

**Economy Place & Skills Directorate
Housing Implementation**

Oldham's Houses in Multiple Occupation (HMO) Delivery Plan

2010 – 2013



Oldham
Council

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A sustainable delivery plan

This delivery plan is only being produced electronically, significantly reducing the amount of paper we use and costs to produce it. Please think before you print out this plan.

Section 1: Defining Houses in Multiple Occupation

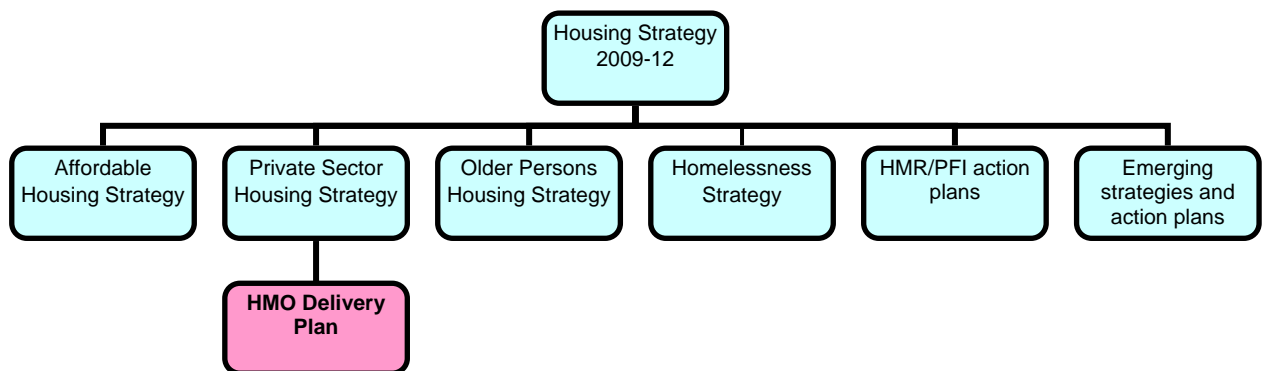
1.1 What will this delivery plan do?

The Houses in Multiple Occupation Delivery Plan is a sub document of the Private Sector Housing Strategy 2009-2012. The Delivery Plan seeks to clearly set out:

- The definition of a House in Multiple Occupation (HMO)
- HMOs in Oldham
- Why we should tackle HMOs
- The legal powers available to tackle HMOs
- Our priorities for tackling HMOs and when and how we shall do this

Our aims in undertaking and working to this delivery plan are to:

- Improve the quality of HMO accommodation in the borough
- Remove or reduce to an acceptable level, hazards in HMOs to protect occupants
- Prevent HMOs from having a detrimental impact on local communities



(Figure 1: Housing strategy hierarchy)

1.2 What is a House in Multiple Occupation?

Under section 254 of the Housing Act 2004 a new definition of HMO was introduced. A building is classified as a HMO if it meets any one of the following tests:

1. The standard test

Any building or part of a building in which two or more households live and share basic amenities such as cooking and bathing facilities. Shared houses, such as those fall within this.

2. The self-contained flat test

Any flat where two or more households live and share one or more basic amenities such as cooking or bathing facilities (shared flats).

3. The converted building test

Any building which has been converted into living accommodation and is shared by persons who do not form a single household. For example - a building which was previously used as a corner-shop but has been converted for use as a shared house.

4. Certain converted blocks of flats

Any building that has been converted into self contained flats either before 1991 or the conversion works do not comply with the 1991 Building Regulations and more than one third of the flats are occupied on short tenancies. An example of a section 257 HMO is a four-storey townhouse converted, before 1991, into four self-contained flats.

1.3 HMOs in Oldham

There are over 130 known HMOs in Oldham. The majority of these are small shared houses but we have some larger HMOs of over three or more storeys. Such accommodation includes bed and breakfast accommodation for homeless persons, large shared houses used to accommodate asylum seekers and flats and maisonettes above shops and pubs which are sometimes used to accommodate staff.

Some of the larger HMOs are required to be licensed with Oldham Council under Part 2 of the Housing Act 2004 – HMOs of three or more storeys with 5 or more occupants who do not form a single household and have to share a bathroom, w.c. or kitchen.

Anecdotal information suggests that Oldham may have many licensable and as such the Council has a statutory responsibility to licence these properties. It is therefore vitally important that we seek to identify unlicensed properties.

1.4 Why tackle HMOs?

HMOs often provide accommodation to people who cannot secure mainstream privately rented accommodation. For example those who do not meet the criteria or are not considered priority for Council or Housing Association accommodation. Single people on low incomes can find it difficult to afford to rent an entire house or flat so find it easier and cheaper to rent a room or bedsit in a HMO. HMOs therefore play a valuable role in the housing market as they provide a much needed, flexible resource for many low income, vulnerable people and those seeking short-term housing.

However, HMOs are not without their problems – the physical condition of the stock is often diverse and there are justified concerns from both residents and practitioners with regards to property and management standards and the way that the character of particular areas is changing as a result of their presence.

Transient households tend not to make a long term investment in their local environment and this may have a detrimental impact on the visual appearance of a neighbourhood. Such areas may also experience excessive demands on local services e.g. refuse collection, and as a consequence this can place severe strains on infrastructure. In some cases we have found HMOs that house persons with substance misuse and mental health problems.

The lifestyle of such occupants can conflict with the expectations of local communities and community cohesion problems can also arise, giving rise to further deterioration in the physical fabric of an area and a community's well being.



1.5 Legal Powers

The Government's housing objective is to ensure that everyone has the opportunity of a decent home and to promote social cohesion, well-being and self dependence.

Oldham Council has been given statutory duties to licence certain high-risk HMOs and deal with all serious (Category 1) hazards as assessed in accordance with the Housing Health and Safety Rating System (HHSRS). The Council also has various other powers contained in the Housing Act 2004 and in various regulations that enable us to manage HMOs well:

The Housing Act 2004

Part 1 of the Housing Act 2004 introduced the Housing Health and Safety Rating System (HHSRS) which provides local authorities with a toolkit to both assess health and safety hazards in residential accommodation and then take appropriate and proportionate enforcement action to remove or reduce those hazards to an acceptable level.

Mandatory HMO Licensing

As mentioned previously, Part 2 of the Housing Act 2004 introduced new statutory provision to licence 'high risk' HMOs consisting of three storeys with five or more occupants in order to ensure that fire safety, amenities, overcrowding, general repair, management standards, gas and electric safety and furniture safety are all to acceptable levels. Local authorities are required to identify HMOs subject to Mandatory Licensing which have not yet been licensed and encourage landlords to obtain a licence. If landlords refuse to licence a HMO the local authority may seek to prosecute the landlord. Upon summary conviction, the person who ought to licence the property would be liable for a fine of up to £20,000.

Management Regulations

All HMOs in Oldham are subject to 'Management Regulations'. The two types of 'Management Regulations' applicable are: The Management of Houses in Multiple Occupation (England) Regulations 2006 and the Licensing and Management of Houses in Multiple Occupation (Additional Provisions) (England) Regulations 2007

The 2006 Regulations covers all HMOs, whilst the 2007 Regulations apply specifically to Section 257 HMOs (buildings converted into self contained flats, which do not comply with Building Standard Regulations 1991). Both Regulations place responsibilities on managers of HMOs regarding the maintenance and management of HMOs. A failure to comply with such regulations is punishable by prosecution.

1.6 What are we currently doing?

The Enforcement Team has successfully...

Inspected and licensed all of the current known licensable HMOs in the Borough

We have always been committed to ensuring that all HMOs in Oldham are safe and suitable for occupation. We shall maintain this commitment as we work towards the revised priorities contained in this delivery plan.

The Enforcement Team has revised or renewed...

All of the HMO licensing documentation including application form, HMO Standards, fee recovery mechanism and pages on the Oldham council website in readiness for the new ways of working through this delivery plan (see Appendices). All of this has been done in-line with current guidance and best practice

Enforcement Team

Within the Council's Housing Implementation Enforcement Team we have experienced Technical Officers who have responsibility for ensuring that our HMOs are safe and suitable for occupation. The work of the team has historically dealt with HMOs in various ways but mainly in a responsive manner, dealing with complaints and referrals as and when they have been notified of such.

We have...

Already started proactively surveying suspect HMOs in the centre of Oldham and taken formal enforcement action to deal with serious hazards

1.7 How we will tackle HMOs

The composing of this delivery plan has enabled us to review our existing priorities and establish new priorities to effectively tackle Houses in Multiple Occupation to greater affect. As a result we are focussing our resources on a shift away from merely responding to complaints / referrals surrounding HMOs to proactively and strategically working to identify all HMOs in the Borough and licence any licensable HMOs that have so far evaded the attention of the local authority. We shall also work towards delivering the following objectives:

- Improve neighbourhoods
 - Ensure that HMOs are well managed and well maintained, so are not detrimental to the local community.
 - Ensure that landlords play a role in regulating tenant conduct, therefore reducing anti social behaviour.
 - Provide safer, better quality accommodation for local residents who wish to access it.

- Increase opportunities for people in housing need
 - Improve housing standards, thus helping the private rented sector become a tenure of choice

- Help the owners of HMOs
 - Provide information and advice on their legal responsibilities in relation to managing and maintaining HMOs.

- Benefit the local economy and wider community
 - Reduce demand on partner agencies and services such as Greater Manchester Fire & Rescue Service and Homelessness service
 - Reduce demand for building new homes and an improved environment

In meeting these objectives the Team will continue to work closely with other Council departments such as Building Control, Planning and Adult and Community Services as well as with external agencies such as Greater Manchester Police and the NHS. In-line with the working protocol in place we shall further maintain our work with the Greater Manchester Fire & Rescue Service and continue to carry out joint inspections of larger, higher risk HMOs.

Section 2: Our Priorities

2.1 Priorities for tackling HMOs

The HMO Delivery Plan has been developed with the following four main priorities.

We will...

- Improve conditions within HMOs and prevent them having a damaging effect on local communities.
- Issue licenses for all licensable HMOs in the borough
- Improve information and advice
- Improve our evidence base

To help us deliver our aims and the objectives detailed previously we have developed a clear action plan (in Appendix A) showing **what** and **when** we will achieve key milestones set out under each of the main priority headings above..

The action plan shows specific milestones over financial years (April- March) which will be updated on a yearly basis to ensure that they reflect Oldham's continuing aims and objectives with its given resources.

2.2 Fairness, Equality and Diversity

Full consideration has been given to the potential impacts that this delivery plan may have upon those in the Borough that may in some way be disadvantaged by the Council's proposals.

As a result it has been determined that the impact of this delivery plan on any such persons is exceedingly low as the aims of the plan are to actively and fairly work to improve conditions in HMOs in all communities in Oldham.

2.3 Monitoring and Performance

How we will monitor performance

We recognise the importance of ensuring that we manage and monitor our performance in relation to our targets. The HMO Action Plan will be monitored by the Head of Housing Implementation and Team Leader of Housing Implementation (Enforcement) as well as Oldham Council's Strategic Housing Board.

How we will share our achievements with Oldham residents

It is important to share our progress with Oldham's residents and partners. Progress on the HMO Action Plan will be made available to all residents and partners through the Housing Section of the Council website.

Resourcing the delivery plan

At the time of writing this delivery plan, the current resources available to the Enforcement Team are satisfactory to deliver the objectives of the delivery plan including the two statutory duties encompassed in its remit.

