

**REPORT TO: EXECUTIVE MEMBER FOR HOUSING  
18<sup>th</sup> September 2007**

**REPORT BY: ALAN CUFLEY – HEAD OF COMMUNITY HOUSING.**

**WRITTEN BY: BRUCE LOMAX – HOUSING STANDARDS MANAGER.**

**SUBJECT: REVIEW OF CHARGES FOR MANDATORY LICENSING,  
ENFORCEMENT ACTION AND NON-MANDATORY  
INSPECTIONS.**

## **1. PURPOSE OF REPORT.**

The purpose of the report is to seek approval from the Executive Member for Housing of the proposed increase to the charges made for mandatory licensing of Houses in Multiple Occupation (HMO), undertaking enforcement action under the Housing Act 2004 and non-mandatory inspections.

## **2. RECOMMENDATIONS.**

1. The Executive Member for Housing agrees the increased licence fee to be charged for all licence applications under Part 2 Housing Act 2004.
2. The Executive Member for Housing agrees the increase to the charges made for undertaking enforcement action with regard to Part 1 Housing Act 2004.
3. The Executive Member for Housing notes that the Head of Community Housing will undertake an annual review of these costs and report back to the Executive Member.

## **3. BACKGROUND:**

### **3.1 Mandatory Licence Fee;**

The Housing Act 2004 introduced mandatory licensing of Houses in Multiple Occupation. The legislation allows a local authority to charge a reasonable fee for a licence that ensures the process of licensing certain HMOs is not a financial burden onto the local authority but no profit can be made from the fee charged.

The report provided to the Executive Member for Health, Housing and Social Care on 7<sup>th</sup> February 2006 outlined the basic principles of HMO licensing and the approach undertaken by Portsmouth City Council in determining the charges to be incurred by the applicant.

### **3.2 Enforcement cost;**

Section 49 of the Housing Act 2004 permits the city council to levy a reasonable fee for their expenses in relation to enforcement action under the Housing, Health and Safety Rating System (HHSRS).

The report provided to the Executive Member of Health, Housing and Social Care on 21<sup>st</sup> March 2006 outlined the basic principles and areas of discretion for not charging.

### **3.3 Non Mandatory Inspections;**

The Housing Standards Team receives a sizeable number of service requests from sponsors of émigrés and temporary visitors each year for inspections to be undertaken of their properties to ensure that they are suitable for the visitor to reside in.

The Local Government Act 2004 allows the City Council to recover reasonable expenses in carrying out this discretionary service.

The report provided to the Executive Member of Health, Housing and Social Care on 21<sup>st</sup> March 2006 outlined the basic principles and processes.

## **4. REASONABLE EXPENSES.**

The fee matrix was developed by a working party that included Portsmouth City Council and representative from other local authorities within Hampshire.

The matrix breaks down the process into specific selected areas that can be charged for as allowed within the legislation. This format has been adopted so the system is transparent and complies with the requirements of the Communities and Local Government (CLG).

The hourly rate for staff used within the fee calculation is approved by Financial Services and takes into account normal additional cost and overheads associated with staff employment.

Prior to the introduction of the fee matrix it was heavily consulted upon by a number of national landlord association bodies and Portsmouth and District Landlords Association with an overwhelming majority agreeing to the content of the fee matrix.

The content of the matrix has not changed since the consultation process and therefore there is no need to re-consult.

## **5. MANDATORY LICENCE FEE.**

The original times taken to complete each task were founded on the experiences gained during the registration scheme adopted by Portsmouth City Council.

Following a study of the licensing process where 181 applications have been processed since July 2006 and it has been found that 3 areas of the fee matrix relating to officers time requires to be increased to ensure that the cost of mandatory licensing certain HMOs is cost neutral to Portsmouth City Council.

The areas that have seen an increase are all related to the complex nature of the licensing process and additional requirements from CLG to provide comprehensive reports outlining the progress of licensing within the district.

A slight increase to the overall cost is due to the reduction of HMO licenses that are assumed to be received within the calculation formula. From the original estimated figure of 400, 181 applications have been received and processed. The remaining 219 are being or have been identified.

