

Additional Licensing Model

As can be seen from the consultation there was high support generally to introduce Additional Licensing, however there were a number of concerns raised, particularly by landlords. One of the main concerns raised by landlord respondents to the consultation, including the local landlord association, was that 'good' landlords would be penalised by the scheme, while 'bad' landlords are not differentiated, and may manage to evade licensing all together. They expressed concerns that well performing landlords would in effect be funding a scheme through licensing fees that would resource dealing with poorly performing landlords. They felt this scheme does not recognise that there are a significant number of well performing HMO landlords operating in the City who should be differentiated from those that are not performing as they should.

Feedback from the National Residential Landlords Association (NRLA) however suggests that all Landlords and Agents should be treated the same; that they should all receive regular licence inspections which they advocate is a means by which to support landlords and agents, identify and act upon poor practice, and support and encourage good practice.

To address this, two different licensing models are detailed below, for Cabinet to consider.

Option A

Portsmouth City Council will issue HMO licences for five years as standard. The exception to this would be where planning permission is required but not yet granted; where a 1 year licence would be issued to allow time for the planning process to be fulfilled.

Every licensed property would be inspected at least once during the licence term.

Before issuing an HMO licence, the Housing Act 2004 states that the council must be satisfied that the proposed licence holder (and manager) of the property are fit and proper person(s). If not, the licence must be refused unless other satisfactory arrangements can be agreed. A "Fit and Proper person" assessment is therefore carried out for all prospective licence holders as part of the application process. Those that fail the fit and proper person assessment will be refused a licence (in this situation they must appoint an appropriate alternative person to be a licence holder, or the Council may take over the management of the property through an 'Interim Management Order' until appropriate alternative arrangements can be made). Where some concerns are raised however through the fit and proper person assessment, but it does not constitute a 'failure', the council can address this in different ways.

One Year Licence criteria - Option A

Where any of the following issues are identified by the Council when processing the licence application a one year licence will be issued:

