

Agenda item:

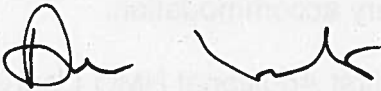
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Cabinet

On 7 June 2011

Report Title: Proposed changes to the regulation and licensing of Houses in Multiple Occupation (HMOs), including the introduction of an area based Additional Licensing Scheme

Report of: Anne Lippitt, Interim Director of Place and Sustainability

Signed:  **Date:** 25/5/2011

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Wards(s) affected: All

Report for: Key Decision

1. Purpose of the report

- 1.1 The purpose of this report is to provide Members with details of Haringey's existing Mandatory HMO Licensing Scheme, recommend changes to the HMO amenity standards and propose the adoption of an Additional HMO Licensing Scheme.
- 1.2 It seeks Cabinet approval of changes to the HMO standards and fee structure. It also seeks approval of an Additional HMO Licensing Scheme, covering the Harringay Ward and adjoining roads, that will come into effect on 1 October 2011.

2. Introduction by Cabinet Member for Neighbourhoods

- 2.1 For many people in Haringey, living in a House in Multiple Occupation is the only affordable housing option available to them when they leave home, lose their job, come out of prison, leave supported housing or escape from a violent partner.
- 2.2 Although there are some very good, well-managed HMOs in Haringey, residents have been concerned about HMOs clustering in a particular area and that too many HMOs are in a poor state of repair, are not being properly managed and have become an eyesore and nuisance to the local neighbourhood.

- 2.3 I am delighted that we have been able to build on the innovative work undertaken by the Corporate HMO Working Group to develop new ways of working that enable us to co-ordinate our enforcement activities and regulate HMOs, especially those that have fallen outside of the Mandatory HMO licensing scheme.
- 2.4 Government changes to Local Housing Allowance rates will cause unprecedented 'outward migration' from Central London, as low income households are forced to move to those boroughs – such as Haringey, Enfield and Waltham Forest – where private rented accommodation is less expensive. This will inflate rents, increase overcrowding and encourage the unauthorised conversion of larger homes into smaller units that are, all too often, badly managed, substandard and unsafe.
- 2.5 The Government's decision to restrict the Local Housing Allowance to the 'single room rate' for single people under the age of 35 will substantially increase the demand for HMOs and place additional pressure on those Wards that already have a large stock of shared housing and temporary accommodation.
- 2.6 I welcome the introduction of the borough's first Additional HMO Licensing Scheme and the way in which the fee structure and the length of the licences will be used to reward responsible management of HMOs and, quite rightly in my view, charge a bigger share of the cost of running the licensing scheme to those landlords who have the most problematic HMOs and are unwilling to co-operate with the Council.
- 2.7 Residents will be pleased, I am sure, with the creation of a multi disciplinary 'virtual team' that is solution focused, flexible and responsive, and has the capacity and tenacity to get things done and make a real difference. I am hoping that, subject to resources, it will be possible to roll out the scheme to other Wards in the future.

3. Link(s) with Council Plan Priorities and actions and /or other Strategies

- 3.1 The proposed changes to the regulation and licensing of Houses in Multiple Occupation support the Council's objective of becoming "a Council we are all proud of – delivering high quality, cost effective services".
- 3.2 The introduction of the Additional HMO Licensing Scheme supports, and is consistent with, Haringey's Housing Strategy 2009-19 which sets out the key priorities for the Council and its partners to create "**Neighbourhoods that people choose to live in with a balance of different types of homes which offer quality, affordability and sustainability for current and future generations**".
- 3.3 HMO licensing and the area based approach proposed in this report will make a positive contribution to the achievement of the five aims in the Housing Strategy:
- To meet housing need through mixed communities which provide opportunities for our residents;
 - To ensure housing in the borough is well managed, of high quality, and sustainable;

- To provide people with the support and advice they need;
- To make all homes in the borough a part of neighbourhoods of choice; and
- To contribute to creating the Greenest Borough