The proposed increase for a 5 year licence is £33.41 to £462.33 which represents an 8% increase.

Appendix 1 indicated the proposed charge increase.

## **6. ENFORCEMENT FEES.**

Since the introduction of the new enforcement powers within in Housing Act 2004 the Housing Standards Team has been forced to issue 115 notices.

Again the increase is due to officer time in processing the notices. It should be noted however, that the greatest increase is relating to the serving Prohibition and Emergency Prohibition Orders. Both these notices close all or part of a property from being used for human occupation and the legal process to undertake this action has been found to be more complex than expected.

Please note that some of the charges made are not set to increase.

Appendix 2 indicated the proposed charge increase.

## **7. NON-MANDATORY INSPECTIONS.**

The Housing Standard Team has undertaken 33 immigration inspections since the introduction of a charge.

Following a review of the current system and taking into account the clear and transparent fee methodology there is no proposal to increase these charges.

## **8. CONCLUSION.**

The use of the fee matrix has ensured that any increases to the charges made are fully justified.

From the last Hampshire based study into charges undertaken in April 2007, this proposed modest increase still ensures that Portsmouth is below other similar authorities within Hampshire in respect of the amount charged to landlords.

This report has been considered by the City Solicitor for legal issues.

**9. ACCESS TO INFORMATION**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report –

Executive Members Report on 21<sup>st</sup> March 2006 – Charges to be made in connection with enforcement action due to Housing Act 2004 and non-mandatory inspections. Democratic Service

Local Government Act 2004 Housing Standards Team Library

Housing Act 2004. Housing Standards Team Library

Executive Members Report 7<sup>th</sup> February 2006– Licensing of Houses in Multiple Occupation (HMO). Democratic Service

**10. SIGNING OFF THE DOCUMENT**

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Alan Cufley - Head of Community Housing

Dated.....

**APPROVAL TO THE RECOMMENDATIONS.**

The recommendations set out above was approved / approved as amended / deferred / rejected by the Executive Member for Housing.  
on.....

Signed .....  
Councillor Hugh Mason  
Executive Member for Housing.

Executive Member for Housing – 18<sup>th</sup> September 2007.

Appendix 1 – proposed increase to the HMO licensing fee.

**Basic property of 3 storeys with 5 occupants:**

	Current	Proposed
Single Application	£428.92	<b>£462.33</b>
Multiple Application	£373.31	<b>£406.72</b>

**Property of 3 storeys or more with 6 to 10 occupants:**

	Current	Proposed
Single Application	£536.15	<b>£577.91</b>
Multiple Application	£466.64	<b>£508.40</b>

**Property of 3 storeys or more with 11 to 15 occupants:**

	Current	Proposed
Single Application	£643.39	<b>£693.50</b>
Multiple Application	£559.97	<b>£610.40</b>

**Property of 3 storeys or more with 16 to 20 occupants:**

	Current	Proposed
Single Application	£750.62	<b>£809.08</b>
Multiple Application	£653.29	<b>£711.76</b>

**Property of 3 storeys or more with 20 plus occupants:**

	Current	Proposed
Single Application	£857.85	<b>£924.66</b>
Multiple Application	£746.62	<b>£813.44</b>

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Appendix 2 – Proposed increase to the enforcement charges.

<b>Fees for service of notices or making of orders</b>	<b>Current Charge</b>	<b>Proposed Charge.</b>
Serving an Improvement Notice	£190.00	<b>£200.00</b>
Serving a Hazard Awareness Notice	£190.00	<b>£200.00</b>
Making a Prohibition Order	£150.00	<b>£180.00</b>
Making a Emergency Prohibition Order	£150.00	<b>£200.00</b>
Taking Emergency Remedial Action	£150.00	<b>NO CHANGE</b>
Making a Demolition Order	£235.00	<b>NO CHANGE</b>
Reviewing a suspended Notice or Order	£65.00	<b>NO CHANGE</b>