prioritise them for validation. Initial analysis did not show a direct correlation with anti-social behaviour data but did provide a practical basis for targeted follow-up activity.

1.4 The Group also considered wider housing pressures, including the expected continued demand for one-bedroom accommodation and the potential role of empty homes. These issues are relevant to the future supply of smaller homes and the conversion of older properties into flats or HMOs.

1.5 Members supported further validation of the highest-likelihood small HMO properties, using lower-cost door-knocking or canvassing as an initial step and escalating to proactive inspection where concerns are identified. Officers advised that this would require additional capacity and specialist skills, as current resources are focused on statutory complaint response, selective licensing, Renters' Rights Act preparations and wider private sector housing enforcement.

1.6 The Working Group unanimously agreed that their preferred approach is to undertake proactive, intelligence-led HMO inspections, supported by validation activity. It also agreed that the Empty Homes Strategy and Housing Needs Assessment should be referred to a joint meeting of the Communities Scrutiny Panel and the Transport, Infrastructure and Strategic Housing Scrutiny Panel for further review.

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

2.1 The principal risk is that, without further validation and proactive inspection activity, the Council will continue to have limited assurance over the number, location and condition of smaller HMOs across the borough. This may reduce the Council's ability to identify poor housing standards, ineffective property management or wider neighbourhood impacts at an early stage.

2.2 There is also a resource and delivery risk. Proactive HMO inspection work requires sufficient officer capacity and specialist housing enforcement skills. If additional capacity is not available, this work may impact on statutory complaint response, selective licensing implementation, Renters' Rights Act preparations and wider private sector housing enforcement activity.

2.3 The proposed approach from the working group may help to strengthen intelligence-led enforcement and improve the evidence base on smaller HMOs. It would allow intervention to be targeted towards properties most likely to present risks to residents or communities, but the extent of those risks will only be confirmed through further validation and inspection activity.

2.4 The proposed approach from the working group may also provide a basis for improving oversight of housing standards in shared accommodation and supporting more informed decisions on landlord engagement or enforcement. Any wider benefits for residents and neighbourhoods will depend on the level of resource available, the response from landlords and occupiers, and the outcome of any follow-up action.

2.5 An equality impact screening should be completed if any project work develops. At this stage, no specific adverse equality impacts have been identified. However, people living in HMOs may include residents with lower incomes, single-person households, people with complex needs or those with limited housing choices. Improved oversight of housing conditions may have some positive impact for these residents, provided enforcement activity is delivered fairly, consistently and with appropriate consideration of individual circumstances.

3. OPTIONS CONSIDERED

3.1 The Working Group considered whether to delay further local validation until the new national Private Rented Sector landlord database is introduced under the Renters' Rights Act. The database is expected to improve transparency across the private rented sector by bringing together information on landlords and rented properties and should support councils to target enforcement more effectively once it is fully operational. Waiting for the national data base has the opportunity to provide the requested data validation in a more cost effective way. However, this option was not favoured by the working group as the database will be introduced nationally from October 2026 and phased in over time. It will improve the Council's intelligence in the medium term, but it will not provide an immediate validated picture of smaller HMOs in North East Lincolnshire or address any current housing condition, management or neighbourhood concerns.

3.2 A further option was to rely on existing reactive complaint-based enforcement only. This was also discounted because complaints are not currently recorded by property status and may not identify smaller HMOs where tenants are less likely to report concerns or where wider community impacts are not directly linked to a formal housing complaint.

3.3 The preferred option from the working group was therefore to proceed with local intelligence-led validation and targeted proactive inspections, while using the new landlord database as it becomes available to supplement the local evidence base, support landlord identification and inform future enforcement or policy decisions.

3.4 Officers recognise the value of that approach. However, given current capacity pressures, the absence of confirmed funding, and the imminent introduction of the national landlord database, officers consider that the most proportionate approach is to defer a standalone local validation exercise and reassess the position once the national dataset is available

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

4.1 There may be reputational benefits for the Council in demonstrating a more proactive and evidence-led approach to housing standards in smaller HMOs. However, these should not be overstated. There are also potential risks if residents, landlords or communities perceive the work as intrusive, enforcement-led without explanation, or raising expectations that immediate action can be taken in every case.

