



# **Additional Licensing of Houses in Multiple Occupation (HMO)**



## **Licence Handbook**



**Nottingham  
City Council**

# Contents

What is an HMO?	Page 2
What is a Section 257 HMO?	Page 3
What is additional licensing?	Page 4
Why is additional licensing being introduced?	Page 4
Will I need to apply for a licence under the new scheme?	Page 5
When does it start and when shall I apply?	Page 5
Will I need to apply for a HMO licence?	Page 6
Who should apply for the licence and how does it work?	Page 7
What information will I need to apply for a licence?	Page 8
Example ground floor plan	Page 9
What is the licensing procedure?	Page 10
HMO licence process flow chart	Page 11
How long will additional licensing last and how long will my licence last for?	Page 12
What will happen if I don't apply for a licence?	Page 12
What licence conditions will apply and what happens if I don't comply with them?	Page 13
What is the designated area for additional licensing?	Page 13
Exemptions to additional licensing	Page 14
Fees and discounts	Page 15
What is accreditation?	Page 16
What is the Nottingham Standard?	Page 16
Benefits of being accredited	Page 16
Contacts for the Nottingham Standard	Page 17
Planning permissions for HMOs	Page 18
Further information, support, help and advice	Back Page



# What is an HMO?

A house in multiple occupation (HMO) is a building or part of a building occupied as a main residence by 3 or more people that form 2 or more households.

A HMO can therefore include:

- Buildings containing bedsits and/or non self-contained flats, shared houses and hostels ('Section 254 HMOs').
- Buildings converted solely into self-contained flats ('Section 257 HMOs').

**Households** can be one person or several people provided that they are related to each other, including cousins, grandparents and stepchildren as well as partners living together. E.g. 1 brother and 1 sister = 1 household. 1 brother, 1 sister and 1 friend = 2 households.



# What is a Section 257 HMO?

Section 257 of the Housing Act 2004 relates to a “converted block of flats” which is a building (or part of a building) which has been converted into, and consists of, self-contained flats. Buildings of this description are HMOs if;

- the conversion work was not done in accordance with ‘appropriate building standards’, and
- less than two-thirds of the self-contained flats are owner-occupied.

‘Appropriate building standards’ usually means the 1991 Building Regulations or whichever later Building Regulations applied at the time the work was done.

There are exemptions to properties that are not classed as HMOs including properties that can have up to two lodgers (where there is a resident landlord).

For further information please see Housing Act 2004, schedule 14 (also see page 14).



# What is additional licensing?

Before 1 January 2014, mandatory licensing applied to HMOs which have 3 or more storeys\* and are occupied by 5 or more people, from two or more households.

Nottingham City Council is implementing an additional licensing scheme, which requires all privately rented HMOs which are located in a designated area to be licensed. Additional licensing will operate in the same way and alongside the existing mandatory licensing scheme. The same process will be followed, with the same legal obligations and penalties for failing to comply with the requirements.

Additional licensing will require an application for each property, just as for mandatory licensing, not for each landlord.

\* 'Storeys' can include basements and loft conversions but not usually cellars or attics (unless this is converted into living accommodation).



## Why is additional licensing being introduced?

Nottingham City Council recognises the great contribution good landlords make to the prosperity of the city. We are committed to working in partnership, to ensure a good minimum standard of private rental accommodation is provided by all landlords for their tenants. The mandatory and additional licensing schemes are not profit making and the fees charged go towards the running costs of the scheme. The Council is also committing its own resource to assist with the scheme, where costs cannot be recovered by the licence fee.

The additional licensing scheme will help to raise the quality standards of rental properties in the city, making Nottingham a more attractive and safe place to live, work and study.

The Council is introducing an additional licensing scheme in Nottingham to:

- Ensure that these HMOs are managed properly
- Improve neighbourhoods in the designated area
- Reduce complaints of noise, rubbish, housing disrepair and other anti-social behaviour related to HMOs, by making landlords accountable for their tenants
- Continue to improve the HMO private rented sector
- Ensure the licence holder and manager are suitable
- Ensure fundamental basic standards of accommodation are provided including safe gas and electrics and suitable provision of kitchens, bathrooms and room sizes for an appropriate number of occupants
- Assist in identifying and dealing with rogue landlords.