2.4 Contacts

If you require any further information about this delivery plan, please contact:

Housing Implementation – Enforcement Team
Economy, Place and Skills
Oldham Council
Room 301 Level 3
Civic Centre
West Street
Oldham
OL1 1UH

Email: housing.implementation@oldham.gov.uk

Telephone: 0161 770 4461

Other useful contacts and relevant information sources are listed below:

Fire Safety:

LACORS Fire Safety Guide – available to download, free of charge from the LACORS website <http://www.lacors.gov.uk/lacors/upload/19175.pdf>

Sleeping Accommodation Guide – available to download from the Communities website <http://www.communities.gov.uk/fire/firesafety/>

Fire Risk Assessments – guidance available on the Communities website <http://www.communities.gov.uk/fire/firesafety/>

Greater Manchester Fire Service (for fire safety advice and free home fire safety checks) - <http://www.manchesterfire.gov.uk/>

Planning and Building Control:

www.planningportal.gov.uk/ also see Oldham Council's website: www.oldham.gov.uk/

Planning and Building Control are both based at The Civic Centre, West Street, Oldham, OL1 1UG

Building Control can be contacted on 0161 770 4122

Planning can be contacted on 0161 770 4105

HMO Licensing:

Information can be found on the Housing section of the Communities website www.communities.gov.uk and on the Oldham Council website

Relevant Legislation:

Legislation can be viewed on the Office of Public Sector Information website
<http://www.opsi.gov.uk/>

Housing Act 2004

Houses in Multiple Occupation (England) Regulations 2006

Regulatory Reform (Fire Safety) Order

Other Useful information:

Local Housing Allowance – levels of local housing allowance can be viewed on the LHA Direct website:

<https://lha-direct.voa.gov.uk/Secure/Default.aspx>

Tenancy Relations Advice – First Choice Homes employ a Tenancy Relations Officer Tel: 0161 770 4463

Alternatively you can seek advice on the Shelter website - <http://england.shelter.org.uk/>

Tenancy Deposit Schemes – Information available on the Directgov website

<http://www.direct.gov.uk/en/TenancyDeposit/index.htm>

Section 3: Appendices

Appendix A: House in Multiple Occupation Action Plan (2010 – 2013)

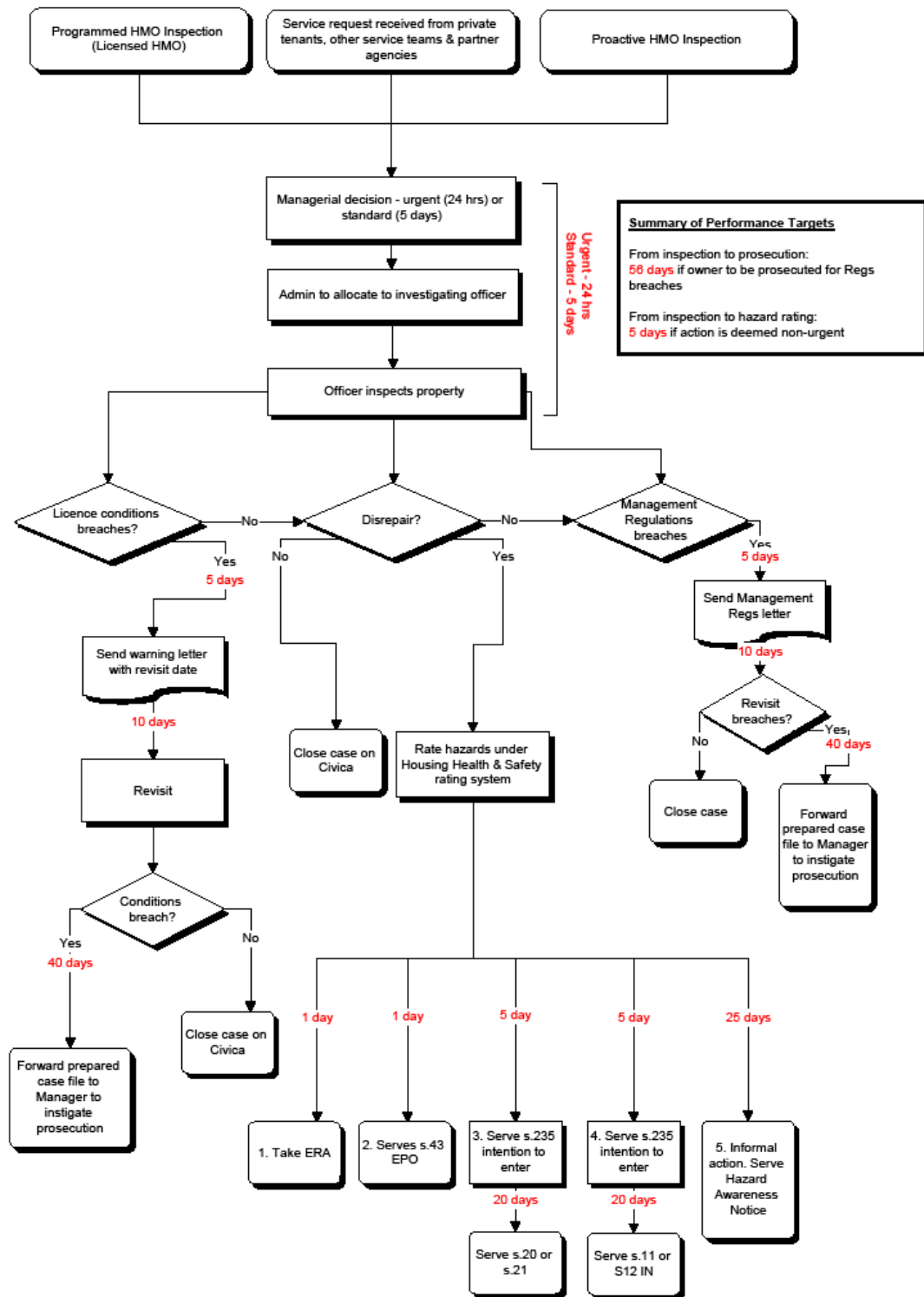
Action	Lead Organisation	Quarter 1 2010/11 milestones	Quarter 2 2010/11 milestones	Quarter 3 2010/11 milestones	Quarter 4 2010/11 milestones	Milestones 2010/13	Outcome 2010/13
Issue licenses for all licensable HMOs in the borough	Housing Implementation			<p>Carry out a survey of potential licensable HMO "hotspots". Letter-drop to occupiers and owners to confirm whether property is a HMO and whether it is licensable.</p> <p>Review historical files to determine if there are potentially licensable HMOs which have not been licensed</p> <p>Link to licensing tool on the Council website so people may apply for licenses online.</p> <p>Visit existing HMOs which are due to be converted/part way through conversion works to monitor progress and re-engage with landlords and encourage them to apply for a licence</p>	<p>Collate responses from occupiers and owners following letter drop. Send out licensing packs and arrange inspections of confirmed licensable HMOs as necessary. Carry out impromptu visits of non responded suspected licensable HMOs.</p> <p>Carry out impromptu visits of suspected licensable HMOs (determined through reviewing old HMO files). Obtain ownership details and send application packs to landlords.</p> <p>Devise online form to report suspected licensable HMOs anonymously.</p>	Previously unidentified HMOs recorded, inspected and licensed where appropriate.	Oldham residents benefit from improved neighbourhoods, less anti-social behaviour, improved fire safety and a greater choice of housing.
Improve information and advice	Housing Implementation			<p>Initial phase of publicity delivered through website and publications:</p> <ul style="list-style-type: none"> • HMO standards online. • HMO licensing pack online. • Fees online. • Improve HMO licensing information on website. • Set up initial online HMO licence public register. 	<p>Run a training session with HMO landlords.</p> <p>Training for council departments on identification of HMOs and poor housing conditions.</p> <p>To improve the awareness of tenants regarding support services available.</p>	Raise awareness of our services and promote the importance of HMO identification.	Improved information and advice given to source and tackle HMOs.

<p>Improve the evidence base</p>	<p>Housing Implementation</p>			<p>100% of HMO cases added on "Civica" including the attachment of scanned historical paper-files.</p> <p>Meet with Officers from Council Tax to discuss possibility of obtaining HMO addresses through council tax and housing benefit records.</p> <p>Write to landlords of known HMOs to determine whether properties are still HMOs.</p>	<p>Set up a system to monitor and record changes in management, ownership and status of HMOs</p> <p>Agree protocols for information sharing between Housing Implementation and other agencies. Set up an effective referral mechanism and organise training with other departments to promote the service.</p> <p>Meet with information Analyst to discuss the possibility of plotting the location of all HMOs on GIS.</p> <p>Identify previously unidentified HMOs through proactive surveys and Council Tax/Housing Benefit/historic files.</p> <p>Maintain an up-to-date database of known HMOs.</p>	<p>Use improved data and understanding of local markets to proactively target areas with higher concentrations of HMOs</p>	<p>Our improved evidence base and understanding of HMOs allows us to target resources in the most effective way</p>
<p>Improve conditions within HMOs and in local neighbourhoods</p>	<p>Housing Implementation</p>			<p>Plan periodic inspection program of the known HMOs.</p> <p>Devise online form to report suspected HMOs anonymously.</p> <p>Continue to respond to complaints from tenants in relation to conditions in HMOs.</p> <p>Working with landlords to improve conditions of their HMO.</p> <p>Utilising enforcement powers available to ensure HMOs meet current and relevant legislation.</p> <p>Prosecuting landlords who fail to comply with current and relevant legislation with regards to HMO conditions.</p> <p>To continue to work in partnership with external agencies (i.e.) fire service and other council departments, sign posting and provide advice and</p>	<p>Implement periodic inspection program of the known HMOs.</p> <p>Continue to respond to complaints from tenants in relation to conditions in HMOs.</p> <p>Working with landlords to improve conditions of their HMO.</p> <p>Utilising enforcement powers available to ensure HMOs meet current and relevant legislation.</p> <p>Prosecuting landlords who fail to comply with current and relevant legislation with regards to HMO conditions.</p> <p>To continue to work in partnership with external agencies (i.e.) fire service and other council departments, sign posting and provide advice and assistance with regards to noise, rubbish or other nuisances arising from HMOs.</p>	<p>Works to improve the overall conditions, health and safety in HMOs across the Borough.</p>	<p>Targeted works have increased known and compliant HMOs with the current and relevant legislation.</p>

				assistance with regards to noise, rubbish or other nuisances arising from HMOS.			
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Appendix B: House in Multiple Occupation inspection process flow diagram

HMO INSPECTIONS



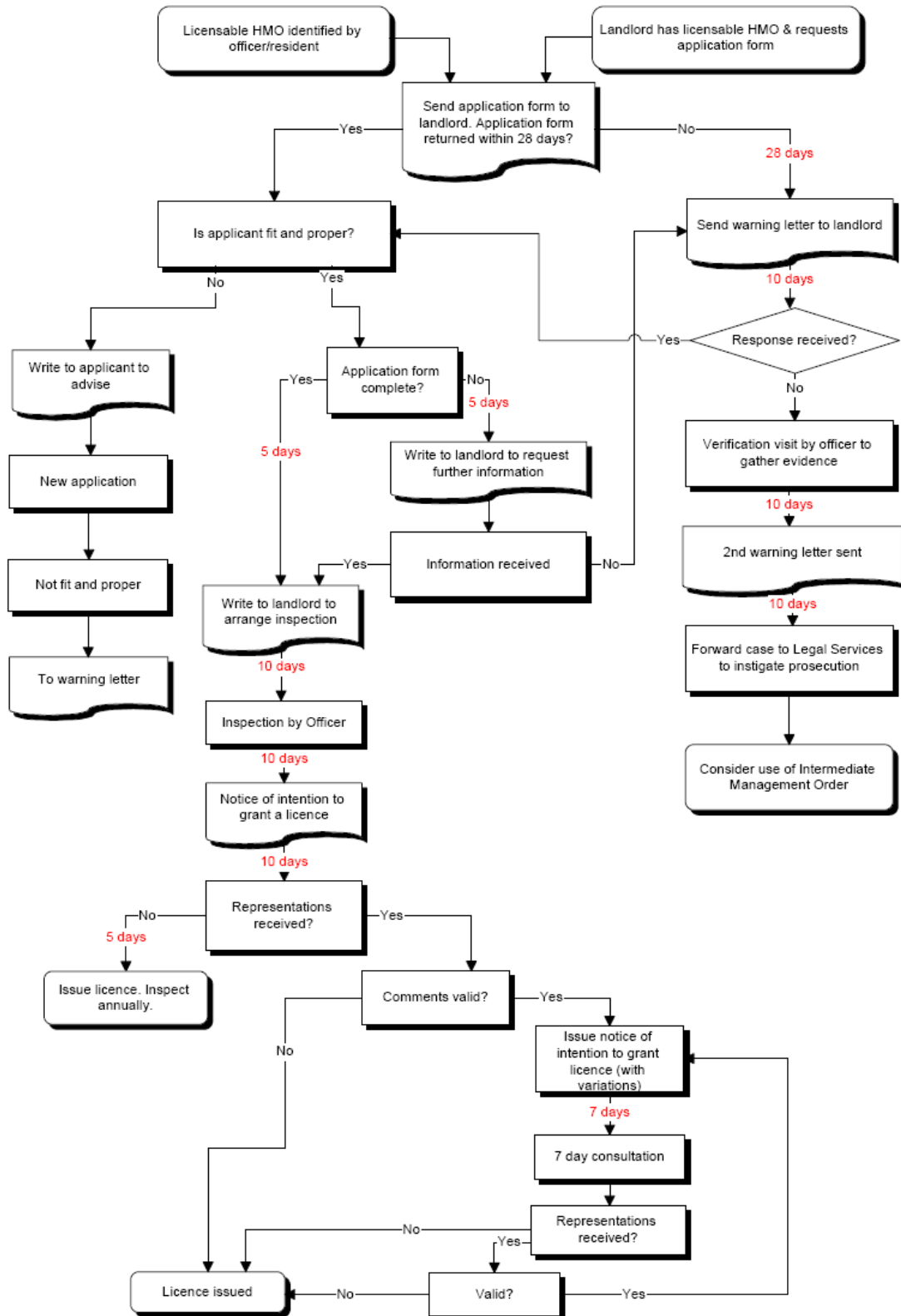
Appendix C: House in Multiple Occupation licensing process flow diagram

HMO LICENSING PROCESS

Summary of Performance Targets

From app form to licence:
40 days if all docs supplied

From application to prosecution:
63 days if property requires work and re-inspection



Appendix D

**Economy Place & Skills Directorate
Housing Implementation**

Application for a Licence for a House in Multiple Occupation (HMO)

Housing Act 2004 Part 2



Oldham
Council

Housing Act 2004 Part 2

Application for a Licence for a House in Multiple Occupation

In order to complete this application form, please refer to the Guidance Notes

Address of property to be licensed
.....Postcode

What is this application for?

