

REPORT TO: CABINET MEMBER FOR HOUSING 3rd FEBRUARY 2009

REPORT BY: ALAN CUFLEY HEAD OF COMMUNITY HOUSING

WRITTEN BY: BRUCE LOMAX HOUSING STANDARDS MANAGER

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

1. PURPOSE OF REPORT.

This report seeks approval from the Cabinet Member for Housing of the proposed increase to the charges made for mandatory licensing of Houses in Multiple Occupation (HMO), instigating enforcement action under the Housing Act 2004 and non-mandatory inspections.

2. RECOMMENDATIONS.

It is recommended that the Cabinet Member for Housing:

- 2.1 agrees the increase in the fee to be charged for all licence applications under Part 2 Housing Act 2004 submitted, as shown in Appendix 1, from 1st April 2009.
- 2.2 agrees the increase in the charges made for undertaking enforcement action with regard to Part 1 Housing Act 2004, as shown in Appendix 2, from 1st April 2009.
- 2.3 agrees the increase in the charges made for undertaking non-mandatory inspections from £130 to £132 from 1st April 2009.
- 2.4 gives delegated authority to the Head of Community Housing to make any changes as a result of the city council's local pay review and local government national pay award for 2008/9 in consultation with the Cabinet Member for Housing and opposition spokespersons.

3. BACKGROUND:

3.1 Mandatory Licence Fee;

The Housing Act 2004 introduced mandatory licensing of Houses in Multiple Occupation. Portsmouth City Council has been progressive in meeting its obligations under this legislation and to date has licensed 248 properties. Additionally properties that require a licence are actively sought through the pro-active work of the Housing Standards team.

The legislation allows a local authority to charge a reasonable fee for a licence that ensures the process of licensing certain HMOs does not provide any financial burden onto the council taxpayer however a local authority cannot make a profit from the fee charged.

The report provided to the Cabinet Member for Housing on 7th 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.

The report to the Cabinet Member for Housing on 18th September 2007 approved the current charge made for a mandatory licence.

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 Cabinet Member on 21st March 2006 outlined the basic principles and areas of discretion for not charging.

The report to the Cabinet Member on 18th September 2007 approved the current charge made for an enforcement of the Housing Act 2004.

3.3 Non-mandatory Inspections;

The Housing Standards Team receives a sizeable number of service requests each year from sponsors of émigrés and temporary visitors 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 Cabinet Member for Housing on 21st March 2006 approved the basic principles and processes.

The report to the Cabinet Member for Housing on 18th September 2007 approved the current charge made for an enforcement of the non-mandatory inspections.

4. STAFFING COSTS.

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.

However, it should be noted that whilst the final settlement of the current pay award is still under negotiation at a national level, the local interim pay award has been used in the revised calculation.

In addition, the Local Pay Review is taking place and dependent upon the results may also affect the hourly staff rates resulting in a re-calculation of staffing costs.

It is therefore being recommended that the Cabinet Member for Housing delegates authority to the Head of Community Housing to make any further changes within the forthcoming financial year that result from the outcomes of the LPR or national pay award.

5. REASONABLE EXPENSES.

In 2005 a fee matrix was developed and prior to its introduction, consultation was undertaken with a number of national landlord association bodies and Portsmouth and District Landlords Association.

The matrix breaks down the processes 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 Communities and Local Government (CLG).

6. MANDATORY LICENCE FEE.

A slight increase to the cost of a licence is due to an increase to staffing costs.

The proposed increase for a 5 year licence is £12.29 to £474.62 which represents a £2.46 per year increase for a typical licence issued.

The cost for a mandatory licence is one of the lowest in Hampshire when compared to similar local authorities and again highlights Portsmouth's commitment to its private rented market by not over charging landlords.

Appendix 1 indicates the proposed charge increase for all property sizes.

7. ENFORCEMENT FEES.

The use of enforcement powers is a last resort taken to resolve poor housing conditions. In the last year 95 notices were issued to landlords within the city.

The increase in charges is due to some areas of the legal process becoming more time consuming which has resulted in an increase in officer time to progress enforcement notices together with a slight increase to the housing standards officer hourly rates.

Please note that some of the charges made are not set to increase for the second year running due to process efficiencies.

Appendix 2 indicates the proposed charge increase.

8. NON-MANDATORY INSPECTIONS.

The Housing Standard Team has undertaken 62 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 it is proposed to increase the charge from £130.00 to £132.00.

9. CONSULTATION

With the content of the matrix not changing since the consultation process there are no plans to formally re-consult with Landlord Associations.

10. CONCLUSION.

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

This modest proposed increase still ensures that Portsmouth is below other similar authorities within Hampshire in respect of the amount charged to landlords for mandatory licensing.

11. CITY SOLICITORS COMMENTS / EQUALITY IMPACT ASSESSMENT

The City Solicitor is satisfied that it is within the Cabinet Member’s powers to approve the recommendations as set out.

A full Equalities Impact Assessment is not required as this is a review of existing charges and does not constitute a new service or policy.

12. 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 Member Report 7th February 2006– Democratic Services
Licensing of Houses in Multiple Occupation (HMO).

Executive Member Report on 21st March 2006 – Democratic Services
Charges to be made in connection with enforcement
action due to Housing Act 2004 and non-mandatory
inspections.

Executive Member Report on 18th September 2007 – Democratic Services
Review of charges to be made in connection with
enforcement action due to Housing Act 2004 and
non-mandatory inspections.

Local Government Act 2004 Housing Standards
Team Library
Housing Act 2004. Housing Standards
Team Library

13. SIGNING OFF THE REPORT

Signed.....
Alan Cufley - Head of Community Housing

Dated.....

14. APPROVAL TO THE RECOMMENDATIONS.

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

Signed

**Councillor Steve Wylie
Cabinet Member - Housing**

Proposed increase to the HMO licensing fee.

Basic property of 3 stories with 5 occupants:

| | Current | Proposed |
|----------------------|---------|----------------|
| Single Application | £462.33 | £474.62 |
| Multiple Application | £406.72 | £418.90 |

Property of 3 stories or more with 6 to 10 occupants:

| | Current | Proposed |
|----------------------|---------|----------------|
| Single Application | £577.91 | £593.27 |
| Multiple Application | £508.40 | £532.62 |

Property of 3 stories or more with 11 to 15 occupants:

| | Current | Proposed |
|----------------------|---------|----------------|
| Single Application | £693.50 | £711.93 |
| Multiple Application | £610.40 | £628.34 |

Property of 3 stories or more with 16 to 20 occupants:

| | Current | Proposed |
|----------------------|---------|----------------|
| Single Application | £809.08 | £830.58 |
| Multiple Application | £711.76 | £733.07 |

Property of 3 stories or more with 20 plus occupants:

| | Current | Proposed |
|----------------------|---------|----------------|
| Single Application | £924.66 | £949.24 |
| Multiple Application | £813.44 | £837.79 |

Proposed increase to the enforcement charges.

| Fees for service of notices or making of orders | Current Charge | Proposed Charge. |
|--|-----------------------|-------------------------|
| Serving an Improvement Notice | £200.00 | £260.00 |
| Serving a Hazard Awareness Notice | £200.00 | £260.00 |
| Making a Prohibition Order | £200.00 | £210.00 |
| Making a Emergency Prohibition Order | £200.00 | £235.00 |
| Taking Emergency Remedial Action | £150.00 | £210.00 |
| Making a Demolition Order | £235.00 | NO CHANGE |
| Reviewing a suspended Notice or Order | £65.00 | NO CHANGE |