

## MID SUFFOLK DISTRICT COUNCIL

<b>COMMITTEE:</b> Cabinet	<b>REPORT NUMBER:</b> <b>MCa/18/21</b>
<b>FROM:</b> Cabinet Member for Housing	<b>DATE OF MEETING:</b> 6 August 2018
<b>OFFICER:</b> Heather Worton Corporate Manager - Property Services	<b>KEY DECISION REF NO.</b> CAB63

### HOUSES IN MULTIPLE OCCUPATION LICENCE FEE POLICY

#### 1. PURPOSE OF REPORT

- 1.1 To agree the fee payable for Houses in Multiple Occupation (HMO) Licence applications.

#### 2. OPTIONS CONSIDERED

- 2.1 An 'early bird' fee reduction was considered for landlords who applied for a licence by October 1<sup>st</sup>. However, implementing this new legislation will be resource intensive and therefore it was felt that this was not appropriate.

#### 3. RECOMMENDATIONS

- 3.1 The proposed HMO Licence fee is adopted.
- 3.2 The fee is reviewed in six months' time

#### REASON FOR DECISION

To enable Babergh and Mid Suffolk to charge a fee to landlords to issue a HMO Licence.

#### 4. KEY INFORMATION

- 4.1 The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018 comes into force on 1<sup>st</sup> October 2018.
- 4.2 The legislation requires all landlords of HMO's to acquire a licence from the local authority.
- 4.3 Previous legislation only required HMO's to be licensed where there were 3 or more storeys. Within Babergh and Mid Suffolk only a few HMO's required a licence. The new legislation will hugely increase the number of licences Property Services will need to administer and will have staff resource implications.
- 4.4 Due to the low number of HMO's with 3 or more storeys, Babergh and Mid Suffolk have previously not charged a fee for a licence. All the other Suffolk District and Borough Councils currently charge a fee. Introducing a fee brings us in line with the rest of Suffolk.

- 4.5 The proposed fee is based on the average staffing cost of issuing a licence. Each application and inspection will vary depending on size of the HMO and number of issues found. However, a flat fee is easier to administer and provides clarity for property owners.
- 4.6 The fee amount will be reviewed in six months' time when we will have a clearer picture of the nature of the HMO's within Babergh and Mid Suffolk and to ensure the fee is proportionate and reasonable.

## **5. LINKS TO JOINT STRATEGIC PLAN**

- 5.1 HMO's form a vital part of the private rented sector, often providing cheaper accommodation for people where housing options are limited. The most vulnerable people often occupy them. This can give opportunities for rogue landlords to exploit these vulnerable tenants and rent sub-standard, overcrowded and potentially dangerous properties. Licensing of these properties ensures the quality of the existing housing stock within Babergh and Mid Suffolk is maintained. Charging a fee to cover the staffing cost ensures we can adequately resource this area of work.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 It is not possible to accurately predict the income or expenditure of enforcing this new legislation. We will have a much clearer picture at the end of the year when applications are received, and inspections begin.
- 6.2 However, we can expect there to be at least 80 HMO's to licence. The expenditure will be variable depending on the size, condition and management of the property.
- 6.3 Income, based on the proposed fees, will be £44,000. This will not be an annual fee income as a HMO licence lasts 5 years.

## **7. LEGAL IMPLICATIONS**

- 7.1 None

## **8. RISK MANAGEMENT**

- 8.1

Risk Description	Likelihood	Impact	Mitigation Measures
Unable to provide sufficient staff resource to implement and enforce the new HMO legislation.	Unlikely – not expected to occur but potential exists	Noticeable- local media coverage and/or potential for harm to tenants of HMO's	Recover costs by charging a fee for HMO licence.

## **9. CONSULTATIONS**

- 9.1 Babergh and Mid Suffolk are part of a Suffolk HMO Group which includes all Suffolk District and Borough Councils and Suffolk Fire and Rescue Service. The proposed

fee structure is in line with the other Suffolk authorities. The actual amount varies due to differences in staff costs.

- 9.2 Housing Portfolio Holders have been consulted on the proposals and the rationale behind the proposals.

## **10. EQUALITY ANALYSIS**

- 10.1 Equality Impact Assessment (EIA) not required as the Report will have no impact on persons covered by the protected characteristics.

## **11. ENVIRONMENTAL IMPLICATIONS**

- 11.1 There are no environmental implications.

## **12. APPENDICES**

Title	Location
(a) Houses in Multiple Occupation Licence Fee Policy	Attached

## **13. BACKGROUND DOCUMENTS**

- 13.1 None