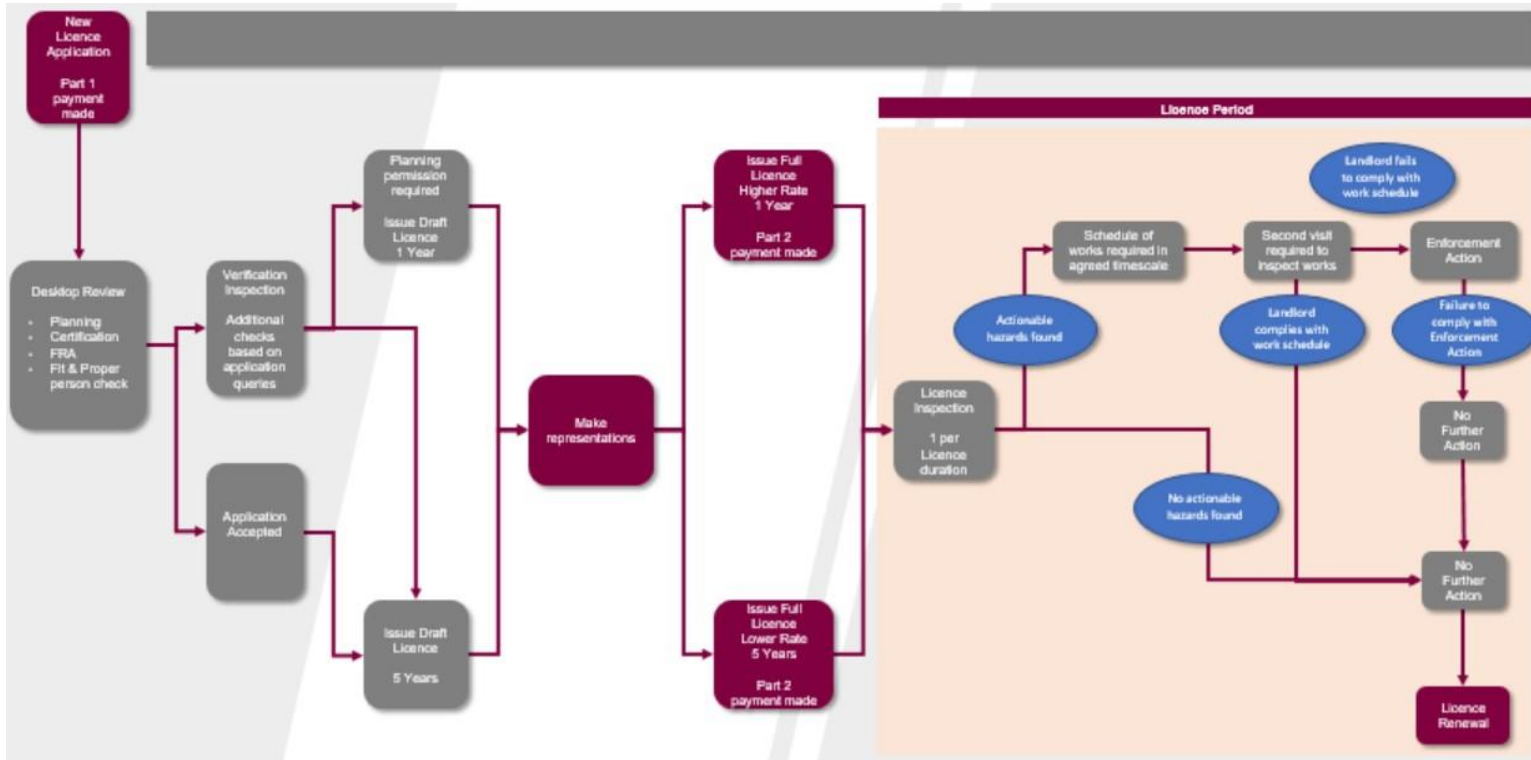
- Planning permission not granted (for C4 or Sui Generis use or there is no certificate of lawful use) or unable to demonstrate historic use of the HMO

Five year licence criteria - Option A

- The property must have planning permission or a certificate of lawful use for C4 or Sui Generis use, or be able to demonstrate historic use of the property as an HMO
- Issues identified through the application process, such as a lack of Fire Risk Assessment, or Fit and proper person concerns will be dealt with through 'special' licence conditions, for example requiring the licence holder to produce a Fire Risk Assessment within a specified time period, or for the licensing holder to undertake specific training.

