

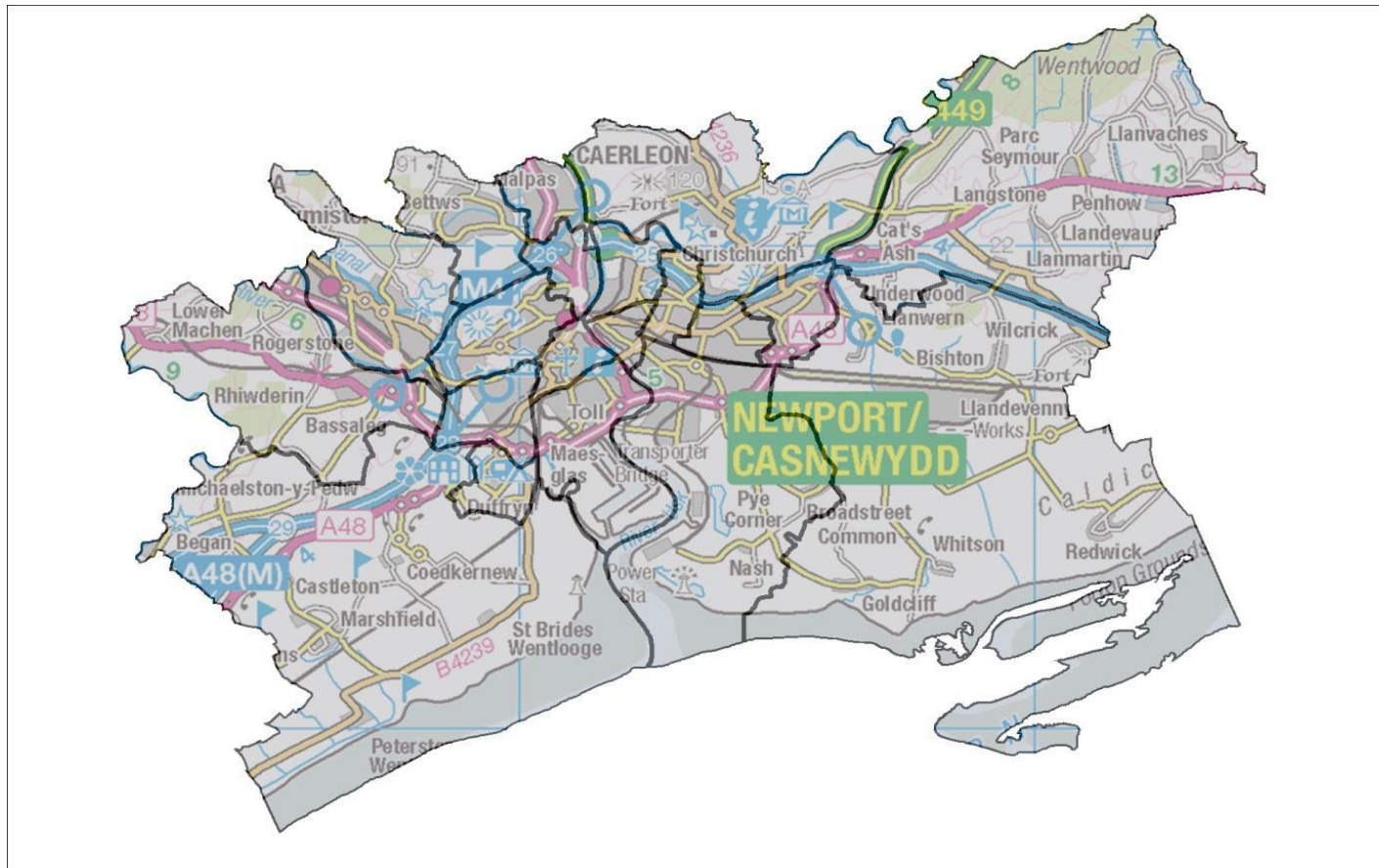
Houses in Multiple Occupation

Additional Licensing Review & Proposal

Public Consultation Autumn 2018



Newport
CITY COUNCIL
CYNGOR DINAS
Casnewydd



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What is Additional House in Multiple Occupation Licensing?

The Housing Act 2004 came into force in Wales in June 2006. The Act introduced new powers for local authorities to regulate standards in the private rented housing sector. In particular, it introduced the duty for local authorities to license certain types of Houses in Multiple Occupation (HMOs), namely those of three storeys or above, and with five or more tenants that comprise two or more households. This is termed “Mandatory Licensing”. The Act provides for local authorities to introduce other types of licensing schemes for different types of HMO: “Additional Licensing”. Physical and management standards in HMOs are often poor. The aim of the licensing regime is to ensure that HMOs meet the legal physical standards which are properly managed, to provide greater protection to the health, safety and welfare of the occupants living within such properties.

In April 2007, the Welsh Assembly Government issued guidance to local authorities, (The Housing Act 2004 (Selective Licensing) (Wales) General Approval 2007) indicating that councils may introduce an Additional Licensing Scheme without obtaining Assembly approval, providing that certain requirements of the legislation with regard to evidence, consultation with interested parties and implementation are carried out. In particular, the Council must:

- a) Consider that significant proportion of the HMOs of that description are being managed ineffectively as to give rise, or likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public;
- b) Consider whether there any other courses of action available to them that might provide an effective method of dealing with the problem or problems in question;
- c) Consider that making the designation will significantly assist them to deal with the problems, and

d) Consult persons likely to be affected by the designation.

In December 2008, Newport City Council declared an Additional Licensing scheme which covered smaller HMOs within the city. These included all properties with three or more households which included poorly converted self-contained flats. The licensing process has enabled the Council to tackle a wide range of problems in HMOs by way of conditions attached to licences. HMO licensing conditions are detailed in Appendix E. This has streamlined the mechanisms for enforcing minimum standards and management conditions, including the suitability of the landlord. On the 1st June 2014 the Council declared its second Additional HMO licensing scheme which ceases to have effect on 31st May 2019. The scheme again covers the licensing of all properties where there are three or more households. By the end of the current 5 year scheme Newport will have had an HMO Additional Licensing scheme to regulate smaller properties alongside Mandatory Licensing for 10 years.

Properties which are determined as a HMO include:

Shared houses - Where occupiers live together as a group, each with their own bedroom but sharing all other facilities including a communal living space.

Bedsits - Where occupiers share a bathroom, toilet, kitchen etc. but otherwise live independently of others.

Converted self-contained flats - Where the conversion does not meet the requirements of the 1991 Building Regulations and less than two thirds of the flats are owner occupied. Occupiers live in a self-contained unit, sharing no facilities or amenities, often behind one access door off a common area.

Individual flats occupied by three or more unrelated people - Where occupiers live together as a group, each with exclusive use of a bedroom but share all other facilities, including a communal living space within the flat. This applies even if the property has been converted to the 1991 Building Regulations.

Hostels, guesthouses, bed and breakfast - Occupiers have no other permanent place of residence within the UK. Includes properties used by local Councils to house homeless people.

Resident landlords - A landlord living in the same building as three or more unrelated people.

There are several HMO exemptions.

For further information on HMO licensing, exemptions, HMO licensing standards please refer to www.newport.gov.uk/hmo as detailed in Appendix C and D.