4. Recommendations

4.1 It is recommended that Cabinet:

- (a) Notes the results of the consultation exercise undertaken in relation to the proposed Additional HMO Licensing Scheme (as set out in Appendix 5);
- (b) Approves the declaration of an Additional HMO Licensing Scheme for the designation of houses in multiple occupation within the Harringay Ward and parts of the St Ann's and Noel Park Wards (as described in Paragraphs 7.1 – 7.4 of this report) for a 5 year period that commences on 1 October 2011;
- (c) Approves Haringey's revised HMO standards (as set out in Appendix 2);
- (d) Approves the revised fees structure and duration of licences (as set out in Appendix 3) that will apply to Haringey's Mandatory and Additional HMO Licensing schemes for houses in multiple occupation;
- (e) Endorses the proposed corporate and team-based approach to the enforcement of the standards and legislation relating to HMOs; and
- (f) Agrees to the initial investigation of the merits and feasibility of rolling out Additional HMO Licensing to other parts of the borough.

5. Reasons for the recommendations

- 5.1 Although HMOs make a valuable contribution to meeting local housing need by providing flexible lower cost accommodation, they can cause very serious problems for occupiers and neighbouring residents if they are not well managed.
- 5.2 Enforcing HMO standards is complex, resource intensive and expensive. The licensing of HMOs changes the dynamics by placing an obligation on the landlord to approach the Council. Failure to licence a licensable HMO is an offence.
- 5.3 By licensing HMOs, the Council is able to ensure that the accommodation is well managed, safe and habitable, and that it complies with the amenity standards, is in a good state of repair and is not causing a nuisance to neighbours.
- 5.4 HMO licensing provides the Council with the opportunity to determine whether or not the manager of an HMO is a 'fit and proper person' to manage that HMO. It also enables the Council to determine the length of the HMO licence, attach conditions to the licence, and decide whether or not the licence should be revoked.