- Application for HMO licence – first property
- Application for HMO licence – Subsequent property
- Renewal of HMO licence
- Variation of HMO licence

Section 1 – Applicant, Ownership and Licence Holder Details

Are you an agent acting on behalf of the applicant? Yes No

Applicant Details

Name (in full).....

Address.....

..... Postcode

Telephone Number..... Mobile

Email Address

Is the applicant the proposed licence holder (Please circle) Yes / No

Applicant business

Is your business registered in the UK with Companies House? Yes No

Is your business registered outside the UK? Yes No

Business name

VAT number (Put 'none' if you're not VAT registered)

Legal Status

Your position in the business

Business address - if you have one, this should be your official address,
i.e. an address required by law for receiving communications

Full address

.....

Postcode.....

Ownership Details of person who owns the property or any part of it (if different from the applicant):

Name (in full)
Address
..... Postcode
Telephone Number..... Mobile

Management Details of person managing the property if different from above:

Name (in full)
Address
..... Postcode
Telephone Number..... Mobile

Proposed Licence Holder (if different from applicant):

Name (in full)
Address
..... Postcode
Telephone Number..... Mobile
Email Address
What is your involvement in the property?

Do any other persons have an interest in the property? (e.g. mortgage providers, leaseholders):

Name (in full)
Interest in the property
Address
..... Postcode
Telephone Number..... Mobile
Email Address

Continue on additional sheets if necessary

IMPORTANT NOTICE: THE LICENCE HOLDER MUST ADHERE TO CONDITIONS ATTACHED TO THE LICENCE AND THEREFORE WILL BE LIABLE FOR LEGAL ACTION PURSUED SHOULD CONDITIONS BE BREACHED.

Section 2 – Fit and Proper Person

The local authority must consider evidence which shows that a manager and any person associated, or formerly associated with them, whether on a personal, work or other basis is a 'fit and proper' person for managing a house in multiple occupation.

Has the manager, or anyone else associated with the manager, ever been cautioned by the Police or convicted of an offence involving any of the following (Note that convictions which are spent under the Rehabilitation of Offenders Act 1974 do not need to be declared.):	
	Please tick if the answer is 'yes'
Harassment and/ or illegal eviction of tenants?	
Assault against another person?	
Crimes of dishonesty (theft, fraud, etc.)?	
Offences relating to drugs?	
Offences under Schedule 3 of the Sexual Offenders Act 2003?	
Unlawful discrimination on the grounds of sex, colour, race, ethnic or national origins or disability in or in connection with the carrying out of any business?	
Breaches of the Housing (Management of Houses in Multiple Occupation) Regulations 1990/2006/2007?	
Wilful or intentional non-compliance with statutory notices served under the Housing Act 1985 (as amended)/Housing Act 2004/Environmental Protection Act 1990/Building Act 1974/Landlord & Tenant Act 1983?	

If you have ticked any of the above, please provide the relevant details below, including date, offence and sentence or order of the Court.

Date of offence	Date of conviction	Name and place of Court	Nature of Offence	Sentence

Are you a member of The Greater Manchester Landlord Accreditation Scheme?

Yes No

Are you a member of a Landlord Association?

Yes

No

If yes, please give details

.....
.....
.....

Section 3 – Property Details

Is the property:

- a) Shared house (where tenants share one or more facilities such as kitchens or bathrooms)
- b) Bedsits (kitchen facilities provided in rooms but bathroom/W.C. facilities shared)
- c) Shared flat/ maisonette
- d) Hostel/ Bed and Breakfast for homeless person
- e) NASS accommodation
- f) Other (please specify)

Property Type:

- Detached house
- Semi detached house
- Mid terraced house
- End terraced house
- Flat above commercial unit (e.g. a shop)
- Other (please describe)

Approximate year of construction

Number of storeys (including basement or attic/loft if used as part of the tenant's accommodation)

Number of rooms used exclusively as:

- Bedrooms/ bed sitting rooms
- Kitchens
- Bathrooms
- Communal lounge/ dining room
- Separate W.C compartments

Please list every room within the house and state the use of the room, what facilities are provided within it, where it is located and room size (see guidance notes)

Floor level	Room use	Does this room contain....? (please mark with a cross)					
		Wash hand basin	Cooking facilities	Bath	Shower cubicle	Toilet	Size
e.g. Basement	Bathroom	X		X	X	X	2m x 2m

Is there a resident landlord? Yes No

How many people live in the property?

How many families/households live in the property?

Are any of the occupiers considered vulnerable? (E.g. children, disabled occupiers, drug/ alcohol dependents, senior citizens? Yes No

If yes, please tell us why you think they are vulnerable:

Are there any smoke detectors in the property? Yes No

Is it an automatic fire alarm system (mains operated)? Yes No

If known, please supply the type/grade of system

Is there emergency lighting installed within the property? Yes No

Has a fire risk assessment been undertaken? Yes No

What type of heating is installed in the property?

- Gas central heating
- Electric central heating
- Fixed gas fires
- Fixed Electric heaters

Other.....

Is heating supplied in every room? Yes No

If No, which rooms don't have a heating appliance?

Are the windows double glazed? All Some None

Is the roof space insulated? All Some None N/A

Are cavity walls insulated? All Some None N/A

Are hot water tanks lagged? All Some None N/A

Is there an Energy Performance Certificate for the property? Yes No

(You may be required to submit an Energy Performance Certificate with this application)

What type of cooking facilities are supplied?

How many cooking appliances are supplied?

- Microwaves Ovens
- Cookers Hobs

How many Fridges are provided?

What electrical and gas appliances are supplied by the landlord/owner/manager/licence holder?

Please state below (e.g. kettle, refrigerator, vacuum cleaner etc.):

.....
.....
.....

Do all furniture and soft furnishings provided at the property comply with The Furniture and Furnishings (Fire Safety) Regulations 1988 (as amended)?

- Yes No Don't know None provided

Does the proposed licence holder hold a HMO licence for a property outside of Oldham?

Yes No

If yes, please indicate which local authorities have granted licences for the same licence holder (continue on additional sheets if necessary).

.....
.....

Declaration

Please note that it is a criminal offence to knowingly supply information that is false or misleading for the purpose of obtaining a licence. Evidence of any statement made in this application may be required at a later date. If we subsequently discover something, that is relevant and which you should have disclosed, or which as been incorrectly stated or described, then your licence may be revoked or other action taken.

NOTE: It is an offence to operate a licensable property without a licence. There is a £20,000 maximum fine for this offence on conviction in the Magistrates' court. Furthermore an unlicensed property may become subject to an Interim Management Order. This has the effect of the Local Authority taking control of the property. Such an order can last for a maximum of 12 months and may be replaced by a Final Management Order which can last for up to 5 years.

Section 21 of the Housing Act 1988 is not available for the eviction of tenants in an unlicensed property.

In addition to the above sanctions the Residential Property Tribunal may also make a rent repayment order requiring you to repay any rents due during the period for which the property was unlicensed.

I/we declare that the information contained in this application is correct to the best of my/our knowledge. I/we understand that I/we commit an offence if I/we supply any information to a local housing authority in connection with any functions under Parts 1 to 4 of the Housing Act 2004 that is false or misleading or I/we are reckless as to whether it is false or misleading.

I/we declare that I/we have read the statement above and completed all parts of this application to the best of my/our knowledge and ability, and it is valid as of the date below.

Proposed Licence holder:

Signed.....Date.....

Print name.....

Property owner:

Signed.....Date.....

Print name.....

Appendix E

**Economy Place & Skills Directorate
Housing Implementation**

Standards for Houses in Multiple Occupation

October 2010

1 Introduction

- 1.1 These standards have been compiled in order to assist landlords and managing agents in the management and maintenance of houses in multiple occupation to ensure that tenants are provided with safe and suitable accommodation. These standards are subject to change as legislation, standards and guidance are constantly updated but useful contacts and links to information sources are provided within this document so further clarification may be sought if required. This document should be read in conjunction with relevant guidance notes, British Standards etc, where indicated.
- 1.2 These standards apply only to Houses in Multiple Occupation (HMO's). The definition of an HMO as depicted in the Housing Act 2004 is given as:
- 1.2.1 A house or flat which is let to three or more tenants who form two or more households who share amenities such as kitchens, bathrooms or toilets.
 - 1.2.2 A house which has been converted into bedsits or similar and which is let to three or more tenants who form two or more households and where there is a shared use of facilities such as kitchens, bathrooms or toilets.
 - 1.2.3 A building which has been converted into flats which are not fully self-contained so there is sharing of amenities and which is let to three or more tenants who form two or more households
 - 1.2.4 A building which has been converted into self-contained flats if converted before 1991 or do not meet the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.
- 1.3 The standards recommended for certain types of accommodation such as night-shelters, women's refuges, bed and breakfast, guest houses, hotel and hostel accommodation will differ slightly from those provided within this document. To obtain further information or advice in relation to the above please contact the Housing Implementation – Enforcement Team:

Housing Implementation – Enforcement Team
Economy, Place and Skills Directorate
Room 310, Civic Centre
West Street
Oldham
OL1 1UH

Email: housing.implementation@oldham.gov.uk
Tel: 0161 770 4461
Fax 0161 770 4410

2 Licensing of Houses in Multiple Occupation

- 2.1 Part 2 of the Housing Act 2004 introduced a requirement for landlords to obtain a licence to operate certain larger, higher-risk HMOs. The licensing regime has been introduced to improve conditions and management standards in relation to these dwellings with the aim of protecting occupants. If you own/manage a HMO where all three below apply you may need to apply for a licence:
 - 2.1.1 HMOs comprising of three or more storeys. This includes basements and attics if accessible from the accommodation and used – either as part of the accommodation or for storage. It also includes commercial premises so for example accommodation above pubs, shops and offices.
 - 2.1.2 HMOs accommodating five or more people comprising of two or more households (unrelated persons)
 - 2.1.3 Where persons share, or lack one or more basic amenities (where people share a bathroom, cooking facilities or toilet)
- 2.2 If you believe that you have a licensable HMO and have not yet applied for a licence you should contact the Housing Implementation – Enforcement Team as soon as possible to obtain an application form as it is an offence to operate a licensable HMO without a licence. If found guilty in a Magistrates Court you could be fined up to £20,000.
- 2.3 Once you have obtained an application form, you should complete it and return it to the Council along with the required fee. The proposed licence holder will also be required to declare certain criminal convictions – the Housing Act 2004 dictates that licence holders must be ‘fit and proper’. Council officers will then inspect the property to make sure it is safe and suitable for occupation, and will then grant a licence for the property. The licence will have conditions attached to it and will set a maximum occupancy limit for the HMO based on the amenities provided in the accommodation. The conditions are attached to regulate the way in which HMOs are managed and maintained. It is an offence if a landlord or person in control of the property allows a property to be occupied by more people than is permitted in the licence and the breaching of licence conditions can result in fines of up to £5,000 per breach.