## Will I need to apply for a licence under the new scheme?

Landlords and managing agents will need to apply for a licence to run a property as a HMO if:

- The property is occupied by 3 or more people
- The tenants form 2 or more households
- It falls within the additional licensing designated area (see map on page 14)

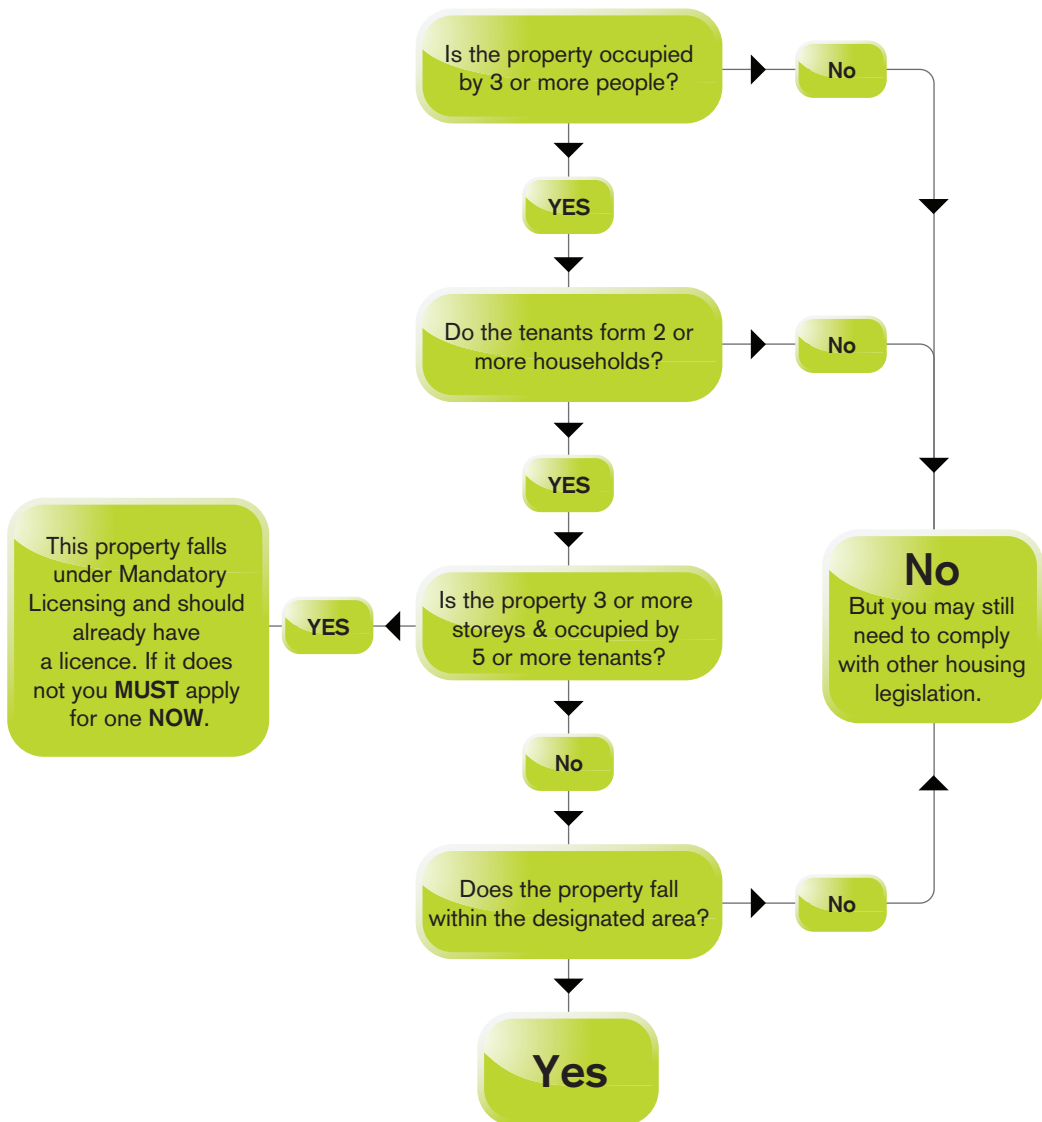
It is not the responsibility of Nottingham City Council to remind you to apply for a licence. The responsibility lies with the owner or the managing agent, who is usually the person having control of the property (receives the rack rent for the property).