4.2 If data validation is carried out, communication will need to clearly explain the purpose of any validation activity, the Council's statutory role, and the difference between informal engagement, requests for information and formal use of powers of entry. This will be particularly important where officers are undertaking door-knocking or canvassing activity before any formal inspection is considered.

4.3 If data validation is carried out, a low response rate should be anticipated, particularly where properties are occupied by tenants, where landlords are not readily identifiable, or where occupiers may be reluctant to engage. This may limit the effectiveness of voluntary validation activity and require follow-up through existing statutory powers, where there is sufficient legal basis and it is proportionate to do so.

4.4 If data validation is carried out, to manage reputational and communication risks, an action plan should be agreed with the Council's communications service. This should include clear messaging for residents, landlords and elected members; agreed responses to enquiries; guidance on the use of formal notices or powers of entry; and escalation routes where safeguarding, serious housing hazards or non-engagement are identified.

5. FINANCIAL CONSIDERATIONS

5.1 The proposed proactive HMO validation and inspection activity cannot be delivered within existing service capacity without impacting other statutory and priority work. Current resources are already committed to statutory complaint response, Renters' Rights Act and wider private sector housing enforcement.

5.2 Additional temporary capacity will be required, potentially through agency or other externally sourced housing enforcement support. This would enable validation, door-knocking or canvassing, and targeted proactive inspections to be undertaken without displacing core statutory duties or delaying existing work programmes.

5.3 The precise financial requirement will depend on the scale and duration of the validation activity, the number of properties requiring inspection, and the level of follow-up enforcement required. Whilst officers prefer to defer the decision for a standalone verification exercise, a costed delivery plan has been developed for information, that setsout the proposed staffing model, estimated agency costs, funding source and implications for the revenue budget.

5.4 The use of temporary agency capacity would provide some flexibility and allow the Council to test the level of demand before considering any longer-term resourcing requirement. It may also support value for money by targeting additional expenditure towards the highest-likelihood HMO properties, although this will depend on the number of properties requiring follow-up and the level of enforcement activity generated.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

6.1 The direct impact on children and young people is expected to be limited, as smaller HMOs are more likely to accommodate single adults or unrelated adults sharing lower-cost accommodation. The current evidence does not suggest that children are likely to make up a significant proportion of residents in smaller HMOs.

6.2 There may, however, be indirect implications for families if the conversion of larger homes into flats or HMOs reduces the availability of family-sized housing. The work may also be relevant to young people aged 16 to 25, including care leavers or those at risk of homelessness, where safe and appropriate accommodation is required.

6.3 Proactive validation and inspection activity may provide further assurance about whether shared accommodation is safe and appropriately managed. Any concerns involving children, young people or vulnerable occupiers should be referred through appropriate safeguarding and housing support pathways.

7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

7.1 The proposal is not expected to have a significant direct impact on climate change or nature recovery, as it relates primarily to intelligence-led validation and inspection activity within the existing private rented housing stock.

7.2 Proactive inspection activity may identify poor property conditions, damp, excess cold, inefficient heating, overcrowding or disrepair. Addressing these issues could contribute to warmer, safer and more energy efficient homes, subject to the nature of any works required, landlord responsibilities and the resources available to secure compliance.

8. PUBLIC HEALTH, HEALTH INEQUALITIES AND MARMOT IMPLICATIONS

8.1 Poor quality housing is a recognised wider determinant of health and can contribute to physical and mental health impacts, particularly where residents are exposed to damp, cold, overcrowding, poor ventilation, fire safety concerns or insecure accommodation. Proactive HMO validation and inspection activity may help identify poor conditions in shared accommodation, although the scale of any public health benefit will depend on the issues found and the ability to secure timely remedial action.

8.2 The proposal also has relevance to health inequalities. People living in HMOs may include residents on lower incomes, single adults, people with complex needs, those at risk of homelessness or people with limited housing choices. Targeted intervention may help reduce exposure to poor housing standards or unsafe living conditions where issues are identified and enforcement or support routes are available.

8.3 The approach is relevant to Marmot principles insofar as housing conditions can influence health outcomes and inequalities. It should be delivered proportionately, with clear referral routes where officers identify wider health, safeguarding or vulnerability concerns.