3 Space standards

3.1 Space standards vary depending on the kind of accommodation provided.

3.1.1 No room shall be occupied for sleeping by more than 2 persons, irrespective of age, and rooms shall not be shared unless the individuals concerned consent to share the room. In no case shall sleeping arrangements be such that any two persons being twelve years old or more, of opposite sexes, be required to sleep in the same room, unless they are co-habitees.

3.1.2 No bathroom, WC, office, lobby, kitchen, cupboard, corridor or circulation space shall be used for sleeping purposes.

3.1.3 Inner bedrooms are not deemed acceptable (this is a bedroom which can only be accessed by passing through another room such as a lounge, kitchen or bedroom).

3.1.4 All rooms used as sleeping accommodation shall have a ceiling height of at least 2.14 metres over a minimum of 75% of the room area. Any floor area where the ceiling height is less than 1.53 metres shall be disregarded when calculating the room size.

3.1.5 Irrespective of the floor area, consideration will be given to the shape and useable living space within the room when determining whether or not it is suitable for use as sleeping accommodation.

3.1.6 Although basements and loft spaces may be used as sleeping accommodation it is recommended that you contact the Housing Implementation – Enforcement Team to obtain advice as there are often additional hazards associated with loft spaces and basement rooms. No person shall sleep within a room with no access to natural light and ventilation (i.e. basements without windows).

3.2 Bedsits (rooms provided with cooking facilities)

3.3 For bedrooms with cooking facilities provided in the room (i.e. bedsits), the following minimum room sizes shall apply:-

3.3.1 If occupied by one person 13m²

3.3.2 If occupied by two persons 20.5m²

3.3.3 No separate communal lounge is required.

3.4 Shared houses/flats

3.5 For bedrooms, the following minimum room sizes shall apply:-

3.5.1 6.5m² for a single person, as long as a separate shared living room is provided which is not a kitchen or a kitchen/ dining room.

3.5.2 10m² for a single if no shared living room is provided.

3.5.3 10.5m² if occupied by two persons if an additional living room is provided

3.5.4 15m² for two persons if no additional living room is provided.

3.6 Common Rooms

3.6.1 Kitchens:	Used by 1-5 persons	7m ²
	Used by 6-10 persons	10m ²
3.6.2 Dining kitchens:	Used by 1-5 persons	11.5m ²
	Used by 6-10 persons	19.5m ²
	Used by 11-15 persons	24m ²
	Used by 16+ persons	29m ²
3.6.3 Living rooms & dining rooms:	Used by 1-5 persons	11m ²

Used by 6-10 persons 16.5m²

Used by 11-15 persons 21.5m²

Used by 16+ persons 25m²

- 3.7 The minimum room size for a kitchen with one set of cooking facilities provided within is 7m². The minimum room size for a kitchen with two sets of cooking facilities provided within is 10m² and kitchens shall be a minimum of 1.8m wide to allow for the safe circulation of occupants within the room. No more than two sets of cooking facilities shall be provided in one kitchen. One set of cooking facilities shall be provided for every five occupiers (please see below for requirements in relation to cooking facilities).

4 Facilities for the storage, preparation and cooking of food

- 4.1 Where practicable each letting shall have its own separate kitchen on the same floor level, or no more than one floor away from that letting.

- 4.2 If it is not practicable to have separate kitchens, each letting meeting the minimum room size requirement set out in paragraph 3.2 (i.e. 13m² for a single room) may have a set of cooking facilities provided within the room (bedsits). The occupants of the rooms which do not meet the minimum room size requirement, or if the property is to be let as a shared house rather than as bedsits, occupants must be provided with a communal kitchen up to a maximum ratio of one kitchen for every five persons.

- 4.3 A set of cooking facilities must include:

4.3.1 A cooker with four burners, oven and grill (in single room lettings, a cooker with a minimum of two burners, oven and grill is permissible).

4.3.2 A stainless steel sink and integral drainer (minimum size 0.5m x 0.9m) set on a base unit. The sink is to be provided with constant and adequate supplies of hot and cold mains fed (potable) water and properly connected to the drainage system. A tiled splashback (minimum 300mm high) shall be provided to the sink and drainer.

4.3.3 A standard double sink base unit (minimum 1.0m wide)

- 4.3.4 A standard double base unit (minimum 1.0m wide)
- 4.3.5 A standard double wall unit (minimum 1.0m wide)
- 4.3.6 A refrigerator, preferably with a freezer compartment.
- 4.3.7 Two double 13 amp electric power sockets situated at worktop height. These are in addition to electrical power sockets provided elsewhere in the letting. There should also be a dedicated 45A double pole cooker switch provided for electric cookers.
- 4.3.8 A suitable worktop (minimum surface area 1000mm x 600mm) to be provided which must be impervious and easy to clean. All joints must be effectively sealed. Worktops should ideally be provided to each side of the cooker and sink. Any surfaces adjoining food preparation areas should be readily cleansable (tiled or equivalent).

5 Personal washing facilities and W.C. provision

- 5.1 A readily accessible bathroom or shower room, being not more than one floor distant from any user, shall be provided for every five persons, regardless of age.
- 5.2 **For 1 to 4 persons-** there must be at least one bathroom with a fixed bath or shower, toilet (which may be situated in the bathroom) and a wash hand basin. Baths and wash hand basins shall be provided with appropriate splashbacks to a minimum of 300mm high.
- 5.3 **5 or more persons** - one separate toilet with wash hand basin for every five sharing occupiers; and at least one bathroom (which may contain a toilet) with a fixed bath or shower for every five sharing occupiers. Baths and wash hand basins shall be provided with appropriate splashbacks to a minimum of 300mm high.
- 5.4 All baths, showers and wash hand basins in an HMO must be equipped with taps providing an adequate and constant supply of hot and cold water. Hot water is to be provided by a means of an approved heating appliance. The use of electric hot water heaters to provide water to individual lettings is not recommended as the supply is neither instantaneous nor continuous.
- 5.5 All bathrooms in an HMO must be suitably and adequately heated and ventilated.
- 5.6 All bathrooms and toilets in an HMO must be located within the property and must be of an adequate size and layout.

- 5.7 All baths, toilets and wash hand basins in an HMO must be fit for the purpose.
- 5.8 All bathrooms and toilets in an HMO must be suitably located in or in relation to the living accommodation in the HMO.
- 5.9 Each bath shall be situated in a separate bathroom of an adequate size.
- 5.10 Each shower shall be situated in a suitable shower room.
- 5.11 Each shower shall be provided with an adequate and constant supply of hot and cold water. Hot water is to be provided by a means of an approved heating appliance.
- 5.12 Shower cubicles shall have fully tiled walls.
- 5.13 Showers to be provided with a suitable water resistant shower curtain or door to the cubicle.

6 Heating provision

- 6.1 All habitable rooms must be capable of being heated efficiently to 21°C when the outside temperature is -1°C, at reasonable cost and must be controllable by the tenants.
- 6.2 Adequate fixed space heating may be in the form of a central heating system provided by a SEDBUK band A or B condensing boiler, fixed gas heating appliances, fixed electric convector heaters or fixed electric storage heaters. Please note that full consideration must be given to room size, layout and furniture.
- 6.3 Fixed electric heating appliances must be connected to a fused spur for the exclusive use of the heater. All electrical works must be carried out in accordance with the current IEE Wiring Regulations.
- 6.4 All works associated with gas appliances must be carried out in accordance with the current Gas Safety (Installations and Use) Regulations 1998 by a Gas Safe Registered Contractor.
- 6.5 Portable heating appliances such as fan heaters, halogen heaters, bottled gas heaters, oil radiators etc are not considered to be a suitable form of heating. Heating appliances must be wall mounted and either hard-wired or plumbed in.

7 Management arrangements and disrepair

7.1 The Management of Houses in Multiple Occupation (England) Regulations 2006

Those managing houses in multiple occupation have certain legal responsibilities under these Regulations. Failure to meet the requirements of these Regulations is an offence and if the responsible person is found guilty at Magistrates Court he/she can be fined up to £5,000 for every breach. There must be suitable management arrangements in place to ensure that houses in multiple occupation are maintained in a safe condition. Failure to comply with the Regulations is a criminal offence.

7.2 Duty of Manager to provide information to occupier

7.2.1 The Management Regulations state that it is the responsibility of the manager of the HMO to ensure that his name, address and any telephone contact number are made available to each household in the HMO and that such details are displayed in a prominent position in the HMO.

The manager must also ensure the following:

7.3 Safety Measures

7.3.1 All means of escape from fire must be kept free from obstruction and maintained in good order and repair. Any fire fighting equipment and fire alarms must be maintained in good working order.

7.3.2 The manager must take all such measures as are reasonably required to protect the occupiers from injury, having regard to the design of the HMO, the structural conditions in the HMO and the number of occupiers.

7.4 Water Supply and Drainage

7.4.1 All means of water supply and drainage in the house must be maintained, repaired, kept clean and be protected against frost damage. Tanks and cisterns should be clean and covered. The manager must not permit the supply of water or drainage that is used by any occupier at the HMO to be interrupted.

7.5 Gas and Electrical Installations

- 7.5.1 The gas installation must be inspected annually by a Gas Safe Registered contractor.
- 7.5.2 Every fixed electrical installation must be inspected and tested at intervals not exceeding five years by a person qualified to undertake such inspection and testing. A certificate must be obtained from the person conducting the test.
- 7.5.3 The manager must supply to the local housing authority within seven days of receiving a request in writing, the latest gas or electrical test certificate in relation to the testing of any gas appliance or electrical installation at the HMO by a recognised engineer.

7.6 Common Parts, Fixtures, Fittings and Appliances

7.6.1 All common parts of the HMO must be maintained in good and clean decorative repair, in a safe and working condition and reasonably clear from obstruction.

7.6.2 In particular the manager must ensure:

- All handrails and banisters are kept in good repair.
- Such additional handrails or banisters as necessary for the safety of the occupiers of the HMO are provided
- Any stair coverings are safely fixed and kept in good repair.
- All windows and other means of ventilation within the common parts are kept in good repair.
- The common parts are fitted with adequate light fittings that are available for use at all times by every occupier of the HMO.
- Fixtures, fittings and appliances used in common by two or more households within the HMO are maintained in good and safe repair and in clean working order.
- Outbuildings, yards and forecourts used in common by two or more households are maintained in repair, clean condition and good order.
- Any garden is kept in a safe and tidy condition.
- Boundary walls, fences and railings (including any basement area railings), are kept and maintained in good and safe repair so as not to constitute a danger to occupiers.
- Any part of the HMO not in use, including any passage and staircase directly giving access to it, is kept reasonably clean and free from refuse and litter.

7.7 Living Accommodation

7.7.1 Each unit of living accommodation and any furniture supplied with it must be in a clean condition at the beginning of a person's occupation of it. The manager must also ensure, in relation to each part of the HMO that is used as living accommodation, that:

- The internal structure is maintained in good repair.
- Any fixtures, fittings or appliances within the part are maintained in good repair and in clean working order.
- Every window and other means of ventilation are kept in good repair.

7.8 Waste Disposal Facilities

7.8.1 Sufficient bins or other suitable receptacles must be provided that are adequate for the requirements of each household for the storage of refuse and litter.

7.8.2 Any further arrangements for the disposal of refuse and litter must be made having regard to any service for such disposal provided by the local authority.

7.9 Duties of Residents

7.9.1 It is the duty of all residents of the property to ensure that the manager can effectively carry out his duties. All residents must:

- Conduct themselves in a way that will not hinder or frustrate the manager in the performance of his duties.
- Allow the manager access at all reasonable times, to any occupied room so that he/she may carry out his/her duties imposed by these Regulations.
- Provide the manager on request with any relevant information in order to allow him/her to carry out any such duty under these Regulations.
- Take reasonable care to avoid causing damage to anything which the manager is under a duty to supply, maintain or repair.
- Comply with arrangements made by the manager in respect of litter storage and disposal.
- Comply with the reasonable instructions of the manager in respect of any means of escape from fire, the prevention of fire and the use of fire equipment.

