

Report title	Houses in Multiple Occupation Mandatory Licensing	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets and Housing	
Corporate Plan priority	Place - Stronger Economy	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Kate Martin, Service Director, City Housing	
Originating service	City Housing	
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Report to be/has been considered by	Strategic Executive Board	28 August 2018

Recommendations for decision:

The Cabinet is recommended to:

Approve the implementation of changes in line with updated legislation around the licensing and management of Houses in Multiple Occupation.

1.0 Purpose

The purpose of this report is:

- 1.1 To seek approval from Cabinet for the Private Sector Housing team to implement the extension of mandatory licensing to houses in multiple occupation (HMOs) in Wolverhampton as prescribed under the The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018.
- 1.2 To advise Cabinet on the introduction of The Licensing of Houses in Multiple Occupation (Mandatory Conditions of Licences) (England) Regulations 2018 which will form part of the licence conditions and the adopted amenity standards.
- 1.3 To advise that a further report will be submitted to Cabinet to detail changes to licensing fees following collaboration with the Council's licensing team as an alternative delivery method.

2.0 Background

- 2.1 The Housing Act 2004 provides for local authorities to mandatorily licence certain HMOs within their district.
- 2.2 The current definition of a HMO that requires mandatory licensing is a property containing: five or more unrelated occupants; sharing amenities, such as bathrooms and/or kitchen, over three or more storeys.
- 2.3 Leading up to the implementation of this scheme various reports have been agreed by Cabinet, listed in section 14 as the background papers to this report.
- 2.4 Amenity standards set by the Chartered Institute of Environmental Health and adopted by the City of Wolverhampton Council, set minimum room sizes and the minimum provision of amenities.
- 2.5 To date the Council has licensed 127 HMOs under the existing regime.

3.0 Extension to Mandatory Licensing of HMOs

- 3.1 In 2017 central government declared the extension of mandatory licensing commencing from 1 October 2018, to include all properties with five or more unrelated occupants, sharing amenities, taking out the three or more storeys requirement.
- 3.2 It is estimated that there will be an additional 500 properties that will fall under this definition.
- 3.3 There have been various forms of communication to advise landlords of the changes.
- 3.4 It is anticipated that compliant landlords will submit their applications prior to or on 1 October 2018.
- 3.5 The Council will take a formal approach with landlords found to be operating a licensable HMO without a licence.

4.0 The Licensing of Houses in Multiple Occupation (Mandatory Conditions of Licences) (England) Regulations 2018

- 4.1 Attached at Appendix 1 to this report are the new regulations, which stipulate minimum room sizes in HMOs and the requirement for landlords to provide proper storage and disposal for household waste. These are required to be mandatory conditions in all HMO licences found at Appendix 2 of this report. They will also be included in the adopted amenity standards that can be found at Appendix 3 to this report.

5.0 HMO Licence Fees

- 5.1 Due to the anticipated increase in licence applications, proposals are being put together for the administration of HMO licensing to be delivered by the Council's licensing team. A further report will be submitted to Cabinet with proposals.

6.0 Evaluation of alternative options

- 6.1 The alternative option would be to remain as we are and not administer the new licensing regime, however the Council would then be in breach of its statutory duty under the Housing Act 2004 and potential vulnerable occupants of HMOs unlicensed and at risk.

7.0 Reasons for decision

- 7.1 To ensure vulnerable occupants in HMOs are safeguarded through licensing and ensuring their property conditions are safe and managed.
- 7.2 To ensure the Council is protected from legal and reputational risk by complying with the Housing Act 2004.

8.0 Financial implications

- 8.1 The financial and resourcing implications of the extension of licensing will be mitigated by charging landlords a licence fee. This fee is required to be cost neutral.
- 8.2 Offences in relation to licensing or breaching of the management regulations may result in the prosecution of landlords or the service of a civil penalty up to £30,000 per offence.
[JM/17082018/Y]

9.0 Legal implications

- 9.1 The Council has a statutory duty to comply with new legislation. Failing to do so would have a serious impact on the Council's reputation, could be challenged in the courts and / or could be investigated by the relevant body, implying a fine in the longer term.
- 9.2 Implementation however lies with the Council and can fall under whichever department is deemed most suitable at the time.
- 9.3 Education and enforcement will need to be considered and sustained for consistency and credibility.

[LW/23082018/U]

10.0 Equalities implications

- 10.1 This report has significant equal opportunities implications as many people living in HMOs in the private rented sector suffer multiple deprivation and endure some of the worst housing conditions. The extension to mandatory licensing places further duties on local authorities to improve conditions in this sector.

11.0 Environmental implications

- 11.1 The improvement of conditions in the private sector will encourage investment and enhance the built environment.

12.0 Human resources implications

- 12.1 Additional resources will be needed for the proper execution of HMO licensing and the proactive inspection regime for locating illegal HMOs which are being run unlicensed.
- 12.2 A further report detailing the resource needs will be submitted to Cabinet.

13.0 Corporate landlord implications

- 13.1 There are no corporate landlord implications arising from this report.

14.0 Schedule of background papers

- 14.1 Cabinet (Resources) Panel, 2 June 2003 - 'Draft Housing Bill (2003) – Private Sector Housing Proposals'.
- 14.2 Cabinet (Resources) Panel, 28 February 2006 - 'Implications of The Housing Act 2004'.
- 14.3 Cabinet (Resources) Panel, 06 June 2006 - '[Enforcement of The Housing Act 2004](#)'.
- 14.4 Cabinet, 05 October 2011 - '[Implications of Relicensing HMOs Under the Housing Act 2004](#)'.

15.0 Appendices

Appendix 1 - The Licensing of Houses in Multiple Occupation (Mandatory Conditions of Licences) (England) Regulations 2018

Appendix 2 - City of Wolverhampton Council Licence Conditions for HMOs

Appendix 3 - City of Wolverhampton Council Amenity Standards for HMOs

Appendix 4 - The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018