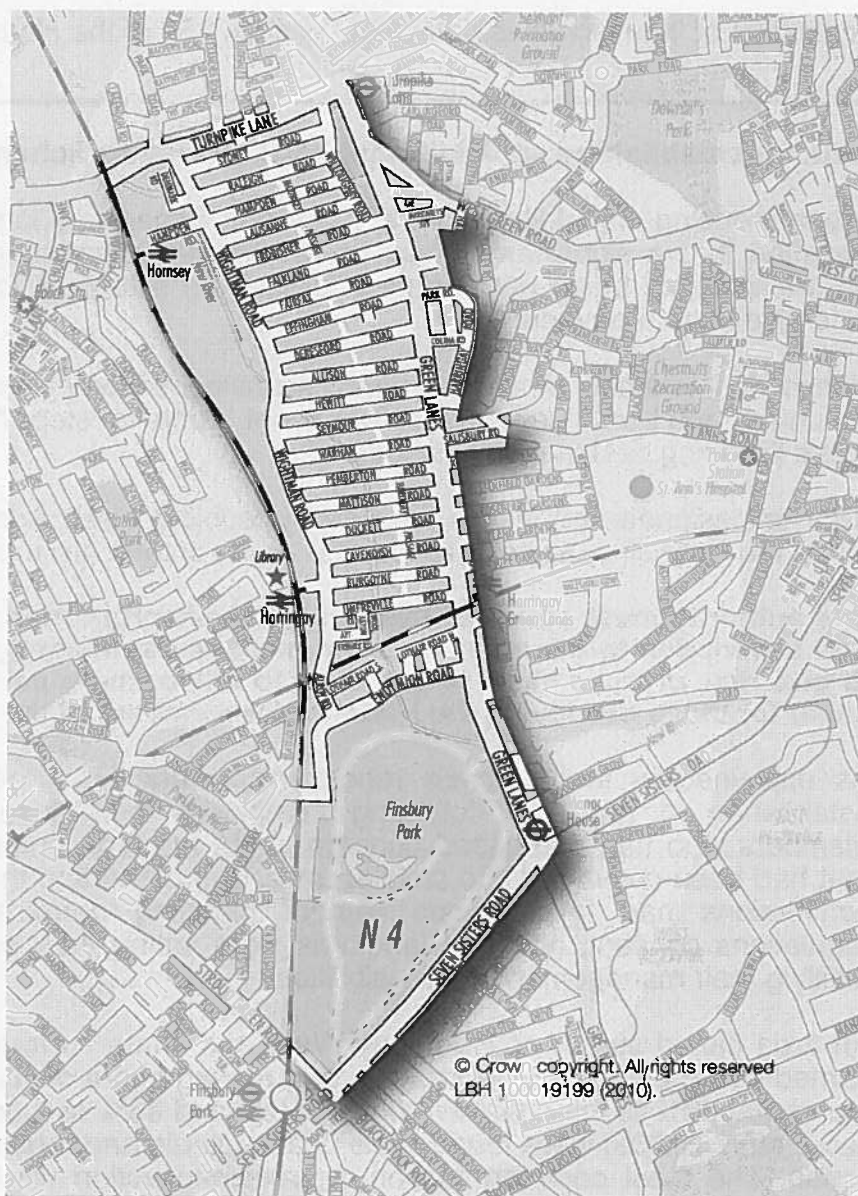
- 5.5 During a house-to-house survey in Harringay Ward in October 2010, more than 1,000 properties were visited to record information on tenure and property conditions. 68% of the shared/bedsit HMOs visited and 46% of the s257 HMOs visited were found to be in a poor and unacceptable condition and in need of enforcement action. The absence or inadequacy of fire precautions and home security were the main reasons for concern.
- 5.6 Following extensive consultation with residents, tenants, landlords and agents, it is proposed that an Additional HMO Licensing Scheme is introduced in the Harringay Ward and parts of the St Ann's and Noel Park Wards on 1 October 2011.
- 5.7 In order to support Haringey's licensing schemes, Haringey's HMO standards have been updated. Changes have also been made to the HMO licensing fee structure and the length of HMO licences to encourage landlord accreditation, the early submission of licence applications, and compliance with the law.
- 5.8 Learning from the success of earlier initiatives, a multi-disciplinary 'virtual team' (comprising representatives from Planning, Housing, Street Enforcement, Council Tax, Housing Benefit, Building Control, the Fire Service and the Police) will consider all HMO licensing applications and work together to identify any unlicensed premises that may require an HMO licence and deal swiftly and decisively with any HMOs or landlords that are especially problematic.
- 5.9 It is likely that other areas of Haringey would benefit from an Additional HMO Licensing Scheme. However, before the scheme can be rolled-out to other areas, a full appraisal of these areas is required to assess the merits and feasibility of such a scheme and whether or not they would satisfy the criteria.

6. Mandatory and discretionary licensing of HMOs

- 6.1 The Housing Act 2004 introduced the mandatory licensing of HMOs that have 3 or more storeys and are occupied by 5 or more persons who are living in 2 or more households. It also allows the discretionary licensing of HMOs and other private rented housing to meet local needs in certain circumstances.
- 6.2 Discretionary licensing may take two forms:
- **Selective Licensing** – which can be applied to all private sector housing if it can be shown that it is suffering from low demand or antisocial behaviour.
 - **Additional Licensing** – which can be applied to specified types of HMOs.
- 6.3 Sections 56 and 57 of the Housing Act 2004 provide local authorities with the power to designate areas within their district or borough as being subject to an Additional HMO Licensing Scheme in respect of some or all of the HMOs in that area that are not already subject to mandatory licensing.
- 6.4 Although mandatory licensing does not apply to those HMOs that fall within the definition of a converted flat (s257, Housing Act 2004), these HMOs can be licensable under an Additional HMO Licensing Scheme.
- 6.5 Additional licensing schemes may be introduced for a period not exceeding 5 years and can be used to address problems that may exist in sub-standard converted self-contained flats and smaller HMOs.