The Council receives significant numbers of service requests about property conditions and poor management in HMOs. They can also be associated with issues that affect the neighbourhood such as rubbish and anti-social behaviour, which can occur because of poor management of the property. HMOs can also change the nature of an area and result in reduced community cohesion.

Whilst the Mandatory licensing regime captures a number of larger properties, it cannot deal with all the problems associated with all HMOs, as it only applies to a small proportion of the stock and therefore makes little impact in an area, particularly where there are significant housing issues. Additional licensing provides a mechanism to regulate smaller HMOs across the city.

With Additional licensing a licence is issued which lasts for 5 years and landlords have to keep their property safe and well maintained and managed, as well as dealing with anti-social behaviour, accumulations of refuse, overgrown gardens etc.

Landlords are required to pay a licensing fee for each HMO that they rent. This fee covers the costs of running the scheme and allows the Council to employ staff to process applications and inspect the HMOs to ensure physical standards are met, regulate management standards, and to minimise overcrowding and hazards. The fee income is also used for the enforcement of the scheme.

Why is Newport City Council considering renewing its Additional Licensing scheme?

As the HMO Additional Licensing scheme has been running for nearly 10 years the Council has significant experience of this area of regulation and believes the continuation of the scheme within Newport will deliver the following benefits:

- The conversion of properties to HMOs can make a valuable contribution to Newport's housing stock. HMOs provide accommodation for a wide range of groups, including young professionals, students, migrants and persons on low incomes. However such conversions must be completed appropriately and licensing provides a mechanism to regulate such properties.
- Ensure properties are improved to an appropriate standard to protect tenants' health and safety and are appropriately managed.
- Ensure standards of accommodation provide a safe and healthy environment by examining hazards such as damp, cold, heat, falls, fire, electrical safety, gas safety, suitable room sizes, adequate kitchens / bathrooms for the number of tenants, food safety, biocides, lead, asbestos etc.

Please refer to <http://www.newport.gov.uk/en/Planning-Housing/Housing/Rented-housing/Repairs-and-maintenance.aspx>

- Reduce complaints of poor housing conditions, noise, rubbish, overgrown gardens, rodents and pests.
- Ensure the licence holder and property manager are suitable. Eradicate non-compliant landlords: those who are not fit and proper e.g. with a criminal record or non-compliant housing history may not be suitable to hold a licence.
- Additional licensing allows the Council to target resources to deal with some of the most problematic properties within Newport using a risk based approach, with the education of both landlords and tenants, undertaking proactive inspections and taking enforcement action.
- Improve waste and recycling compliance in conjunction with the Council's Waste Management team by including waste storage requirements as licence conditions. Larger storage bins are provided for properties with more tenants and trade waste contracts are available where appropriate for certain properties.
- Reduce anti-social behaviour caused by tenants, as licence conditions require the landlord to deal with this within the curtilage of the licensed properties. We would expect the landlord to inform tenants that their behaviour was unacceptable in the first instance and if the behaviour continues, to seek possession of the property.
- Additional licensing ensures that the Council, South Wales Fire & Rescue Service and other Partner organisations have much better understanding of the private rented sector in Newport and this can be used to benefit that sector and the housing sector as a whole.

What are the benefits of licensing for landlords?

- All landlords receive guidance allowing them to meet legal requirements for safety and management.
- All landlords are offered a pre-licensing advice service prior to HMO licensing (refer to HMO licence application process)
- Greater ability for landlords to set out what is expected of tenants.
- A licensed property should encourage tenants to live in licensed HMOs and would demonstrate landlord's compliance with legislation.
- Licensing aims to provide a 'level playing field' to ensure that compliant landlords are not under-cut by those providing poor standard or unsafe housing.

What are the benefits of licensing for tenants?

- Licensing strengthens the requirements that landlords must meet to ensure the health, safety and welfare of tenants is protected.
- Inspections of properties by Council Officers which provides an opportunity for landlords and tenants to ask questions and to be given advice.
- Confidence in the landlord and the property due to the compliance with standards set by licensing.

What are the benefits of licensing for the community?

- Better regulated and managed rented housing.
- Fewer environmental problems from overgrown gardens and accumulations of waste.
- Protect vulnerable people who may otherwise live in poor condition properties.
- The statutory public register means that neighbours can identify who the landlord of a property is if they wish and contact them with concerns.

Newport Private Rented Sector profile

Within Newport the private rented sector has grown over years and is continuing to grow. HMOs form an important part of the sector and are likely to continue to do so.

The Council's Local Housing Market Assessment states: "As mortgage availability has prevented many people from entering the owner occupied sector the private rented sector has become an increasingly important part of Newport's housing market. In 2001, 3,069 households lived in the private rented sector in Newport, by 2011 this had increased to 8,572. Other factors that will have led to an increase in households living in the private rented sector are increased migration to Newport, the City becoming an asylum dispersal area and the continuing growth of the student population. The highest proportions of privately renting households are found in the inner core areas, although there were also significant numbers of households living in the private rented sector in the central Newport area."

Latest figures from Rent Smart Wales, who register and licence landlords and property managers under the Housing (Wales) Act 2014, indicate that there are now 9,634 private rented properties in Newport (and it is acknowledged that some landlords have yet to register their properties, so the final total will be higher). This is the 5th highest total in Wales.

Over the past 4 years the Council has maintained a total of around 500 licensed properties which deviates slightly yearly as properties enter and leave the licensing regime. The total number has fallen recently as shown later in this document. HMOs help accommodate households within the private rented sector. A proportion of HMOs are occupied by students which may live within shared houses or bedsit accommodation or flats. Due to rent levels, students previously used to accommodate traditional HMOs with lower rent but research has shown when undertaking the Local Housing Market Assessment and Local Housing Strategy, students are increasingly accommodating newer

properties of higher quality. The student housing market has also changed as the courses offered at the University of South Wales campus in Newport have changed and students are becoming a less significant part of the rental market within Newport. Many of the “traditional” student properties are now occupied differently and are no longer licensable HMOs, which may partially explain the drop in the number of licensed HMOs.

It is likely there will be a demand for HMOs, particularly those rented at the Local Housing Allowance (LHA) rate due to single people under the age of 35 continuing to only be eligible for a single room rate of LHA.

How does Additional HMO Licensing fit within Newport City Council’s strategies?

Additional HMO Licensing supports the Council’s **Corporate Plan 2017 – 2022**, specifically in relation to the themes to support the mission of **Improving People’s Lives:**

Resilient Communities

Regulating HMOs effectively prevents them from becoming problematic for surrounding neighbours and communities both in terms of the physical property and the behaviour of residents. Properties that do cause problems damage community cohesion and have a knock-on negative impact on surrounding properties, which if left unchecked could lead to a downward spiral in a neighbourhood.

A Thriving City

Additional licensing supports the Council’s aspiration to continue to be a Thriving City as it is an enforcement tool that can assist with dealing with poor management of properties, anti-social behaviour and other issues that blight neighbourhoods and have a serious impact on the health and wellbeing of individuals. Residents in poor quality or unsafe housing are less likely to contribute positively to the city and thrive in work or education.

Modernised Council

The regulation of properties in this way is an effective way of improving and maintaining standards to protect health and safety in homes within the resources available to the Council. It also provides a vehicle for landlords to engage with the Council to receive advice and support both through statutory services and optional services.

“Improving People’s Lives” is translated into a number of **Wellbeing Objectives**. The most pertinent to HMO licensing are “To enable people to be healthy, independent and resilient” and “To build cohesive and sustainable communities”. The objectives to promote regeneration and economic growth are also supported.

