

## **Appendix: Two Tower Hamlets Additional Licensing Scheme proposal**

### *Types of HMO that will be included within the scheme*

It is proposed that the scheme would cover the whole Borough, excluding the current selective licensing designation (Weavers, Whitechapel and Spitalfields and Banglatown wards per 2014)

The types of HMO that would require a licence are:

- a) Any HMO of two or more storeys, occupied by three or more persons in two or more households and where some or all facilities are shared or missing.
- b) Any flat in multiple occupation which is occupied by three or more persons in two or more households and where some or all facilities are shared or missing.
- c) Any HMO of two or more storeys, with a resident owner and occupied by three or more persons in two or more households and where some or all facilities are shared or missing.
- d) Any flat, with a resident owner and occupied by three or more persons in two or more households and where some or all facilities are shared or missing.
- e) Any buildings which has been converted into and consists of self-contained flats only, and it does not comply with the 1991 Building Control Regulations and less than two thirds of the flats are owner occupied.
- f) Any house of two or more storeys comprised of both self-contained and non-self-contained units of accommodation occupied in aggregate by three or more persons in two or more households (not including a resident owner), some of whom share or lack one or more basic amenities such as a bathroom, toilet or cooking facilities.

### *Application Process*

The Additional Licensing scheme would ensure that the responsibility for the HMO property management lies with the landlord. The licensing process should require the landlord to:

- a) Complete and submit an application form to the Council together with a fee. The form would seek to understand the size of the property, the available amenities as well as details of safety measures that have been put in place such as the type and installation of a fire detection system.
- b) In order to demonstrate competent property management the landlord should provide evidence on application:
  - Annual gas safety certificate

- Electrical installation condition certificate in the last 5 years and a portable appliance test certificate
- An automated alarm system in the event of fire, and if appropriate emergency lighting.
- Evidence of arrangements which demonstrate competent property management – management records and copies of tenancy agreements
- The suitability of management structures and adequacy of management structures
- Floor plan with room sizes and uses clearly shown
- Copy of the EPC where this applies
- Current occupancy details
- Any proposed licence holder or manager of the property will be required to make a declaration that they are fit and proper persons.

### The Licence

The completed application will be scrutinized and a licence will be granted with standard conditions prior to an inspection taking place.

Where applications are received within the first three months of the scheme being introduced, this will be considered an indication of professional property management and a five year licence will be granted. The property will then be risked assessed for inspection within 5 years of the licence issue date.

If the licence application is not received in the first three months and two warning letters are sent, the licence will be issued for 12 months and the property will be risked higher as a failure for good property a management, bringing forward any inspection.

### Licence Fees

The licence fee has been set to ensure that the fee does not exceed the actual and direct costs of processing an application and the cost of monitoring compliance by landlords with terms of the licence ( European Services Directive).

The fee structure is also required to be reasonable and proportionate and cannot include set up charges for the scheme nor overheads or the general running costs of the organisation.

The fee is to cover the administration costs of the licence, the fees will be reviewed annually to reflect changes in costs.

Where the council is put to extra costs by having to manually process licences and additional fee will be imposed.

The fee structure is:

Application type	Fee
Full on line application	£520 for five year licence
Partial on line application with documents sent through the post or all information not provided on first full application	£580 for five year licence
Postal application	£610 for five year licence
Postal application with all information not provided on first full application	£660 for five year licence
Landlords with previous management concerns or have required two warning letters to apply for a licence/ outside three months of the designation commencing	Fees as above but licence will be valid for one year only
Application withdrawn by applicant, revocation, refusal by Council to licence, property ceases to require a licence	No refund
Temporary Exemption Notice	Free
Variation instigated by the licence holder	£30
<b>Split fee Offer due to recent case law to split the fee to demonstrate cost of administration and enforcement.</b>	
On line application part 1 - Administration	£211
On line application part 2 Enforcement	£309
<b>Administration fee for split payment paid with part 1 for all Housing Licensing fees.</b>	<b>£31</b>

### Licence holder

In considering an application for a licence, the licence holder must have a UK address.

The Council will also consider if the proposed licence holder is a 'fit and proper person'. The criteria is defined in the associated guidance to the legislation.

The licence holder must also ensure that they have any relevant permissions for the HMO from the Planning Service.

If the licence holder is found not to be a 'fit and proper person' against these criteria then they must find someone else to manage the property who is agreeable to the Council.

The Council will publish an on-line list of all HMO's under the scheme. Members of the public and tenants or prospective tenants will be able to check the database and have confidence of knowing that a HMO has a licence.

If the scheme is approved and having become operative, it will be an offence to operate an HMO falling within the scope of the scheme without a licence.

### Exemptions

The following are statutorily exempt for the Additional Licensing Scheme

Buildings controlled or managed by public sector bodies etc.

A building where the person managing or having control of it is

- a) a local housing authority,
- b) a non-profit registered provider of social housing,]
- c) body which is registered as a social landlord under Part 1 of the Housing Act
- d) a police and crime commissioner,
- e) the Mayor's Office for Policing and Crime,
- f) a fire and rescue authority, or
- g) a health service body within the meaning of section 9 of the National Health Service Act 2006.
- h) buildings controlled or managed by a co-operative society
- i) Buildings occupied by students, where:
  - which is occupied solely or principally by persons who occupy it for the purpose of undertaking a full-time course of further or higher education at a specified educational establishment or at an educational establishment of a specified description, and
  - where the person managing or having control of it is the educational establishment in question or a specified person or a person of a specified description
- j) Buildings occupied by religious communities

- Any building which is occupied principally for the purposes of a religious community whose principal occupation is prayer, contemplation, education or the relief of suffering
- This paragraph does not apply in the case of a converted block of flats to which section 257 applies.

k) Buildings occupied by two persons

- Any building which is occupied only by two persons who form two households