7. Details of the proposed Additional HMO Licensing Scheme

- 7.1 For the reasons given in the attached report (**Appendix 1**), it is proposed that an Additional HMO Licensing Scheme is introduced for the Harringay Ward and parts of St Ann's & Noel Park Wards, for up to 5 years, from 1 October 2011.
- 7.2 Throughout the Scheme and at the end of the 5 year period, the Council will review how it is working to see if it should continue or be varied.



- 7.3 The additional licensing of Houses in Multiple Occupation (HMOs) will cover the entire Harringay Ward, together with the neighbouring north side of Turnpike Lane between the corner of High Road and Hornsey Park Road in Noel Park wards, plus the neighbouring east side of Green Lanes from the borough boundary with Hackney in the south to the junction with West Green Road, together with all of Salisbury Road in the St Ann's Ward. The area comprises approximately 3490 buildings.

7.4 The Additional HMO Licensing Scheme will apply to:

- All HMOs which are occupied by 3 or more persons comprising 2 or more households (irrespective of the number of storeys within the HMO); and
- Certain converted blocks of flats as detailed by section 257 of the Housing Act 2004, but only where the entire block and all individual units of accommodation within the block are in single ownership.

7.5 The definition of 'household' is detailed in section 258 of the Housing Act 2004.

8. Criteria for establishing an Additional HMO Licensing Scheme

8.1 Before introducing an Additional HMO Licensing Scheme, a local authority must be satisfied that a significant proportion of the HMOs meeting the description within the area are being mismanaged to such an extent as to give rise, or be likely to give rise, to problems.

8.2 Guidance in implementing discretionary licensing schemes is included in the Communities and Local Government document 'Approval steps for additional and selective licensing designations in England'.

8.3 In order to designate this as an area that is subject to an Additional Licensing Scheme, the Council must be satisfied that seven criteria are met:

- (a) The authority must consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.**

As explained in the attached report (**Appendix 1**), a pilot scheme was established in the area following complaints from local residents and Members who had expressed concern about the high number of properties that had been converted into smaller units, and frustration that many of these conversions had taken place without planning permission or building regulations consent, and that landlords were letting their properties without fulfilling their management responsibilities.

An area based survey of Harringay Ward and some surrounding roads was carried out to establish the condition and management of HMOs. This survey found that 68% of the shared / bedsit HMOs and 46% of "converted blocks of flats" (s257 HMOs) were found to be unacceptable and requiring enforcement action. The most common reason for requiring action was the absence of adequate fire precautions, followed by security issues.

The Harringay Ward has the largest number of mandatory licensable HMOs in Haringey (52) and the area survey discovered a further 61 HMOs which meet the criteria for mandatory licensing, but which had failed to apply for a licence.

Based on the results of the survey, there could be as many as 300 shared/bedsit type HMOs and 1170 converted blocks of flats type (s257) HMOs in the area covered by the Additional Licensing Scheme.

Fear of crime is prevalent in the area and the Housing Improvement Team (Private Sector) receives very high numbers of complaints about HMOs from within the Haringay Ward. Burglary, dumping, noise nuisance and high numbers of empty properties also feature in the area

- (b) The authority must have regard to any information regarding the extent to which any codes of practice approved under section 233 have been complied with by persons managing HMOs in the area.**

No code of practice has been issued for England.

- (c) The authority must consider whether there are other courses of action (whatever the nature) available to them that might provide an effective method of dealing with the problem.**

The Council has had a consistent approach to engaging with the private rented sector. The Landlords Forum meets regularly and has been very successful in disseminating information and obtaining the views of private landlords, rental agents and housing suppliers.

Haringey Council has also been a strong supporter of the London Landlord Accreditation Scheme (LLAS). There are currently 476 accredited members with properties in the borough; this is the fourth highest membership rate in London. Unfortunately, however, the 2 training sessions laid on by the LLAS for Haringey's landlords and agents had to be cancelled, due to low take-up.

