

Report of **Service Manager, Private Sector Housing****Report to** **Chief Officer, Housing Management****Date:** **July 2017****Subject:** **Approval to grant an agreed discretionary discount to Unipol owned properties subject to Mandatory HMO Licensing fees.**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

Unipol Student Homes is a national charity, established in 1975, that focuses on improving the provision of student housing, improving standards and promoting the extension of good practices throughout the private rented sector. In Leeds, Unipol engages with over 450 landlords and accredits in excess of 17,000 bed spaces in off-street properties. Unipol also owns its' own complex of 33 units of accommodation at Carlton Hill, Leeds. As Unipol is a registered charity it operates on a not for profit basis and all monies received are invested back into the organisation.

In the first two phases of Mandatory HMO Licensing Unipol submitted requests for a discounted license fee in respect of this complex in line with section 233 of the Housing Act 2004 as the accommodation was already covered by the Government Approved ANUK Code of Practice. Government guidance to local authorities on this matter urges Authorities to offer "substantial discounts" to properties that are covered by the Code but are also licensable. Following discussions with the Chief Executive of Unipol and the Private Sector Housing Service, a discount of 33% was agreed to be applied to the total invoice at each phase.

The third phase of licensing has now commenced and Unipol, in submitting the new licence applications for this complex, have again requested a further "substantial discount".

Recommendations

1. That the Chief Officer, Housing management, notes the contents of this report.
2. That the Chief Officer approves the request to grant a discount of 33%, amounting to a further £7,350.75 in respect of the total invoice relating to HMO License fees for the Carlton Hill complex in Leeds.

1. Purpose of this report

- 1.1 This report acknowledges that Leeds City Council have received a request from Unipol Student Homes for a discounted HMO Licence Fee in respect of a student complex of dwellings at Carlton Hill, Leeds.
- 1.2 This report is to advise the Chief Officer of the circumstances relating to the request and seek endorsement of the proposal to apply a 33% fee discount for this complex of dwellings in line with Government Guidance.

2 Background information

- 2.1.1 Unipol and the City Council continue to work closely on a range of issues and this has resulted in Unipol contributing to the development and implementation of housing strategies for the private sector as well as providing a direct link to the growing student sector via the Unipol Code of Standards accreditation scheme.
- 2.1.2 In addition, Unipol have now also taken a lead role in the establishment of the new Leeds Rental Standard and now administer the scheme on behalf of all parties.
- 2.1.3 Carlton Hill is a purpose built complex of student accommodation comprising in total 33 units of accommodation. Each unit is licensable under Part 2 provisions of the Housing Act 2004.
- 2.1.4 Unipol Student Homes are now in the process of submitting new licence applications in respect of each unit of accommodation to comply with their Mandatory responsibilities. As Unipol are members of the Leeds Rental Standard (LRS) they will automatically qualify for a small reduction in fees to recognise that they are accredited landlords.
- 2.1.5 Unipol Student Homes have now requested a further “substantial” discount as the complex is already covered by the Government approved ANUK Code of Practice under section 233 of the Housing Act 2004. In its’ guidance to local authorities, the Government urged authorities to offer “substantial discounts” to properties already covered by the Code that were also licensable.

