

HOUSES IN MULTIPLE OCCUPATION – COMPULSORY LICENSING FEE STRUCTURE

1 SUMMARY

- 1.1 The Housing Act 2004 introduced the compulsory licensing of certain Houses in Multiple Occupation (HMOs) and discretionary powers to licence other HMOs. The provisions came into force on 6 April 2006.
- 1.2 The purpose of this report is to set a fee structure for the HMOs that require a licence.
- 1.3 A further report will be made in respect of discretionary licensing.

2 INTRODUCTION

- 2.1 The aim of HMO licensing is to ensure the poorest properties in the private rental market meet the legal standards and are properly managed.
- 2.2 An HMO is a building, or part of a building, such as a flat, that:-
 - Is occupied by more than one household and where more than one household shares or lacks an amenity, such as a bathroom, toilet or cooking facilities; or,
 - Is occupied by more than one household and which is a converted building, but not entirely self-contained flats (whether or not some amenities are shared or lacking); or,
 - Is converted self-contained flats but does not meet as a minimum standard the requirements of 1991 Building Regulations, and at least one third of the flats are occupied under short tenancies.

And is occupied by more than one household:-

- As their only or main residence;
- As a refuge for people escaping domestic violence;
- By students during term time;
- For other purposes prescribed by the government.

And the households comprise:-

- Families (including single people, couples and same sex couples);
- Other relationships, such as fostering, carers and domestic staff.

- 2.3 Only HMOs of three or more stories with five or more occupiers, forming two or more households, will need to be licensed. HMOs owned by registered social landlords, the police, health authorities, universities and some other listed organisations are exempt.
- 2.4 The new legislation allows local authorities to charge fees in order to recover the costs of licensing. A toolkit has been produced in order to help authorities set fee levels.
- 2.5 Prior to the legislation coming into force the Government advertised the licensing of HMOs in the national press and on the radio. An advertising campaign was also carried out locally in order to gather information on HMOs and to set up a database.
- 2.6 So far twelve HMOs have been identified. Two of these will require to be licensed, one of which provides sheltered accommodation for ten elderly residents and is owned by a registered charity.

3 THE PROPOSED FEE

- 3.1 Taking into account the officer time involved and using the toolkit, it is estimated to cost £300 to licence an HMO with up to five bedrooms and a further £50 for each additional bedroom. It is proposed that any licence shall last for five years
- 3.2 Other local authorities in Essex have set the following fees:-
- Southend Borough Council – £660 for HMOs with up to five bedrooms and a further £50 for each additional bedroom. The licence lasts for three years.
 - Tendring – £300 – Five-year licence.
 - Braintree – £100 – Five-year licence.
- 3.3 It is proposed to that an HMO owned by a registered charity should be exempt from fees

4 ENVIRONMENTAL IMPLICATIONS

- 4.1 The licensing of HMOs will ensure that they meet a decent standard to protect the health and safety of tenants.

5 RESOURCE IMPLICATIONS

- 5.1 The proposed licence fee will cover the cost of licensing. The new functions can be carried out within existing staffing resources.

6 RECOMMENDATION

6.1 It is proposed that the Committee **RESOLVES**

- (1) That the fee for the compulsory licensing of HMOs will be £300 for an HMO with up to five bedrooms and a further £50 for each additional bedroom.
- (2) That the licence will last for five years.
- (3) That the fee for variation will be 50% of the licensing fee
- (4) That an HMO owned by a registered charity shall be exempt from licensing fees.

Graham Woolhouse

Corporate Director (External Services)

Background Papers:-

None

For further information please contact Caroline Collom on:-

Tel:- 01702 318146

E-Mail:- caroline.collom@rochford.gov.uk