## When does it start and when shall I apply?

The additional licensing designation comes into effect on 1 January 2014 but you can apply from 1 December 2013.

Please visit **[www.nottinghamcity.gov.uk/additionalHMO](http://www.nottinghamcity.gov.uk/additionalHMO)** for an application pack.

## Will I need to apply for a HMO licence?



# Who should apply for the licence and how does it work?

- It is the responsibility of the person in control of the property (usually the owner and / or manager) to apply for a HMO licence
- The licence is granted to the proposed licence holder and relates to a specific property
- A separate licence will be needed for every property that the scheme applies to, even if the owner/ licence holder will be the same person
- Licences are also non-transferable, so if for example, a licensed property is sold, the new owner will need to apply for a licence.

A licence is granted based on the Council considering the following:

- Are the proposed licence holder and manager deemed 'fit and proper persons'?
- Are the arrangements for managing the property satisfactory?
- Is the property suitable for the number of persons requested? This includes considering the space amenity standards that Nottingham City Council has in place.

For further information on what standards apply to HMOs, visit **[www.nottinghamcity.gov.uk/HMOLicensing](http://www.nottinghamcity.gov.uk/HMOLicensing)**

## **Varying a licence**

If any of the information relating to the licence / licence holder / manager changes during the time that the licence is granted for, then you will have to apply to vary the licence. Please contact the HMO team. (See contact details on back page.)

## **Refusing a licence**

Licences can be refused. If the Council refuses a licence the reasons will be clear in the documents sent to the licence holder. There are provisions in the legislation to appeal this.

## **Revoking a licence**

Licences can be revoked. If the Council revokes the licence the reasons will be clear in the documents sent to the licence holder. There are provisions in the legislation to appeal this.



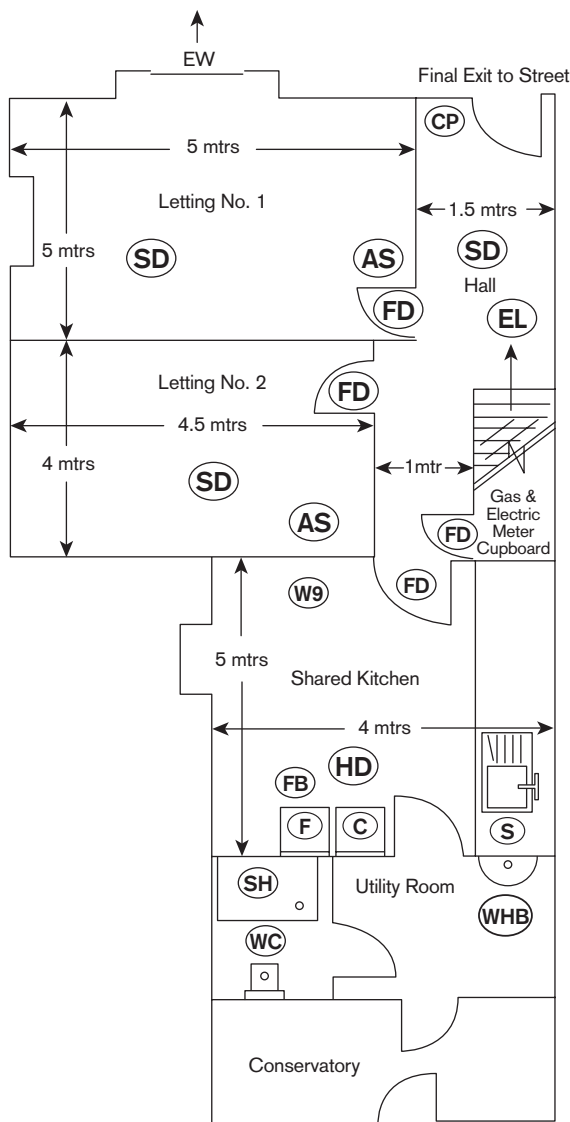
# What information will I need to apply for a licence?