9. CONSULTATION WITH SCRUTINY

At the Annual Meeting of Council held on 23rd May 2024, it was agreed to establish a Cabinet Working Party to establish the current position with Houses of Multiple Occupation and make recommendations on any suggested areas for improvement back to Cabinet for consideration.

10. FINANCIAL IMPLICATIONS

There are no immediate financial implications to the recommendations within the report. Any future proposals would need to be costed to understand associated budget requirements.

11. LEGAL IMPLICATIONS

11.1 Cabinet is entitled to receive and consider the findings and recommendations of the HMO Cabinet Working Group. Those recommendations are advisory and do not fetter Cabinet's discretion. Cabinet must reach its own decision.

11.2 The recommendations do not authorise any immediate use of statutory housing enforcement powers. Any future validation, inspection or enforcement activity must comply with the Council's legal powers, constitution and data protection requirements.

12. HUMAN RESOURCES IMPLICATIONS

There are no HR Implications

13. WARD IMPLICATIONS

Affects all wards.

14. BACKGROUND PAPERS

None.

15. CONTACT OFFICER(S)

Carolina Borgstrom, Director of Environment, Infrastructure and Resource
Dee Hitter, Assistant Director Environment;

COUNCILLOR PAUL BATSON – PORTFOLIO HOLDER FOR HOUSING, INFRASTRURE AND TRANSPORT

Appendix 1

Purpose: To summarise the estimated costs and key assumptions for targeted canvasser visits and associated HMO inspections.

1. Background

The proposal is to use existing casual canvassers to visit the top 150 identified properties, with HMO inspections undertaken separately where required.

2. Proposed Delivery Model

Canvassers would visit properties during evenings and weekends, use an agreed script, record outcomes and identify any follow-up required.

3. Resource Requirement

The working assumption is five canvassers for four weeks, providing 740 hours in total to support visits to 150 properties.

4. Cost Estimate

Canvasser costs are based on £12.71 per hour. HMO inspections are costed separately at £55 per hour, with an estimated 4 to 5.5 hours per property.

5. Key Financial Assumptions

- Canvasser estimate: 5 canvassers × 37 hours × 4 weeks at £12.71 per hour.
- Recommended canvasser budget includes a 25% allowance for employer on-costs.
- HMO estimate: £55 per hour, with 4 to 5.5 hours per property.
- Estimates exclude travel, equipment, management time, completion fees and complex enforcement activity.

6. Process and Timescale

The process will commence once the scope of visits, agreed script, data capture requirements and pay arrangements have been confirmed. Contact will be made with the casual canvasser workforce to establish availability and interest, enabling deployment arrangements and timescales to be finalised.

7. Delivery Plan

Stage	Key Activities	Lead	Indicative Timescale
1. Mobilisation	Confirm property list, visit scope, script, data capture requirements,	Service lead with operational support	Month 1

	risk assessment and pay arrangements.		
2. Workforce availability	Contact casual canvassers, confirm availability, agree working patterns and identify any training or briefing needs.	Operational manager	Month 2
3. Briefing and deployment	Provide briefing on visit purpose, script, safeguarding, lone working, escalation routes and recording arrangements.	Operational manager with HMO input	Month 3
4. Canvasser visits	Undertake targeted evening and weekend visits, record outcomes and flag properties requiring follow-up or inspection.	Canvasser team	Month 4
5. HMO triage and inspections	Review visit outcomes, prioritise cases, arrange inspections and determine any enforcement or licensing action required.	HMO officers	Month 5 - 11
6. Review and reporting	Collate outputs, confirm inspection volumes, review costs and provide a short delivery update including risks and next steps.	Service lead	Month 12

8. Financial Risks and Considerations

- **Cost uncertainty:** Completion fees, travel, expenses and on-costs should be confirmed.
- **HMO complexity:** Additional time may be required for repeat visits, notices, civil penalties or prosecutions.
- **Delivery risk:** Costs may rise if more properties or visits are required.

9. Recommended Budget Position

The recommended canvasser budget is **£11,757**. HMO inspection costs should be budgeted separately at **£220 to £303 per property**, giving an indicative range of **£33,000 to £45,450** for 150 properties.

