

## **PRIVATE SECTOR HOUSING FEES AND CHARGES**

**Cabinet Member:** Cllr Ray Stanley

**Responsible Officer:** Simon Newcombe, Public Health & Professional Services Manager

**Reason for Report:** To provide members with the revised fees and charges for statutory and discretionary functions within the Private Sector Housing team.

**RECOMMENDATION(S):** That Cabinet approve the revised fees as set out in Appendix 1 - Schedules 1 and 2.

**Relationship to the Corporate Plan:**

### **Economy - Improving and regenerating our town centres**

- Intervening in empty homes,
- Ensuring that flats over shops are safe for occupation, and
- 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
- Bringing empty homes back into use as housing across the various tenures including private rented, affordable rent and home ownership.

### **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**

- Providing advice to residents on energy efficiency measures and fuel poverty
- Ensuring that rented accommodation meets minimum energy efficiency requirements.

**Financial Implications:** The revised fees and charges are set out in Appendix 1 of the report. The fees have been updated to reflect current service delivery costs. Any income generated from this activity is unpredictable based on the nature of enforcement action. It is therefore not possible to forecast any income levels for the year.

**Legal Implications:** There are no major legal implications. Where there are specific provisions under legislation, statutory functions or discretionary services for fees to be charged then these are indicated in the body of the report.

**Risk Assessment:** There are no major risks. A failure to update the relevant fees and charges could mean we are not able to adequately recover costs where we are able to do so.

## **1.0 Introduction**

- 1.1 The Private Sector Housing team within Public Health Services carries out duties to ensure that private accommodation meets minimum standards. In particular there are regulations for the licensing, management and use of houses in multiple occupation (HMO), carbon monoxide detectors and smoke alarms, and hazards within the home.
- 1.2 All enforcement activities and relevant fees and charges within this report are set out in compliance with the legislation and the Public Health Services Enforcement Policy adopted in August 2016.

## **2.0 Changes to the fees and charges**

- 2.1 A breakdown of the Council's current and proposed charges in respect of the private sector housing functions is included in Appendix 1 Schedule 1. In addition Appendix 1 Schedule 2 provides 2016/17 comparative information on charges across Devon to provide a level of benchmarking.

### **HMO Licensing**

- 2.2 Section 63(3) of the 2004 Act gives the Council the power to recover all reasonable costs associated with the administration of the HMO licensing function.
- 2.3 The current HMO licensing fee was set in 2006 when licensing was first introduced and has not been revised since.
- 2.4 The officer time and resources involved in processing a new application have been reviewed and a revised fee calculated. As part of this review the issuing of licence renewals has also been considered.

### **Charging for enforcement action**

- 2.5 The Housing Act 2004 section 49 gives the local housing authority the power to charge for certain enforcement action. The provisions are clear that only the costs associated with determining whether enforcement action is necessary, identifying the type of action and the serving of the notice can be recovered.
- 2.6 The average officer time and resources for carrying out these functions have been calculated and a standard fee has been proposed.
- 2.7 Although the charge can be applied to all enforcement action under part one of the Act, it is proposed that the charge is only applied to Improvement notices, prohibition orders, emergency remedial action, emergency prohibition orders and demolition orders.

- 2.8 It is not considered appropriate to charge for the service of hazard awareness notices as these do not require the work to be carried out and are not placed as a local land charge.
- 2.9 It is also proposed that demand for payment of the charge is only applied where emergency action is required, such as emergency remedial action and emergency prohibition orders or there is non-compliance with any notice that has been served. This will encourage compliance with notice requirements and housing standards generally.

#### **Immigration housing request visits**

- 2.10 Historically applications to live and/or work in the UK have required the local housing authority to undertake an inspection of the proposed living accommodation to check its suitability and ensure there would not be overcrowding. These visits no longer need to be undertaken by the local housing authority as part of an application but occasionally the team will receive a request to carry out a visit and provide a report.
- 2.11 As this is not a statutory requirement it is acceptable for the Council to charge for the provision of this service. The proposed fee covers the average amount of officer time involved in dealing with a request, visiting and producing the relevant report.

#### **Financial penalties for Housing Act offences**

- 2.12 The Housing and Planning Act 2016 introduces an amendment to the Housing Act 2004 to allow local housing authorities to impose a financial penalty on an owner of a property where they have failed to comply with provisions under the 2004 Act as an alternative to prosecution.
- 2.13 The maximum penalty will be £30,000, however the regulations relating to this provision have not yet been issued and therefore the manner in which the penalty is set has not been determined.

