

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

17 May 2010

**Joint Report of the Director of Health and Housing and Cabinet Member for
Housing**

Part 1- Public

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken
by the Cabinet Member)**

1 HOUSES IN MULTIPLE OCCUPATION (HMO) LICENSE FEES

Summary

**This report proposes an increase to the fee for licensing new HMOs and for
the setting of a fee for the renewal of an existing licence.**

1.1 Introduction

1.1.1 The government introduced the mandatory licensing of houses in multiple
occupation under the provisions of Part 2 of the Housing Act 2004.

1.1.2 The aim of licensing is to improve the controls on HMOs and to raise the standard
of some of the highest risk properties that are often occupied by some of the most
vulnerable people, whilst maintaining an adequate supply of rented
accommodation.

1.1.3 HMO licensing came into effect on 6 April 2006. The enforcement provisions for
dealing with unlicensed HMOs followed on the 3 July 2006, which gave licence
applicants a three month period to submit an application before enforcement
action could be taken.

1.2 Licensing of HMOs

1.2.1 The Council has a statutory duty to licence all HMOs within the local authority
area where “the HMO or any part of it comprises three storeys or more; it is
occupied by five or more persons and it is occupied by persons living in two or
more single households”.

1.2.2 The licence is for a maximum of five years and cannot be transferred. The licence
ends as a result of the passage of time, the death of the licence holder, the sale of
the property or the revocation of the licence by the local authority. The licence is
held on a public register maintained by the local authority.

- 1.2.3 On 21 February 2006, this Board endorsed the proposal that a fixed single licence fee of £325 for granting or refusing a mandatory HMO licence be set.
- 1.2.4 Following a review of administrative costs and using the same methodology for calculating costs as used originally, a revised charge of £390 for granting or refusing a new mandatory HMO licence is proposed. This is comparable to that proposed by other local authorities across Kent. This is an increase of £65, which over the five year licence period represents £13 per year. Following the introduction of HMO licensing in 2006, ten HMOs were licensed, with an average of one additional licence application per year to 2010.
- 1.2.5 Ten of the thirteen existing licenses are due for renewal in 2011. Using the same methodology for calculating costs as mentioned in paragraph 1.2.4, a renewal fee of £270 is proposed.

1.3 Legal Implications

- 1.3.1 The Council has a statutory duty under Section 61(1) of the Housing Act 2004 to implement mandatory HMO licensing.
- 1.3.2 Section 87 (7) of the Housing Act 2004 allows local authorities to fix a fee for licensing based on the costs incurred in processing a licence application.

1.4 Financial and Value for Money Considerations

- 1.4.1 The revised HMO licence fee for new applications is predicted to increase the Council's revenue for 2010/11 by £390 (i.e. for one new licence). The introduction of the renewal fee of £270 is predicted to increase the Council's revenue for 2011/12 by £2,700, based on the renewal of ten HMO licenses. The revenue from HMO licensing will be less in subsequent years as it is not envisaged that many new HMO licence applications will be received.

1.5 Risk Assessment

- 1.5.1 The approach to the mandatory HMO licensing regime is consistent with the council's risk-based approach to enforcement in focusing on the highest risk premises.

1.6 Policy Considerations

- 1.6.1 The HMO licensing regime is making a positive contribution to improving the lives and living conditions of vulnerable households within the borough, thereby impacting the policy agenda in relation to healthy lifestyles, equality and diversity, safeguarding children and biodiversity/sustainability.

1.7 Recommendations

- 1.7.1 **CABINET is RECOMMENDED to AGREE** the licence fee of £390 for granting or refusing a new mandatory HMO licence application, and a renewal fee of £270 for an existing licence.

The Director of Health and Housing confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

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Nil

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