Likewise the proposal supports the **Improvement Plan** Objective of delivering a **“Safer City”**.

How would HMOs and landlords currently regulated by Additional Licensing be regulated if the Scheme was not renewed?

When considering whether to renew the scheme, the Council has considered the following options/issues:

- Targeted proactive inspections and enforcement – A proactive enforcement programme could be implemented to inspect HMOs even without a licensing scheme in place, however this would not be financially viable without the resources provided by the licensing scheme. In addition the enforcement would not benefit from licence conditions and standards, and there would be no control over whether the landlord/manager was ‘Fit & Proper’ to operate the property. The proactive inspections would be based on the current list of HMOs in the city, which would rapidly become out of date, as there would be no requirement for landlords to notify the Council about such properties.
- Reactive inspections and enforcement – activity involving the inspections of HMOs following receiving a request for service. Customers who make a request for service (complaints) are tenants, landlords, neighbours or visitors. Reactive complaints arise from the presence of hazards or public health issues. These are currently dealt with alongside the current additional HMO licensing scheme but without the proactive regulatory work undertaken as part of licensing it is highly likely that reactive work would increase. Resources would be reduced significantly without licensing and therefore it would be impossible to deal with all complaints and the service would have to be prioritised to deal with higher risk issues. In addition a reactive service relies on customers making complaints and they may lack knowledge or confidence of how to seek help. Also tenants may be frightened to come forward due to eviction or harassment from their landlords, managing agents or other tenants.
- Registration and Licensing via Rent Smart Wales – In addition to HMO licensing private landlords are required by the Housing (Wales) Act 2014 to register and private landlords who undertake letting and management activities or their managing agents must obtain a licence from Rent Smart Wales <https://www.rentsmart.gov.wales/en/> and undergo Rent Smart Wales training. Landlords and Agents who are licensed via Rent Smart Wales must comply with a Code of Practice which contains standards

which must be met (<https://www.rentsmart.gov.wales/en/resource-library/#1>). Such standards do not cover the minimisation of risks presented from multiple occupancies. Therefore although Rent Smart Wales is designed to improve the standard of accommodation by improving the standard of management, this is not a substitute for HMO licensing.

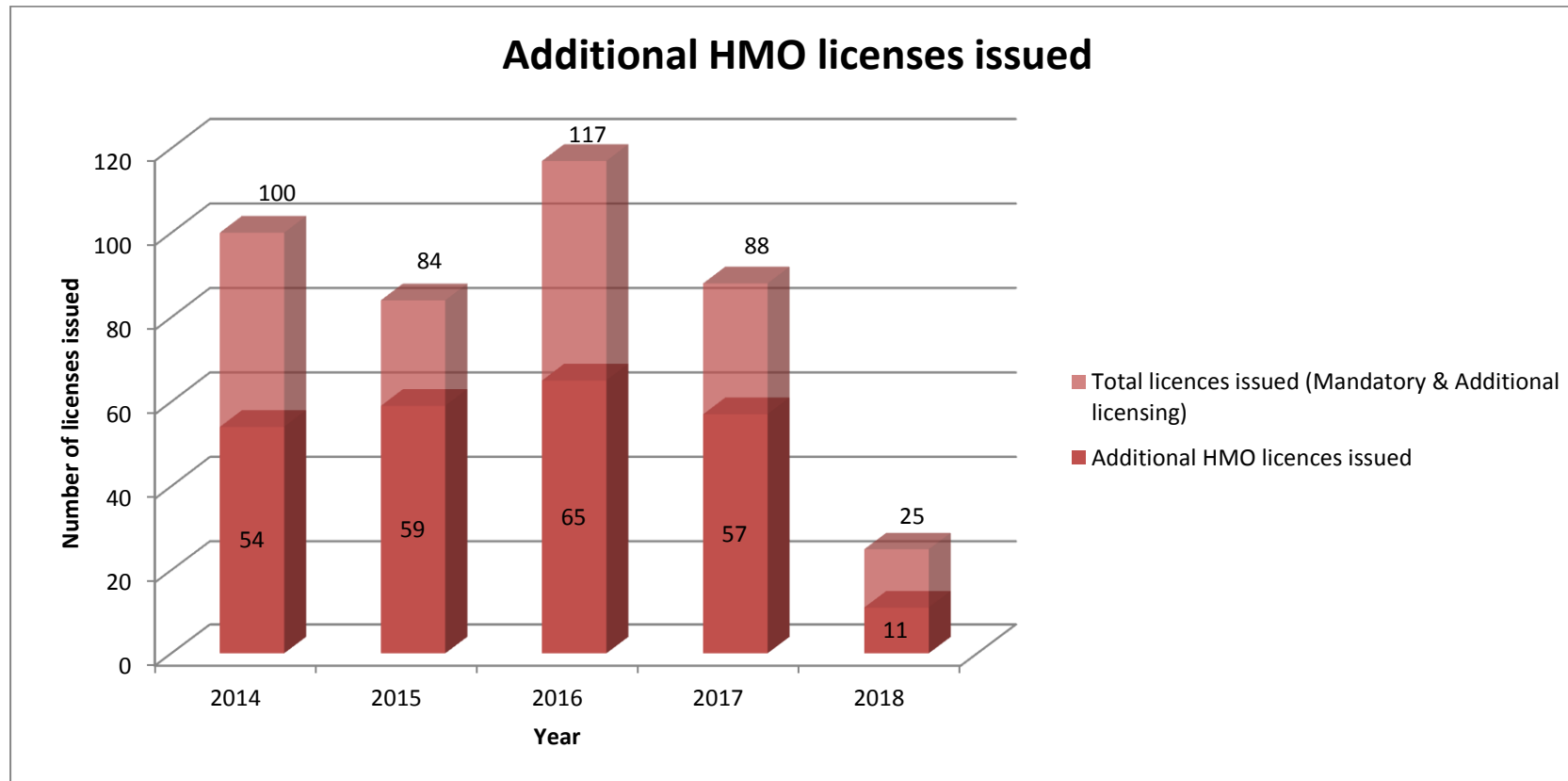
- Mandatory HMO licensing only – Mandatory HMO licensing covers larger HMOs with shared facilities containing 3 or more storeys with 5 or more people present. Thus the minimisation of risks presented from multiple occupants from 2 or 3 or 4 occupants would not be included and would depend on complaints or a proactive inspection strategy as mentioned above. England has recognised the risk by changing the mandatory HMO definition to include HMOs with 5 or more occupants, regardless of the number of storeys.
- Limiting Additional HMO licensing to certain electoral wards – It would be possible to declare an Additional Licensing scheme for certain wards, rather than city-wide. However, this would be likely to alter the spread and distribution of HMOs across the other wards within Newport not included in the scheme: it could cause HMOs to be displaced from wards included in the scheme, which would have consequences for all the wards affected. HMOs exist in the locations they do because there is a demand for them in those locations. Displacing HMOs into other areas would disrupt the market which would be undesirable.
- Selective Licensing – Subject to satisfactory evidence of meeting the legal criteria, this option is available for requiring all privately rented accommodation to be licensed as determined by the Local Housing Authority. A Selective Licensing scheme can only be introduced if the Council is satisfied that there are problems with low housing demand or significant and persistent problems of Anti-Social Behaviour (ASB) linked to the private rented homes in that area. When assessing ASB, government guidance says that Councils should consider crime, nuisance neighbours and environmental crime and then assess whether landlords are failing to take appropriate action to help resolve the problem. This option would not be a suitable substitute for city-wide Additional licensing.
- Management Orders – The use of Interim Management Orders (IMO) can be used by the Council to take over the management of an HMO from a landlord for up to 12 months in serious cases. IMOs can only be used on individual properties as a reactive response in order to protect the health, safety and welfare of tenants.