In Haringey, 10 prosecutions of landlords were undertaken in 2010/11, and a further 6 landlords have been prosecuted for failure to apply for a mandatory HMO licence. During the last 3 years, two landlords have been imprisoned for offences at their premises.

It is clear that conventional engagement, enforcement and persuasion will not, on their own, result in a significant improvement in the area. Licensing has a crucial role to play in dealing with the problem.

- (d) Criteria 4 – The authority must consider that making the designation will significantly assist them in dealing with problems.**

The introduction of an additional licensing scheme will result in the following: :

- Improvements to the appearance and condition of HMOs (including the gardens and outbuildings) and the environmental impact they have on the local neighbourhood..
- Improvements to health and safety, as gas and electrical installations will be safe and fire precautions will be in place.
- Better outcomes and value for money, more effective problem-solving and sustained improvement will be achieved through closer collaboration, an increased presence and regular surveys.
- Increased awareness of management issues, including fire safety, the control of rubbish and waste, and the maintenance of communal areas, gardens, forecourts and gas / electricity installations.

- Landlords will be supplied with information to give to their tenants at the start of their tenancies. As well as reinforcing the responsibilities of the landlord and tenant, the information pack will provide very useful information about the local area and services.
- The knowledge and understanding of landlords and agents will be enhanced by their membership of the development-based London Landlord Accreditation Scheme which is incentivised through the new fee structure for HMO licensing in Haringey.
- 'Bad' landlords will be prevented from managing licensable HMOs if they are assessed as being not a 'fit and proper' person.

Other, indirect improvements would include the following:

- Improvements to accommodation, achieved through the use of the Housing Health and Safety Rating System, especially in situations where there is excess cold or the property is not secure.
- Reduced incidents of anti-social behaviour, as landlords and property owners are made more accountable for the behaviour of their tenants and encouraged to tackle and reduce anti-social behaviour.

(e) The authority must consult persons who are likely to be affected by the designation and consider any representations.

Extensive consultation has taken place with a range of stakeholders, including residents, tenants, landlords and agents. The results of the consultation are included in the Consultation Report (**Appendix 5**) attached.

(f) The authority must ensure that the exercise of the power is consistent with the authority's overall housing strategy.

As explained in the attached report (**Appendix 1**), additional licensing will contribute positively to the aims of the Housing Strategy by regulating the supply of lower cost shared housing and converted units of accommodation.

Additional licensing will also ensure that the accommodation is of a good standard, meets acceptable housing standards and is well managed by fit and proper persons. The licensing regime seeks to encourage continuous improvement by rewarding good HMO landlords/owners with longer licences.

(g) The authority must seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour as regards combining licensing with other courses of action available, and as regards combining such licensing with measures taken by other persons.

The Council and its partners have an excellent track record of multi agency working and ensuring a co-ordinated approach in dealing with homelessness, empty properties and anti-social behaviour.

As well as making effective use of all available powers and resources, there is a strong commitment to establish a multi disciplinary 'virtual team' that will have an input into the assessment of HMO licence applications, identify unlicensed HMOs and ensure that additional licensing complements the other action that is being taken to improve neighbourhoods and reduce the impact of poorly managed and maintained HMOs.