10. Summary Cost Table

Cost Area	**Basis**	**Estimated Cost**	**Planning Position**

Casual canvasser visits	5 canvassers × 37 hours × 4 weeks × £12.71 per hour	£9,405	Pay-only estimate
Casual canvasser visits including on-costs	Pay cost plus 26% allowance for employer on-costs	£11,877	Recommended canvasser budget
HMO inspections	150 properties × £220 to £303 per property	£33,000 to £45,375	Indicative inspection budget range
Total indicative financial envelope	Recommended canvasser budget plus HMO inspection range	**£54,282 to £66,657**	**Subject to final property volume and case complexity**

FINDINGS REPORT OF THE
SELECTIVE LICENSING AND HOUSES OF MULTIPLE OCCUPANCY
CABINET WORKING GROUP

1. SUMMARY

1.1 At the Annual Meeting of Council held on 23rd May 2024, it was agreed to establish a Cabinet Working Party (CWP) to conduct a detailed review of Selective Licensing and Houses of Multiple Occupation, with its findings and recommendations to be reported to Cabinet.

1.2 The work program was split into two parts, Selective Licensing and Houses of Multiple Occupation. The Selective Licensing work took place during 2024/25 and reported back to Cabinet in July 2025.

1.3 The second part of the work program sets out to establish the current position with Houses of Multiple Occupation and make recommendations on any suggested areas for improvement as commenced in autumn 2025.

1.2 The membership of the working was:

- Nicola Aisthorpe (Chair)
- Philip Jackson
- Stewart Swinburn
- Les Bonner
- Matthew Patrick

1.3 The working group met on

- 20th October 2025
- 26th November 2025
- 30th January 2026
- 4th March 2026

1.4 The Working Party recognised that challenges associated with HMOs were national in nature, particularly the increasing conversion of three- and four-bedroom properties into HMOs. Members further noted the link between demand in the market for conversions, to local unmet local housing need in relation to availability of smaller self-contained units.

1.5 Members highlighted key concerns, including poor housing standards, overcrowding, and negative impacts on neighbouring residents, particularly relating to parking and amenity.

1.6 Members acknowledged the significant national changes in housing legislation, which will be rolled out to improve standards in the private rented sector.

1.7 Members acknowledged the need for improved data to inform decision-making and requested clarification on the timescales required to obtain robust evidence. It was agreed that further analysis of Census and HEDNA data should be undertaken to assess:

- The estimated number of HMOs in the borough

- The availability of one-bedroom accommodation
- Future demand for smaller housing units

1.8 Officers were tasked with identifying resource and system requirements across Council Tax and Regulatory Services to strengthen data collection on smaller HMOs, including their number, distribution, and local impacts.

1.9 The Working Party endorsed the ongoing transformation of the Private Sector Housing Enforcement service following the conclusion of the Equans contract. This included recruiting additional officers to respond to the new national legal framework but also ensure complaints regarding unsafe or unlawful HMOs were investigated promptly.

1.10 Officers were also asked to report back on whether there was a pattern among the 55 HMOs currently known to the authority that required investigation.

1.11 The working party agreed after listening to all the evidence that the approach to take to help reduce the problems with small HMO's across the borough was carry out proactive HMO inspections. The working party unanimously agreed to recommend to Cabinet that additional resources be considered for undertaking proactive HMO inspections.

1.12 It was agreed that the empty homes strategy and the housing needs assessment (specifically focusing on HMOs and one-bedroom accommodation) should be referred to a joint panel of the Communities Scrutiny Panel and the Transport, Infrastructure and Strategic Housing Scrutiny Panel for further review.

2.0 RECOMMENDED TO CABINET

1) That it be recommended to Cabinet that additional resources be considered for undertaking proactive HMO inspections.

2) That the Empty Homes Strategy and the Housing Needs Assessment be referred to scrutiny (suggested as a joint panel of the Communities Scrutiny Panel and the Transport, Infrastructure and Strategic Housing Scrutiny Panel) for further review.

3.0 NEXT STEPS

The scrutiny working group's findings and subsequent recommendation from this Cabinet Working Party will be included in the Cabinet report to be considered on the 19th August 2026.