



Llywodraeth Cymru  
Welsh Government

BACKGROUND, DOCUMENT

# Housing hazards and houses in multiple occupation (HMO) licensing: quality report

This report covers the general principles and processes leading up to the production of our statistics.

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# Glossary

## Dwelling

A building or part of a building occupied or intended to be occupied as a separate dwelling. For the purpose of this return, dwellings include houses in multiple occupation (HMOs) as defined in [Part 7 of the Housing Act 2004 \(UK legislation website\)](#). They do not include individual bedsits (single rooms without the exclusive use of bath/shower or inside WC), but each group of bedsits sharing facilities should be counted as one dwelling.

## Houses in Multiple Occupation (HMOs)

HMOs are dwellings which contain more than one household and cover a wide range of housing types mainly in the private rented sector. They are often occupied by young lower-income single people and can include some vulnerable and disadvantaged groups. For the purposes of this data collection, HMOs, as defined in [Sections 254 to 259 of the Housing Act 2004 \(UK legislation website\)](#), include a building or part of a building which:

- meets the standard test
- meets the self-contained flat test
- meets the converted building test
- has an HMO declaration in force
- is a converted block of flats

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# Background

## Housing Health and Safety Rating System (HHSRS)

The HHSRS is used to determine whether residential premises are safe to live in. It replaced the Fitness Standard in July 2006. Local authorities use the system to determine whether a hazard exists that may cause harm to the health and safety of a potential occupant. When making an assessment, local authorities must consider the most vulnerable potential occupants, for example, when assessing the risk of 'falling on stairs etc.', this would be older people and the very young.

The assessed risks are scored on a scale. Those which score higher on the scale (and therefore pose the greatest risk) are called Category 1 hazards. Those that fall lower on the scale (and pose a lesser risk) are called Category 2 hazards. If a Category 1 hazard is found, the local authority has a duty to take appropriate enforcement action. When deciding on any enforcement action, the local authority may consider the actual occupant (as opposed to the most vulnerable potential occupant). If a Category 2 hazard is found, the local authority may take enforcement action.

## The 29 types of hazards assessed

1. Damp and mould growth
2. Excess cold
3. Excess heat
4. Asbestos and manufactured mineral fibres (MMF)
5. Biocides
6. Carbon monoxides and fuel combustion products
7. Lead

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8. Radiation
9. Uncombusted fuel gas
10. Volatile organic compounds
11. Crowding and space
12. Entry by intruders
13. Lighting
14. Noise
15. Domestic hygiene, pests and refuse
16. Food safety
17. Personal hygiene, sanitation and drainage
18. Water supply
19. Falls associated with baths etc.
20. Falling on level surfaces etc.
21. Falling on stairs etc.
22. Falling between levels
23. Electrical hazards
24. Fire
25. Flames, hot surfaces
26. Collision and entrapment
27. Explosions
28. Position and operability of amenities
29. Structural collapse and falling elements

The introduction of HHSRS represented a significant change in the assessment of properties for occupation. The system moved away from the focus on property condition to the health and safety of potential occupants. For this reason, it is not appropriate to compare statistics compiled under the previous fitness standard with those produced by HHSRS.

The number of assessments and subsequently, number of hazards found, can vary each year depending on the demand for assessments. For example, exceptionally cold winters may lead to a higher number of assessments due to more complaints received about cold.

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## Fitness for human habitation (FFHH)

The **FFHH Regulations** were introduced in December 2022 under **Section 91 of the Renting Homes (Wales) Act 2016 (UK legislation website)**. The FFHH Regulations aim to ensure landlords maintain dwellings to prevent them becoming unfit for human habitation. Please note that whether or not a dwelling is found to contain a hazard under the HHSRS does not pre-determine whether it is unfit for human habitation under the FFHH Regulations. For example, while a slight variation of floor surface may be considered a hazard under the HHSRS, it would be highly unlikely on its own to result in a determination that the dwelling is unfit for human habitation.

## HMO licensing

Local authorities are responsible for licensing, which is mandatory for some types of HMO. Mandatory licensing applies to larger, higher risk HMOs of three or more stories, occupied by 5 or more people. HMO licensing was introduced under the **Housing Act 2004 (UK legislation website)** to help ensure that HMOs are well managed and aims to improve the physical condition and management of various types of properties in the private rented sector. Local authorities have the discretion to extend licensing to other categories of HMOs. This is known as additional licensing and enables local authorities to address particular problems that may exist in smaller properties or in particular geographical areas.