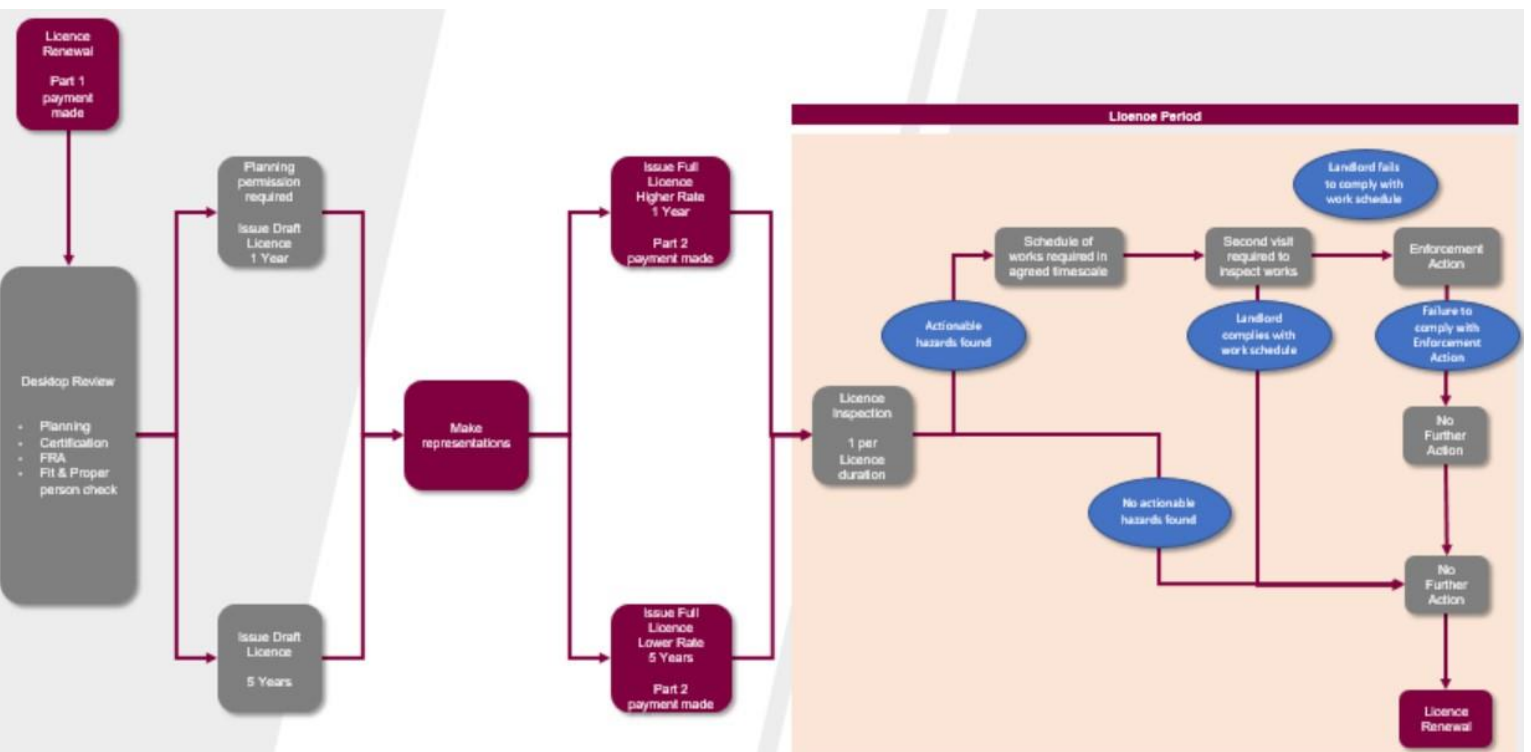
Process for New Licence applications - Option A

The following flow chart outlines the processes for new licence applications:



Process for Licence renewals - Option A

The following flow chart outlines the processes for new licence applications:



Option B

Portsmouth City Council will issue HMO licences for one-year, two-and-a-half-years, or five-year periods. To be eligible for a given length of licence, the licence applicant must meet all the criteria set out below at the point of application. The Council's HMO Licensing team will assess the application to identify which licence term the applicant will qualify for. In order for this assessment to be made the application will need to be valid at this stage.

Licences will be issued for two and half years where landlords are able to demonstrate that they are compliant with all required certification, and there is little or no indication of recent poor performance.

One year licences will be issued where concerns are identified in relation to competence or compliance. This will enable the council to focus their resources on these landlords/ agents and their properties, with regular inspections and review of their status as a licence holder.

Licences will be issued for five years where landlords are able to demonstrate that they are compliant with all required certification, there is no evidence of recent poor performance, they are accredited with (and therefore able to access education and support from) a PCC approved accreditation body, and they can demonstrate that their property has a good energy performance rating or they have registered a valid exemption (even where an EPC is not legally required for the property).

Before issuing an HMO licence, the Housing Act 2004 states that the council must be satisfied that the proposed licence holder (and manager) of the property are fit and proper person(s). If not, the licence must be refused unless other satisfactory arrangements can be agreed. A "Fit and Proper person" assessment is therefore carried out for all prospective licence holders as part of the application process. Those that fail the fit and proper person assessment will be refused a licence (in this situation they must appoint an appropriate alternative person to be a licence holder, or the Council may take over the management of the property through an 'Interim Management Order' until appropriate alternative arrangements can be made). Where some concerns are raised however through the fit and proper person assessment, but it does not constitute a 'failure', the council can address this in different ways.

