

Business Planning / MTFs Options 2019/20 – 2023/24

Ref: PL1

Title of Option:	Additional HMO Licensing Scheme for HMO		
Priority:	Place	Responsible Officer:	Lynn Sellar
Affected Service(s):	Community Safety & Enforcement	Contact / Lead:	Lynn Sellar

Description of Option:

- *What is the proposal in essence? What is its **scope**? What will **change**?*
- *What will be the impact on the Council's objectives and outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes, and Borough Plan Evidence Packs)*
- **How does this option ensure the Council is still able to meet statutory requirements?**
- *How will the proposal deliver the benefits outlined?*

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

Licensing of Houses in Multiple Occupation is a Mandatory Function. Owners of eligible properties have to pay a fee of £208 per habitable unit to licence with the local authority.

As of April 2018 the definition of a Mandatory HMO has changed and now includes properties regardless of the number of storeys. This will expand the number of properties within our borough which will require licensing as previously they would have fallen outside this definition. This scheme became operational as of 1st October 2018.

Licensing of Mandatory HMO accommodation is a statutory function within Housing Act 2004.

The licensing of smaller HMO accommodation is a discretionary power that Haringey has adopted the use of. Additional HMO licensing exists within 5 wards of Tottenham and will end in May 2019.

Plans to extend Additional HMO Licensing across the borough and introduce selective licensing is proposed in 29 hot spots. The aim is to have both schemes in place by the end of 2019-20. These schemes have a 5 year lifetime and can be renewed at the end of this period.

HMO Licensing includes the inspection of property to ensure that it meets all legal standards. The aim of licensing is to improve living conditions for those tenants residing within this property type and to reduce the impact that this type of property can have on the local community.

Where it is a legal requirement of the property owner to licence, the onus is on the landlord or managing agent to ensure they fulfil their legal obligation. The aim of HMO Licensing in Haringey is to ensure that this property type is safe and well maintained for the tenants living within it. The property will be inspected for standards based on risk. Any property failing to meet standards will be prosecuted as per the legislation pertaining to this. Properties which are found to have failed to licence will be enforced against.

Additional fee income will be used to cover the costs of related services.

Mitigation to avoid negative consequences of the HMO licensing scheme

Through Migration Impact Funding (MIF) we are seeking to recruit 3 housing needs advisors who will sit within the Housing Improvement Team (HIT) and work alongside HMO Licensing officers and well as Homes for Haringey housing needs advisors. The aim of their role is to provide early intervention in cases where there may be displacement following our interventions or cases of tenants being negatively affected by their living conditions. Advisors will ensure that tenants understand their responsibilities as well as those of the landlord. This intervention aims to reduce landlords' use of section 21 eviction powers to evict tenants.

2018/19 Service Budget (£000s)					
Savings	2019/20	2020/21	2021/22	2022/23	2023/24
<i>All savings shown on an incremental basis</i>	£000s	£000s	£000s	£000s	£000s
New net additional savings		400			

Impact / non-financial benefits and disbenefits

What is the likely impact on customers and how will negative impacts be mitigated or managed?
List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes)

POSITIVE IMPACTS

Positive impact for tenants who reside in poorly maintained /managed HMO accommodation.

Properties found to be in use without a licence can have Rent Re-Payment Orders (RRO) placed on them if prosecuted and found guilty. The tenant can take his or her own RRO claim. Tenants are also protected from sec 21 housing evictions.

Those living in the local community should be positively impacted if they live in an area where this property type is not managed effectively. Licence conditions last for 5 year period, so landlords remain responsible for this duration.

Licensing produces a register of licence holders who have to be fit and proper persons. This allows tenants and Haringey officers to have direct contact details of the person they need to contact if things are failing.

Landlords and letting agents can advertise their properties as being licensed with the council, as a means of showing they meet standards and are compliant, good landlords in our borough.

NEGATIVE IMPACTS

Landlords have to pay a licence fee, although this is not burdensome with the average cost equating to £4 per week based on a 5 room HMO. That is 80p per week per tenant.

Some landlords have claimed to pass this cost on to tenants so tenants are concerned their rents will rise.
Mitigation/management – Landlords can claim this expense back from Inland revenue.

Landlord has to meet conditions and have works done to the property to meet statutory requirement.
Mitigation/management – Licensing conditions only ask for what is already a legal requirement for HMO accommodation. If they do not have these elements already then they have always been non-compliant.

What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected?
List both positive and negative impacts.

Positive Impact.
 Makes identifying responsible owners of property easier for staff as there is a register of their contact details.
 Provides a database of known HMO accommodation for the borough
 Greater joining up of resources and service delivery.

Negative Impacts.
 Increase in workload for officers in Housing improvement Team and other services.

How does this option ensure the Council is able to meet statutory requirements?

Licensing is a statutory function which supports the other statutory functions around enforcement response, fly tipping, noise and anti-social behaviour.

Properties are often identified through licensing that do not have planning permission, or which are failing to declare habitable units to Council Tax.

Licensing and early intervention will assist with the Homelessness Reduction Act and the impact of identifying non-compliance within HMO accommodation and the impact this can have on evictions etc.

Risks and Mitigation			
<i>What are the main risks associated with this option and how could they be mitigated?</i>			
Risk	Impact H/M/L	Probability H/M/L	Mitigation
Extension to Licensing will not be agreed by cabinet	H	L	New Cabinet administration fully advised on its advantages.

<p>Landlords fail to license upfront, consequence is fee income will be stunted</p>	<p>H</p>	<p>M</p>	<p>Offer early bird, discount incentive to landlords who licence early.</p> <p>Prosecutions early on against those who have failed to licence to show that it is not an option to be tolerated.</p>
<p>Fail to recruit adequately trained officers to carry out HMO Licensing Function.</p>	<p>H</p>	<p>M</p>	<p>Re-examine delivery structure, look at alternative means of employment type/background, re-negotiate starting salaries to reflect competitive market in this area.</p>

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