

Report to: Cabinet

Date of meeting: 16th December 2014

Lead Member / Officer: Councillor David Smith, Lead Member for Public Realm

Report author: Head of Planning and Public Protection / Public Protection Manager

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

1. What is the report about?

- 1.1 For Cabinet to approve the re-designation of an Additional Licensing Scheme for Houses in Multiple Occupation (HMOs) within Rhyl for a further 5 years. This scheme will be known as the Denbighshire County Council Additional Licensing (Houses in Multiple Occupation) Scheme 2014 (“The Scheme”).
- 1.2 For Cabinet to also approve and adopt the associated revised and updated Licensing Conditions and Fees as outlined in **Appendix 2 and 3** which will apply to both the existing Mandatory and the re-designated Additional Licensing Scheme.

2. What is the reason for making this report?

- 2.1 The current Additional Scheme for HMOs in Rhyl is due to expire on the 31st December 2014. This scheme has been reviewed and a comprehensive consultation exercise has been undertaken in relation to the proposals for re-designation. This report seeks approval to re-designate an Additional Licensing Scheme for Houses in Multiple Occupation (HMOs) within Rhyl, for a further 5 years.

3. What are the Recommendations?

- 3.1 To approve the re-designation of an additional licensing scheme for Houses in Multiple Occupation (HMOs) within Rhyl for a further 5 years as detailed in **Appendix 1**.
- 3.2 To approve the Conditions to be imposed as part of an “Additional” and “Mandatory” Licensing Scheme (**Appendix 2**).
- 3.3 To approve the Fees to be applied to an “Additional” and “Mandatory” Licensing Scheme (see **Appendix 3**).

3.4 To support the implementation date to be no later than 1st April 2015 which complies with the minimum 3 month statutory period between an approved designate and implementation.

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's throughout the County 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's 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 HMOs in Denbighshire fell within the Mandatory criteria laid down by the Act (i.e. 33 mandatory HMO properties all of which are now licensed).

4.4 The Housing Act 2004 also contains provisions enabling each local authority to extend Licensing to other categories of HMO to address particular problems not covered by the Mandatory Scheme. This is called "Additional Licensing".

4.5 On the 8th September 2009 Cabinet approved an "Additional Licensing" Scheme for Rhyl so that many more HMOs were "captured" by the Licensing controls.

4.6 This Scheme known as the Denbighshire County Council Additional Licensing (Houses in Multiple Occupation) Scheme 2009 came into force on the 1st January 2010 and is due to expire on the 31st December 2014 (i.e. it was a 5 year scheme).

4.7 The 2009 additional Licensing Scheme applies to certain types of HMO properties in Rhyl, sets out the fee structure and includes specific standard licensing conditions. The Scheme was restricted to Rhyl as this is where the evidence base demonstrates the justification for the additional controls.

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 is 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 for a further 5 years. Officers' view is that there is insufficient evidence of problematic HMO premises elsewhere in the County to justify the Scheme elsewhere outside for Rhyl.

4.9 As of the 31st March 2014, 95 HMO's have been licensed through the "Additional Licensing" Scheme and 33 Licensed through the Mandatory Scheme, i.e. 128 HMOs have been inspected and licensed.

- 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 as outlined in **Appendix 3**.

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?

- 6.1 Costs will be recoverable through the revised fee structure as proposed at **Appendix 3**.

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.

- 7.1 The EqIA undertaken in relation to the new policy demonstrates that no group is disproportionately disadvantaged as a result of these changes.
- 7.2 The full EqIA can be found in **Appendix 4**, along with a health impact assessment.

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

- 8.1 The proposals were considered by the Communities Scrutiny Committee held on the 11th September 2014. The Committee was supportive of re-designating the additional licensing scheme, in Rhyl for a further 5 years.

8.2 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.

8.3 A formal public consultation was undertaken as outlined in **Appendix 5** and all consultation responses have been collated in **Appendix 6**.

9. Chief Finance Officer Statement

9.1 Any costs associated with this scheme should be contained within existing budgets and the new fee structure.

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

10.1 The additional licensing controls are seen as an important component of the emerging local housing strategy and supports the ongoing regeneration work in Rhyl. The risk of not adopting the Scheme is that a number of HMO’s in Rhyl will not have adequate controls to ensure acceptable standards of management and accommodation.

11. Power to make the Decision

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

11.2 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.

11.3 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.

List of Appendices

Appendix 1 - PROPOSAL: Proposed designation of an Additional Licensing scheme for Houses in Multiple Occupation (HMOs) within Rhyl

Appendix 2 - Licensing Conditions (Additional & Mandatory)

Appendix 3 - Licensing Fees (Additional & Mandatory)

Appendix 4 - Health Impact Assessment and equality impact assessment.

Appendix 5 - Consultation Undertaken

Appendix 6 - Consultation Responses