



ARTICLE NO:

**CORPORATE & ENVIRONMENTAL
OVERVIEW & SCRUTINY
COMMITTEE**

**MEMBERS UPDATE 2016/17
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Article of: Director of Leisure and Wellbeing

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**SUBJECT: GOVERNMENT CONSULTATION ON EXTENDING LICENSING FOR
HOUSES IN MULTIPLE OCCUPATION.**

Wards affected: Borough wide

1.0 PURPOSE OF ARTICLE

- 1.1 To update Members on the government consultation paper to widen mandatory licensing for Houses in Multiple Occupation and the likely implications and actions required for West Lancashire Borough Council.
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2.0 BACKGROUND

- 2.1 The DCLG have recently consulted Local Authorities on extending mandatory licensing for Houses in Multiple Occupation. The current Regulations require all 3 storey HMOs with shared facilities and 5 occupants or more to be licensed. The consultation proposes to extend mandatory licensing to also include two and possibly one storey properties (including flats) and also badly converted self-contained flats; these are the blocks of flats converted without the appropriate Building Regulation approval.
- 2.2 The DCLG are also proposing to introduce Regulations governing minimum room sizes in Houses in Multiple Occupations particularly bedrooms, this is to avoid unnecessary appeals. The Local Authority will still be permitted to set its own room size standards but these must not be less than the national minimum room size standards if they are introduced.
- 2.3 A copy of the government consultation document; Extending mandatory licensing of Houses in Multiple Occupation and related reforms (A technical discussion document) can be viewed on line at:
<https://www.gov.uk/government/consultations/extending-mandatory-licensing-of-houses-in-multiple-occupation-and-related-reforms>

The Private Sector Housing Team in consultation with the Portfolio Holder submitted a response by 'survey monkey' on the 17th December 2015. A summary of the questions and answers are provided in Appendix 1.

3.0 CURRENT POSITION

- 3.1 There are currently 33 licensed Houses in Multiple Occupation (HMOs) in West Lancashire Borough Council's district. If additional mandatory licensing is introduced the number of properties requiring a license is estimated to be in the region of 300. This estimate is based on information provided by Council Tax and the Edge Hill University accommodation team. Council tax records suggest that there are 503 HMO's in the district but not all of these will have five or more occupants. The University currently has 142 private rented properties registered with them which can accommodate five or more occupants. Not all landlords and property management agents register their properties with the University and we know that this includes some of the larger companies, so we should assume that there could be another 150 properties which will fall under mandatory licensing.

4. RESOURCE ISSUES

- 4.1 As the current mandatory licensing Regulations only cover a very small number of properties there is no dedicated staffing resource for this function. If the government's proposals are implemented, additional staffing resource will be necessary to administer the licensing process and to carry out the necessary inspections and additional enforcement work which will inevitably result.
- 4.2 The current licensing fee for HMO's is £350 and the license is granted for 5 years. Whilst there are no regulations governing licensing fees the legislation (Housing Act 2004 Section 63(3)) allows the Local Authority to charge a fee to cover all of the Local Authorities costs in implementing the licensing and carrying out the inspections.

- **Administration tasks involve:**

- Setting up worksheets and data records.
- Issuing licensing application documents.
- Handling related telephone enquiries.
- Reviewing submitted applications and requesting missing information.
- Carrying out land registry and other information checks.
- Issuing the 'Proposals to License' to relevant persons.
- Dealing with any representations.
- Issuing the License and copies to relevant person.

- **Technical and legal tasks involve:**

- Inspect each property, under the HHSRS (housing health and safety rating system) and other relevant guidance documents, to ensure compliance with HMO Regulations.
- Where relevant issue 'Schedules of Work'.
- Where necessary carry out revisits.

Undertake annual/ bi annual inspections, in accordance with policy.

- **Costs which cannot be covered by the licensing fee are**

Inspections in response to complaints.

Enforcement action under Part 1 of the Act (this is because there are separated fees for issuing enforcement notices such as Improvement Notices and Prohibition Orders).

- 4.3 The cost of delivering this service is currently being reviewed and new licencing fees could be set to cover all or some of the costs incurred. A review of licensing fees charged by other Local Authorities shows that licensing fees varying considerably from £491 in Oxford up to £1200 in Bristol – this is based on data from five local authorities - April 2014 fees.
- 4.4 Some authorities charge more for late applications / unlicensed premises and some charge less for renewals, particularly where the property is in good condition.
- 4.5 As a license is for 5 years some authorities allow payment by annual instalments provided payment is by direct debit.
- 4.6 The Lancashire Housing Enforcement Officers group are intending to collate similar information for each of the Lancashire Authorities in the near future.

5.0 GUIDANCE ON COMPLIANCE

- 5.1 The Private Sector Housing team have produced a guidance document for standards in Houses in Multiple Occupation for West Lancashire Borough Council, but this has not been formally adopted by the Council. This guidance document was developed by the Lancashire Authorities' 'Housing Enforcement Officers Group' and has been adopted by a number of Lancashire Authorities and amended to reflect each authority's local circumstances and their priorities.
- 5.2 If mandatory licensing is extended, the Private Sector Housing Team will seek adoption of this document. The guidance document has proved to be of assistance to landlords in setting the standards expected for compliance with HMO management regulations. The adoption of this guidance will also support the enforcement officers and help achieve consistent standards in all HMOs. An electronic copy of this document can be provided on request.

6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 6.1 The article is for information only, to update Members of the Local Authority's response to a consultation on extending mandatory licensing for Houses in Multiple Occupation and to provide further advice on the implications to the Local Authority if these proposals are adopted and are incorporated into the HMO Regulations. Consequently there are currently no sustainability implications / issues for the community strategy.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

7.1 There are likely to be both financial and resource implications if mandatory licensing is extended as proposed in the governments' consultation paper, as discussed in 4.0 above, but at this stage we are unable to confirm the exact implications until we are made aware of the outcome of this consultation.

8.0 RISK ASSESSMENT

8.1 This item is for information only and makes no recommendations. It therefore does not require a formal risk assessment and no changes have been made to risk registers as a result of this article.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Article.

Other References include

Extending mandatory licensing of Houses in Multiple Occupation (HMOs) and related reforms (A technical discussion document) can be viewed on line at:

<https://www.gov.uk/government/consultations/extending-mandatory-licensing-of-houses-in-multiple-occupation-and-related-reforms>

West Lancashire Borough Councils Standard for Houses in Multiple Occupation
September 2013.

An electronic copy of this document can be provided on request from the Private Sector Housing Team.

Equality Impact Assessment

This article is for information only and does not have any direct impact on members of the public, employees, elected members and/ or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix 1 Summary of questions and answers provided.