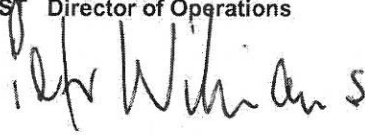


**NORTH LINCOLNSHIRE COUNCIL
OFFICER DECISION NOTICE AND RECORD
(PUBLISHED)**

1. DECISION TAKEN		
To approve the fee for mandatory licensing of Houses in Multiple Occupation (first application).		
EXECUTIVE	<input checked="" type="checkbox"/>	NON-EXECUTIVE
(Please tick either)		
IS THIS A 'KEY DECISION' ? (see definition overleaf)	Yes	No <input checked="" type="checkbox"/>
DOES THIS DECISION RELATE TO EXEMPT INFORMATION?	Yes	No <input checked="" type="checkbox"/>
EXEMPT PARAGRAPH REFERENCE (NOT TO BE PUBLISHED)		

2. OFFICER DECISION TAKER	NAME Peter Williams POSITION/POST Director of Operations SIGNATURE  DATE 16.11.18.
3. REASONS FOR THE DECISION (Please ref to any report/minute/background documents attached)	A report presented by the Head of Waste and Public Protection detailing the fee for the mandatory licensing of houses in multiple occupation. The fee details are contained within the accompanying report and Appendix 1.
4. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED (BY DECISION TAKER(S))	To decide not to set a licence fee for the mandatory licensing of houses in multiple occupation.
<i>TO BE COMPLETED BELOW - ONLY WHEN A DELEGATED OFFICER DECISION REQUIRES PRIOR CONSULTATION WITH A MEMBER (LEADER OF THE COUNCIL, CABINET MEMBER/CHAIRMAN OF A COMMITTEE) IN ACCORDANCE WITH THE 'SCHEME OF DELEGATIONS TO OFFICERS' OR DECISION/MINUTE OF COUNCIL/COMMITTEE OR DECISION/MINUTE OF CABINET/CABINET MEMBER.</i>	
5. DECISION REQUIRED TO BE TAKEN IN CONSULTATION WITH RELEVANT MEMBER	COUNCILLOR POSITION SIGNATURE DATE
6. ANY CONFLICT OF INTEREST DECLARED BY ANY EXECUTIVE	

(CABINET) MEMBER (S) CONSULTED, WHICH RELATES TO THE DECISION, OR (NON-EXECUTIVE) – ANY MEMBER OF THE COMMITTEE THAT DELEGATED THE DECISION TAKEN	
7. WITH REFERENCE TO 6. ABOVE - HAS ANY DISPENSATION BEEN GRANTED TO THE EXECUTIVE (CABINET) MEMBER? (ONLY APPLIES TO EXECUTIVE)	

PLEASE REMEMBER TO ATTACH ANY ACCOMPANYING REPORT.

**WHEN COMPLETE, PLEASE SEND TO HEAD OF DEMOCRATIC SERVICES, CIVIC CENTRE,
SCUNTHORPE FOR PUBLISHING.**

(The definitions of a key decision are when an executive decision is likely -

- (i) to result in the Council incurring expenditure or the making of savings (including the receipt or loss of income) over £350,000 in any one financial year; or
- (ii) to be significant in terms of its effect on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority).

NORTH LINCOLNSHIRE COUNCIL

DIRECTOR OF OPERATIONS

MANDATORY LICENSING OF HOUSES IN MULTIPLE OCCUPATION FEES & CHARGES 2018/19

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To approve the Fees and Charges for the Mandatory Licensing of Houses in Multiple Occupation (HMO).

2. BACKGROUND INFORMATION

- 2.1 Following recent legislative changes, landlords must have a licence if they are renting out a HMO in England which meets the following criteria:
- it's rented to 5 or more people who form more than one household
 - tenants share toilet, bathroom or kitchen facilities
- 2.2 The licence is issued by the council with conditions which ensure that :
- The house is suitable for the number of occupants (e.g. size and facilities)
 - The property is properly managed and the person in charge is a 'fit and proper' person, with for example no criminal record, or breach of landlord laws.
- 2.3 The licensing of Houses in Multiple Occupation helps deliver the Council outcomes of Safe and Well, particularly in relation to safer people and flourishing communities and addresses the need for security and shelter, a basic need. It also helps our place shaping agenda by improving the quality of multi-occupied premises through the licensing conditions.
- 2.4 Based upon an analysis of data held by the council, it is currently estimated that we could have in excess of 100 properties falling within the new HMO mandatory licencing regime.
- 2.5 Section 63 (3) of the Housing Act 2004, allows the council to charge a fixed fee for a HMO licence application and administration of the scheme. The fee must take account of all costs incurred by the council in carrying out the HMO licencing function. It is generally an accepted principle that licensing functions are funded on a cost recovery basis, rather than drawing on the public purse. The fees for HMO licensing have been calculated accordingly.
- 2.6 HMO licences will be issued for a maximum of up to 5 years. The initial cost of licensing (the administration of the application and an application visit) has

been calculated at £470 per property for 5 or less bedrooms. For every additional bedroom thereafter a further £20 per room is payable.