## Selective licensing

The **Housing Act 2004 (UK legislation website)** introduced selective licensing to deal with particular problems in an area. Selective licensing applies to single

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household dwellings (non-HMOs) and is primarily focused on areas of low housing demand and areas suffering from anti-social behaviour. [The Selective Licensing of Houses \(Additional Conditions\) \(Wales\) Order 2006 \(UK legislation website\)](#) sets out additional conditions which apply to selective licensing in Wales. These include firstly, where a local authority has declared a renewal area under [Section 89 of the Local Government and Housing Act 1989 \(UK legislation website\)](#) or has provided assistance in accordance with a published housing renewal policy. Secondly, an area that comprises a minimum of 25% of the housing stock let by private sector landlords (this definition does not include a registered social landlord within the meaning of [Part 1 of the Housing Act 1996 \(UK legislation website\)](#)). Local authorities should be able to demonstrate that these conditions are having an adverse effect on the private rented sector and that this will be addressed by the selective licensing designation. A selective licensing scheme automatically ends after 5 years unless a local authority revokes it earlier. No local authorities have operated under this scheme since 2017-18.

## Housing Act (Wales) 2014

[The Housing \(Wales\) Act 2014 \(UK legislation website\)](#) introduced significant improvements across the housing sector to ensure that people have access to a decent, affordable home and better housing-related services. The Act sits alongside a wide range of policy developments and deployment of resources to increase housing supply, improve housing quality and housing services.

## Quality information

### Users and uses

Data on housing hazards are used by the Welsh Government to monitor the

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quality of private sector dwellings and assess how many have been improved to an acceptable level during the year. This information helps to inform policy and legislation on private housing and provides evidence to evaluate its effectiveness.

Data on HMO licensing is used to monitor the number of HMOs in Wales and how licensing is being implemented across Wales. It is also used to assess local authority effectiveness in supporting national housing priorities. Information on the number of known HMOs was first collected in 2009-10.

## Accuracy

Occasionally a local authority is unable to provide data for a variety of reasons as outlined below.

During the 2022-23 data collection, Neath Port Talbot were unable to complete their return. 2021-22 data has been used as an estimate. Care should be taken in comparing annual data for this authority and for Wales as a whole.

During the 2021-22 data collection, Pembrokeshire were unable to provide a complete return. 2020-21 data has been used as an estimate. Care should be taken in comparing annual data for this authority and for Wales as a whole.

During 2020-21, the onset of the Coronavirus (COVID-19) pandemic and the subsequent public health measures introduced by the UK and Welsh Governments had a substantial impact on local authorities' ability to undertake inspections. Specifically, notably fewer inspections were undertaken overall and, where available, resources were focused on premises at higher risk. This is reflected in the data collected for 2020-21.

Data for 2019-20 was not collected due to the Coronavirus (COVID-19) pandemic.

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During the 2018-19 data collection, Neath Port Talbot were unable to provide data on resolved hazards during the year and therefore an estimated figure has been calculated based on data provided for the previous 3 years. Care should be taken in comparing annual data for this authority and for Wales as a whole.

During the 2017-18 data collection, Cardiff were unable to provide complete data on assessments made during the year and 2016-17 data has been used as an estimate. Care should therefore be taken in comparing annual data for this authority and for Wales as a whole.

During the 2016-17 data collection, two local authorities (Wrexham and Denbighshire) were unable to provide complete data due to changes in their data recording systems. Wrexham provided information on the total number of assessments but were unable to provide a breakdown of these figures. 2015-16 was used to breakdown the 2016-17 totals. Denbighshire were unable to provide data for 2016-17 and 2015-16 data has been used as an estimate. Care should be taken in comparing annual data for these two authorities and for Wales as a whole.

During 2014-15 data collection, Flintshire were unable to provide data on the number of assessments containing category 1 and 2 hazards and the number of dwellings where all category 1 hazards had been resolved as a result of local authority action. 2013-14 data has been used as an estimate. Care should therefore be taken in comparing annual data for this authority and for Wales as a whole.

## Data collection process

Data on hazards and licenses are collected annually by the Welsh Government via Excel spreadsheets, downloaded from the Afon file transfer website which provides a secure method for users to submit data. The spreadsheets allow respondents to validate some data before submitting. Respondents are also

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given an opportunity to include contextual information where large changes have occurred (for example, where there is an annual change greater than 10%). This enables some data cleansing at source and minimises follow up queries.

Local authorities are notified of the data collection exercise timetable in advance. This allows adequate time for local authorities to collate their information, and to raise any issues they may have. Guidance included in the spreadsheet assists users in completing the form.

Copies of the current **Housing hazards and licenses data collection** form are available on the Welsh Government website. Further information on the data processing cycle can also be found in the **Housing statistics quality report**.

## Validation and verification

Once the data has been received, it goes through further validation and verification checks, including:

- common sense check for any missing/incorrect data without any explanation
- arithmetic consistency checks
- cross checks against the data for the previous year
- cross checks with other relevant data collections
- thorough tolerance checks
- verification that data outside of tolerances is actually correct

If a validation error is triggered, the local authority is contacted for resolution. If a response is not received within a reasonable timescale, imputation is used. The local authority will be informed of this. The method of imputation and the affected data will be highlighted in the 'Accuracy' section of this report.