8. Revised HMO amenity standards

- 8.1 The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provision) (England) Regulations 2006 made under the Housing Act 2004 prescribe the standards for houses in multiple occupation that are licensed by the Council. The prescribed standards include requirements relating to heating, kitchen, sanitary and washing facilities and include ratios of amenities to occupiers.
- 8.2 These prescribed standards provide the basic framework relating to the provision of amenities within houses in multiple occupation, and can be used for advice and enforcement purposes for landlords, tenants and Council Officers.
- 8.3 Section 65(2) of the Housing Act 2005 provides the local authority with the power to decide that the HMO is not reasonably suitable for occupation by a particular maximum number even if it does meet standards prescribed by Regulations. This means that the local authority can set more detailed standards to enable it to determine such situations in a consistent way.
- 8.4 **Appendix 2** contains details of Haringey's new standards for houses in multiple occupation. The main changes to the HMO standards that were approved in 2006 are as follows:
- The removal of reference to "shared houses", which are no longer included in the legal definition of HMO
 - The extension of the standards to cover all types of HMO and not just mandatory licensable HMOs
 - The specific inclusion of safety standards covering gallery accommodation which are raised sleeping platforms frequently installed in studios or where space is at a premium. The requirements are based on the guidance in LACORS Housing Fire Safety Guide.
- 8.5 Minor variations will be granted to the standards where commensurate and suitable alternative facilities are available for the occupants.

9. Revised HMO fees structure and duration of HMO licences

- 9.1 Guidance indicates that all costs must be justifiably covered but also that fees are not set so that they are perceived as an additional tax on landlords.
- 9.2 The fee that is set must be justifiable and representative of each individual local authority's process. Setting higher fees may, therefore, be open to challenge.

9.3 All the costs of running the mandatory and additional licensing schemes have been taken into account when setting the licence fee and the Local Government Association HMO fee calculator was used to set the fees at £208 per let.

9.4 Benchmarked against other local authorities in the North London Sub Region and based on an HMO comprising 4 units, Haringey's fee of £208 per unit is higher than Islington and Enfield but lower than Westminster and Camden:

- Westminster City Council - £366 per unit
- Camden Council – £290 per unit
- Haringey Council – £208 per unit
- Islington Council – £120 per unit
- Enfield Council – £120 per unit

9.5 In order to reward good behaviour, it is proposed that discounted fees are offered to the landlords who co-operate with the licensing arrangements and manage and maintain their HMOs to a good standard. Where a landlord is not so co-operative or responsible, however, they will be expected to pay the full fee and renew their licence more often as the duration of the licence will be reduced.

Discounts on fees

9.6 It is hoped that, by offering discounts on fees, the Council will encourage landlords to submit their licence applications (under both the additional licensing scheme and the mandatory licensing scheme) within the set timescales. This will assist work flow and the targeting of HMOs.

9.7 To this end, it is proposed that, where an applicant submits a properly completed application at least 2 calendar months before the deadline for applications or renewal, the applicant's total licensing fee for that HMO will be reduced by £100.

9.8 HMO licensing affords the opportunity to increase the take-up of the London Landlord Accreditation Scheme (LLAS) which provides training for landlords and agents to understand their responsibilities and rights. It is proposed that a £100 discount should be offered to any accredited member of LLAS, as this will encourage landlords to adopt higher standards of accommodation, increase the supply of good quality accommodation and encourage compliance. By ensuring that landlords are aware of the HMO legislation, membership of the LLAS should reduce unnecessary delays in the processing of applications.

9.9 In order to assist in the processing and assessment of applications and to remove the need for Officers to prepare scale plans of licensable HMOs, it is proposed that a £50 discount should be offered to applicants who include a suitable scale plan of the premises in the application.

9.10 It is proposed that HMO fees are discounted in accordance with the criteria set out in the HMO Fee Structure (**Appendix 3**) attached.

Duration of the HMO licence

- 9.11 Section 68 of the Housing Act 2004 provides that a person controlling or managing an HMO must have a separate licence for each property and that each licence is valid for a maximum of five years. Licences are non-transferable.
- 9.12 It is important to differentiate between the good licence holder (who is competent and maintains and manages their premises to a high standard) and the poor or mediocre landlord who reacts tardily and demonstrates a reluctance to carry out their responsibilities and legal duties.
- 9.13 The maximum duration of 5 years for an HMO licence will only be available for licence holders who operate responsibly and manage and maintain their properties and relationship with their tenants to a good standard.
- 9.14 It is proposed that the duration of licences will be reduced, by between 1- 4 years, from the maximum of 5 years in accordance with the criteria set out in the HMO Fee Structure (**Appendix 3**) attached.

