



Housing Services Cabinet Committee

Monday, 14 November 2022

Dear Councillor

You are advised that the attached documents form part of the main agenda papers for this meeting.

Please ensure you bring them with you to the meeting.

Yours faithfully



S Walsh
Service Manager (Communities)

List of documents attached

6. Draft House of Multiple Occupation (HMO) Licensing Policy and Charging Structure (Pages 3 - 14)

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Private Sector Housing Statutory & Non Statutory Fees

Victoria May
Service Manager for Housing Options
14 November 2022

Introduction



- The Private Sector Housing Team (PSH) provides services, support and advice to privately renting tenants, homeowners and private landlords.
- Their primary aim is to work towards ensuring the private rented tenure residents are living in accommodation that is well maintained, safe and warm.
- The service aim to improve poor housing conditions which impact upon the health and protection of residents.
- The service also administers Disabled Facilities Grants (DFGs), licence certain Houses in Multiple Occupation, Caravan sites and will soon be managing empty homes within the borough.

Current position

- Private Sector Housing has an established Housing Enforcement Policy and Housing Assistance Policy. The service does not currently have a specific HMO Licencing policy, however HMO's are referenced within the Enforcement Policy.
- Housing licence fees are required to be charged in two parts. The present fee structure for the mandatory HMO licensing scheme in Gravesham is currently one fee of £540.
- All local authorities have the right to charge for enforcement activity when serving notices such as an Improvement Notice, Prohibition order etc.
- Gravesham doesn't currently charge for UK entry inspections and whilst there have been none within the last 2 years this is an area that we will promote on our website to customers to determine any proposed accommodation is safe and free from hazards and not overcrowded.



Reasons for Change



- HMO Licence fees within Gravesham have remained unchanged for over 5 years.
- A dedicated HMO Licensing Policy will ensure :
 - consistency of Gravesham's approach to HMO Licensing
 - enable officers to make reasoned decisions
 - inform the public of the principles by which the licencing action is determined and subsequently taken
 - ensure that an annual review is in place for the private housing function
- The Charging Strategy objectives of the Council indicates that services should raise an income wherever there is a power or duty to do so.
- Section 49 of the Housing Act 2004, enables local authorities to make such reasonable charge as they consider appropriate as a means of recovering certain administrative and other expenses incurred by them. By introducing a charging matrix this will support service delivery.
- We want Gravesham to pro-actively portray a message to landlords in the private sector that as a council we will not tolerate poor quality housing in the borough.

The current HMO fees structure

❖ Gravesham's HMO Licence Fee

- Up To 8 Occupants £540.00 with £23 per additional habitable room
- No reduced fee offered for renewal HMO licence apps

Comparisons with neighbouring boroughs...

	New HMO Licence	Renewal HMO Licence
Gravesham	£540.00	£540.00
Medway	£1106.70	£619.00
Dartford BC	£860.00	£645.00
Sevenoaks BC	£654.00	£412.00



The proposed HMO Fee Structure explained

Part A: A fee levied at the point on application, to cover the costs of the schemes authorisation procedures and formalities, i.e. the costs of processing the application

Part B: If the application is successful, a further fee to cover the costs of running and enforcing the scheme becomes payable

Mandatory HMO Licencing Scheme (excludes Additional & Selective)			
	Total	Part A	Part B
Current new HMO licence fee	£540	N/A	N/A
Current Renewal HMO licence fee	£540	N/A	N/A
Proposed New HMO licence fee	£703.33	£298.85	£404.48
Proposed Renewal HMO licence fee	£545.40	£221.86	£323.54



Price increases per annum, in line with inflation & Officers Time

Section 49, Housing Act 2004

- Section 49, Housing 2004, “*the local authority may make such reasonable charge as they consider appropriate as a means of recovering certain administrative and other expenses incurred by them*”
- Gravesham now has the resources, mechanisms and procedures in place to carry out this function



Comparisons with neighbouring boroughs...

	Section 49 Charges (excluding VAT)
Gravesham BC	N/A
Medway	£535.50
Dartford BC	£460.00
Sevenoaks BC	“The recovery of expenses will be considered on a case-by-case basis”

The proposed charge for 2022/2023 = £522.92 (excluding VAT)

Price increases per annum, in line with inflation & Officers Time

Non Statutory fee - UK Entry Inspections

(Often referred to as Immigration Inspections)

UK entry clearance inspections ensure that:

- The proposed accommodation is safe and free from hazards in relation to the Housing Act 2004
- The property won't become overcrowded when the new occupants move in under the Housing Act 1985
- The person can enter the UK under the current Immigration Rules

- ❖ Private Sector Housing have the capacity to carry out this service
- ❖ The service is already agreed within policy

To carry out this service a fee for the inspections is to be implemented

The proposed fee for 2022/2023 = £158.69

Price increases per annum, in line with inflation & Officers Time



Income Generation

So where does this new income go...

“Monies generated from fees are demand led and not targeted”

- HMO Licence fees are not ringfenced
- Section 49 fees are not ringfenced
- Non-statutory fees are not ringfenced

Income generated from fees will credit the ‘General Fund’

Fees are required to be kept under constant review and should the scheme look to be operating at a deficit, the expenditure of the scheme will need to be reviewed.



Conclusion



- It is vital that Gravesham are delivering services in line with legislation and policy.
- These changes link into a number of themes within the Corporate Plan 2019-23
- Gravesham has committed to a high quality of private housing.
- As a Council, we should be creating and taking the opportunities available to cover officer costs to administer an effective and professional HMO licencing scheme.
- Finally, the service needs to pro-actively portray a message to the minority of rogue landlords in the private sector that as a Council we will not tolerate poor quality housing in the borough

Thank you for listening



Any questions?

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