

<b>Report to</b>	<b>Cabinet</b>
<b>Date of meeting</b>	<b>28<sup>th</sup> July 2020</b>
<b>Lead Member / Officer</b>	<b>Lead Member for Housing and Communities</b>
<b>Report author</b>	<b>Built Environment and Public Protection Manager</b>
<b>Title</b>	<b>Additional Licensing for HMO's</b>

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

- 1.1 The report is about seeking Members' approval on re-designating an Additional Licensing Scheme for Houses in Multiple Occupation (HMO) within Rhyl and extending the designation to Prestatyn, Denbigh and Llangollen.

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

- 2.1. The Council has been operating an Additional Licensing Scheme for HMO's in Rhyl for nearly 10 years. The Housing Act 2004 requires us to review the Additional Licensing scheme designation every 5 years.

## **3. What are the Recommendations?**

- 3.1. Officers are seeking approval from Members on re-designating the Additional Licensing Scheme in Rhyl and also on the proposal to extend the designation to Prestatyn, Denbigh and Llangollen.

## **4. Report details**

### **Background**

- 4.1. The Housing Act 2004 introduced a duty for local authorities to operate a Mandatory Licensing Scheme for certain types of HMO's which consist of:

- 3 or more storeys, with 5 or more occupants and forming 2 or more households

- 4.2. The aim of the Mandatory Licensing Scheme is 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. However, only a small number of HMOs in Denbighshire fall within the Mandatory Licensing criteria laid down by the Act.
- 4.3. The Housing Act 2004 also contains provisions enabling local authorities to extend a licensing scheme to other categories of HMO to address particular problems not covered by the Mandatory Scheme. This is called Additional Licensing.
- 4.4. On the 8<sup>th</sup> September 2009 Cabinet approved an Additional Licensing for Rhyl. This Scheme came into force on the 1<sup>st</sup> January 2010. The scheme was reviewed by Cabinet in December 2014 and extended for another 5 years.
- 4.5. As of the 27<sup>th</sup> January 2020, 145 HMO's have been licensed through the Additional Licensing Scheme and 33 Licensed through the Mandatory Scheme, i.e. 178 in total.

## **Elements for Consideration:**

### **The geographical area Covered by "Additional Licensing".**

- 4.6. Currently, the Additional Licensing scheme only applies to relevant properties in Rhyl. Officers recommend that the scheme is expanded to include HMO's in Prestatyn, Denbigh and Llangollen.

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

- any type of HMO as defined by Section 254 of the Housing Act 2004 which does not fall within the mandatory licensing scheme, occupied by three or more persons, forming two or more households.
- HMO properties which are defined within the scope of Section 257 of the Housing Act; HMO's created by converting buildings into flats, but do not meet the 1991 Building Regulations and they have not been subsequently brought up to the relevant standards

## **Justification & evidence for re-designating an Additional Licensing scheme**

4.7. 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. **(Appendices 1, 3, 4 & 5)** of this report provides letters of support for the extension of Additional Licensing from NWP and NWFRS together with more evidence to support the extension of the scheme.

## **The Conditions to be imposed as part of an Additional Licensing scheme**

4.8. The Licensing Conditions and Standards have been reviewed and updated as the current standards were originally adopted back in 2010. The proposed conditions have been outlined in **Appendix 2**. The main changes are:

- Amending the **room space standards** slightly to be in line with England.
- **Energy Efficiency Conditions** amended to be in line with the new Energy Efficiency (private Rented Property) (England and Wales) Regulations 2015
- More detailed conditions on **storage and Disposal of Refuse**
- **Anti-social behavior** amendments
- **Gas Safety** – A carbon monoxide (CO) alarm must be fitted to any room that is used as living accommodation and contains any gas appliance.

## **Fees to be applied to an Additional Licensing scheme**

4.9. 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. Fees and charges are attached in **Appendix 6**.

## **The comments received from formal consultation**

4.10. A summary of the comments received from the consultation exercise can be found in **Appendix 8** and any changes made as a result of comments have been highlighted in red on the relevant documents.

## **Consideration of when the scheme should be introduced**

4.11. During the current Covid-19 pandemic, WG non-statutory guidance was issued suggesting that Local Authorities consider pausing the introduction of non-mandatory licensing schemes which we have done so for the last 2 months. However, we consider that the benefits of introducing the scheme to the community and also the safety of tenants should now take priority over a further

delay. If Cabinet approve the Additional Licensing Scheme, then this will commence in 3 months' time in accordance with Statute.

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

- 5.1. It is recognised that there is a need to ensure housing is available to meet the needs of Denbighshire residents and that this is an important factor in retaining or attracting young people to live in the area. The effective and efficient management of the 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 provision of a wide range of accommodation available to suit different needs and contributes to one of the actions of supporting young people to access suitable homes they can afford.
- 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 contained within service budgets and it is proposed that the existing licensing fees are retained.

## **7. What are the main conclusions of the Well-being Impact Assessment?**

- 7.1. The main conclusion from the Well-being Impact Assessment is that the result contributes positively overall to the wellbeing goals. A housing licensing scheme such as this can have wide-ranging positive impacts for social wellbeing, environmental impact and on economic improvements to the wider area. The report has highlighted that a real focus needs to be made on social inclusion and development. **See Appendix 7 for a copy of the Well-Being Impact Assessment.**

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

8.1 Formal consultation has been carried out with Partnerships Scrutiny, the relevant MAGs, the Lead Member & other DCC services and Partners, and by formal consultation on the DCC Consultation Portal for 10 weeks. Generally, the comments received were in support of the introduction of an Additional Licensing Scheme for HMOs, but one formal challenge was received from the National Residential Landlord's Association (NRLA). A summary of the responses received can be found in Appendix 8.

## **9. Chief Finance Officer Statement**

9.1. 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?**

10.1. Capacity to administer & enforce the scheme could be a risk. We do however consider existing staff resources should be sufficient. However, should we identify the need, then income generated from the scheme could be used to offset the costs of employing additional staff on a temporary basis.

## **11. Power to make the decision**

11.1. 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.