

**REPORTS FOR MEETINGS
CONSULTATION**

TITLE OF REPORT:	LICENSING OF HOUSES IN MULTIPLE OCCUPATION	
MEETING:	COUNCIL	
AUTHOR:	ROGER PEARSON	
DEADLINE FOR COMMENTS:		
OFFICERS CONSULTED		
CONSULTEE	SIGNATURE	DATE
Other:		
CMT LEAD OFFICER		

ITEM

ITEM

Council 11 May 2006

LICENSING OF HOUSES IN MULTIPLE OCCUPATION

Report of The Head of Environmental Health

Statutory Powers: The Housing Act 2004

Financial Implications: No significant financial implication. Income received under the licensing scheme will be offset against officer costs.

Purpose

The purpose of this report is to seek Council's approval of a mandatory licence fee for Houses in Multiple Occupation as required by the Housing Act 2004. The licensing of Houses in Multiple Occupation directly supports the Council's priority CP1 'Securing a supply of housing for local people at affordable levels'.

Recommendation

That the Council RESOLVES to agree the amount to be charged to landlords as stated £350 per property and £50 for a re-submission for a licence under the Housing Act 2004.

Background

1. The Housing Act 2004 changes the way in which local authorities regulate standards in all private rented housing. One of the major changes introduced by the Act is the requirement for the local authority to licence certain 'high risk' categories of Houses in Multiple Occupation (HMO's). Essentially, owners of HMOs of three or more stories, with five or more tenants forming two or more households are required to make application to the Council for a licence and the Council have a statutory duty to operate the scheme.
2. An initial three month transition period is allowed for compliance. Licences will be issued for a period of up to 5 years and will include mandatory and where necessary, further discretionary conditions. An inspection prior to issue of a licence is not essential, but one must be made within the licence period.
3. The Act provides the Council with mandatory duties and discretionary powers to regulate all HMOs to ensure that they are suitable for occupation and correctly managed by a fit and proper person. Where necessary the Council may take on the management of HMOs that do not achieve the required standard.
4. The Act allows for additional licensing to other lower risk categories of HMO in areas of low demand or anti-social behaviour. It is unlikely that the South Hams would fall into this category,
5. Within the South Hams, approximately 400 HMOs have been identified, although it is estimated that a maximum of 50 of these fall into the high risk category and thus require a licence

6. No nationally prescribed fee has been set, but it should be in accordance with Government guidelines to cover the cost of the licensing process. There should be no undue cost to the Council, nor should it profit through the process.

7. The fee level proposed is as follows: -

Basic application fee of £350 per property, renewable every 5 years or on change of an 'operator' of the premises.

Where incomplete applications are received, these will be returned to the applicant and further administration costs will be added at the rate of £50 per return.

8. Fees will be kept under review to ensure that appropriate costs continue to be covered.

Risk Assessment

Risk	Mitigation
Fee insufficient to cover costs	Calculated according to issued guidelines and subject to review
Failure to licence 'high risk' HMO's	An extensive database of properties is already in existence. Publicity of the new requirements will also take place

Conclusion

The proposed fee has been calculated in line with current guidance and is set to recover costs directly attributable to the HMO licensing process and will be reviewed annually.

Roger Pearson
Divisional EHO

Council
11 May 2006

Ian Bollans
Head of Environmental Health

Background Documents:

Housing Act 2004