

**Report To:** Communities Scrutiny Committee

**Date of Meeting:** 11<sup>th</sup> September 2014

**Lead Member / Officer:** Lead Member for Public Realm

**Report Author:** Head of Planning & Public Protection

**Title:** Additional Licensing Scheme for Houses in Multiple Occupation (HMO)

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**1. What is the report about?**

1.1 The report is about seeking Members' input into a two month public consultation exercise on re-designating an Additional Licensing Scheme for Houses in Multiple Occupation (HMO) within Rhyl.

**2. What is the reason for making this report?**

2.1 The Council has been operating an Additional Licensing Scheme for HMO in Rhyl for nearly 5 years. We are now required to review that Additional Licensing Scheme and Officers are seeking the views of Committee prior to undertaking a comprehensive consultation exercise, on a re-designated Additional Licensing Scheme in Rhyl.

**3. What are the Recommendations?**

3.1 For Members to:

Consider the content of the report and provide specific views on the following:

**Whether there is a justification behind re-designating an additional licensing Scheme**

**The type of HMO to be covered by "Additional Licensing"**

**The geographical area Covered by "Additional Licensing" being limited to Rhyl only.**

**The Conditions to be imposed as part of an "Additional Licensing" Scheme (see Appendix 2)**

**Fees to be applied to an "Additional Licensing" Scheme (see Appendix 3)**

**Health Impact Assessment (see Appendix 4)**

#### 4 Report details.

- 4.1 The Housing Act 2004 introduced a new duty for local authorities to operate a Mandatory Licensing Scheme for certain types of HMO which consist of three or more storeys and with five or more occupants, forming two or more households.
- 4.2 The aim of the Mandatory Licensing Scheme was to ensure that HMO are properly managed by fit and proper people; that the premises are suitably equipped with adequate amenities and facilities and that fire safety arrangements are acceptable.
- 4.3 Only a small number of HMO in Denbighshire fell within the Mandatory criteria laid down by the Act (i.e. 33 mandatory properties – all of which licensed)
- 4.4 The Housing Act 2004 also contains provisions enabling local authorities to extend to other categories of HMO to address particular problems not covered by the Mandatory Scheme. This is called “Additional Licensing”.
- 4.5 On the 8<sup>th</sup> September 2009 Cabinet approved an "Additional Licensing" Scheme for Rhyl so that many more HMOs were "captured".
- 4.6 This Scheme known as the Denbighshire County Council Additional Licensing (Houses in Multiple Occupation) Scheme 2009 came into force on the 1<sup>st</sup> January 2010 and is due to expire on the 31<sup>st</sup> December 2014.
- 4.7 The additional Licensing Scheme applies to certain types of HMO properties in Rhyl. The Scheme sets out the fees which apply for licensing those HMO. It also includes specific standard licensing conditions that would apply to any HMO licensed under the Scheme. The Scheme was restricted to Rhyl as this is where the evidence base demonstrates the justification.
- 4.8 In order to designate an Additional Licensing Scheme, the Housing Act 2004 states that the local authority **must be satisfied** that certain criteria are met. Appendix 1 of this report provides more detail on this criteria and how we believe these are met within Rhyl to allow for the re-designation of the Scheme. Officers' view is that there is insufficient evidence of problematic HMO premises elsewhere in the County to justify the use of existing resources to apply the additional Licensing Scheme elsewhere outside for Rhyl.
- 4.9 As of the 31<sup>st</sup> March 2014, 95 HMO have been licensed through the “Additional Licensing” Scheme and 33 Licensed through the Mandatory Scheme, i.e. 128 in total all have been inspected to assess them against the standard licensing conditions and all have been inspected in accordance with the Housing Health and Safety Rating Scheme inspection system.
- 4.10 Currently, the Additional Licensing Scheme only applies to certain types of HMO in Rhyl. Officers recommend that the Scheme is expanded to include more types of HMO, but remains limited to Rhyl. Further details are provided in Appendix 1.

- 4.11 The Licensing Conditions and Standards have been reviewed and updated as the current standards were originally adopted back in 2007. The proposed Conditions have been outlined in Appendix 2.
- 4.12 The Licensing fees have also been reviewed. We propose to adopt the existing Fee Structure with additional incentives and discounts to landlords for good compliance and management.

## **5 How does the decision contribute to the Corporate Priorities?**

- 5.1 The provision of ensuring good quality housing is a corporate priority with the effective and efficient management of the our private rented sector specifically HMO properties being key to ensuring this objective is achieved for tenants, residents and landlords
- 5.2 Controlling HMO also contributes towards the Council's priority to "developing the local economy" by supporting a better and flourishing private rented sector as well as protecting the vulnerable living within the private rented sector.
- 5.3 In the West Rhyl Regeneration Area we are trying to create an attractive neighbourhood where working people will want to live and the remaining HMO need to be proportionately regulated to achieve this.

## **6 What will it cost and how will it affect other services?**

Costs will be contained within service budgets and it is proposed that the existing licensing fees are retained.

## **7 What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

To be completed as part of the public consultation process

## **8 What consultations have been carried out with Scrutiny and others?**

The Housing Act requires the Authority to take reasonable steps to consult persons likely to be affected by the designation of an "Additional Licensing" Scheme and to consider any representations received prior to implementation.

## **9 Chief Finance Officer Statement**

Any costs associated with this scheme should be contained within existing budgets and therefore there are no obvious financial implications contained in the report.

## **10 What risks are there and is there anything we can do to reduce them?**

There are no risks associated with the undertaking of a consultation exercise in introducing a re-defined additional HMO licensing Scheme in Rhyl given that the

existing additional HMO Licensing Scheme is due to expire on 31<sup>st</sup> December 2014.

## **11 Power to make the Decision**

Section 56 of the Housing Act 2004 (the Act) gives the local authority the power to either designate the area of their district or an area in their district as subject to additional licensing in relation to a description of HMO specified in the designation.

Section 65 (2) of the Act gives the local authority power to set higher local standards over and above what are the prescribed standards set by legislation.

Section 63(3) of the Act states that the local authority may require a licensing application to be accompanied by a fee, fixed by the local authority.

Scrutiny's powers with respect to this matter are outlined in Article 6.3.2 of the Council's Constitution.

### **Contact Officer:**

Public Protection Business Manager

Tel: 01824 706449