10. A fresh approach to HMO licensing and enforcement

- 10.1 The pilot scheme operating in the Harringay Ward demonstrated the value of adopting a multi agency approach to HMOs, in order to safeguard the health and safety of the occupants, deliver a consistent message to landlords and agents, detect and prevent crime, and ensure that the correct amount of money is collected in respect of Council Tax and other property-related charges.
- 10.2 In order to achieve the best possible outcomes, it is proposed that a 'virtual team' is established to consider all HMO licensing applications and to identify any unlicensed premises that may require an HMO licence.
- 10.3 The 'virtual team' will comprise representatives from a wide range of Council services and the Council's partners including, where relevant, Planning, Street Enforcement, Council Tax, Housing Benefit, the waste management contractor, Building Control, the Fire Service, the Police and others who are likely to have an input into the considerations.
- 10.4 This approach has worked well in the enforcement of empty homes which uses a 'virtual team' of Officers to work jointly on the gathering, pooling and analysing of the intelligence required to act collectively against property owners whilst also allowing Officers the scope to take their own action if and when required.
- 10.5 The Housing Act 2004 introduced a completely new regime for dealing with the private rented sector by introducing both licensing and the risk based Housing Health and Safety Rating System (HHSRS). **Appendix 5** summarises the proposed enforcement process under the Housing Act 2004.
- 10.6 Whilst preparing for the Additional HMO Licensing Scheme in the Harringay Ward (something which required a substantial amount of investigation and evidence gathering) we identified a number of other Wards which, based on our initial findings, may also benefit from an additional licensing scheme in their area. A full appraisal of these areas would be necessary, however, before it can be established whether they would satisfy the criteria for additional licensing.

- 10.7 The licence fee has been established to cover all costs associated the issuing of the licence and to meet future ongoing costs of monitoring the licence throughout its duration, which may be for up to 5 years. Consideration will need to be given to whether or not any surplus licence fee income (intended for future monitoring of the licence) can be invested in determining the licensing potential of other areas.

11. Director of Corporate Resources Comments

- 11.1 The proposal to change the regulation and licensing of Houses in Multiple Occupation formed part of the Haringey Efficiency and Savings Programme (HESP) which was approved in principle by Cabinet on 8 February 2011 and endorsed by Full Council on 24 February 2011.
- 11.2 The proposals as set out in this report are designed to strengthen the regulation of HMOs. Although additional staffing resources have been allocated to support to proposals the financial impact of the changes will be a projected net £100k saving. This is in line with the HESP projection and is already reflected in the 2011-12 Housing Services budget.

12. Head of Legal Services Comments

- 12.1 A local housing authority must keep the housing conditions in their area under review, including the licensing of HMOs. The updated position of the mandatory licensing scheme appears sufficiently dealt with in the body of this report. In respect of the proposal for the additional licensing scheme for HMOs falling outside the scope of the mandatory scheme, the authority must comply with specific requirements set out in Sections 56 and 57 of the Housing Act 2004.
- 12.2 This includes being satisfied that a significant proportion of the HMOs proposed to fall under the additional scheme are being managed sufficiently ineffectively, consultation for the scheme must take place, and the scheme must be consistent with the authority's overall housing strategy.
- 12.3 Once an additional licensing scheme has been approved there are specific requirements relating to publicity and when the scheme may come into force (no earlier than three months after the date on which the designation is confirmed).
- 12.4 The Authority must review the designation from time to time and may revoke it if considered appropriate. There is no fee structure prescribed within the Housing Act 2004, however, the government has indicated that it should be self funding hence a wide variety of structures used across different authorities.

13. Equalities & Community Cohesion Comments

- 13.1 A full equalities impact assessment is not required for these changes as all but one of the questions within the equalities screening resulted in the answer 'No' to the possible impact on any of the equality parameters to be considered.