The current situation

The data across Newport has been reviewed in order to establish the current situation following 9 years of Additional licensing.

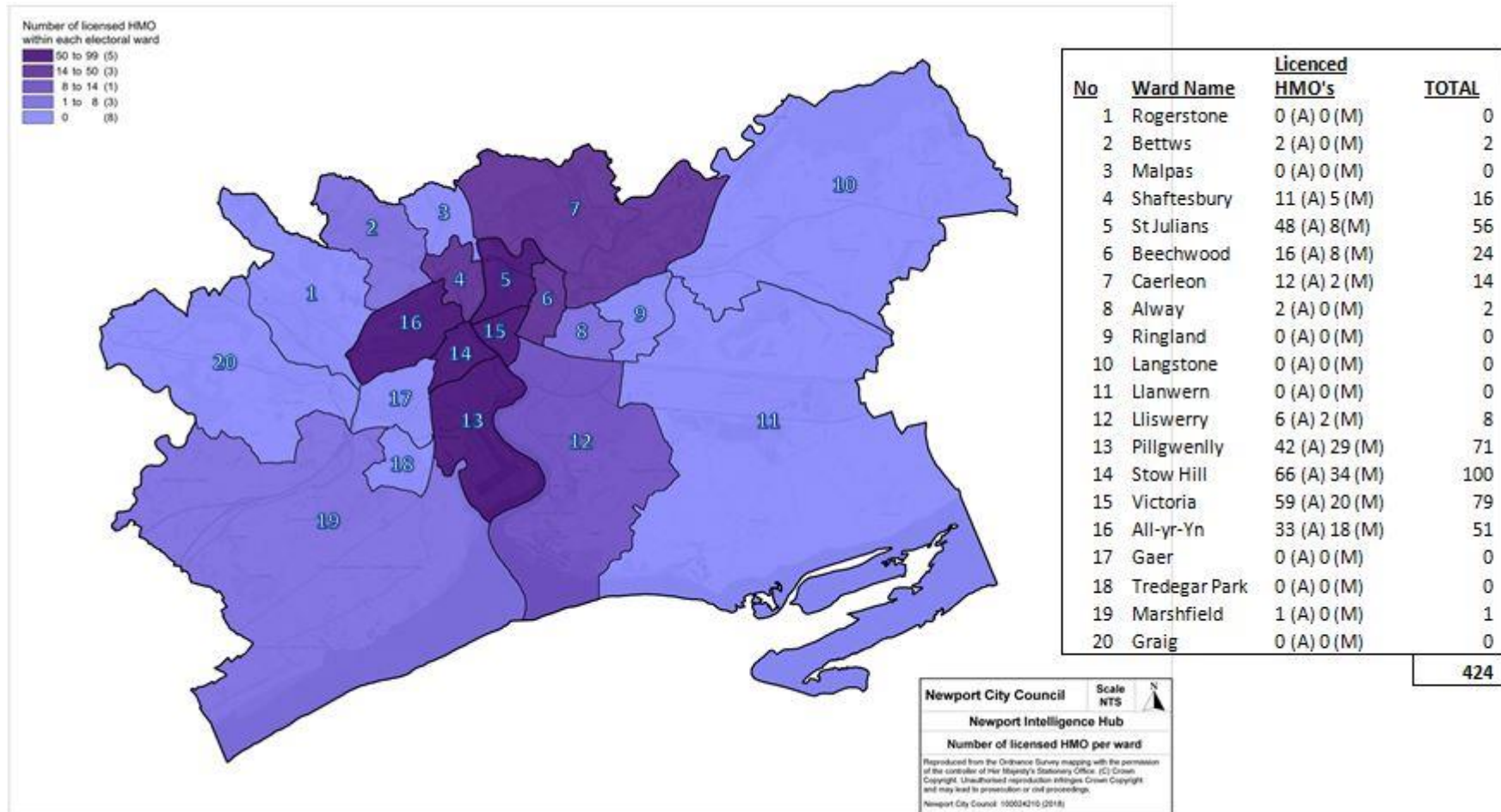
A. Number and distribution of licensed HMOs in Newport and their risk rating.

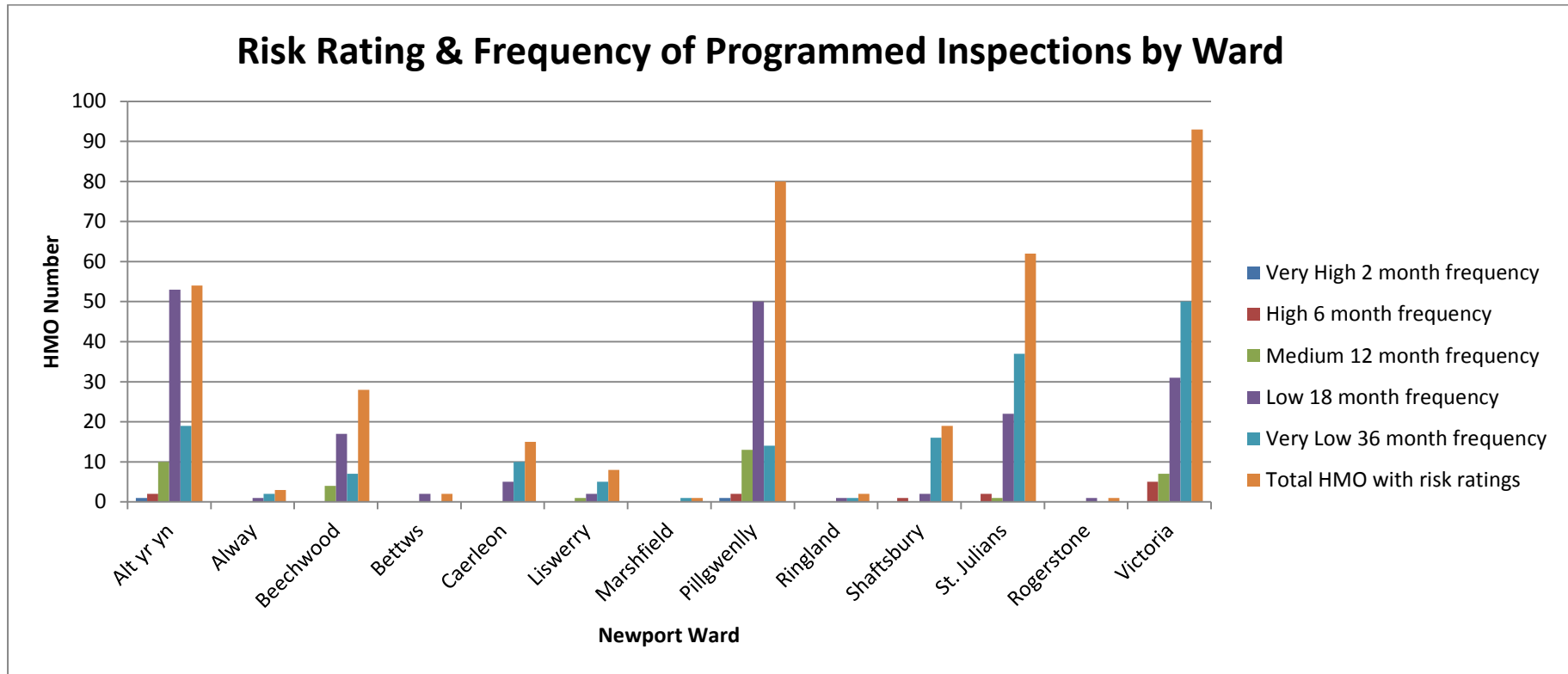
The following chart shows the number of licenses issued during the years the current scheme has been operating.



On average the Council issues 59 Additional HMO licenses a year which is 77% of all licenses issued (Mandatory and Additional).

The following map shows the spread of HMOs across Newport. 12 out of 20 electoral wards contain HMOs, with those around the city centre containing the highest concentration of HMOs as would be expected given the type of properties and transport links, along with other influencing factors. The Risk Rating chart shows the distribution of rated HMOs by ward.





Newport has a greater concentration of HMOs in the following wards and their risk rating is based on the factors in brackets: Victoria (high number of storeys, HMOs above commercial units in high concentration, bedsit and shared Houses), Pillgwenlly (a mixture of 2 and 3 storey HMOs above commercial units and a high proportion of 2 storey HMOs), St Julian’s and Allt Yr Yn (both wards have a high proportion of shared house HMOs and higher number of occupiers than in other wards).

B. Housing health and safety hazards found by officers within HMOs affecting the health, safety and welfare of occupiers.

The following table and chart show that hazards continue to be identified in properties subject to Additional licensing and continued regulation of such properties is needed.

Category 1 hazards are more severe hazards that require Council intervention whereas Category 2 hazards are less severe hazards and the Council has discretion over requiring their remediation.

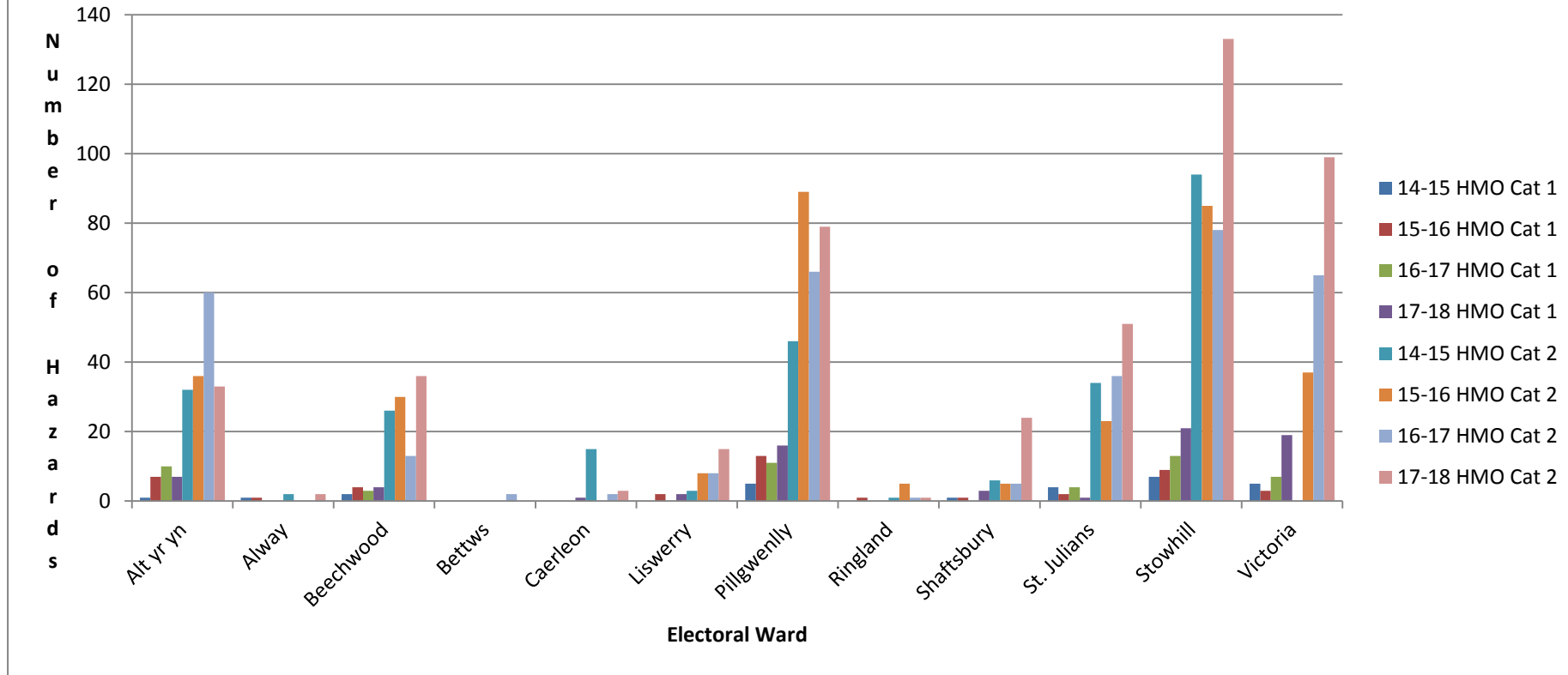
Although the data shows that hazards are identified in non-HMOs, it must be recognised that HMOs are higher risk properties with respect to health and safety, and it is even more important that hazards are identified and resolved where possible to reduce the risk. This is easier to achieve within the licensing regime.

Electoral Ward	Non-HMO			HMOs under Additional Licensing Scheme (2014-2018)		
	Number of hazards	No. Category 1 hazards	No. of Category 2 hazards	Number of hazards	No. Category 1 hazards	No. of Category 2 hazards
Allt Yr Yn	92	11 (12%)	81 (88%)	157	18 (11%)	139 (89%)
Alway	184	39 (22%)	145 (78%)	5	2 (40%)	3 (60%)
Beechwood	192	44 (23%)	151 (77%)	63	8 (12%)	55 (87%)
Bettws	126	22 (17%)	104 (83%)	2	0 (0%)	2 (100%)
Caerleon	42	9 (21%)	33 (79%)	25	1 (4%)	24 (96%)
Gaer	70	19 (27%)	52 (73%)	10	0 (0%)	10 (100%)
Graig	28	7 (25%)	21 (75%)	No licensed HMOs in Ward		
Langstone	9	2 (22%)	7 (79%)	No licensed HMOs in Ward		
Lliswerry	244	55 (23%)	189 (77%)	0		
Llanwern	11	3 (27%)	8 (73%)	No licensed HMOs in Ward		
Malpas	50	6 (12%)	44 (88%)	No licensed HMOs in Ward		
Marshfield	12	3 (25%)	9 (75%)	0		
Pillgwenlly	336	75 (22%)	263 (88%)	218	26 (12%)	192 (88%)

	Non-HMO			HMOs under Additional Licensing Scheme (2014-2018)		
Ringland	80	16 (20%)	64 (80%)	8	1 (13%)	7 (87%)
Rogerstone	67	11 (16%)	56 (84%)	1	0 (0%)	1 (100%)
Shaftesbury	123	21 (17%)	102 (83%)	18	1 (6%)	17 (94%)
St. Julians	136	21 (15%)	115 (75%)	129	9 (7%)	120 (93%)
Stow Hill	259	54 (21%)	205 (29%)	289	40 (14%)	259 (86%)
Tredegar Park	27	8 (30%)	19 (70%)	No licensed HMOs in Ward		
Victoria	409	83 (20%)	326 (80%)	221	20 (9%)	201 (90%)

Table 4 showing the total number of hazards assessed under HHSRS from 1st June 2014 – 13th June 2018 for non-HMOs and Additional licensing HMOs.