8 Housing Act 2004

- 8.1 Although hazards to health and safety are unavoidable those managing HMOs must attempt to minimise any hazards identified within a dwelling to an acceptable standard. Part 1 of the Housing Act 2004 introduces a new system of assessing hazards which may have a detrimental impact on health, arising from a deficiency within a dwelling. The hazards are graded according to severity, the more severe hazards, which could potentially cause serious harm to tenants, are known as 'category 1 hazards'. If the council identifies such a hazard they have a duty to take enforcement action to minimise the hazard. Those hazards not deemed severe enough to be graded as 'category 1 hazards' are known as 'category 2 hazards'. The council may also take action to mitigate 'category 2 hazards', if they feel it necessary in order to protect the health of the occupants.
- 8.2 As well as being free from 'category 1 hazards', dwellings must be in a good state of repair. Roofs and external walls should be structurally sound and weatherproof. All gutters and downpipes should be in good condition. Properties should be free from damp and all windows and external doors should be in a sound condition and watertight. Internally, all ceilings, walls and floors should be in good repair and sound condition.
- 8.3 All gas installations and appliances must be tested and serviced annually by a suitably qualified Gas Safe Registered contractor and the installation must meet the requirements of the Gas Safety (Installation and Use) Regulations 1998. A copy of the relevant and current gas safety certificate will be required by the council when they visit to check that the standards in this document have been complied with. A copy of the certificate must also be given to the tenants.
- 8.4 All electrical installations should be safe to use for domestic purposes. The installation should be inspected at least every five years by a competent person (NICEIC registered or equivalent), and the periodic inspection report forwarded to this department for inspection if requested.

9 Fire safety

- 9.1 Fire precautions must be installed in houses in multiple occupation in order to provide tenants with early warning should a fire occur so that they may be able to escape the building safely. The council have adopted the LACORS Fire Safety Guide which should be consulted before installing fire precautions. The LACORS Guidance makes recommendations which vary depending on the type of accommodation provided. For further information on any aspect of fire safety please contact the Housing Implementation – Enforcement Team. The general principles are as follows:

9.2 The formation of a protected route

- 9.2.1 The means of escape in the event of a fire must be protected to ensure that a fire can be contained whilst occupiers evacuate. The escape route must provide at least 30 minutes fire protection which can be achieved by fitting 30 minute fire doors to all doors exiting onto a shared means of escape, as well as to high risk rooms such as kitchens and lounges. Bathrooms do not need to be fitted with fire doors. Fire doors leading on to escape routes should be provided with intumescent strips and cold smoke brushes and should also be fitted with an approved self closing device (rising butt hinges not acceptable).
- 9.2.2 All ceilings must provide a minimum of 30 minutes fire resisting separation. Loft hatches should be constructed/upgraded to achieve this.
- 9.2.3 All walls enclosing the means of escape must provide at least 30 minutes fire-resisting separation. The following forms of construction suitably achieve this:
Masonry blockwork 100mm thick, unplastered (load bearing)
Masonry blockwork 75mm thick, unplastered (non load bearing)
- 9.2.4 Timber frame 75mm x 50mm minimum (non load bearing), studs at maximum 600mm centres with:
12.5mm plasterboard unplastered, with skim finish to each side
12.5mm fire-rated plasterboard to each side
12mm proprietary fire resisting insulation board to each side
- 9.2.5 Polystyrene ceiling tiles must be removed from all common circulation spaces which form a means of escape as well as from rooms containing cooking facilities.
- 9.2.6 Meters situated in means of escape routes must be enclosed in a cupboard providing 30 minutes fire resisting separation.
- 9.2.7 Cupboards off the means of escape in HMOs consisting of three or more storeys (excluding basements) must either be kept locked, or alternatively be provided with an interlinked smoke detector.
- 9.2.8 There should be at least 30 minutes fire resisting separation between all risk rooms (including bedrooms, lounges and kitchen).

9.3 Separation between commercial units and residential premises.

- 9.3.1 There must be a minimum of 60 minutes fire resisting separation between residential accommodation and commercial premises. Ceilings to commercial premises along with walls enclosing any entrance hallway, stairs or corridors adjoining a commercial premises should be upgraded where necessary to provide a minimum of 60 minutes fire resisting separation. The fire alarm system should be interlinked with detectors in the commercial unit (contact the Housing Implementation – Enforcement Team for further information)

9.4 Fire Doors

Fire doors can be vital in limiting fire spread to allow occupiers to exit a building safely in the event of a fire.

- 9.4.1 In general 30 minute fire doors should be fitted to any room containing cooking facilities (kitchens and bedsits) and in larger HMOs of three storeys or more to all rooms exiting onto a means of escape (excluding bathrooms and W.C. compartments). Fire doors separating commercial premises from a residential unit must provide 60 minutes fire-resisting separation.
- 9.4.2 It is difficult to upgrade existing fire doors as frames, hardware and ironmongery also need to be 'fire rated' so it is recommended that complete fire doorsets/assemblies are installed where a fire door is required. The doorleaf, frame, architraves, glazing system (glass, seal, bead and fixing), decorative finishes, seals, intumescents, ironmongery and door furnishings must all meet the appropriate British Standard.
- 9.4.3 All fire doors must be hung on one and a half pairs of hinges.
- 9.4.4 If fitting a fire door to existing frame any gaps between the frame and wall must be infilled with mineral wool, plaster or intumescent paste. It is recommended that advice be sought from the door manufacturer before fitting a door to an existing frame to ensure that the frame is suitable and that the door and frame can be suitably matched.
- 9.4.5 Fire doors should be supplied with or fitted with intumescent strips. In general fire doors should also be fitted with smoke seals to restrict the spread of smoke. The only instance where smoke seals will not be required is where a Grade D LD3 fire alarm system is in place.
- 9.4.6 All fire doors should be fitted with an approved self-closing device and must fit tightly into their frames, leaving no more than a 3mm gap between any side of the door and the frame.
- 9.4.7 Fire doors must be installed and maintained in accordance with BS 8214: 1990.

9.4.8 Occupiers should be able to escape in the event of a fire without having to use a key to exit through any door. If locks are fitted to individual bedrooms they must be thumb-turn locks and final exit doors must be either fitted with thumb turn locks or must be push-bar type.

9.5 Travel distances between lettings and point of safety

9.5.1 Occupiers should not have to travel a great distance to reach a point of safety (outside of the building) in the event of a fire. Generally occupiers should not have to travel in excess of 9 metres from a letting to a place of safety, but this is not a rigid standard, it depends on the layout and fire precautions provided. The Housing Implementation – Enforcement Team will be able to advise further on visiting a HMO and will be able to recommend whether or not a secondary means of escape will be required.

9.6 Fire Risk Assessments

9.6.1 The Regulatory Reform (Fire Safety) Order 2005 introduced the requirement for the responsible person to undertake a fire safety risk assessment to identify what fire precautions are needed to adequately control fire risk in certain types of premises, including houses in multiple occupation.

9.6.2 Fire safety risk assessments need to take into account the common parts of a HMO as well as individual units of accommodation with the aim to identify potential fire hazards and reduce the risk of those hazards by deciding what fire precautions need to be installed.

9.6.3 The fire safety measures you may deem appropriate will include smoke alarms or automatic fire detection systems, fire doors and fire fighting equipment.

9.6.4 The risk assessment need not be undertaken by a fire safety expert, but is recommended in higher-risk HMOs (i.e. those of three or more storeys, mixed residential/commercial buildings and those with complex layouts).

9.6.5 The risk assessment process can be broken down into five steps:

- Identify the hazards
- Identify the people at risk
- Evaluate, remove or reduce risk and protect against remaining risk.
- Record, plan and inform or train.
- Review.

- 9.6.6 Fire safety risk assessments should be written down, but legally need only be if you employ five or more persons or if the premise is licensed. It is sensible to keep a written record or log to prove that you have done all you possibly can to control the risks associated with fire.
- 9.6.7 Having identified what precautions will be required to control the risk, you should implement them and also consider methods by which fire precautions are to be maintained, for example, automatic fire alarm systems should be serviced annually by a competent person. Someone must be responsible for implementing the steps identified in the risk assessment, ordinarily the manager of the HMO.
- 9.6.8 There are useful documents available to view on the Communities website, including step-by-step guidance on how to carry out your own fire safety risk assessment. Alternatively you can contact either the Housing Implementation – Enforcement Team or Grater Manchester Fire and Rescue Service (details provided in the ‘Useful Contacts’ section attached to this document.)

9.7 Fire Alarm Systems

- 9.7.1 Fire alarm systems alert occupiers in the event of a fire, allowing them time to safely exit the building. All houses in multiple occupation should contain some form of smoke detection, but the type of fire alarm system will vary depending on the size, type of accommodation provided (bedsits, shared rooms, flats etc) and layout of the HMO. By undertaking a fire safety risk assessment you should gain an idea as to what system will be required, but recommendations for certain types of HMO are contained within this document.
- 9.7.2 Details relating to the design, installation, commissioning, maintenance and testing of fire alarm systems can be found in BS 5839: Part 6 (2004) and BS 5839: Part 1 (2002).
- 9.7.3 Ideally all houses in multiple occupation should be fitted with a fire alarm system to meet the requirements of BS 5839 Part 6.
- 9.7.4 BS 5839: Part 6 grades fire detection and fire alarm systems according to their complexity. There are six grades in total, but in HMOs Grade A and Grade D systems are the most appropriate and most commonly used.

9.7.5 Grade A Systems

A Grade A system is a fire detection and alarm system that incorporates Part 1 system requirements and revisions made through clauses in the revised BS 5839: Part 6 (2004). In essence a Grade A system consists of interlinked, mains-operated smoke and/or heat detectors all linked to a control panel. The system should incorporate manual call points (to be situated next to final exit doors and on each floor in the common landing). The alarm signal must reach a minimum sound level of 65

dB (A) in all accessible parts of the building and no less than 75 dB (A) at all bed-heads when doors are shut in order to wake sleeping persons. Power supply equipment for Grade A systems shall be exclusive for the fire alarm system and comply with the requirements of BS EN 54–4. There should be a continuous supply to both the fire alarm system and emergency lighting, therefore pre-payment meters are not acceptable. This type of fire alarm system is generally recommended in large, high-risk houses in multiple occupation (e.g. large HMOs, or those where the tenants are particularly vulnerable or smoke in their rooms and HMOs above commercial units). This type of fire alarm system provides the greatest level of protection and is recommended in the larger HMOs, but may not necessarily be required.

9.7.6 Grade D

A system of one or more interlinked mains-operated heat and/or smoke alarms with an integral battery standby supply. The system can be connected to the local lighting circuit, rather than to an independent circuit at the dwelling's main distribution board. The battery standby will allow the system to operate in the event of a mains failure. Grade D systems are recommended in houses in multiple occupation of two storeys or less (or two storeys with basement).

9.7.7 Mixed Grade Systems

In certain types of HMO mixed systems are recommended. Mixed systems incorporate more than one type of alarm system for example a mixture of a Grade A and Grade D system. In buildings converted into flats for example, there could be a Grade A system for the communal areas and Grade D systems within each of the flats.

9.7.8 System Coverage

Not only are fire alarm systems graded according to complexity, they are also rated in terms of the coverage they provide (where detectors are sited within the building). The higher risk HMOs will require a greater coverage, so it is important to determine what level of coverage will be required by carrying out a risk assessment, as well as by consulting a suitably qualified engineer. The levels of coverage are specified within BS 5839: Part 6 (2004). Some levels are described briefly below:

- **LD1 coverage** – a system installed throughout the entire dwelling with detectors sited in all circulation spaces that make up the means of escape as well as in all rooms and areas where fires might start (risk rooms such as kitchens, lounges and bedrooms and areas used to store items such as basements, attics and large cupboards if located off the means of escape).
- **LD2 coverage** – smoke detectors to be sited at each level in the circulation spaces as well as detectors in risk rooms such as communal living rooms (smoke) and in kitchens (heat).

