

Committee: COMMUNITY

Date: 8th June 2006

Title: LICENCE FEE FOR HOUSES IN MULTIPLE
OCCUPATION

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Agenda Item

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Item for decision

Summary

A new provision has been introduced by the Housing Act 2004 making the licensing of certain houses in multiple occupation a mandatory requirement. Applications for a licence need to be accompanied by a fee, the level of which needs to be set by individual Housing Authorities which reflects the anticipated costs in issuing the licence.

Recommendations

That the Council sets a fee of £125

Background Papers

- CIPFA Houses in Multiple Occupation Financial Toolkit

Impact

Communication/Consultation	Owners of Privately Rented HMOs
Community Safety	High
Equalities	Medium
Finance	Low
Human Rights	None
Legal implications	Low
Ward-specific impacts	All
Workforce/Workplace	None

Situation

- 1 The commencement of Part 2 of the Housing Act 2004 on the 4th April 2006 has introduced the mandatory licensing of certain types of houses in multiple occupation (HMOs).
- 2 There has been a national publicity campaign to alert the owners of privately rented property to this new provision and there have been a number of enquiries as a result of this press and media coverage, although none of the houses described by the enquirers would need to be licensed.
- 3 Each Housing Authority is required to set its own level of fees to accompany each application which should be set at a level which reflects the costs of administering the licence. The Chartered Institute of Public Finance and Accountancy (CIPFA) has published a toolkit that can be used to develop the appropriate cost base for providing the administration of the licence.
- 4 It is not thought that there will be many premises which satisfy the criteria for mandatory licensing and consequently there is no need to employ more staff or maintain complex recording systems. Using the simple version of the toolkit a fee of about £125 would cover the administrative and professional costs in administering the licence.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Inability to recover costs	High	Moderate	None