#### **Penalty Charges for offences under the Smoke and Carbon Monoxide Alarm (England) Regulations 2015**

- 2.14 The Smoke and Carbon Monoxide alarm regulations came into force on 1<sup>st</sup> October 2015. The local housing authority must publish a statement of principles which it proposes to follow in determining the amount of the penalty charge.
- 2.15 Mid Devon District Council have not yet published such a statement and therefore has been unable to enforce these regulations. The private sector housing team intend to publish the statement of principles as soon as possible.
- 2.16 The maximum penalty for an offence under these regulations is £5000. It is proposed that the Council introduces the maximum penalty with a 25% reduction if payment is made within 14 days of the demand for payment.

### **Financial penalties for offences under the Electrical Safety Standards**

- 2.17 Section 123 of the Housing and Planning Act 2016 makes provision for the local housing authority to impose a financial penalty on an owner of a property where they have failed to comply with the electrical safety standards.
- 2.18 This part of the Act is due to come into force in April 2017 and regulations that detail how this will be enforced and how the penalty will be set are due before this comes into force. Once the regulations have been issued a financial penalty level can be set.

### **Works in default**

- 2.19 It is proposed that interest is paid on all costs associated with carrying out works in default (including the costs of the work itself) where the demand for payment remains unpaid after the initial 28 days. A £100 administrative fee is proposed with an interest rate of 3%.

## **3.0 Summary**

- 3.1 There are a number of areas across private sector housing where recovery of costs or applying financial penalties could be introduced. At present Mid Devon District Council only applies a fee for HMO licensing applications. This report identifies the other areas where fees and charges can be applied and proposes that these be introduced as set out in Appendix 1.

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**Circulation of the Report:** Cabinet Member for Homes, Homes PDG, Management Team

## Appendix 1

### Schedule 1 – Private Sector Housing proposed charges/fees

<b>HMO licensing</b>		
<b>New licence</b>	<b>Current fee</b>	<b>Proposed fee</b>
All HMOs	£530	
3-5 Units		£793
6-10 units		£838
11+ units		£883
<b>Renewal</b>	£530	
3-5 Units		£658
6-10 units		£680
11+ units		£703

<b>Charging for enforcement action</b>		
<b>New licence</b>	<b>Current fee</b>	<b>Proposed fee</b>
Improvement notice	£0	£333
Prohibition Order	£0	£333
Emergency Remedial Action	£0	£333
Emergency prohibition order	£0	£333
Demolition Order	£0	£333

<b>Immigration housing request visits</b>		
<b>New licence</b>	<b>Current fee</b>	<b>Proposed fee</b>
All requests	£0	£199

<b>Financial penalties</b>		
	<b>Current fee</b>	<b>Proposed fee</b>
Smoke and carbon monoxide alarms	£0	£5000 reducing by 25% if paid within 14 days of demand
Electrical Safety Standards		TBC
Housing Act offences		TBC

<b>Works in default</b>		
	<b>Current</b>	<b>Proposed fee</b>
Interest on works and associated costs	0%	£100 admin fee plus 3% interest

**Schedule 2 – Benchmarking Local Authority Charges (fees current for 2016/17)**

<b>Local authority</b>	<b>HMO Licence fee</b>	<b>HMO Licence Renewal fee</b>	<b>Charge notices for</b>	<b>Immigration visit fee</b>	<b>Fixed penalty Notices for CO and smoke detectors</b>
<b>West Devon/South Hams</b>	£350	£350	£38.50	£78	<i>Not available</i>
<b>East Devon</b>	£350	£350	<i>Not available</i>	<i>Not available</i>	£5000 50% reduction for payment within 14 days
<b>North Devon</b>	£418	£418	<i>Not available</i>	<i>Not available</i>	<i>Not available</i>
<b>Exeter</b>	£730	£730	£240-£273	£200	<i>Not available</i>
<b>Plymouth</b>	£800	£800	<i>Not available</i>	<i>Not available</i>	£5000 10% reduction for prompt payment
<b>Torrige</b>	£435	£435	£190-£222	<i>Not available</i>	<i>Not available</i>
<b>Teignbridge DC</b>	£570	£360	£350	£85	£5000 50% reduction for payment within 14 days
<b>Torbay</b>	£840	£840	<i>Not available</i>	<i>Not available</i>	<i>Not available</i>
<b>Mid Devon proposed</b>	<b>£793-£883</b>	<b>£658-£703</b>	<b>£333</b>	<b>£199</b>	<b>£5000 25% reduction for payment within 14 days</b>
<b>Average for Devon</b>	£587	£549	£337 (not including West Devon/South Hams)	£140	