One Year Licence criteria - Option B

Where any of the following issues are identified by the Council when processing the licence application a one year licence will be issued:

- Fit and proper person concerns
- For licence renewals, there are conditions from the previous licence that have not been complied with
- More than 1 justified service requests in the last 12 months related to the applicant or proposed licence holder*

Appendix 5 - Options for Additional Licensing model 2022

- Application submitted more than 14 days after [licencing start date] or for renewals 14 days after expiry of current licence
- Safety certificates not submitted with application (or they are not current and/or satisfactory):
 - Gas safety (if gas in property) - annual check
 - Electrical safety - 5 yearly check
 - Smoke / heat detectors or fire alarm system certificates / declarations - annual check
 - Emergency lighting (if installed) - annual check
- Fire risk assessment not submitted with application
- Planning permission not granted (for C4 or Sui Generis use or there is no certificate of lawful use) or unable to demonstrate historic use of the HMO
- All building work requiring building control approval not properly certified

* Justified means where the council have investigated and have evidence that supports the allegation and / or had to take action to resolve the issue.

Two and Half year Licence criteria - Option B

To receive a two and a half year licence, the applicant must submit a valid application and meet all of the following criteria:

- No fit and proper person concerns
- For licence renewals any conditions from previous licence must have been complied with
- No more than 1 justified service request in the last 12 months related to the applicant or proposed licence holder *
- Application submitted by [licencing start date] or for renewals 14 days before expiry of the current licence
- Safety certificates submitted with application (must be current and satisfactory):
 - Gas safety (if gas in property) - annual check
 - Electrical safety - 5 yearly check
 - Smoke / heat detectors or fire alarm system certificates / declarations - annual check
 - Emergency lighting (if installed) - annual check
- Fire risk assessment submitted with application
- The property must have planning permission or a certificate of lawful use for C4 or Sui Generis use, or be able to demonstrate historic use of the property as an HMO
- All building work requiring building control approval properly certified
- Stage two fee paid as requested

* Justified means where the council have investigated and have evidence that supports the allegation and / or had to take action to resolve the issue.

Five year licence criteria - Option B

To receive a five year licence, the applicant must submit a valid application and meet all of the following criteria:

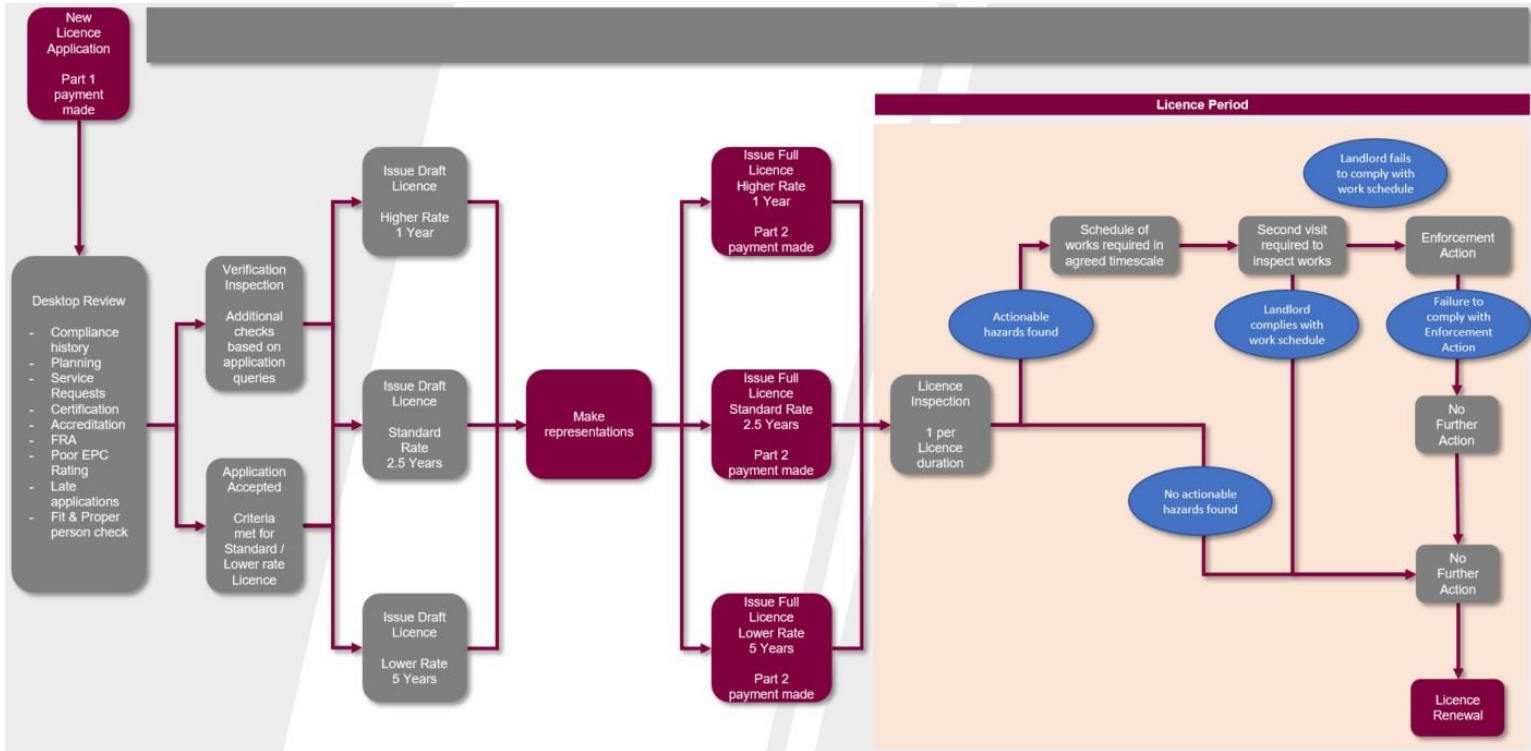
- No fit and proper person concerns
- For licence renewals any conditions from previous licence must have been complied with
- No justified service requests in the last 12 months related to the applicant or proposed licence holder *
- Application submitted by [licencing start date] or for renewals 14 days before expiry of current licence
- Safety certificates submitted with application (all current and satisfactory):
 - Gas safety (if gas in property) - annual check
 - Electrical safety - 5 yearly check
 - Smoke / heat detectors or fire alarm system certificates / declarations - annual check
 - Emergency lighting (if installed) - annual check
- Fire risk assessment submitted with application
- The property must have planning permission or a certificate of lawful use for C4 or Sui Generis use, or be able to demonstrate historic use of the property as an HMO
- All building work requiring building control approval properly certified
- Accreditation with PCC approved organisations (details on approved accreditation shown separately)
- Provide the Council with a valid energy performance certificate (EPC) dated within the last 10 years (must be band E or higher unless property is exempt) even if the property does not legally require an EPC.
- Stage two fee paid as requested

* Justified means where the council have investigated and have evidence that supports the allegation and / or had to take action to resolve the issue.

For five year licences, we will accept national and local accreditation schemes approved by PCC (see separate details for the criteria for approved national and regional accreditation schemes). Please note, where the managing agent has full management control and is accredited then this will allow the landlord (licence holder) to gain a five year licence.

Process for New Licence applications - Option B

The following flow chart outlines the processes for new licence applications:



Process for Licence renewals - Option B

The following flow chart outlines the processes for new licence applications:

