

# Expansion of mandatory HMO licensing



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# Information

- Government HMO licensing consultation, 6 November to 18 December 2015.
- Government HMO licensing consultation between October and December 2016.
- Housing White Paper, 7 Feb 2017, confirms intention to widen the mandatory HMO licensing scheme.
- Government response to the consultation paper was issued in December 2017.
- Finally, regulations laid before Parliament in February 2018, confirming new mandatory HMO licensing requirements to be implemented on 1<sup>st</sup> October 2018.

# Current mandatory licensable HMO

Since 1 April 2006 the definition of a mandatory licensable HMO is any property that:

- Is three or more storey in height (storey includes a basement, loft conversion and any storey comprising business premises); and
- Contains five or more people in two or more households; plus
- shared facilities such as a kitchen, bathroom or toilet.

# The new requirements

Any house regardless of number of storeys that:

- contains five or more people in two or more households; and
- there are shared facilities such as a kitchen, bathroom or toilet.

OR

Any self contained flat in a converted building that:

- contains five or more people in two or more households; and
- there are shared facilities such as a kitchen, bathroom or toilet.

Will become licensable HMO's.

Section 257 HMOs: certain converted blocks of flats will still be excluded from mandatory HMO licensing.

# Purpose built blocks of flats

- Different rules will apply to flats in 'purpose built blocks of flats' and gets a little more complicated.....
- Within scope of mandatory HMO licensing if purpose built residential accommodation comprises one or two self contained flats above or below commercial premise.
- Outside the scope of mandatory licensing the Government have decided to exclude purpose built block of flats comprising three or more self contained flats.

# Changes

- Nationally the changes will bring an extra 174,000 properties within scope of mandatory licensing.
- There will be transitional arrangements from selective to mandatory HMO licensing. One and two storey HMO properties that currently hold a Selective licence will be passported through to the mandatory scheme.
- Previously Government indicated that there would be a 'grace' period of six months from the 1<sup>st</sup> October 2018.....Please note the Government have removed the 6 month 'grace' period.

# What does that mean?

With the licensing criteria changing you need to ensure that a valid licence application has been submitted to the local council before 1<sup>st</sup> October 2018.

The penalties for not having a licence:-

- prosecution
- criminal record
- unlimited fines

Alternatively:-

- civil penalty notice up to £30,000, or
- Rent Repayment Order to repay up to 12 months rent
- cant use a section 21 notice to recover possession

# National minimum room size

Draft regulations have been made and will insert a mandatory condition in every HMO licence granted that councils are to disregard rooms of less than a prescribed size from being included as a room suitable for sleeping accommodation.

The prescribed sizes are:

6.52sq-m            for            one person

10.23sq-m           for            two persons

Additionally, any area less than 1.5m from floor to ceiling will not be included in a room size calculation.

If such a room is let or occupied for sleeping, the licence holder will have an 18 month period to prevent further use. If still being used after receiving notification, it would be a breach of licence conditions.

# What will the council do?

- Develop a communication plan and promotional activity backed by clear and simple information on the council's website.
- Discuss through local landlord forums so landlords, managing and letting agents have time to prepare.
- A simple and user-friendly online application and payment system with accompanying guidance. It can increase efficiency and keep costs down.
- A simple fee structure with discounts to reward local and national accredited landlords and managing agents?
- A telephone advice line operated by knowledgeable staff that can answer customer queries quickly and efficiently.

# The council will also.....

Give a clear explanation of the process and the proposed inspection requirements. Use it as an opportunity to provide landlords with constructive advice and guidance on any remedial works needed.

Review of the council's HMO standards. Are they appropriate to small low-risk HMOs? Adopt a flexible approach that takes into account the whole property and complies with recent Tribunal / Court judgments.

Avoid imposing excessive and over prescriptive licence conditions. Make sure all the mandatory conditions are included.

Adopt a light-touch approach for compliant landlords. Keep routine submission of documents to a minimum.

Continually work with landlords to improve properties in the private rented sector and will aim to give advice and explain the legal requirements regarding HMO's.

# Draft Council Policies

Council website are draft policies relating to:-

- When to prosecute or issue a Civil Penalty,
- Determine the level of a civil penalty, and
- When to apply for a Rent Repayment Order

Draft documents opened to view on 7<sup>th</sup> May 2018 for a six week period. Your comments are invited.

.....finally!  
Thank you for listening  
any questions?

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