- 13.2 The only impact identified is a positive impact which should benefit those living within the residential community of Haringay & St Ann's Wards. However, it does not positively impact on any one particular group within the community and therefore it would not be seen as cost effective to resource an assessment on the whole Ward. Those landlords who wish to participate voluntarily within the scheme will also benefit positively from the initial licensing programme..
- 13.3 Arrangements will be made to monitor the profile of landlords that comply with the HMO licensing requirements and those that do not, as this will enable the Housing Improvement Team (Private Sector) to identify the need for any targeted work to encourage particular landlords to keep their properties in good order.

14. Consultation

- 14.1 Section 56(3) of the Housing Act 2004 states that a local housing authority must take all reasonable steps to consult persons who are likely to be affected by additional licensing. They must also consider any representations made in accordance with the consultation.
- 14.2 Full consultation on the additional licensing scheme has taken place with residents, landlords and agents using online consultation, printed survey forms and at meetings of the Haringey Landlords Forum and Haringay Area Forum. 471 residents, in total and 38 landlords and agents responded to the consultation. There was overall support for the proposals.
- 14.3 **Appendix 5** contains a report which provides full details on the legal requirement of the consultation process, the purpose of the consultation that was carried out and the outcomes that were obtained. Within this appendix are also copies of all presentations, both landlord and residents surveys and the tabulated results and comments of these questionnaires

15. Service Financial Comments

- 15.1 The Council is already operating a Mandatory HMO Licensing Scheme, for which full financial provision has been made in the base budget. The Additional Licensing Scheme forms part of the Haringey Efficiency Savings Programme (HESP) proposals with a projected net saving of £100,000 from 2011/12 onwards.
- 15.2 Although the size of the HMO Team is being increased to deal with the extra workload generated by the Additional Licensing Scheme, this has been achieved within existing resources by reorganising the Housing Improvement Team (Private Sector) and reducing the number of management posts.
- 15.3 The overall income budget for 2011/12 is £250,000, covering Mandatory and Additional Licensing. The proposals in this report are in line with this budget.
- 15.4 Although the Additional HMO Licensing Scheme in Haringay is not due to be launched until 1 October 2011, the base budget assumes that a full year's income of £100,000 will be received in 2011/12. As payment of the licence fee is required at the point that the landlord or agent applies for the licence, the actual income for

2011/12 should be in line with the budget.

- 15.5 Any income that is associated with enforcement activities is dependent on the extent to which landlords and owners comply with the licensing scheme and whether or not they want to pay the licence fee or challenge it. A balance will need to be struck between fee collection and enforcement.
- 15.6 No allowance has been made in the income projections for any additional revenue which might be collected through the identification of property conversions where there is underpayment of Council Tax. Although it is suspected that this may be a common occurrence, the extent of the problem (and the scope for increasing Haringey's Council Tax base) cannot be quantified at present but will be strictly monitored to guide the discussion on the potential roll-out of additional licensing.

16. Use of Appendices

Appendix 1 – Report supporting the introduction of Additional Licensing of HMOs in the Harringay Ward and parts of St Ann's and Noel Park Wards

Appendix 2 – Standards for House in Multiple Occupation

Appendix 3 – Fee Structure for HMO Licensing

Appendix 4 – Enforcement Process

Appendix 5 – Additional Licensing Consultation Report 2011

17. Local Government (Access to Information) Act 1985

- Department of Communities and Local Government (DCLG) - Licensing of Houses in Multiple Occupation in England.
- DCLG - Approval steps for additional and selective licensing designations in England.
- The Licensing of Houses in Multiple Occupation (Prescribed Description)(England) Regulations 2006.
- The Licensing and Management of Houses in Multiple Occupation and Other Houses) (Miscellaneous Provisions) Regulations 2006.
- The Housing (Interim Management Orders)(Prescribed Circumstances)(England) Order 2006
- The Management of Houses in Multiple Occupation (England) Regulations 2006
- Housing Act 2004