Comparison of Category 1 and 2 Hazards per year by Ward



This chart shows the number of hazards broken down by year. Hazards were found in each of the 12 wards containing HMOs. Higher numbers of hazards in some wards reflects that inspections are undertaken more frequently in higher risk HMOs but crucially it must be noted that hazards, and in particular Category 1 hazards, are still being identified and continuing regulation is warranted.

C. Reactive requests for service (complaints) regarding HMOs affecting the health, safety and welfare of occupiers/affecting the community.

The following table shows that service requests are received in relation to Additional Licensing HMOs and therefore regulation of those properties is required. However the numbers are relatively low and suggest that the proactive programmed inspections of these properties undertaken as part of the licensing process are effective in maintaining standards and avoiding complaints having to be made.

HMOs under Additional Licensing Scheme (2014-2018)	No. of service requests
Service request type	
HMO Accumulations	62
HMO Alleged Pest Infestation	2
HMO Alleged Rodent Infestation	7
HMO Alleged Unlicensed Property	81
HMO ASBO	8
HMO Complaint Lack of Facilities	8
HMO Complaint Lack of Management	17
HMO Complaint Regarding Management	6
HMO Drainage Issues	12
HMO Emergency Repair	5
HMO Excess Waste	41
HMO Filthy and Verminous	3
HMO Illegal Eviction/Harassment	3
HMO Information Required	32
HMO Initiative Response	4
HMO nuisance	10
HMO Nuisance – Structural	1
HMO Overcrowding	10
HMO Overgrown Garden	9
HMO Referral Regarding Housing Condition	24
HMO Rogue Landlord Referral	17
HMO Service Disconnection	1

HMOs under Additional Licensing Scheme (2014-2018)	No. of service requests
Service request type	
HMO Tenant Query Fire Precautions	2
HMO Tenant Regarding Repair	160
HMO Defective Heating	9
Additional HMO Service Request Total	453

D. Enforcement

Enforcement relating to HMOs can be undertaken using different legislative powers than those used for non-HMOs. The regulations are [The Licensing and Management of Houses in Multiple Occupation \(Additional Provisions\) \(Wales\) Regulations 2007](#) for Section 257 HMOs (those split into self-contained flats) or [The Management of Houses in Multiple Occupation \(Wales\) Regulations 2006](#) for other HMOs. The regulations cover providing information to occupiers, keeping the accommodation safe, clean and in good repair, making sure that fire safety measures and precautions are maintained, maintaining safe water, drainage, gas and electricity supplies, taking care of common parts, fixtures, fittings and appliances and providing facilities for waste disposal. Occupiers also have responsibilities under the Regulations. These are to allow the manager reasonable access to the property; to not prevent the manager carrying out their legal duties; to provide relevant information when asked by the manager and to store and dispose of litter properly as directed by the manager.

Newport has successfully taken 8 prosecutions under such Regulations as shown in Appendix A

The Council has actively taken prosecutions for unlicensed HMOs, Management Regulations non-compliance, lack of access to HMOs, failure to provide documentation such as tenancy agreements, certificates for services within the HMO, inspection reports and management contracts. Also the Council has requested the return of housing benefit payments following a prosecution for an unlicensed HMO using a Rent Repayment Order.

In addition the Council prosecuted an unlicensed HMO within Newport and also prosecuted the landlord for not registering and running an unlicensed property working in conjunction with Rent Smart Wales which is based in Cardiff City Council. This was the first prosecution within Wales taken under the Housing (Wales) Act 2014.

Overview of the Additional Licensing Scheme

Since the introduction of the Council's 2nd Additional Licensing scheme in 2014, significant numbers of properties have been improved, the majority of which would be outside the scope of Mandatory licensing and as such it is likely that, without the Council's Additional licensing scheme, a much smaller number would have been improved.

Whilst many responsible landlords have come forward and licensed their properties, it is likely that there are still a number of unlicensed properties in the city. Licensing these properties would assist with ensuring the properties do not pose a risk to the tenants.

The Licensing process has enabled the Council to tackle a wide range of problems in HMOs by way of conditions attached to licences. This has streamlined the mechanisms for enforcing minimum standards and management conditions, including the suitability of the landlord. There are still times where landlords fail to work with the Council to improve their properties to reach compliance with HMO licensing standards as detailed in Appendix D and in such situations formal enforcement action is required.

Evidence indicates that some of the worst housing conditions may be found in small as well as large HMOs and, without the designation of an Additional Licensing scheme in the city, the Council will not have such an effective, proactive mechanism to ensure that these smaller properties are regulated and brought up to a satisfactory standard and properly maintained at that standard.

The Licensing scheme has also had the benefit of assisting partnership working with other Council departments and external organisations, to further improve properties and neighbourhoods.

Despite the good work undertaken to improve properties throughout the city through the current Additional Licensing scheme, it is evident that many properties require improvement, tenants are not being adequately protected and further work is required.

The designation of an Additional Licensing scheme for another 5 year term within Newport would provide the Council with an effective enforcement tool, to ensure both the physical and management standards of the smaller HMOs are regulated to protect tenant's health and safety and to improve neighbourhoods.

Conclusion & Proposal

The Council is therefore proposing to introduce a 3rd Additional HMO Licensing scheme for privately rented properties across Newport where there are **three or more unrelated people forming more than two households in the same building** for another 5 year term. Refer to the city-wide map in Appendix G.

How will the proposed scheme be delivered?

The Council is committed to ensuring that the private rented sector is improved through Additional HMO licensing. The Council inspects HMOs before the issue of a licence. A HMO licence lasts the maximum 5 years and throughout this period, properties are inspected during a programmed inspection. Programmed inspection frequencies are risk based depending on the number of occupants present, the amount of storeys, the presence of vulnerable tenants, whether commercial units are present, and the HMO category i.e. bedsit accommodation is higher risk than shared houses due to the higher number of cooking facilities present within the overall building. The inspection frequency is determined by the Council in order to ensure all properties are inspected and resources are allocated appropriately.

It is proposed that properties which are already licensed under the current scheme will not need to re-licence at the start of the new scheme.

The Council will provide guidance and support throughout the scheme to landlords to help bring property conditions up to the required standard ensuring landlord responsibilities are met.

Once the Council are contacted or we determine properties are HMOs we initially will determine if the property requires licensing, refer to the following to determine which properties will require a HMO licence <http://www.newport.gov.uk/en/Planning-Housing/Housing/Rented-housing/Houses-in-Multiple-Occupation/Properties-requiring-a-licence.aspx> . If the property is a HMO we will send a HMO application form <http://www.newport.gov.uk/en/Planning-Housing/Housing/Rented-housing/Houses-in-Multiple-Occupation/Houses-in-multiple-occupation.aspx> as detailed in Appendix B and HMO guidance notes to the applicant as detailed in Appendix C and D. The Council are in the process of creating an online application for an HMO licence.

The Council offer an advisory pre-licensing HMO inspection service where the Council will:

- Inspect the property
- Advise the landlord of the HMO licensing requirements and process

- Help with the application form
- Provide the landlord with a schedule of works and a floor plan for consideration.

Information can be located: <http://www.newport.gov.uk/en/Planning-Housing/Housing/Rented-housing/Houses-in-Multiple-Occupation/HMO-pre-licence-advisory-service.aspx>

Enforcement of the proposed scheme for unlicensed HMOs or where there are legislative breaches will be taken in line with the Council's Enforcement Policy <http://www.newport.gov.uk/documents/Policies/Public-Protection-Enforcement-Policy-November-2013.pdf>

HMO licence application process

It is the Council's intention to continue to make the application process for landlords streamlined. A Support Officer monitors HMO applications as previous schemes have shown that applications are often either not received or are invalid. Once a HMO application is received the application process includes the determination if the landlord or proposed licence holder is a "fit and proper" person. This requires the submission of a basic disclosure obtained from The Disclosure and Barring Service showing any unspent convictions, unlawful discrimination and prosecutions under housing, public health, environmental health or landlord and tenant law etc. The Council will make checks into a person's "fit and proper" status. For a HMO application to be valid the Council will require the following documents with the application form:

- Current satisfactory gas certificate
- Current satisfactory electrical installation condition certificate
- Current satisfactory fire detection test certificate
- Current satisfactory portable appliance test certificate: PAT if applicable
- Current satisfactory emergency lighting test certificate if applicable
- Energy Performance Certificate
- Layout plan displaying the number and arrangement of rooms and facilities
- Basic disclosure obtained from The Disclosure and Barring Service
- Evidence of permanent residential address for Proposed Licence Holder/Owner & Managing Agent (if applicable)

- Declaration of Understanding relating to fire precautions, waste management and antisocial behaviour (signed by each occupying tenant) <http://www.newport.gov.uk/documents/Housing-documents/HMO/HMO-Appendix-A-Declaration-of-understanding.pdf> as detailed in Appendix F.

An invoice for the licence fee will be sent on receipt of a complete application which will be request payment within 14 days. Once the invoice is paid, the Council will follow the same process as with Mandatory HMO licensing and will issue a draft HMO licence. This draft licence will be sent to the proposed licence holder, the managers if applicable and property Owner (if this differs), and Licensing Officers will consult with Statutory Consultees; Council’s Planning Department and SWFRS. Following the consultation draft period if decided to proceed the Licensing Officer will issue the final HMO licence.

Proposed fees

The Council must ensure that the fee income is both reasonable and proportionate and does not exceed the cost of running the scheme, including the processing of applications, monitoring compliance and enforcing the scheme.

HMO licences are not transferable i.e. a change of a licence holder will require a new application and payment. Fees will be reviewed annually and they may be adjusted to reflect changes in costs as appropriate. Fees are agreed as part of the Council’s Corporate budget process.

The Council propose to continue to use the current fee structure to cover the processing and checking of applications, making statutory judgements, fit and proper assessments, taking and monitoring payments, processing and issuing draft and final licences, maintaining information, arranging and undertaking inspections, travel costs, revisit inspection costs to monitor and ensure compliance with housing standards, enforcement of the scheme, promotion and publication.

The aim of the fee structure is to charge landlords a higher fee for larger properties in order to cover the additional resources that are used when the Council licenses such properties.

The Council is proposing to apply the fees to both Mandatory and Additional licensing. The current fee structure and amounts are shown below for information, but please note that the amounts may change before the start of the proposed scheme, due to the timing of the Corporate budget process.

	3-5 Households	6+ Households
New HMO application	£937.04	£54.08 per additional unit
Renewal of HMO application before expiry	£740.48	£54.08 per additional unit

Renewal of HMO application after expiry	£937.04	£54.08 per additional unit
HMO application following revocation of prior licence	£740.48	£54.08 per additional unit

Property inspection required	
Change of layout	£84.24
Change of occupancy	£84.24
Pre-licence HMO Inspection Service (optional service)	£200 plus Vat
Additional schedule of work and floor plan for different proposed layouts	Additional £50 plus Vat per schedule of work and floor plan

No property inspection required	
Change of manager	No charge

What happens after the public consultation?

The results of the consultation will be considered and a report to the Cabinet Member for Licensing & Regulation will be prepared. This will be the subject of consultation with all Elected Members of the Council before a decision is taken by the Cabinet Member.

APPENDIX A:

Prosecutions

Person Prosecuted	██████████
Offence	Unlicensed HMO Management Regulation failings (The Licensing and Management Of Houses in Multiple Occupation (Additional Provisions) (Wales) Regulations 2007) Housing Act 2004 Emergency Prohibition Order non-compliance. HMO licence conditions failings
Date	13/06/2014
Verdict	Guilty plea
Fines	£4,700 Management and HMO, £2,537 costs, £120 Victim Surcharge
Mandatory or Additional	Mandatory

Person Prosecuted	██████████
Offence	Unlicensed HMO Management Regulation failings (The Licensing and Management Of Houses in Multiple Occupation (Additional Provisions) (Wales) Regulations 2007) Housing Act 2004 Emergency Prohibition Order non-compliance
Date	06/06/2014
Verdict	Guilty Plea
Fines	£7680 HMO and Management, £1571 costs, £64 Victim Surcharge
Mandatory or Additional	Mandatory

Person Prosecuted	[REDACTED]
Offence	Unlicensed HMO Management Regulation failings (The Licensing and Management Of Houses in Multiple Occupation (Additional Provisions) (Wales) Regulations 2007) Failure to provide access
Date	11/05/2015
Verdict	Guilty Plea
Fines	£720 HMO, £1507.00 Costs, £72 Victim Surcharge
Mandatory or Additional	Additional

Person Prosecuted	[REDACTED]
Offence	Unlicensed HMO Management Regulation failings (The Licensing and Management Of Houses in Multiple Occupation (Additional Provisions) (Wales) Regulations 2007)
Date	21/08/2015
Verdict	Guilty plea
Fines	For failing to licence a HMO under the Housing Act 2004, fined £10,000 (it was £15,000 but reduced to £10,000 for early guilty plea). For the remaining 10 offences of failing to comply with the 2006 Management Regulations, fined £1000 for each offence (it was £1500 but reduced to £1000 due to the early guilty plea). Costs of £1229 and a victim surcharge of £120.
Mandatory or Additional	Additional

Person prosecuted	██████████
Offence	Unlicensed HMO Management Regulation failings (The Licensing and Management Of Houses in Multiple Occupation (Additional Provisions) (Wales) Regulations 2007)
Date	25/04/2018
Verdict	Found guilty in absence
Fines	£5280 HMO and Management, £1250 costs, Victim Surcharge £44
Mandatory or Additional Licensing	Additional

Person prosecuted	██
Offence	Unlicensed HMO Management Regulation failings (The Licensing and Management Of Houses in Multiple Occupation (Additional Provisions) (Wales) Regulations 2007) Housing Act 2004 Emergency Prohibition Order non-compliance. A person commits an offence if he fails to comply with the requirements under Section 235. Where an offence under the act is committed by a body corporate, officers of the body corporate also commit an offence if attributable to any neglect. Rent Repayment Order under Housing Act 2004 Section 73, further to the conviction of an offence under S72 (1) of the Housing Act 2004
Date	07/10/2016
Verdict	Guilty plea
Fines	£3,600 HMO, £4500 Management Rent Repayment Order 5 th December 2016 to recover £5257.31 of Housing Benefits
Mandatory or Additional Licensing	Additional