You will need to submit:

- A completed application form, which includes, floor plans, showing room measurements (see page 9 for an example of this), details of facilities provided and fire alarm system
- The correct application fee
- Proof of address (an original document, not a photocopy)
- Electrical safety certificate
- Gas safety certificate (if there is gas within the property)
- Fire alarm test certificate (depending on system in place)
- Emergency lighting certificate (if present in the property)
- Building control certificates (if appropriate)
- Fire risk assessment (a written Fire Safety Risk Assessment is a requirement for certain HMOs under the Regulatory Reform (Fire Safety) Order 2004. This legislation is enforced by Nottinghamshire Fire and Rescue Service).



# Example ground floor plan



## Key of symbols to be used on plan

- FD Fire door
- EW Escape window
- EL Emergency lighting
- CP Manual call point
- FAP Fire alarm control panel
- SD Smoke detector linked to whole house system
- HD Heat detector linked to whole house system
- AS Alarm sander linked to whole house system
- SA Combined smoke detector / alarm, maybe linked or stand-alone
- HA Combined smoke detector / alarm, maybe linked or stand-alone
- FB Fire blanket
- WE Water extinguisher
- FE Foam extinguisher
- DP Dry powder extinguisher
- SH Shower
- B Bath
- WC Toilet
- WHB Wash-hand basin
- C Cooker
- S Sink
- F Fridge

Include a floor plan for each floor of the property with your application. The plan does not have to be to scale but must include measurements. You should include details of the property amenities, as the example shows.

# What is the licensing procedure?



When the application for a licence is submitted to us, the application form will be checked to ensure that it is correctly (duly) made and that it has all of the necessary documents to support it.

Once it is determined that the application is duly made, the fee will be banked and this means that you have fulfilled your responsibility to submit an application.

On receipt of a valid application, you will receive an acknowledgement letter from the HMO team and your application will be passed onto an officer for further processing. You will be notified of an appointment for officers from the Council to visit your property to carry out the inspection. The length of time between the application and inspection will depend on the number of applications received at the time of your application.

An inspection of the property will be carried out so that an officer can ensure that it meets the requirements for HMO licensing.