- **LD3 coverage** - Smoke detectors sited at each level in the circulation spaces that make up the means of escape only

Recommended grade for certain types of HMO:

- HMO – shared house of 2-4 storeys - Part 6 Grade D: LD3 interlinked coverage plus additional detection to the kitchen (heat detector), lounge and any cellar containing a risk.
- *Essentially Grade D: LD3 coverage with additional detectors may be described as a Grade D: LD2 system / coverage for this type of property.
- HMO – shared house of 5+ storeys - Part 6 Grade A: LD2 interlinked coverage (detection in all risk rooms i.e. bedrooms, kitchen (heat detector) and lounge)
- Bedsit HMO of one or two storeys with individual cooking facilities within bedsits – mixed system required with Grade D: LD2 coverage in the common areas interlinked with heat detectors within the bedsits in addition a non- interlinked Grade D smoke alarm in each bedsit.
- Bedsit HMO of three or more storeys with individual cooking facilities within bedsits – mixed system required with Grade A: LD2 coverage in the common areas with interlinked heat detectors in bedsits in addition to a non-interlinked Grade D smoke alarm in each bedsit.
- Converted building of one or two storeys containing flats – Mixed system required with Grade D: LD2 coverage in common areas and an interlinked heat detector in each flat in the room/lobby opening onto the escape route in addition to a non-interlinked Grade D smoke alarm in the lobby/room opening onto the means of escape within each individual flat.
- Converted building of three or more storeys containing flats – mixed system required with Grade A: LD2 coverage in the common areas with an interlinked heat detector within the lobby/room opening into the means of escape in each flat in addition to a Grade D smoke alarm (non-interlinked) within the lobby/room opening onto the means of escape within each flat.
- Mixed residential/commercial use – if there is a commercial unit on the ground floor and a HMO above the fire alarm system should be interlinked with detectors in the commercial unit (contact the Housing Implementation – Enforcement Team for further information)

9.8 Emergency Lighting

- 9.8.1 In the event of a fire occupants must be able to escape the building safely, which can be difficult if the escape route is full of smoke, people may become disorientated especially in larger buildings or in those with an awkward layout. Emergency lighting can help by illuminating escape routes.
- 9.8.2 HMOs of three or more storeys should ideally be provided, in addition to conventional lighting, with emergency escape lighting if the internal layout is complex and/or there is not sufficient natural lighting to the escape route. Emergency lighting must be designed to comply with BS 5266 and should illuminate the entire common escape route, highlight hazards such as staircases, changes in floor level or direction and illuminate fire alarm call points (where provided).

9.9 Fire-Fighting Equipment

- 9.9.1 Fire fighting equipment may be provided in HMOs but it must be stressed that occupiers should be encouraged to evacuate the building rather than tackle fires. Only those who are trained to use fire fighting equipment should do so therefore it is recommended that fire fighting equipment is not provided
- 9.9.2 A wall-mounted fire blanket may be supplied in rooms containing cooking facilities. The blanket is to comply with BS 6575 and should be mounted on the wall approximately 1.5m from floor level but closer to the escape than to the cooking facilities (so it can be reached without occupant risking injury in the event of a fire).
- 9.9.3 A small multi-use extinguisher could also be provided such as a 2kg powder extinguisher. It should be wall mounted on brackets approximately 1.5m from the floor and comply with BS EN 3-7 and maintained in accordance with BS 5306-3 and be located close to the exit from each floor.
- 9.9.4 Fire fighting equipment must not obstruct common means of escape.

10 Building Control and Planning

10.1 Planning Requirements

Before converting a property into a house in multiple occupation you should contact the Council's Planning Department to find out whether planning permission will be required for a 'change of use'. Even if the property was used as residential accommodation previously you may still need to apply for planning permission for a conversion to a HMO, even if minimal building works will be carried out. Please note that if you fail to apply for planning permission where required the Council may take enforcement action

against you. Planning permission may also be required if building works are taking place which will alter the external appearance of the building. Contact the Planning Department for further information.

10.2 Building Control

Building works must be carried out in accordance to a recognised current standard. Before commencing building works advice should be sought from the Council's Building Control Service. Building Regulations applications may be made online, see the Council's website for further information.

The contact details for both Planning and Building Control are listed below.

11 Useful contacts and sources of further information

Fire Safety:

LACORS Fire Safety Guide – available to download, free of charge from the LACORS website
<http://www.lacors.gov.uk/lacors/upload/19175.pdf>

Sleeping Accommodation Guide – available to download from the Communities website <http://www.communities.gov.uk/fire/firesafety/>

Fire Risk Assessments – guidance available on the Communities website <http://www.communities.gov.uk/fire/firesafety/>

Greater Manchester Fire Service (for fire safety advice and free home fire safety checks) - <http://www.manchesterfire.gov.uk/>

Planning and Building Control:

www.planningportal.gov.uk/ also see Oldham Council's website: www.oldham.gov.uk/

Planning and Building Control are both based at The Civic Centre, West Street, Oldham, OL1 1UG

Building Control can be contacted on 0161 770 4122

Planning can be contacted on 0161 770 4105

HMO Licensing:

Information can be found on the Housing section of the Communities website www.communities.gov.uk and on the Oldham Council website

Relevant Legislation:

Legislation can be viewed on the Office of Public Sector Information website <http://www.opsi.gov.uk/>

Housing Act 2004

Houses in Multiple Occupation (England) Regulations 2006

Regulatory Reform (Fire Safety) Order

Other Useful information:

Local Housing Allowance – levels of local housing allowance can be viewed on the LHA Direct website:

<https://lha-direct.voa.gov.uk/Secure/Default.aspx>

Tenancy Relations Advice – First Choice Homes employ a Tenancy Relations Officer Tel: 0161 770 4463

Alternatively you can seek advice on the Shelter website - <http://england.shelter.org.uk/>

Tenancy Deposit Schemes – Information available on the Directgov website <http://www.direct.gov.uk/en/TenancyDeposit/index.htm>

**Economy Place & Skills Directorate
Housing Implementation**

Appendix F:

Review of charging for Licensing and Re- licensing of Houses in Multiple Occupation (HMO)

October 2010

Purpose of Report

To consider and approve a revised methodology for the calculation of administrative and other expenses incurred by the Council in carrying out Mandatory Licensing of Houses in Multiple Occupation.

Executive Summary

The existing fee structure in place for recovering costs incurred in licensing Houses in Multiple Occupation is outdated and an untrue reflection on actual costs. The report sets out a revised methodology for calculating the fee for both licensing and re-licensing Houses in Multiple Occupation in a justified and accountable way.

In brief, in recovering the costs incurred by the Council, the new proposed methodology would see a rise in fees from £240 for a licence to a minimum of £612.36 or £483.31 for re-licensing or a variation request. The proposed fee structure also allows for additional costs to be recovered for licensing or re-licensing larger Houses in Multiple Occupation.

Recommendations

That the proposed methodology put forward in this report for calculating fair, transparent and justifiable fees for the Licensing of Houses in Multiple Occupation be approved by the Assistant Executive Director – Housing and Executive Member for Environment and Regeneration for immediate use.

Background

The Housing Implementation Enforcement Team currently makes use of powers contained within provisions in the Housing Act 2004 to recover costs incurred in relation to certain enforcement activity including a fee charged for the mandatory Licensing of Houses in Multiple Occupation.

Although systems are currently in place for the recovery of fees it has become apparent that Oldham Council are not making best use of this provision nor can satisfactorily justify their methodology or calculations.

This report seeks to propose and recommend an alternative method for calculating the cost therefore of the fee chargeable for

- Licensing of Houses in Multiple Occupation; and
- Re-licensing of Houses in Multiple Occupation

The methodology and cost to be proposed are in-line with current guidance and follow similar proposals across the AGMA city region.

Fees for the licensing of Houses in Multiple Occupation (HMOs)

The setting of an appropriate licensing fee is required in order to comply with statutory duties under Part 2 of the Housing Act 2004 – in particular section 63(1).

The costs to be covered by the fee should be appropriate to cover:

- Initial setting up costs including publicity, administration and IT system, consultation process and statutory notice costs.
- Inspection and re-inspection costs leading to the licensing of properties including the preparation of work schedules, conditions, notices, work in default where necessary and any consultations.

A fee of £240 was calculated when the Mandatory Licensing of larger, higher-risk HMOs came into force and received Executive Director approval in June 2006 based upon the methodology below. It is proposed however that the methodology of calculating this fee was incorrect because it was devised prior to the introduction of licensing coming in, and the length of time and other costs incurred was not expected, miscalculated or underestimated.

Current fee methodology

Work elements	Hours
Property inspection	2.0
Preparation of schedules and sketch plans	3.0
Verification checks	2.0
Consultation with GM Fire Service	0.5
Administration	2.5
Management	3.0
Total hours	13.0

Officer Processing time	Cost
10 x Officer hours at £14.70 per hour	£140.70
3 x Management hours at £19.90 per hour	£59.70
Plus 20% on-costs	£40.08
Total	£240.48

Relevant costs to be considered and additional costs being incurred

Below is a list of costs that were not but need to be considered and other costs that are currently being incurred by the Council with no means of recovery. It is proposed each of these should be considered in any new agreed fee structure:

- Costs calculated were based on the rate at the time of calculation and did not provide a facility for review / amendment in-line with inflation increase.
- Fee calculated was based upon the licence lasting for 5 years, which is the maximum length of time that a licence can be issued for – all licences were blanket issued for 5 years irrelevant of whether that was appropriate or justifiable.
- There is no provision for re-inspection fees and the associated time in correspondence (e.g. letters, notices, variations etc.) and checking to see whether there are any breaches to the licensing conditions
- Aside from time, no costs for administration, including advertising were made.
- No time is given for consultation with Planning and Building Control.
- The preparation of schedules and sketching of plans assumes that all HMOs are the same size, have the same needs and are in the same order. This is not a reality. Some licensable HMOs in Oldham are 5 storeys in height with 15+ rooms and whilst others are much smaller, i.e. a licensable HMO above a shop or pub.
- The inspection of HMOs is a very intense and difficult operation if done correctly. An inspection by Oldham Council of all parts in explicit detail in accordance with the Housing Health and Safety Rating System (HHSRS) involves taking measurements and photos and drawing plans. That in itself demands professionalism, experience and in-depth knowledge. Trying to do that whilst at the same time answering the questions and often obstructions of the landlord and the tenant and determining whether the property is suitable for occupation, is nigh on impossible. Inspections of HMOs are therefore undertaken in pairs of Officers. This cost is not calculated in the current fee structure.

Although Mandatory HMO licensing was set up in June 2006, it was unfortunately never properly implemented at the time. Over the last year, in addition to the costs being incurred outlined above, a great deal of work has gone into ensuring that our statutory licensing functions are correct. By this we have subsequently:

- Inspected and taken appropriate enforcement action against all licensed HMOs
- Re-written every aspect of licensing material that was in use, including devising a set of agreed new Standards for Houses in Multiple Occupation, an Application Form and appropriate in-depth licensing conditions.

Any new licence applications now go through thorough checks and inspections and appropriate conditions are now rigorously enforced as the team have established better enforcement mechanism.

Proposed new methodology for calculating fees for the licensing of HMOs

In amending the methodology and justification for increasing the licensing fee, the matters outlined above have been taken into consideration. In addition liaison has taken place with neighbouring councils to identify a process for establishing a consistent approach to charge setting that reflect the true cost for the exercise see fig: 1 below. Adopting this type of approach we are able to apply typical costs associated with Licensing HMOs and ensure that those that are calculated by Oldham are arguably consistent or in-line with neighbouring authorities.

Fig: 1 Licensing fees charged by neighbouring authorities:

Authority	Fee	Average time period of licence
Rochdale	£668 + £34 inspection fee per habitable room	5 year licence
Salford	£556	No period set
Bury	£410 + £16 per habitable room	No period set
Bolton	£693.70 for the first application and £569.90 for each additional application	5 year licence
Trafford	£523.14 + £48.25 per habitable room	No period set
Tameside	£350	No period set
Manchester	£565 + £30 per habitable room £485 for subsequent applications	5 years unless a high risk/B&B, then shorter term.
Stockport	First application: £650.00. Subsequent Applications (by the same person / company): £530.00	5 year licence

From the above information, it is clear to see that Oldham's current fee of £240 is way below that of our neighbouring authorities.

Given the information above, work has been carried out in partnership with the Council's Business Analysts to generate a charging matrix that can be used to fairly calculate true licensing fees to recover the Council's costs. The matrix has been developed in an excel (spreadsheet) document using a 'Control panel' of set costs, such as hourly rates including on costs and overheads, land registry charges and postal costs. Costs for recovering expenses incurred for inspecting and licensing larger HMOs have also been calculated. This has equated to additional costs per habitable room for licensing HMOs with more than the standard 5-bedrooms, 1 bathroom (and w/c) and 1 kitchen.

Fig: 2 Standard baseline costs

Control Panel	Wages	Overhead	On costs	Rate(s)
<i>Staff/Wages</i>				
Team Leader	£20.99	£2.20	£4.86	£28.05
Technical officer	£19.29	£2.02	4.50	£25.81
Admin	£9.47	£0.98	£2.01	£12.46
Regen support officer	£16.18	£0.83	£3.66	£20.67
<i>Additional Expenses</i>				
Postage				£0.50
Land Registry				£4.00
Initial set up costs covering licensing documentation including advertising				£20.00
Cost per additional habitable room above standard (covers cost of inspection, re-inspection and verification inspection (2 x Officers))	£38.58	£4.04	£9.00	£51.62

Officers from the Housing Implementation Enforcement Team have recorded how long they spend on particular elements of licensing. These times detailed below have been included in establishing a standard and justified licensing fee.

