

Briefing on Mandatory Licensing of Houses in Multiple Occupation (HMO)

Homes PDG 14th March 2017



1.0 Introduction

The purpose of this briefing is to provide an update on the current position with mandatory HMO licensing and to give details on the expected legislative changes that are due in spring 2017 and the potential impact this will have on the service.

The Housing Act 2004 introduced a requirement for certain types of house in multiple occupation (HMO) to be licenced by the local housing authority. Large HMOs with shared facilities are currently licensed by Mid Devon DC of which there are 9 properties known to us.

The main objectives of mandatory HMO licensing are:

- To regulate the management of these properties.
- To ensure the safety of the occupiers.
- To reduce the impact of these properties on local neighbourhoods by regulating anti-social behaviour.
- To ensure this type of accommodation remains a viable housing option for single people and/or those people on low incomes.

These objectives link to Mid Devon District Councils corporate plan 2016-20 which has four main priorities concentrating on economy, homes, community and environment. HMO licensing relates to the following priorities:

Economy - Improving and regenerating our town centres

- Inspecting and regulating houses in multiple occupation that are often found in town centres.

Homes – Facilitating the housing growth that Mid Devon needs, including affordable homes

- Working with landlords to improve housing conditions across the private rented sector

Community - Promote physical activity, health and wellbeing

- Working to improve health inequalities by ensuring the private housing sector is safe to live in and does not adversely affect health and wellbeing.
- Enforcing standards within houses in multiple to ensure that vulnerable residents residing in these properties are protected from harm.

Environment – Reduce our carbon footprint

- Ensuring that rented accommodation meets minimum energy efficiency requirements.

2.0 Current position

The private sector housing team has been reviewing its processes and documents to ensure compliance with regulations and to maximise the resources on the team to deliver this mandatory duty.

There are 9 HMOs licensed with the council that meet the existing licensing criteria. To date the team have only had capacity to concentrate on monitoring these properties and have not been proactively identifying properties that may require a licence.

The team are in the process of developing a project to identify potential licensable HMOs to ensure compliance with this legislation.

The licence document has also been updated to include a more detailed set of licence conditions to help manage the impact of these properties.

As well as a review of the licence and conditions, the licence fees have also been reviewed. HMO licensing has been in place since 2006 therefore the team are better placed to identify the true cost of dealing with an application. As a result the fee has been re-calculated to enable the council to recover the cost of officer time in dealing with the applications. The fees are discussed separately in the Private Sector Housing fees and charges paper.

The team are moving to an online application form to save printing and postage costs and to encourage online payment of the fee.

3.0 Changes to the legislation

Recently there has been a government consultation on extending the scope of the criteria for mandatory licensing. Currently properties that meet the following criteria require a licence

- 3 or more storeys;
- 5 or more people;
- Forming 2 or more households;
- Sharing of facilities.

The consultation proposed the removal of the restriction around storeys, allowing all HMOs with 5 or more people, forming 2 or more households regardless of the number of storeys to be included in mandatory licensing.

The government intends to adopt this change and will introduce regulations in due course. It is expected that these changes will commence in spring 2017.

The team are in the process of establishing what impact these changes will have on the number of properties that require a licence. The council does not hold relevant information to allow us to predict the locations, numbers and therefore the workload this will generate.

Based on the stock condition survey that was undertaken in 2010 it was predicted that 30 properties required a licence, given that the actual number of licensed HMOs is 9 being 30% of the survey figure, we are predicting that 30% of the survey figure for other types of HMO can be assumed to fall within the new regulations. This equates to approx. 50 properties.

This is a substantial increase in the workload for the team based on the current resources. The fees discussed in the Fees and Charges report have been calculated to take account of the resources required to undertake this work, however this will need to be kept under review to ensure our costs are being recovered.

It is unlikely that these applications will be, simple, forthcoming without the need for intervention from the team or compliant with the licence conditions. This will result in a significant workload for the officers and it may be necessary for additional resources on a temporary basis to deal with the initial implementation of the changes.

4.0 Next steps

- Existing licence holders will be sent a copy of the new licence conditions and advised that they will need to work towards compliance with these before the renewal date of their existing licence.
- Set up of online application process.
- Implementation of a project plan for the delivery of the legislative changes as well as identifying potential properties that need a licence.
- When the regulations have been released, promotion and publicity of the scheme will be necessary to raise awareness and encourage compliance.
- Agreement of the proposed fees and charges by Cabinet.
- Review of the fees after 12 months.

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