

NON EXEMPT

EAST HAMPSHIRE DISTRICT COUNCIL

Licensing Committee

11th September 2018

**HMO Licensing Policy
Private Sector Housing Manager – Sam Ings**

FOR RECOMMENDATION TO COUNCIL

**Portfolio: Portfolio Holder for Neighbourhood Support
Cllr Ingrid Thomas**

**Head of Service: Natalie Meagher
Directorate: Operations and Place-Shaping**

Key Decision: No

1.0 Purpose of Report

1.1 This report is submitted to Council for a policy implementation to meet a statutory requirement. The subject matter of the policy is licensing for houses in multiple occupation (HMO).

2.0 Recommendation

2.1 Licensing Committee is recommended to approve the HMO Licensing policy and associated guidance on standards for HMOs.

3.0 Executive Summary

3.1 The Housing Act 2004 introduced licensing for HMOs. Part 2 of the Act made provision for mandatory HMO licensing that applied countrywide, as well as discretionary HMO licensing that local authorities could introduce in their district if there was a need.

3.2 The criteria for mandatory HMO Licensing was set at any rented property with 3 or more storeys, and 5 or more occupants who form 2 or more households. In October 2018 the criteria for mandatory HMO licensing will change removing the part requiring 3 storeys, the result of which is any rented property with 5 or more occupants who form 2 or more households requires an HMO licence.

3.3 In East Hampshire there are no licensed HMOs currently, however there are a few properties going through the licensing process. We would estimate that there are approximately 10 licensable HMOs

across our district under the current criteria, and that number will rise to approximately 100 licensable HMOs as of October 2018.

- 3.4 HMO licensing provides us with a valuable tool to proactively drive up standards in the private rented sector, whilst also offsetting the cost of this by way of a licence fee. The operation of the scheme allows the council to identify rogue landlords and apply punitive measures.

4.0 Additional Budgetary Implications

- 4.1 Licences for HMOs carry a fee. The fees have been reviewed and implemented for this financial year, and are reflective of the work involved in processing the licence, in line with the requirements of the legislation.
- 4.2 This is likely to have a positive impact on the budget position for this service as the cost of running the scheme ought to be covered by the licence fee.

5.0 Background and relationship to the Corporate Strategy and Directorate Business Plan/s

- 5.1 Financial sustainability – The local authority is entitled to recover the costs of administering the scheme by way of a licence fee. Consequently this revenue stream will reduce the overall cost of the service providing financial sustainability for the future.
- 5.2 Public service excellence – HMO licensing allows the council to identify and eradicate rogue landlords, and proactively drive up standards in the private rented sector to ensure the health and safety of the residents is protected. In addition it is a useful tool in reducing anti-social behaviour that may affect neighbouring properties.

6.0 Options considered and reasons for the recommendation

- 6.1 HMO licensing is a statutory obligation for local authorities, and the policy created provides a fair and balanced approach to administering the service.

7.0 Resource Implications

- 7.1 Financial Implications – The work involved in administering the mandatory HMO licensing scheme will result in an increased workload for the Private Sector Housing Team, however we now operate a shared Private Sector Housing team across both Havant and East Hampshire increasing the available resource. We do not believe any additional staff will be required at this point, although this may change if the actual number of licensable HMOs is higher than the estimate. If that is the case additional staff ought to be able to be funded by the additional revenue generated by the licence fees.

7.2 Human Resources Implications – None at this time, however this may change if the actual number of licensable HMOs is higher than the estimate.

8.0 Legal Implications

8.1 There is likely to be an increase in the amount of enforcement work carried out by the team, which is likely to result in an increase in the number of cases being heard in court. Consequently additional assistance may be required from the legal team, however this is not likely to be significant so the impact should be limited. Environmental Health and the legal team have recently taken measures to strengthen the relationship with the legal team, including monthly meetings held with representatives of the two teams to discuss current cases. HMO licensing cases would be included in this.

9.0 Risks

9.1 None

10 Consultation

10.1 None required.

11 Communication

11.1 Communication has gone out by way of a letter via Housing Team to all landlords they have contact details for informing them of the changes to the national legislation, additionally the information has also been promoted via social media outlets. We are also engaging with landlords associations.

Appendices: Guidance on Standards for Houses in Multiple Occupation
HMO licence fees

<https://www.easthants.gov.uk/houses-multiple-occupation>

Background Papers: MHCLG – Houses in Multiple Occupation and
residential property licensing reform

<https://www.gov.uk/government/publications/houses-in-multiple-occupation-and-residential-property-licensing-reform-guidance-for-local-housing-authorities>

Agreed and signed off by:

Monitoring Officer: 30/08/2018

S151 Officer: 30/08/2018

Director: 30/08/2018
Portfolio Holder: 28/08/2018
Head of Service: 24/08/2018

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