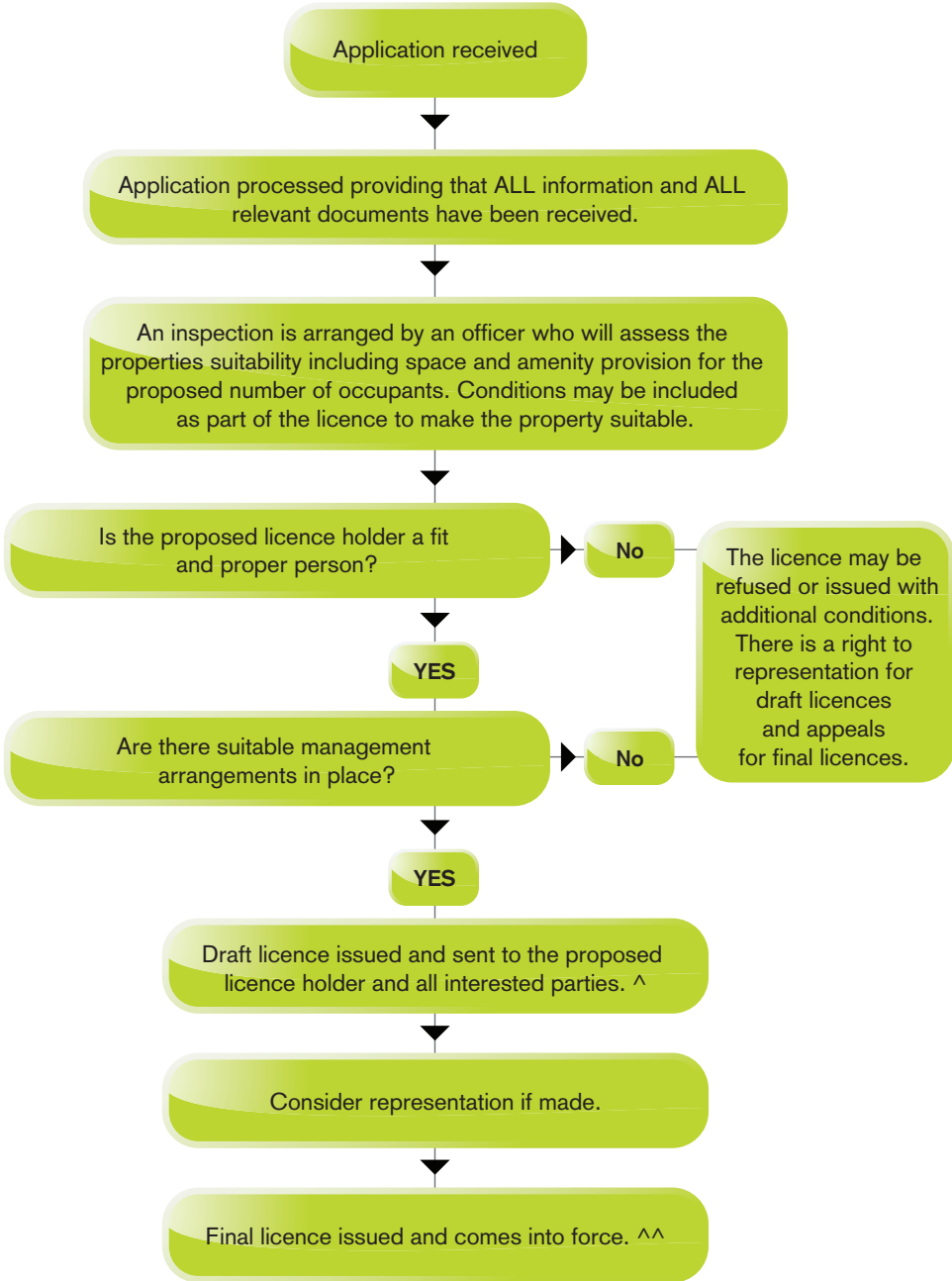


The officer will next determine, from the information that we have obtained, if the property is suitable (for the proposed number of occupants), that both the proposed licence holder and the manager is a fit and proper person and finally that there are satisfactory management arrangements in place.

The application will then be processed and documents issued.

If no application is submitted, where a licence is needed, we will take the appropriate enforcement action, which may include prosecution.

# HMO licence process flow chart



^ Period of 14 days for any representations to the Council about the draft licence.  
^^ Period of 28 days appeal to the First-tier Tribunal – Property Chamber (Residential Property) if not satisfied with the final licence that has been issued.

# How long will additional licensing last and how long will my licence last for?

The additional licensing scheme will last for 5 years. Licenses will be issued right up until the end of the scheme in 2018.



Your HMO licence can be issued for up to a maximum of 5 years.

## What will happen if I don't apply for a licence?

It is an offence under Section 72 of the Housing Act 2004 if a person having control of, or managing a HMO operates a licensable HMO which is required to be licensed under the additional or mandatory licensing scheme, but which is not so licensed. The maximum fine is £20,000.

You should also be aware of the following:

### → Rent repayment orders:

- A tenant living in a property that should have been licensed, but was not, can apply to the Residential Property Tribunal to claim back any rent they have paid to landlords during the unlicensed period (up to a limit of 12 months).
- The Council can also reclaim any housing benefit that has been paid during the time the property was without a licence.

### → Restrictions on termination of tenancies:

Tenants living in a property that should have been licensed, but was not, cannot be evicted by serving a Section 21, Housing Act 1988 Notice, until such time as the HMO is licensed, or a Management Order is in place.



# What licence conditions will apply and what happens if I don't comply with them?

The licence conditions that will apply cover:

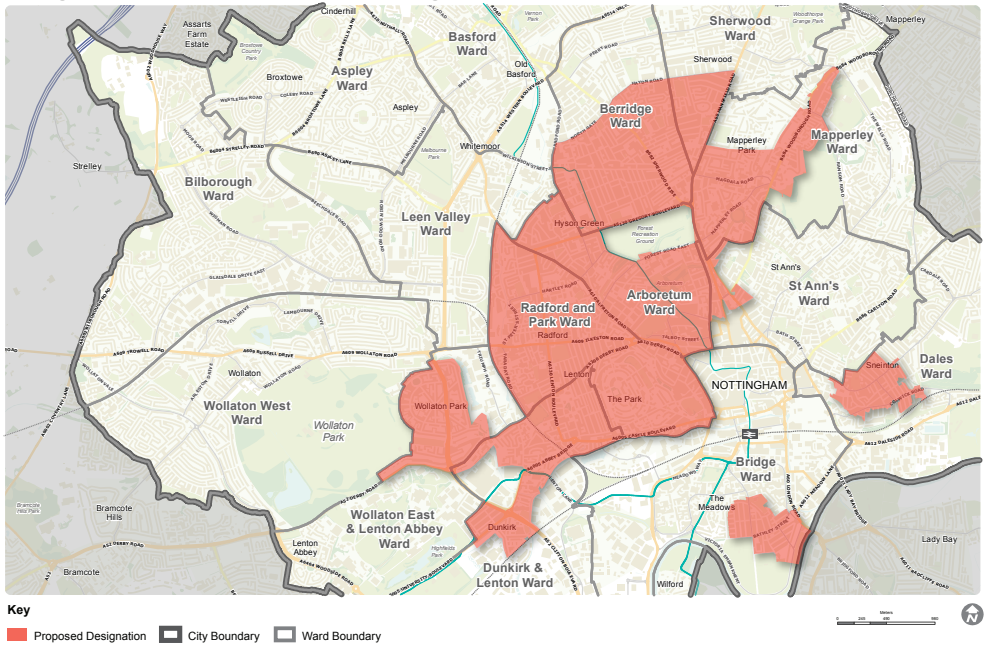
- Safety of gas, electrical appliances and the electrical installation
- Furniture safety and fire safety
- Written statements of terms for the occupiers (usually a written tenancy agreement)
- Ensuring the HMO is maintained, so it doesn't adversely affect the amenity of the neighbourhood
- Ensuring property inspections are undertaken and records kept
- Provision of certain information to the tenants and to take reasonable steps to deal with anti-social behaviour by the occupants
- Requirements to notify the Council of changes of details of licence holder and manager including issues that may affect their fit and proper status
- Any works to make the property suitable for occupation
- Requirement to display the licence or provide a copy to occupants.

If you fail to comply with the licence conditions you run the risk of prosecution and a possible fine of up to £5,000 per condition. It may also affect your 'fit and proper' status and your licences could be revoked.

## What is the designated area for additional licensing?

The additional licensing designated area covers a significant part of the city centre and inner city areas. The designated area includes some or all of the following areas: Arboretum, Dunkirk, Lenton, The Meadows, Sneinton, The Park, Radford, Hyson Green, Forest Fields, New Basford, Carrington, St Ann's and Mapperley. To find out if a property is within the designated area visit <http://geoserver.nottinghamcity.gov.uk/myproperty>

## Designation for Additional HMO Licensing



## Exemptions to additional licensing

Only HMOs which are within the designated areas will need to apply for a licence under the new scheme.

Nottingham City Council has exempted HMOs which are accredited with the ANUK / Unipol National Code of Standards for Larger Developments, covering student accommodation NOT managed and controlled by educational establishments.

There are other properties which are not regarded as HMOs and are therefore already exempt from HMO legislation, for example university managed accommodation, housing association properties and properties with a resident landlord and up to 2 lodgers.

# Fees and discounts

(applicable to HMO mandatory and additional HMO applications)

**Payment can be made by credit / debit card (over the phone) or by cheque, payable to Nottingham City Council. Payments must be submitted at the same time as your application.**

Description	Licence application fee	Discount/Comments
Standard fee	£910	
Standard fee (multiple applications)	£870	£40 discount if multiple applications made at the same time, from the same proposed licence holder and manager, as only one fit and proper check will be required
Accredited HMO fee	£795	£115 discount - must be accredited at the time of the application
Accredited HMO fee (multiple applications)	£755	£115 discount for accreditation PLUS £40 discount
Licence renewal fee	£830	
Licence renewal fee (multiple applications)	£790	£40 discount for multiple applications
Licence renewal fee (accredited HMO)	£730	£100 discount for accreditation
Licence renewal fee (accredited HMO & multiple applications)	£690	£100 discount for accreditation PLUS £40 discount for multiple applications (as described above)
Finder's Fee	£150	Where the Council has to do more than the normal amount of administrative work to identify an unlicensed HMO and bring it into the licensing regime
Extra correspondence	£30 for each occasion	Where the Council has to do more than normal to obtain further information or to secure a valid licence application during the licensing process

# What is accreditation?

Accreditation is a set of standards relating to the management and physical condition of privately rented accommodation. Landlords who join a scheme and who meet the standards are 'accredited'. Accreditation schemes are voluntary and there is no obligation on landlords to join. However, accredited landlords show a commitment to providing good quality, well managed accommodation.