- 2.7 In addition to the cost of issuing the license, there is also a verification/compliance cost for the 5 years of the license which is £370 and covers a total of 3 visits to the property and the associated administration for a HMO with 5 bedrooms or less. For every additional bedroom thereafter, there will be a further cost of £50.
- 2.8 Overall the total cost of the license for a 5 year period is £840 (for a property with 5 or less bedrooms) and a further £70 for each additional bedroom thereafter.
- 2.9 Following recent case law, the fee has to be calculated in two parts, with the first payment related to the processing of the application and the second payment being the on-going administration of the scheme and payable only once the licence has been granted. The aim is to determine a licence application within eight weeks of receipt, but given that we need to be satisfied that there is no risk to public health and safety, this time scale may be extended on a case by case basis. There is no minimum prescribed period set down in the Housing Act 2004.
- 2.10 We will also offer a 15% reduction to those landlords that are part of the Council's accreditation scheme.
- 2.11 The fees for the reissue of HMO licenses will be subject to a separate report. It is proposed that subsequent fees are calculated on a risk based approach, to ensure landlords who have been fully compliant and proactive during the first licensing phase are liable to pay a reduced fee, particularly for fees associated with the on-going administration of the scheme.
- 2.12 Our proposed costs put us within the medium range of local authorities within the Yorkshire and Humber region, Appendix 1 sets out the fees being charged by other councils in our area.

3. OPTIONS FOR CONSIDERATION

3.1 Option 1

To approve the proposed HMO Licence fees and charges.

3.2 Option 2

To not approve the proposed HMO Licence fees and charges.

4. ANALYSIS OF OPTIONS

4.1 Option 1

Approval of the proposed charging scheme will allow full cost recovery of the HMO Licencing function from the 1st October 2018. This approach is in

accordance with section 63(3) and (7) of the Housing Act 2004 and recent court cases.

4.2 Option 2

Not approving the proposed charging scheme will result in new mandatory HMO Licences being funded from the public purse contrary to the full cost recovery principles.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 The inspection, processing and issuing of HMO Licences will require additional resource to meet new demands placed upon the service. The recent staffing review within the Waste & Public Protection Service has realigned existing resources in order to commence the licensing process. The proposed schedule of fees and charges will ensure full cost recovery and allow the allocation of resource accordingly to administer the license and carry out the compliance visits.
- 5.2 Mandatory Licensing of HMOs will be within the scope of the Provisions of Service Regulations 2009 and therefore any fees must equal the investment costs in the service. Resource needs will be kept under review to ensure compliance with this requirement.
- 5.3 The proposed schedule of Fees and Charges will be kept under review at least annually to ensure that full cost recovery is maintained and in light of case law as referred to above.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 6.1 No negative impacts were identified. Positive impacts on both the built environment and inward investment opportunities have been identified. Licensing also links to the Council's Place setting agenda and will target resources at improving the homes of the most vulnerable across North Lincolnshire

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTEREST DECLARED

- 7.1 Legal have been consulted on the fees and the impact of the recent court cases. The report has been drafted in light of their comments and the two part payment reflects their advice.

8. RECOMMENDATIONS

- 8.1 To approve the fee for the mandatory licensing of HMOs, namely –
- a) £840 for a HMO with 5 or less bedrooms (divided into an initial payment of £470 to cover the granting of the licence, followed by £370 for the on-going administration of the scheme).
 - b) An additional payment of £50 per bedroom for properties with 6 or more bedrooms (instalments £20 and £30 respectively).
- 8.2 To approve a 15% reduction on the fee for accredited landlords.

- 8.3 To consider the re-licencing fees in a separate report once there has been an opportunity to review the current fee level, liaison with landlords and consideration of a risk rated fee matrix.

Author: Liz Webster
Group Manager– Environmental Health & Housing

Date: 06 November 2018

Background Papers used in the preparation of this report

LGA – Guidance on Setting Fess

MHCLG Guidance on Mandatory and Selective Licensing Fees

Appendix 1 Table of Fees being charged for neighbouring Local Authorities

Appendix 1- Fees & Charges

Action (per licence)	1st Application Cost (£s)	Re-licence Cost (£s)	Extra Room Cost (£s)
	123.05	123.05	16.41
Sub Totals for processing and issuing license	597.03	503.20	41.02

Appendix 1 - Mandatory HMO Licensing Fees - Benchmarking

Local Authority	Processing/Issuing Fee	Compliance checking fees	Total	Comments
North East Lincolnshire	(single fee)	(single fee)	475	To be reviewed in 12 months
West Lindsey District Council	(single fee)	(single fee)	450.00	for upto 5 bedrooms plus £10 per additional bedroom thereafter
Hull City Council	(single fee)	(single fee)	600.00	The fee is currently under review
Sheffield City Council	(single fee)	(single fee)	750.00	for upto 5 occupiers + £25.00 per additional occupier
Doncaster MBC	449.37	354.51	803.88	
North Lincolnshire Council	470	370	840	for up to 5 bedrooms plus £73 per additional bedroom 6+. Fees will be reviewed in 6 months
East Riding of Yorkshire Council	582			
York City Council	657	438	1095	Processing fee only
Birmingham City Council	(single fee)	(single fee)	1150.00	
Nottingham City Council	890.00	440.00	1330.00	
Bradford CC	(single fee)	(single fee)	916	for up to 7 occupants
Leeds City Council	(single fee)	(single fee)	677 to 1200	Depends upon number of occupiers