

## **Appendix 2**

### **Summary Cover Report**

#### **Department for Community (DFC)**

#### **On-Line Questionnaire - Review of the Houses in Multiple Occupation Licensing Scheme**

The Houses in Multiple Occupation Act (Northern Ireland) 2016 came into effect in April 2019 following the transfer from Northern Ireland Housing Executive's (NIHE) HMO Registration scheme to Councils under a new licensing regime. The new HMO licensing regime aims to effectively regulate HMOs to ensure the health, safety and well-being of the occupants and at the same time minimising any negative impacts on the neighbourhood and surrounding area. Since the commencement of the scheme, Belfast City Council acting in its capacity as lead Council delivering the service on behalf of all Councils in Northern Ireland is responding to the review of the implementation of the HMO licensing scheme being undertaken by the Department for Communities (DFC) via an online survey as part of their review.

The following is a summary of the full on line submission;

- Belfast City Council agrees that the new HMO licensing scheme has improved the management of HMOs by ensuring that owners and managing agents have a broader range of responsibilities and arrangements in place as part of their undertaking in respect of managing HMO properties. This includes enhanced measures to address fire safety, energy performance, prioritised repairs schedule and anti-social behaviour management.
- The standards imposed by the new licensing scheme are to a large part a replication of the former NIHE HMO Registration scheme, although it is acknowledged that there are some improvements in relation to fire safety, bedroom sizes and energy performance/ thermal comfort.
- The current fitness standard is in urgent need of review and should be replaced by a comprehensive fitness standard which assesses the suitability of the dwelling for the occupant in line with modern day living standards such as the Housing Health and Safety Rating System used in England and Wales or a similar equivalent model.
- Belfast City Council agrees that the HMO licensing scheme addresses safety associated with a HMO through a range of management responsibilities and the addition of the hazard enforcement powers.
- The current level of fee payable per occupant is set at £37 per person per year with the full fee payable on renewal. The impact of the Covid-19 pandemic and a reduction in the number of HMO properties under the new

licensing scheme may have a financial impact on the revenues estimated at the outset of this transfer. Belfast City Council will keep under review the funding of the scheme to ensure that it continues to operate on a cost neutral basis. It may be prudent for DFC to consider increasing the fee threshold currently set at a maximum amount of £45 in the regulations to future proof the fee structure.

- Belfast City Council would welcome the opportunity to work with DFC to review aspects of the DFC Guidance to Councils with the aim of obtaining some further clarity for Councils and HMO property owners. The Council is currently reviewing the information and guidance on its website and plans to include “A Frequently Asked Questions” section to assist owners of HMO properties with the application process. The Council is also reviewing the online HMO application form to make it more streamlined and intuitive for users.
- The legislation that underpins the HMO licensing scheme namely the Houses in Multiple Act (NI) 2016 is complex and interpreting this new legislation has resulted in a number of legal challenges, often requiring the Council to obtain legal advice to adjudicate and provide clarity on the intent and interpretation of the legislation. The Council has identified a number of areas in the legislation whereby amendments would be helpful to address omissions that have come to light since the commencement and implementation of the HMO 2016 Act. An urgent review of The HMO Act (NI) 2016 by DFC would be welcomed by Belfast City Council which would provide greater clarity and reduce some the administrative burden that currently exists.
- The administration required to deliver the new licensing scheme as opposed to the NIHE’s registration scheme has increased significantly by virtue of the need to engage with a range of statutory partners, deliver the function on behalf of 11 Councils and apply new administrative processes set out by the legislative requirements of the HMO Act 2016. The increased burden associated with the administration of the scheme was not properly realised until after the transfer of NIHE resources and the commencement of the scheme. The additional administration combined with the processing of complex cases has highlighted that the three months’ timescale to process HMO applications is insufficient particularly for those cases which must be presented to the Councils’ committees and must adhere to Committee schedules. The Council would welcome a review of the HMO Act 2016 in respect of timescales required to process HMO applications. If DfC are not prepared to remove this provision in its entirety, the Council would request that this time limit is extended to 6 months.
- The Covid-19 pandemic has resulted in a back log of cases and it has been more challenging to administer when staff are operating under a working from home business model. Technical officers are also working under controlled operating models to protect their health and safety which can also result in delays to inspections of HMOs.

- In light of the significant resource implications associated with the delivery of the new licensing scheme, Belfast City Council has been required to provide additional resources to oversee the management and administration of the scheme. Belfast City Council would welcome a separate review to be commissioned by DFC as a priority work stream to examine the adequacy of the resource transfer from the NIHE and the financial model to deal with the new licensing regime for Councils in NI to support the effective governance, oversight and the financial strategy that underpins the delivery model ensuring that it is a quality fit for purpose function that's meets stakeholder needs including the expectations of DFC.

11<sup>th</sup> February 2021