

Classification	Item No. 6
Open / Closed	

Meeting:	Licensing and Safety Committee
Meeting date:	Licensing and Safety Committee – 19th February 2026
Title of report:	HMO Licensing Policy and Updated Standards and Amenity documents
Report by:	Danielle Ryan – Unit Manager PRS Enforcement Team
Decision Type:	Council
Ward(s) to which report relates	All

Executive Summary

This report seeks approval from the Licensing and Safety Committee to adopt the proposed HMO Licensing Policy and the updated Standards and Amenities Guidance for Houses in Multiple Occupation (HMOs) across the borough. The introduction of a formal licensing policy is necessary due to the increasing volume of HMO licence applications and the Council’s commitment to strengthening regulatory oversight of HMOs.

The updated guidance provides clearer, more detailed technical standards to support licence applicants, ensuring that HMOs meet statutory requirements relating to space, amenity provision, safety, and management. It also reflects recent legislative changes, including enhanced penalty powers under the Housing and Planning Act 2016 and revisions introduced through the Renters Rights Act 2025.

The policy sets out how the Council administers and enforces HMO licensing, ensuring consistency, transparency and robust decision-making. Adoption of the documents will support improved regulation of HMOs, assist developers and landlords in meeting mandatory conditions, and enable the Council to maintain safe, compliant accommodation for residents. Following approval, delegated authority is requested to allow the Assistant Director for Public Protection and Resilience to make further amendments arising from consultation and any future legislative changes.

Options & Recommended Options

That the Committee approves the HMO Licensing Policy and the updated Standards and Amenities Guidance, and delegates authority to the Assistant Director for Public Protection and Resilience to make any necessary amendments arising from consultation, as well as any future amendments required to reflect new or amended legislation.

Key considerations

This is a Council Function that is delegated to the Licensing and Safety Committee by the Council's Constitution.

This paper is within the public domain.

Community impact / Contribution to the Bury 2030 Strategy

The Policy and standards document is consistent with values of the Lets Do It strategy, including, improving living conditions and therefore reducing deprivation and associated ill-health, whilst enabling a consistent and clear approach with expectations of landlords which will in turn support economic growth.

Equality Impact and considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

The public sector equality duty requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

In undertaking this review, the Council has also considered whether the proposed policy or updated guidance may have any indirect or disproportionate impacts on individuals with protected characteristics. The licensing process applies equally to all landlords and properties and is designed to ensure minimum safety

and management standards across the sector. Importantly, the policy strengthens safeguards for occupants by promoting safer living conditions, which can positively benefit groups who may be more vulnerable to poor housing standards, such as younger tenants, low-income households, or certain minority groups. However, no differential adverse impacts have been identified, and the policy is considered to be applied in a fair, transparent and proportionate manner consistent with the Public Sector Equality Duty.

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
As we do not have a specific HMO licensing policy, we are leaving ourselves open to legal challenge if our decisions lack a clear policy basis	The introduction of policy, strengthens the decision making process and holds the Council accountable to due process. It also provides transparency in our approach to HMO licencing.
Unmanaged HMO growth	The policy sets out the legislative framework surrounding HMOs and combined with our enforcement and civil penalty policies, allows the Council to exercise enforcement powers where operators of HMOs fail to secure a licence (if one is required) The updated guidance document provides useful information to assist compliance with regulations for developers, and promotes safe and quality housing. Although the housing Act 2004 cannot limit the growth of the HMO sector, through the guidance document, we can ensure properties are safe, decent and compliant.
Decline in housing standards and conditions in HMOs without updating standards	Regular reviews of the guidance document to reflect legislative change, ensuring standards are maintained and improving.

Consultation:

There is no statutory requirement to consult on the policy. However, following approval of the updated Standards and Amenity Guidance, a public consultation of six weeks will be undertaken with landlords, developers and other stakeholders . This report seeks delegated authority for the Assistant Director – Public

Protection and Resilience to approve any necessary amendments following the consultation period. As there have been no significant changes, it is not anticipated that revisions will be necessary.

Legal Implications:

The Council has a statutory duty to implement mandatory HMO licensing. The Council is entitled to charge a fee for an HMO licence, pursuant to section 63(3) of the Housing Act 2004.

Failure to consider and respond to new legislation could cause subsequent enforcement action to be outdated and flawed and compromise the Council's ability to tackle poor housing standards. Failure to publish a policy could leave the Council open to legal challenge.

Financial Implications:

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Background papers:

HMO Licensing Policy
HMO Guidance for Landlords

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
HMO	Houses in Multiple Occupation

1.0 Background

1.1 Public Protection has produced a licensing policy (Appendix 1), and updated standards and amenities guidance for Houses in Multiple Occupation (HMOs) across the borough which has been retitled 'HMO Guidance for Landlords.' (Appendix 2).

