

Meeting:	Licensing and General Purposes Committee
Date:	8 June 2009
Subject:	Continuation of Additional Licensing for Houses in Multiple Occupation (HMOs)
Responsible Officer:	John Edwards Divisional Director – Environmental Services
Portfolio Holder:	Councillor Susan Hall – Deputy Leader and Portfolio Holder for Environment Services
Exempt:	No
Enclosures:	Appendix A - Report to the Secretary of State for Communities and Local Government

Section 1 – Summary and Recommendations

Summary:

Proposal to continue with the amended Discretionary Additional Licensing Scheme.

Recommendations:

That the Private Sector Housing Enforcement Team applies to the Secretary of State to be able to continue with the Discretionary Additional Licensing Scheme which has been in operation since 6th April 2006.

Reason: (For recommendation)

To enable the Council to continue to license smaller properties so that means of escape, amenities and Anti Social Behaviour (ASB) can be dealt with effectively.

Section 2 – Report

Current situation

The Housing Act 2004 Part 2 defines what a House in Multiple Occupation (HMO) is and the number of occupants which can occupy a property before it becomes licensable. Under this definition, A property is defined as a HMO if it is occupied by three or more unrelated individuals or two or more households.

Since April 2000, Harrow Council has operated an enhanced registration scheme that registered all HMOs as per the HMO definition. *The local scheme currently licenses 320.*

The Government's Mandatory Licensing Scheme for HMOs only covers larger HMOs , i.e. buildings of three or more storeys and occupied by five or more unrelated people. *This definition covers 110 licensed premises.*

The Government authorisation for the current scheme expired at the end of March 2009 and the Council will have to apply for Government consent in order to continue the enhanced local scheme.

Continuation and Amendment of Enhanced Licensing

It is considered that Harrow's enhanced licensing scheme for HMOs has been effective in increasing the level of knowledge regarding HMOs, in encouraging a raising of standards of the properties in multiple occupation, in improving the safety and welfare of tenants and in terms of assisting the Council and wider partnership in addressing a number of wider issues arising from HMOs.

The majority of complaints relating to HMOs are related to the social impact of HMOs upon the local community, e.g. noise, fly tipping, litter, anti social behaviour and other issues relating to poorly managed properties. The licensing team currently works in close partnership with other Council services and partnership agencies to address these issues.

From the perspective of the tenant, licensing allows the Council to address critical issues such as overcrowding, lack of amenities and fire safety using the licensing conditions. Licensing also places a formal responsibility on the Landlord to ensure that the behaviour of tenants does not adversely impact on the local community.

A risk analysis has indicated that the criteria for licensing should be altered if the Government gives permission for a local scheme to continue. It is currently suggested that local criteria be altered to license one and two storey properties which are occupied by five or more people instead of the current minimum of three or more people and also to license buildings which are converted entirely into self contained flats which do not comply with the Building Regulations 1991 under section 257 Housing Act 2004.

This proposed change is proportionate because it is considered that the level of risk is similar for the different levels of occupation and because the most significant benefits in risk management are to be gained by ensuring that regulations in relation to fire safety standards, basic amenities and general management of the properties are being met.

Consultation with landlords has indicated a good level of support for the enhanced scheme, with approximately 40% of the landlords and managing agents agreeing that Harrow Council should continue with the enhanced licensing regime, compared to under 30% who felt we should discontinue it.

Implications of the Recommendation

Resources, costs

To continue with the discretionary additional licensing will not require any additional resources as provision is included within the existing budget. It is considered that the current scheme offers good value for money as the activity and associated revenue has allowed a service to be developed which has had a positive impact in other areas, both within licensing and in the wider partnership context.

The licensing fee is a standard rate for all types of properties, regardless of the number of storeys or number of occupants. It is estimated that reducing the local scheme to the statutory minimum would cut fee income by approximately £25k. Such a fall in income would require a reduction in staffing within the licensing service. This would have an impact on other areas of service delivery such as ASB, enviro-crime enforcement and other related services as noted above.

Staffing/workforce

Operating an enhanced local licensing scheme will have no staffing implications as the Council has been running such a scheme since 2006. The implications of reverting to the statutory scheme are noted above.

Legal comments

The Council has to apply to the Secretary of State for Communities and Local Government for the designation of additional licensing requirements with respect to houses in multiple occupation in the borough. This is in accordance with Sections 56 to 60 of the Housing Act 2004, The Housing Act 2004 (Commencement No. 5 and Transitional Provisions and Savings)(England) Order 2006, and paragraphs (a), (b) and (c) of Regulation 9 (2) of the Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006. The Council has to consult with stakeholders and therefore we have sent out letters and survey forms to all landlords and Managing Agents on our database. Also we have placed Public Notice in two local newspapers, Council website etc. A copy of the survey form and questionnaires are also available on the Council website

Financial Implications

There is an income target of £40k for HMO licensing currently set. If the Secretary of State declines the request to continue with the additional Licensing regime, this target will not be met. Further, more HMO's will become not licensable and will require other legislation to regulate public safety and nuisance matters which in turn may increase workload.

Performance Issues

Performance issues not identified.

Risk Management Implications

If the Secretary of State approves the continuation of the Additional Scheme, there will no risk implications. However, in the event of the application being rejected, there will be a reduced number of premises which require licensing, which will have a direct implication on the set target income budget.

Section 3 - Statutory Officer Clearance

Name: ...Sheela Thakrar.	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 17 02 09		
Name: ...Paresh Metha	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 17 02 09		

Section 4 - Contact Details and Background Papers

Contact: Mr P Sivashankar
Service Manager, Housing & Support Services
020 8736 6237

Background Papers:
Report to the Secretary of State