## What is the Nottingham Standard?



The Nottingham Standard is a new accreditation mark, unique to Nottingham and supported by Nottingham City Council, that will establish an overarching minimum standard for privately rented accommodation across the city.

The Nottingham Standard unites the DASH Landlord Accreditation and Unipol Student Homes accreditation under a city-wide verification process.

**Working together**  
so you can rent  
with confidence



**UNIPOL  
DASH  
CODE**



**DASH Services**  
Providing Quality Housing Services



**Nottingham  
City Council**

## Benefits of being accredited

- Discounted HMO licence application fee (applicable to mandatory and additional licensing)
- 15% off the first year's membership of the Landlords National Property Group
- Discounted East Midlands Property Owners (EMPO) membership
- Free membership for the first 3 years via DASH
- Free online training via DASH
- Support from Nottingham City Council's Housing Benefit team
- Support packages from Nottingham City Council's Housing Aid team
- On-going information, help and advice to accredited landlords from DASH Landlord Accreditation (formerly EMLAS) and Unipol Student Homes
- Free inclusion on accredited landlord register, searchable by prospective tenants

# Contacts for the Nottingham Standard



For general enquiries about the Nottingham Standard, please contact Nottingham City Council. For specific enquiries about membership of DASH Accreditation Services or Unipol Student Homes, please contact the relevant organisation:

## DASH Accreditation Services

[www.dashservices.org.uk/accreditation](http://www.dashservices.org.uk/accreditation)

Tel: 01332 640 324

email: [dash@derby.gov.uk](mailto:dash@derby.gov.uk)

## Unipol Student Homes, Nottingham

[www.unipol.org.uk/nottingham](http://www.unipol.org.uk/nottingham)

Tel: 0115 846 8599

email: [info@unipol.nottingham.org.uk](mailto:info@unipol.nottingham.org.uk)

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# Planning permissions for HMOs

Planning consent and HMO licensing are completely separate pieces of legislation. The HMO should have the appropriate planning permissions in place.

An Article 4 Direction, which came into effect from 11 March 2012 in Nottingham, means that it is necessary to obtain planning permission to convert a family dwelling (Use Class C3) to a HMO with between 3 and 6 unrelated people sharing (Use Class C4) anywhere within the Nottingham City Council area. Planning permission is also already required for properties shared by 7 or more unrelated people.

If you are granted either planning consent, or a HMO licence, it does not mean that the other is automatically granted. For example, if you are approved for planning permission to change the use of the property from a domestic dwelling to a HMO, it does not automatically allow you to have tenants occupying the HMO without holding a HMO licence.

For more information visit our website and follow these steps to Article 4:  
**[www.nottinghamcity.gov.uk/article/22767](http://www.nottinghamcity.gov.uk/article/22767)**

By email: **[development.management@nottinghamcity.gov.uk](mailto:development.management@nottinghamcity.gov.uk)**

By telephone: **0115 876 4447**

**In writing:**

Planning and Building Control  
Nottingham City Council  
LH Box 5  
Loxley House  
Station Street  
Nottingham  
NG2 3NG

# Further information, support, help and advice

For further information about HMO licensing and how to apply, please visit: [www.nottinghamcity.gov.uk/HMOLicensing](http://www.nottinghamcity.gov.uk/HMOLicensing)

Further information and guidance on additional HMO licensing visit: [www.nottinghamcity.gov.uk/additionalHMO](http://www.nottinghamcity.gov.uk/additionalHMO)

If you cannot find the information you are looking for, or if you need further advice, then you can contact the HMO team directly using the contacts below:

Email: [hmo@nottinghamcity.gov.uk](mailto:hmo@nottinghamcity.gov.uk)

Tel: 0115 876 3400 or 0115 915 2020, and select option 5

In writing (correspondence only):

**Environmental Health (HMO team)**

**Nottingham City Council**

**C/o Loxley House**

**Station Street**

**Nottingham**

**NG2 3NG**



**Nottingham  
City Council**