- 1.2 The need for the introduction of a policy has arisen due to the volume of applications received for HMO licensing. At present we have over 150 large, licensed HMOs and also as a response to the Council motion to introduce a borough wide HMO policy.
- 1.3 As HMOs are covered by a number of regulatory frameworks, it is not possible to have a borough wide, blanket HMO policy. Therefore, work has been undertaken jointly across Public Protection and Development Control to ensure the Council is in a robust position regarding the development and licensing of HMOs across the borough.
- 1.4 The HMO licensing policy is a formal statutory policy framework explaining how Bury Council administers and enforces HMO licensing under the Housing Act 2004. It is written to assist and support for Council officers, managers and committees in their decision making. It provides and outlines the structure for licensing, compliance, planning checks, conditions, renewals, revocations, and enforcement for HMOs across the borough.
- 1.5 The regulation of Houses in Multiple Occupation (HMOs) through licensing under the Housing Act 2004 is inherently limited because planning powers sit outside the remit of Private Rented Sector (PRS) Enforcement teams. HMO licensing focuses on property standards, safety, and management arrangements, but it does not control land use decisions, density of HMOs, or the wider community impacts associated with their proliferation. Planning controls, such as the requirement for planning permission when changing a property from a family dwelling (Use Class C3) to an HMO (Use Class C4), operate independently and are governed by the Town and Country Planning system. Article 4 Directions (not yet in place in Bury) can remove permitted development rights and require full planning permission for new HMOs, giving planning authorities, not PRS enforcement, the power to limit concentrations of HMOs and protect neighbourhood character. Because these planning decisions fall within the statutory responsibilities of the Local Planning Authority, PRS Enforcement officers cannot influence the approval or refusal of HMO developments, nor address issues such as overconcentration, parking pressures, or the cumulative impact of HMOs. These matters sit firmly within planning policy rather than housing enforcement. As a result, HMO regulation through licensing alone cannot manage the spatial distribution or growth of HMOs, meaning effective oversight depends on close coordination between planning and PRS enforcement use decisions, density of HMOs, or the wider community impacts associated with their proliferation. Planning controls, such as the requirement for planning permission when changing a property from a family dwelling (Use Class C3) to an HMO (Use Class C4), operate independently and are governed by the Town and Country Planning system. Article 4 Directions concentration, parking pressures, or the cumulative impact of HMOs-use decisions, density of HMOs, or the wider community

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2.0 ISSUES

- 2.1 There are two licensing regimes under the Housing Act 2004 that relate to HMOs. One is a mandatory and statutory requirement for larger size HMOs, and the other a discretionary power available to Local Authorities to introduce licensing schemes for smaller HMOs.
- 2.2 Currently, Bury only operates mandatory licensing, meaning in broad terms, those larger HMOs, which are occupied by 5 or more persons, forming 2 or more households, sharing an amenity such as kitchen or bathroom require a licence to operate.
- 2.3 The HMO licensing process, as detailed in the newly prepared policy (Appendix 1) outlines the licensing process, and the necessary checks which are undertaken before a license is issued. For a license application to be successful the Local Authority must be satisfied that: the property is suitable for the number of occupants, satisfactory management arrangements are in place, and the license holder and manager of the HMO is a fit and proper person. Once the Local Authority is satisfied on these grounds, it is duty bound to issue a licence.
- 2.4 Conditions are attached to each HMO license, and these a specific requirements relating to the amenities including space, management and condition of the property. The conditions attached to licences are mandatory conditions under schedule 4 of the Housing Act 2004.
- 2.5 To ensure that developers of HMOs are able to meet the mandatory conditions, and be successful in the application for a HMO license, guidance regarding standards and amenities in available on the Council's website. As part of our work around HMOs, in conjunction with colleagues in planning, this guidance document has been updated to reflect the growth in HMOs that has been witnessed, and the new updated guidance is titled 'HMO Guidance for Landlords.', and the new updated guidance is titled 'HMO Guidance for Landlords, February 2026.'
- 2.6 The updated guidance document reflects updates licensing requirements, penalties to reflect the Housing and Planning Act 2016 powers and new Renters Rights Act 2025 revisions – increasing maximum civil penalties up to £40,000. It also expands and provides further detail around technical standards expected in HMOs across the borough.

3.0 CONCLUSIONS

- 3.1 The proposed HMO Licensing Policy and the updated Standards and Amenities Guidance provide a strengthened and transparent framework for regulating Houses in Multiple Occupation across the borough. Together, these documents enhance clarity for landlords, support consistent decision-making, and ensure that HMOs meet statutory requirements relating to safety, suitability, and management. By formalising the Council's approach, the policy mitigates legal risk, improves regulatory oversight, and helps maintain safe, high-quality accommodation for residents.

4.0 APPENDICES

Appendix 1 HMO Licensing policy

Appendix 2 HMO Guidance for landlords

Appendix 3 HMO Standard condition