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## Quality assurance

This release has been scored against the **UK Statistics Authority Administrative Data Quality Assurance matrix**. The matrix is the UK Statistics Authority regulatory standard for the quality assurance of administrative data. The Standard recognises the increasing role that administrative data play in the production of official statistics and clarifies what producers of official statistics should do to assure themselves of the quality of these data. The toolkit that supports it provides helpful guidance to statistical producers about the practices they can adopt to assure the quality of the data they receive and sets out the standards for assessing statistics against the Code of Practice for Official Statistics.

The matrix assesses the release against the following criteria:

- Operational context and administrative data collection
- Communication with data supply partners
- Quality assurance principles, standards and checks applied by data suppliers
- Producer's quality assurance investigations and documentation

The release has provisionally been scored as 'A2: Enhanced assurance' against each of the first three categories and as 'A3: Comprehensive assurance' against the final category.

## Revisions

Revisions can arise for various reasons, such as late returns from a local authority, or when a data supplier notifies the Welsh Government that they have submitted incorrect information. Occasionally, revisions can occur due to errors in our statistical processes. In these cases, a judgement is made as to whether

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the change is significant enough to publish a revised statistical release.

Where changes are not deemed to be significant, i.e. minor changes, these will be updated in the following year's statistical release. However, minor amendments to the figures may be reflected in the [StatsWales](#) tables prior to that next release.

Revised data is marked with an (r) in the statistical release.

## Coherence with other statistics

### Welsh Housing Quality Standard (WHQS)

The [WHQS](#) was first introduced in 2002 and sets a target standard for all residential dwellings to be of good quality and suitable for the needs of existing and future residents. The Standard was developed to provide a common target standard for all housing in Wales but is primarily used to assess the social housing provided by local authorities and housing associations (social landlords). Any dwelling found to contain a HHSRS Category 1 Hazard would automatically 'fail' the WHQS.

### Welsh House Conditions Survey (WHCS)

Headline information on the HHSRS was published in the [WHCS 2017-18](#) headline report. The information shown in this report covers all residential dwellings and not just those which were assessed during the year. Full details of the measurement and modelling of these hazards are available in the [Survey Technical Report](#).

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## Welsh Index of Multiple Deprivation (WIMD) 2019

**WIMD** is the official measure of relative deprivation for small areas in Wales, with the latest Index published in November 2019. WIMD is currently made up of eight separate domains (or types) of deprivation, including housing. Each domain is compiled from a range of different indicators.

In 2019, the WIMD housing domain introduced a modelled indicator on poor quality housing which measured the likelihood of housing being in disrepair or containing serious hazards (for example, risk of falls or cold housing). The new indicator is calculated using a model built from survey data, which makes probabilistic predictions about individual level dwellings in Wales, using a range of administrative datasets as inputs. This allows the calculation of estimates of the likelihood that dwellings in an area either contain a Category 1 hazard or are in a state of disrepair.

### Related statistics for other UK countries

Information on HHSRS in England is collected and published by the Department for Levelling Up, Housing and Communities (DLUHC) in Section F of the **Local authority housing statistics data returns (Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities & Local Government)**. HHSRS does not apply to Scotland or Northern Ireland.

The definitions of an HMO are broadly similar across the UK, but different licensing rules apply in Scotland and Northern Ireland. Information on HMOs in England, published by DLUHC, can also be found in Section F of the local authority housing statistics data returns. Scotland collects information on **mandatory licensed HMOs (Scottish Government)** only while Northern Ireland does not publish statistics on HMOs. The differences in licensing requirements and the statistics that are produced mean that care must be taken

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if attempting to draw comparisons between the UK nations.

## National Statistics status

The **United Kingdom Statistics Authority** has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the **Code of Practice for Statistics**.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Statistics. They are awarded National Statistics status following an assessment by the UK Statistics Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is Welsh Government's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

The continued designation of these statistics as National Statistics was confirmed in 2012 following **assessment by the Office for Statistics Regulation**.

Since the latest review by the Office for Statistics Regulation, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

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- Expanded commentary to include more policy and operational context
- Separated Housing hazards, Houses in multiple occupation (HMO) licensing and Demolitions publications to improve accessibility and usability of data
- Enhanced trustworthiness by reducing/removing pre-release access

## Well-being of Future Generations Act

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural wellbeing of Wales. The Act puts in place seven wellbeing goals for Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators (“national indicators”) that must be applied for the purpose of measuring progress towards the achievement of the wellbeing goals, and (b) lay a copy of the national indicators before Senedd Cymru. Under section 10(8) of the Well-being of Future Generations Act, where the Welsh Ministers revise the national indicators, they must as soon as reasonably practicable (a) publish the indicators as revised and (b) lay a copy of them before the Senedd. These national indicators were laid before the Senedd in 2021. The indicators laid on 14 December 2021 replace the set laid on 16 March 2016.

Information on the indicators, along with narratives for each of the wellbeing goals and associated technical information is available in the [Wellbeing of Wales report](#).

The Housing hazards release includes one contextual indicator, namely ‘(31) Percentage of dwellings which are free from hazards’, which was referenced in the Well-being report in the previous link.

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

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The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local wellbeing assessments and local wellbeing plans.

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