3 Main issues

- 3.1 Carlton Hill is a complex with only two types of dwelling that are then replicated throughout the complex. Following assessment of the property types in respect of license conditions and works required, conditions are then replicated throughout all units as appropriate. This therefore enables a considerable saving terms of officer time and work to assess each licence application.
- 3.2 Unipol Student Homes have charitable status and operate on a “not for profit” basis.
- 3.3 Leeds City Council is not aware of any other similar complexes in Leeds and has not received any other applications for such complexes. In granting a further discount there is no precedent set for any other provider.
- 3.4 When the original request for a substantial discount was approved it was anticipated that repeat requests would be received at future renewal dates.
- 3.5 Experience of the licensing Team in Phase 1 and 2 of HMO licensing has confirmed the high standard of accommodation and management of the complex. This resulted in informal negotiations and reduced need for formal inspections or repeat inspections. As a result, considerable savings were made in staffing resources and supported the decision to offer discount.
- 3.6 Applications submitted by Unipol confirm that all 33 units remain in the same mode of occupation. This would, under normal circumstances, result in an invoice being raised for a total of £22,275.00 (33 units @ accredited discount rate of £675.00 per unit) based on the new licensing fees.
- 3.7 Assuming approval to apply the same “substantial discount” of 33% then the fee would be reduced to £14,924.25 resulting in a further discount of £7,350.75.
- 3.8 The discount proposed of 33% takes into account the economy of scale and efficiency savings this complex allows due to reduced inspection costs but also recognises the core costs of the Licensing service.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This request has been consulted upon by colleagues across the service and has received support in principle.
- 4.1.2 Unipol remain a key partner for the Council and actively participate in key delivery groups including the Private Rented Housing Forum and the new Leeds Rental Standard.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There is a direct link between the quality of housing and the health of residents. Therefore, support of this request, will continue to support accreditation in the student sector and allow better allocation of council resources to the more deprived areas of the city and will have a positive impact on Equality and Diversity / Cohesion and integration.

4.3 Council policies and City Priorities

- 4.3.1 The Council has an ambition to be the “Best City”. One determiner of achievement will be whether or not the city has housing to offer that meets the ambition of “Best City”. This policy will support the Best Council Plan in relation to living in good quality affordable homes within a clean and well cared for place by addressing poor housing conditions, improving external appearance of the properties and to enhance the overall street scene.
- 4.3.2 The Private Rented Sector is key market provider of housing in the city. The Council has a clear regulatory role in this sector to ensure that standards are maintained and tenants have access to a safe, warm and secure home. The implementation of this discount request will allow the Council to target its’ resources on the worst performing landlords and poorest property conditions.

4.4 Resources and value for money

- 4.4.1 The proposed discount to be offered of £7,350.75 will be off-set by the savings made on staff time and resources. The complex is effectively self regulated by Unipol and the ANUK code and officers from the licensing team will only undertake nominal sample inspections.
- 4.4.2 This staffing resource will then be utilised and allocated to higher priority work within the service thus representing value for money for the Council as well as complying with Government guidance.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no legal implications raised by this report and it is not eligible for call in.

4.6 Risk Management

- 4.6.1 There are no risk management issues.

5 Conclusions

- 5.1.1 The increasing role of the private rented sector has led to ever increasing work demands on the service and seen its' profile rise in the city. It now represents over 20% of the total housing stock in the city, or approximately 65,000 properties.
- 5.1.2 There is no single market in the sector but it is recognised that the majority of these properties provide good quality homes for individuals and families. It is these properties and landlords that we want to engage and work with more efficiently and encourage them to support the role of self-regulation. This will then allow the Council to target its' resources on the lower end of the rental market and those landlords failing to provide suitable accommodation.
- 5.1.3 The ongoing partnership working between both parties has resulted in Unipol making a significant contribution to key Council policies and strategies. This has been demonstrated through their direct input to leasing miscellaneous properties and returning empty properties back into use.
- 5.1.4 Joint working with Unipol will also help increase the role of accreditation and promote self-regulation, through the new Leeds Rental Standard, in the private sector allowing the authority to target its' resources on specific areas of concern.
- 5.1.5 Experience gained by the HMO licensing Team during Phase 1 and 2 of licensing supports the view that this complex remains of a high standard and well managed. The previous discount applied resulted in fewer inspections by officers and thus represented value for money for the authority.
- 5.1.6 Government guidance in regards to license fees for properties such as this and covered by the ANUK Code continues to urge local authorities to offer substantial fee discounts.

6 Recommendations

- 6.1 That the Chief Officer notes the contents of this report.
- 6.2 That the Chief Officer, Housing Management, approves the request to grant a discount of 33%, amounting to £7,350.75 in respect of the total invoice relating to HMO License fees for the Carlton Hill complex in Leeds.

7 Background documents¹

- 7.1 Equality, Diversity, Cohesion screening document.

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.