Person prosecuted	[REDACTED]
Offence	<p>Unlicensed HMO</p> <p>Management Regulation failings (The Licensing and Management Of Houses in Multiple Occupation (Additional Provisions) (Wales) Regulations 2007)</p> <p>A person commits an offence if he fails to comply with the requirements under Section 235. Where an offence under the act is committed by a body corporate, officers of the body corporate also commit an offence if attributable to any neglect.</p>
Date	07/10/2016
Verdict	Guilty plea
Fines	£4,500 HMO, £4500 Management, £2022.50
Mandatory or Additional Licensing	Additional

Person prosecuted	[REDACTED]
Offence	<p>Unlicensed HMO</p> <p>Management Regulation failings (The Licensing and Management Of Houses in Multiple Occupation (Additional Provisions) (Wales) Regulations 2007)</p> <p>A person commits an offence if he fails to do anything required of him by a notice under section 235. Where an offence under the act is committed by a body corporate, officers of the body corporate also commit an offence if attributable to any neglect.</p>
Date	14/11/2017
Verdict	Guilty plea
Fines	£20,250 HMO, £5,364.55 costs, Victim Surcharge £120
Mandatory or Additional Licensing	Additional

Person prosecuted	██████████
Offence	<p>Unlicensed HMO</p> <p>Management Regulation failings (The Licensing and Management Of Houses in Multiple Occupation (Additional Provisions) (Wales) Regulations 2007)</p> <p>Housing Act 2004 Emergency Prohibition Order non-compliance.</p> <p>A landlord commits an offence under Section 7(5) if he carries out property management activities without a licence to do so under Part 1 of the Housing (Wales) Act 2014.</p>
Date	19/05/2017
Verdict	Guilty plea
Fines	£1500 HMO, £1500 RSW, £1400 Management, £1000 Costs, £170 Victim Surcharge
Mandatory or Additional Licensing	Additional

Person prosecuted	██████████
Offence	<p>Unlicensed HMO</p> <p>Management Regulation failings (The Licensing and Management Of Houses in Multiple Occupation (Additional Provisions) (Wales) Regulations 2007)</p>
Legislation prosecuted under	Section 72(1) of the Housing Act 2004 & Section 234(3) of the Housing Act 2004
Date	20/10/2017
Verdict	Found guilty in absence
Fines	£3000 HMO, £5000 Management £170 victim surcharge
Mandatory or Additional Licensing	Additional

APPENDIX B: HMO Application form

<http://www.newport.gov.uk/documents/Housing-documents/HMO/HMO-application-form.pdf>

APPENDIX C: HMO Guidance notes (assistance when applying for a HMO licence)

<http://www.newport.gov.uk/documents/Housing-documents/HMO/HMO-Guidance-Notes.pdf>

APPENDIX D: HMO Licensing Standards (standards for HMOs subject to licensing)

<http://www.newport.gov.uk/documents/Housing-documents/HMO/HMO-Standards-October-2018.pdf>

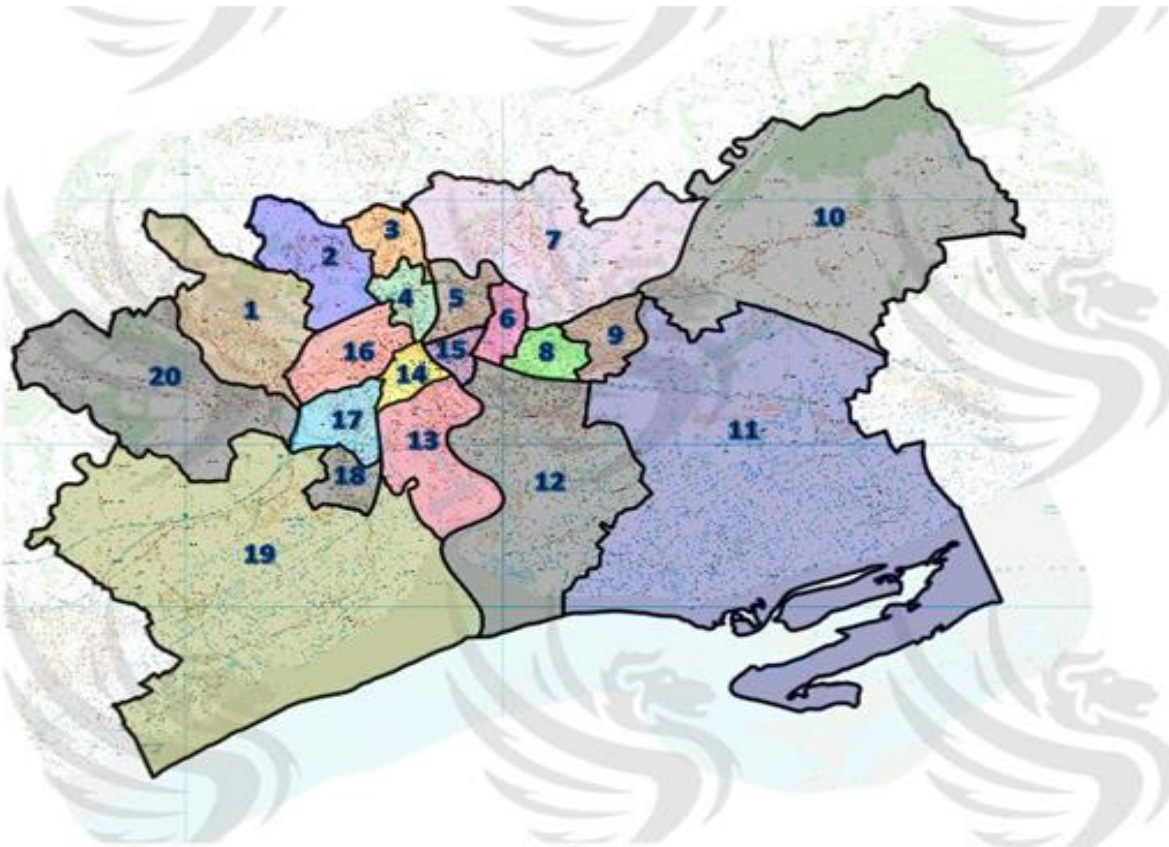
APPENDIX E: HMO Licence Conditions

<http://www.newport.gov.uk/documents/Housing-documents/HMO/HMO-Licensing-conditions-October-2018.pdf>

APPENDIX F: Declaration of Understanding

<http://www.newport.gov.uk/documents/Housing-documents/HMO/HMO-Appendix-A-Declaration-of-understanding.pdf>

APPENDIX G: Map of proposed Additional (HMO) Licensing area



<u>No</u>	<u>Ward Name</u>
1	Rogerstone
2	Bettws
3	Malpas
4	Shaftesbury
5	St Julians
6	Beechwood
7	Caerleon
8	Alway
9	Ringland
10	Langstone
11	Llanwern
12	Lliswerry
13	Pillgwenlly
14	Stow Hill
15	Victoria
16	All-yr-Yn
17	Gaer
18	Tredegar Park
19	Marshfield
20	Graig