Fig: 3 Standard times incurred in carrying out functions of HMO licensing

HMO Licensing Fee	<i>Team Leader</i>	<i>Technical Officer</i>	<i>Admin</i>	<i>RSO</i>
Correspondence – e.g. letters & application form		0.50 hrs	0.50 hrs	
Standard HMO inspection (2 x Officers) – Standard Inspection covers: Shared lounge, shared kitchen, shared bathroom, common parts & maximum of 5 bedrooms		3.00 hrs		
Preparation of schedules, sketch plans, consideration of 'fit & proper person & checking documentation provided	1.00 hrs	3.00 hrs	0.50 hrs	
Re-inspection standard HMO (2 x Officers)		2.00 hrs		
Verification inspection to check compliance of licensing conditions (2 x Officers) Minimum periodic inspection every 12 months. 5 year licence would need 4 addition verification checks/inspections (x		10.00 hrs	2.50 hrs	

4) plus administration time				
Consultation with GM Fire & Rescue Service		0.50 hrs		
Consultation with Planning		0.50 hrs		
Consultation with Building Control		0.50 hrs		
Total hours	1.00 hrs	20.00 hrs	3.50 hrs	

Fig: 4 Calculated costs

Job Cost sheet	HMO Licensing Fee		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>
<i>Production</i>			
Team Leader	1.00	£28.05	£28.05
Technical officer	20.00	£25.81	£516.20
Admin Officer	3.50	£12.46	£43.61
Regen Support Officer	0.00	£20.67	£0.00
		<i>Cost per unit</i>	
<i>Additional Expenses</i>	<i>Units</i>		<i>Total</i>
Postage	1.00	£0.50	£0.50
Land Registry	1.00	£4.00	£4.00
Initial set up costs covering licensing documentation including advertising	1.00	£20.00	£20.00
Cost per additional habitable room above standard (covers cost of inspection, re-inspection and verification inspection (2 x Officers))	0.00	£51.62	£0.00
Total Cost			£612.36

The standard fee calculated for licensing of a 5-bedroom HMO for 2010/11 has therefore been calculated at **£612.36**. Typical examples of larger HMOs with additional habitable rooms are included in Appendix 1.

Conditions to be imposed

- The fee is to be reviewed and recalculated annually to take into account rate of inflation in salaries and on-costs
- Licences will be issued for a 5 year period unless property is a high risk B&B or additional risks are identified

Re-licensing fees and variation request fees

In accordance with section 68(6) of the Housing Act 2004, a licence may not be transferred to another person. When a property is to be re-licensed owing to the expiry of a current licence or the Council receives a variation request owing to change of ownership, the following standard times incurred in the re-licensing / variation process are to be applied in calculating the relevant fee. The standard baseline costs for the year (hourly rates of staff etc.) will also be applied to calculate the relevant fee. It is proposed that this ensures that all fees charged are fully justifiable:

Fig: 5 Standard times incurred in carrying out functions of re-licensing / variation request

Re-Licensing Fee and Variation Requests	<i>Team Leader</i>	<i>Technical Officer</i>	<i>Admin</i>	<i>RSO</i>
Correspondence – e.g. letters & application form		0.50 hrs	0.50 hrs	
Standard HMO inspection (2 x Officers) – Standard Inspection covers: Shared lounge, shared kitchen, shared bathroom, common parts & maximum of 5 bedrooms		3.00 hrs		
Preparation of schedules, sketch plans, consideration of 'fit & proper person & checking documentation provided	1.00 hrs	1.50 hrs	0.50 hrs	
Verification inspection to check compliance of licensing conditions (2 x Officers) Minimum periodic inspection every 12 months. 5 year licence would need 4 addition verification checks/inspections (x 4) plus administration time		10.00 hrs	2.50 hrs	
Total hours	1.00 hrs	15.00 hrs	3.50 hrs	

Fig: 6 Calculated costs

Job Cost sheet	HMO Re-Licensing fee and variation requests		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>
<i>Production</i>			
Team Leader	1.00	£28.05	£28.05
Technical officer	15.00	£25.81	£387.15

Admin Officer	3.50	£12.46	£43.61
Regen Support Officer	0.00	£20.67	£0.00
		<i>Cost per</i>	
<i>Additional Expenses</i>	<i>Units</i>	<i>unit</i>	<i>Total</i>
Postage	1.00	£0.50	£0.50
Land Registry	1.00	£4.00	£4.00
Initial set up costs covering licensing documentation including advertising	1.00	£20.00	£20.00
Cost per additional habitable room above standard (covers cost of inspection, re-inspection and verification inspection (2 x Officers))	0.00	£51.62	£0.00
Total Cost			£483.31

The standard fee calculated for re-licensing and for variation requests of a standard 5-bedroom HMO for 2010/11 has therefore been calculated at **£483.31**. Typical examples of larger HMOs with additional habitable rooms are included in Appendix 2.

Conditions to be imposed

- The fee is to be reviewed and recalculated annually to take into account rate of inflation in salaries and on-costs
- Licences will be issued for a 5 year period unless property is a high risk B&B or additional risks are identified

Appendix 1

Typical examples of licensing fees for larger HMOs

Licensing fee for a Standard HMO + 1 additional habitable room (such as bedroom or kitchen)

Job Cost sheet	HMO Licensing Fee		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>
<i>Production</i>			
Team Leader	1.00	£28.05	£28.05
Technical officer	20.00	£25.81	£516.20
Admin Officer	3.50	£12.46	£43.61
Regen Support Officer	0.00	£20.67	£0.00
		<i>Cost per unit</i>	
<i>Additional Expenses</i>	<i>Units</i>		<i>Total</i>
Postage	1.00	£0.50	£0.50
Land Registry	1.00	£4.00	£4.00
Initial set up costs covering licensing documentation including advertising	1.00	£20.00	£20.00
Cost per additional habitable room above standard (covers cost of inspection, re-inspection and verification inspection (2 x Officers))	1.00	£51.62	£51.62
Total Cost			£663.98

Licensing fees for a Standard HMO + 3 additional habitable room (such as bedrooms, kitchens, lounges)

Job Cost sheet	HMO Licensing Fee		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>
<i>Production</i>			
Team Leader	1.00	£28.05	£28.05
Technical officer	20.00	£25.81	£516.20
Admin Officer	3.50	£12.46	£43.61
Regen Support Officer	0.00	£20.67	£0.00

<i>Additional Expenses</i>	<i>Units</i>	<i>Cost per unit</i>	<i>Total</i>
Postage	1.00	£0.50	£0.50
Land Registry	1.00	£4.00	£4.00
Initial set up costs covering licensing documentation including advertising	1.00	£20.00	£20.00
Cost per additional habitable room above standard (covers cost of inspection, re-inspection and verification inspection (2 x Officers))	3.00	£51.62	£154.86
Total Cost			£767.22

Licensing fees for a Standard HMO + 8 additional habitable room (such as bedrooms, kitchens, lounges, bathrooms)

Job Cost sheet	HMO Licensing Fee		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>
<i>Production</i>			
Team Leader	1.00	£28.05	£28.05
Technical officer	20.00	£25.81	£516.20
Admin Officer	3.50	£12.46	£43.61
Regen Support Officer	0.00	£20.67	£0.00
<i>Additional Expenses</i>	<i>Units</i>	<i>Cost per unit</i>	<i>Total</i>
Postage	1.00	£0.50	£0.50
Land Registry	1.00	£4.00	£4.00
Initial set up costs covering licensing documentation including advertising	1.00	£20.00	£20.00
Cost per additional habitable room above standard (covers cost of inspection, re-inspection and verification inspection (2 x Officers))	8.00	£51.62	£412.97

Total Cost	£1,025.33
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Appendix 2

Typical examples of Re-Licensing Fees / Variation requests Fees for larger HMOs

Re-Licensing fee or variation request fee for a Standard HMO + 1 additional habitable room (such as bedroom or kitchen)

Job Cost sheet	HMO Re-Licensing fee and variation requests		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>
<i>Production</i>			
Team Leader	1.00	£28.05	£28.05
Technical officer	15.00	£25.81	£387.15
Admin Officer	3.50	£12.46	£43.61
Regen Support Officer	0.00	£20.67	£0.00
<i>Additional Expenses</i>			
	<i>Units</i>	<i>Cost per unit</i>	<i>Total</i>
Postage	1.00	£0.50	£0.50
Land Registry	1.00	£4.00	£4.00
Initial set up costs covering licensing documentation including advertising	1.00	£20.00	£20.00
Cost per additional habitable room above standard (covers cost of inspection, re-inspection and verification inspection (2 x Officers))	1.00	£51.62	£51.62
Total Cost			£534.93

Re-Licensing fee or variation request fee for a Standard HMO + 3 additional habitable room (such as bedrooms, kitchens, lounges)

Job Cost sheet	HMO Re-Licensing fee and variation requests		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>
<i>Production</i>			
Team Leader	1.00	£28.05	£28.05
Technical officer	15.00	£25.81	£387.15

Admin Officer	3.50	£12.46	£43.61
Regen Support Officer	0.00	£20.67	£0.00
		<i>Cost per</i>	
<i>Additional Expenses</i>	<i>Units</i>	<i>unit</i>	<i>Total</i>
Postage	1.00	£0.50	£0.50
Land Registry	1.00	£4.00	£4.00
Initial set up costs covering licensing documentation including advertising	1.00	£20.00	£20.00
Cost per additional habitable room above standard (covers cost of inspection, re-inspection and verification inspection (2 x Officers))	3.00	£51.62	£154.86
Total Cost			£638.17

Re-Licensing fee or variation request fee for a Standard HMO + 8 additional habitable room (such as bedrooms, kitchens, lounges, bathrooms)

Job Cost sheet	HMO Re-Licensing fee and variation requests		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>
<i>Production</i>			
Team Leader	1.00	£28.05	£28.05
Technical officer	15.00	£25.81	£387.15
Admin Officer	3.50	£12.46	£43.61
Regen Support Officer	0.00	£20.67	£0.00
		<i>Cost per</i>	
<i>Additional Expenses</i>	<i>Units</i>	<i>unit</i>	<i>Total</i>
Postage	1.00	£0.50	£0.50
Land Registry	1.00	£4.00	£4.00
Initial set up costs covering licensing documentation including advertising	1.00	£20.00	£20.00
Cost per additional habitable room above standard (covers cost of inspection, re-inspection and verification inspection	8.00	£51.62	£412.97

(2 x Officers))	
Total Cost	£896.28

**Economy Place & Skills Directorate
Housing Implementation**

Appendix G:

Review of the recovery of costs for taking certain enforcement action on Houses in Multiple Occupation (HMO)

October 2010

Purpose of Report

To consider and approve a proposed justifiable and transparent methodology for the calculation of administrative and other expenses incurred by the Council in serving, making or taking certain Enforcement Action pursuant to Section 49 of the Housing Act 2004 on Houses in Multiple Occupation (HMO).

Executive Summary

The Housing Implementation Enforcement Team currently makes use of powers contained within provisions of the Housing Act 2004 to recover costs incurred in taking certain enforcement action.

Although systems are currently in place for the recovery of costs it has become apparent that Oldham Council are not making best use of this provision nor can satisfactorily justify their methodology or calculations.

This report sets out a revised methodology for calculating the true costs incurred by the Council in taking such enforcement action on HMOs in a justifiable and accountable way and is in-line with current guidance and follows similar proposals across the AGMA city region. In essence this will see the current set blanket fee of £300 replaced with a calculation that takes into account the actual time and proportionate costs incurred on each individual case.

Recommendations

That the proposed methodology put forward in this report for calculating fair, transparent and justifiable costs incurred by the Council in taking certain enforcement action be approved by the Assistant Executive Director – Housing & Public Protection and Executive Member for Environment and Regeneration for immediate use.

Introduction

Section 49 of the Housing Act 2004 provides for Local Authorities to make charges for the recovery of expenses for certain administrative and other costs incurred by them in serving, making or taking certain Enforcement Action outlined below:

- Serving an Improvement Notice.
- Making a Prohibition Order
- Serving a Hazard Awareness Notice
- Taking Emergency Remedial Action
- Making an Emergency Prohibition Order
- Making a Demolition Order under section 265 of the Housing Act 1985

For many years the Council operated a system of no charge for Housing Act notices. In recent years, a fixed charge of £300 was introduced but with no quantified justification for these costs. In addition, where such enforcement action of that noted above has taken place, the use of section 49 to recover costs incurred has seldom been used.

The restructure of the Housing Implementation Private Rented Sector and Surveying Support Team to create the Housing Implementation Enforcement Team and the updating of various procedures will see the much wider use of these legal powers.

With the increasing use of such enforcement powers it will be of great importance that our cost recovery systems are fully justifiable and correct.

Part 1 of the Housing Act 2004

Under the Housing Act 1985 the suitability of a dwelling for human habitation was judged by its physical condition and its lack of amenities. It could be judged “unfit for human habitation” if it was seriously deficient or lacked amenities. The Council could determine whether to make a demolition order closing order or require the owner to remedy the defects.

Part 1 of the 2004 Act introduces the Housing Health and Safety Rating System (HHSRS), which replaces the fitness standard. The HHSRS is more complex than the fitness standard and rather than providing a pass or fail approach the new legislation evaluates 29 potential hazards in a dwelling and assesses the risk of harm to the most vulnerable occupant.

By identifying a hazard and assessing the risk and severity of any likely harm against national averages a score is obtained which then places the hazard into either category 1 or 2. If more serious (Category 1) hazards are found the Council has a duty to require the owner to remedy the defect. If less serious (Category 2) hazards are found, the Council has discretionary power to require action. The defect can be dealt with by taking the most appropriate action, which includes:

- Serve an improvement notice: Requiring work to eliminate a hazard. This will apply to all Category 1 hazards but may also be applied to category 2 hazards.
- Make a prohibition order: Prohibiting the use of part or all of the premises for some or all purposes, or occupation by particular numbers or descriptions of people.
- Serve a hazard awareness notice: Drawing attention to the desirability of remedial action for a less serious hazard.
- Take emergency remedial action or make an emergency prohibition order: Requiring immediate action to remove an imminent risk of serious harm.

- Make a demolition order: Requiring the property to be demolished if this is the most appropriate course of action
- Declare a clearance area: Where all of the dwellings contain one or more category 1 hazards.

When a hazard is identified, the Council must decide the most practical course of action and where practically possible, must ensure that the landlord and tenant(s) have the opportunity to discuss the Council's proposed action before a notice is served. An improvement notice is likely to be the most practical remedy for most hazards; repair or renewal is generally cost-effective because of the high value of property relative to the costs of remedial works. However, prohibition notices may be required on part or all of a dwelling, for example, where there is imminent risk of harm to the occupier. The Council can serve suspended improvement notices. These can be used in circumstances where obtaining other consents will cause delay – an example would be where a planning application is in progress.

Reasonable expenses

The use of enforcement powers is a last resort taken to resolve poor housing conditions. In the last year (2009-2010) the total number of disrepair inspections undertaken was 268. From these 268 inspections 20 statutory notices (not preliminary) were issued to landlords within the Borough.

It is proposed that the threat of a charge being levied by the Council to recover their costs will potentially encourage compliance with the Council's informal enforcement action. This may result in the Council avoiding the need for a legal notice to be served, which is an improved outcome for service users.

Where there is non-compliance with informal enforcement action or where there is an emergency as per the Housing Implementation Enforcement Policy, formal legal action will be executed.

The costs incurred in taking this action will be based upon the true cost calculated by the Council in:

- Determining whether to take such action, serve the notice or make such an order.
- Identifying any action to be specified on a notice or order.
- Serving the notice.
- Serving copies of the order.
- Carrying out any review under sections 17 or 26 of the Housing Act 2004.
- Serving copies of the Authority's decision on such a review.

It is also proposed that the Council will pursue the recovery of all costs incurred. As per the Council's policies it may also seek to place a local land charge against the property in recovery of these costs.

In deciding whether to exercise the powers to make a charge the Housing Implementation Enforcement Team will consider the circumstances of the person or persons against whom enforcement action is being taken.

Charges will need to be reviewed annually to take into consideration salary and overhead increases which, following review, will be applied.

Discretion not to charge

It shall be the discretion of the Housing Implementation Enforcement Team Leader or their senior, to decide in relation to a Hazard Awareness Notice where there is no obligation on the home owner (landlord or owner/occupier) to comply with the contents of the notice, whether a charge for recovery shall be made.

Proposed charges for recovering expenses incurred

Liaison has taken place with neighbouring councils to identify a process for establishing a consistent approach to charge setting that reflect the true cost for the exercise – see Fig 7 below.

Fig: 7 Neighbouring authorities’ charges under s.49 of the Housing Act 2004

Local Authority	Current Charge
Bolton	£430, reduced to £208 if paid within 28 days
Bury	£300
Manchester	£42 per hour capped to £420 (single occupancy property) Up to a maximum of £840 for a HMO
Rochdale	£300 up to 10 deficiencies
Salford	No charge
Stockport	No charge
Tameside	£350
Trafford	£233
Wigan	£320 with annual inflationary increment

In carrying out this review, it is proposed that a ‘standard charge’ for the recovery of costs under section 49 of the Housing Act 2004 cannot be justified.

The way that Manchester City Council justifies their costs is to charge for the actual recorded hours that an officer spends in carrying out the said enforcement action along with their calculated on costs. Their on costs include additional overheads such as ‘back-office costs’ – costs for computer equipment, heating, a proportion of car allowances etc. This has been calculated at £42 per hour. So long as the time spent in carrying out enforcement action is recorded correctly, this is deemed the most appropriate method of justifying cost recovery. By employing a similar method, we can ensure an accurate and true representation of the actual costs incurred by the Council in taking any enforcement action.

It is proposed that a similar charging system be introduced to that which Manchester City Council use.

Work has been carried out in partnership with the Council’s Business Analysts to generate a charging matrix that can be used by each individual Technical Officer to calculate costs. The matrix has been developed in an excel (spreadsheet) document using a ‘Control panel’ of set costs, such as hourly rates including on costs and overheads, land registry and postal costs.

For example, based upon the rate for 2010/2011:

Fig: 8 Standard baseline costs

Control Panel	Wages p/hr	Overhead p/hr	On costs p/hr	Rate(s)
<i>Staff/Wages</i>				
Team Leader	£20.99	£2.20	£4.86	£28.05
Technical officer	£19.29	£2.02	4.50	£25.81
Admin	£9.47	£0.98	£2.01	£12.46
Regen support officer	£16.18	£0.83	£3.66	£20.67
<i>Additional Expenses</i>				
Postage				£0.50
Land Registry				£4.00

The Serving Officer is then required to record and log how long they spend on the following items:

Fig: 9 Variables likely to be incurred

Determining whether to take such action
Service of a s.239 Notice of Entry (where applicable)
Inspection of property to determine whether works carried out
HHSRS calculations and justification
Drawing up of Schedules of work for hazards
Completion of 'Statement of Reasons'
Correspondence with other services for re-housing purposes (if serving a Prohibition or Emergency Prohibition Order)
Service of notice
Re-visit to check compliance with notice

Once these variables are inputted into the spreadsheet document designed by the Business Analyst, a justified cost is then calculated. It is proposed that where such costs have been incurred by the Council and it is reasonable to recover those expenses, the calculated and justified cost will then be recovered in accordance with Section 50 of the Housing Act 2004. Typical examples of such calculated costs are provided in Appendix 3.

Recommendations

That the proposed methodology put forward in this report for calculating fair, transparent and justifiable costs incurred by the Council in taking certain enforcement action be approved by the Assistant Executive Director – Housing & Public Protection for immediate use.

Appendix 1

Typical examples of calculated costs incurred relating to certain enforcement action

Service of a Hazard Awareness Notice with 4 Hazards and 4 Schedule items

Typical variables incurred

Serving a Hazard Awareness Notice	<i>Team Leader</i>	<i>Technical Officer</i>	<i>Admin</i>	<i>RSO</i>
Determining whether to take such action	0.25 hrs	0.25 hrs		
Service of a s.239 Notice of Entry	1.50 hrs		0.25 hrs	
Final inspection of property to determine whether works carried out		1.50 hrs		
HHSRS calculations and justification (1 unit = 30 mins)	4 units			
Drawing up of Schedules of work for hazards (1 unit = 30 mins)	4 units			
Completion of 'Statement of Reasons'	0.25 hrs	1.00 hrs		
Service of notice		0.75 hrs	0.25 hrs	
Re-visit to check compliance with notice		1.00 hrs		
Total Hours	2.00 hrs	4.50 hrs	0.50 hrs	

Calculated costs

Job Cost sheet	Hazard Awareness Notice		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>
<i>Production</i>			
Team Leader	2.00	£28.05	£56.10
Technical officer	4.50	£25.81	£116.15
Admin Officer	0.50	£12.46	£6.23
Regen Support Officer	0.00	£20.67	£0.00
		<i>Cost per unit</i>	
<i>Additional Expenses</i>	<i>Units</i>		<i>Total</i>
Postage	1.00	£0.50	£0.50
Land Registry	1.00	£4.00	£4.00
<i>Hazards</i>			
HHSRS calc & justification	4.00	£12.91	£51.64
Drawing up schedules of work	4.00	£12.91	£51.64
Total Cost			£286.26

Service of an Improvement Notice with 8 Hazards and 8 Schedule items

Variables incurred

Serving an Improvement Notice	<i>Team Leader</i>	<i>Technical Officer</i>	<i>Admin</i>	<i>RSO</i>
Determining whether to take such action	0.25 hrs	0.25 hrs		
Service of a s.239 Notice of Entry	1.50 hrs		0.25 hrs	
Final inspection of property to determine whether works carried out		1.50 hrs		
HHSRS calculations and justification (1 unit = 30 mins)	8 units			
Drawing up of Schedules of work for hazards (1 unit = 30 mins)	8 units			
Completion of 'Statement of Reasons'	0.25 hrs	1.00 hrs		
Service of notice		0.75 hrs	0.25 hrs	
Re-visit to check compliance with notice		1.00 hrs		
Total Hours	2.00 hrs	4.50 hrs	0.50 hrs	

Calculated costs

Job Cost sheet	Improvement Notice		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>
<i>Production</i>			
Team Leader	2.00	£28.05	£56.10
Technical officer	4.50	£25.81	£116.15
Admin Officer	0.50	£12.46	£6.23
Regen Support Officer	0.00	£20.67	£0.00
		<i>Cost per</i>	
<i>Additional Expenses</i>	<i>Units</i>	<i>unit</i>	<i>Total</i>
Postage	1.00	£0.50	£0.50
Land Registry	1.00	£4.00	£4.00
<i>Hazards</i>			
HHSRS calc & justification	8.00	£12.91	£103.28
Drawing up schedules of work	8.00	£12.91	£103.28
Total Cost			£389.54

Service of a Prohibition Order with 12 Hazards and 12 Schedule items

Variables incurred

Service of a Prohibition Order	<i>Team Leader</i>	<i>Technical Officer</i>	<i>Admin</i>	<i>RSO</i>
Determining whether to take such action	0.25	0.25		
Service of a s.239 Notice of Entry	1.50		0.25	
Inspection of property to determine whether works carried out		1.50		
HHSRS calculations and justification (1 unit = 30 mins)	12 units			
Drawing up of Schedules of work for hazards (1 unit = 30 mins)	12 units			
Completion of 'Statement of Reasons'	0.25	1.00		
Correspondence with other services for re-housing purposes		1.00		
Service of notice		0.75	0.25	
Re-visit to check compliance with notice		1.00		
Total Hours	2.00	5.50	0.50	

Calculated costs

Job Cost sheet	Prohibition Order		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>
<i>Production</i>			
Team Leader	2.00	£28.05	£56.10
Technical officer	5.50	£25.81	£141.96
Admin Officer	0.50	£12.46	£6.23
Regen Support Officer	0.00	£20.67	£0.00
		<i>Cost per unit</i>	
<i>Additional Expenses</i>	<i>Units</i>	<i>unit</i>	<i>Total</i>
Postage	1.00	£0.50	£0.50
Land Registry	1.00	£4.00	£4.00
<i>Hazards</i>			
HHSRS calc & justification	12.00	£12.91	£154.92
Drawing up schedules of work	12.00	£12.91	£154.92
Total Cost			£518.63