

REPORT OF: CHIEF FINANCIAL OFFICER

TO: POLICY AND RESOURCES COMMITTEE

DATES: 23RD OCTOBER, 2018

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**INCOME REVIEW – PHASE II
(2019/20 BUDGET SETTING AND MEDIUM TERM FINANCIAL PLAN)**

PURPOSE OF THE REPORT

The purpose of this report is to review fees and charges in advance of the 2019/20 budget process in line with the Fees and Charges Policy but equally in response to the significant financial pressures faced by the Council. In following a commercial approach income streams continue to be reviewed, this report being a further phase of the work to maximise our income generating opportunities, where appropriate, to make a positive contribution to our Medium Term Financial Plan (MTFP).

RECOMMENDATION

- (1) Members of the Policy and Resources Committee recommend that Council approve the changes to the licence fee structure for Houses in Multiple Occupation.
- (2) Members of the Policy and Resources Committee recommend that Council approve the Mobile Homes, Charges for Residential Sites Policy attached at [Appendix A](#).

REASON FOR RECOMMENDATIONS

- (1) To make sure the application and licence fee reflects the actual cost of licensing a House in Multiple Occupation and that the charge is in line with recent relevant case law (Gaskin Vs Richmond LBC 2018).
- (2) To allow the appropriate fee to be charged for the licensing of relevant protected Residential Mobile Home sites in line with current legislation.

ISSUE

1. Given the financial constraints facing the Council it is important to explore ways in which additional income can be generated to help mitigate in some way the significant and ongoing

reductions in core funding. To that end, the Council reviews its income streams in line with the policy on fees and charges. This also complements the 'Charging' theme as outlined in the Financial Strategy that has been updated and was reported to committee in September 2018.

2. This report contains two proposals. Firstly, a change in fee structure, brought about by changes introduced by The Licensing of Houses in Multiple Occupation (Prescribed Changes) (England) Order 2018, plus an uplift of fees. Secondly, a new proposal to generate income by introducing a Mobile Homes, Charges for Residential Sites Policy. Both form part of the initial set of saving proposals for 2019/20 reflecting the Council's need to reduce net expenditure and achieve a fully self-financing budget.

3. HOUSES IN MULTIPLE OCCUPATION LICENCE FEES

4. The Housing Act 2004 introduced mandatory licensing of Houses in Multiple Occupation (HMO) that were over three storeys and housed five or more people forming two or more households. The Housing and Planning Act 2016 has amended the licensing of HMO. Properties are now required to be licenced if they house five or more people who form more than two households irrespective of how many storeys within the property.
5. The requirement to hold a licence to operate a House in Multiple Occupation is still under section 55 of the Housing Act 2004. The scope of this, however, has been amended by The Licensing of Houses in Multiple Occupation (Prescribed Descriptions) (England) Order 2018.
6. Alongside these changes in properties that are required to be licensed, there has been a new case law arising from Gaskin Vs Richmond LBC 2018 which means that the fee charged for licensing should be in two parts - an application fee and a licensing fee - so that in the event that an application is refused the applicant is not penalised by paying for the ongoing licence that he does not have.
7. Pendle Council set its current licence fee in 2006 at the introduction of the Housing Act 2004. This fee of £500 for a licence does not split the application fee and licence fee.
8. In order to make it compliant with the Gaskin Vs Richmond LBC 2018 it was considered appropriate to look at the costs involved with processing the application and the costs incurred whilst ensuring the licence conditions are maintained.
9. The fee charged to provide a license for five years has been £500 for up to ten lets with an additional charge of £50 for each additional let. It is proposed that this is increased to £732.00 with a charge of £21.00 for each additional room over ten. The fee consists of an application fee of £490.00 and a five year Licence Fee of £242.00. This fee has been calculated using a model that takes into account of the time spent by various officers within the Environmental Health residential team on processing an application and ongoing enforcement.
10. This charge is in line with other Authorities in Lancashire for example; Bolton Council is charging £768.30; Burnley Borough Council is proposing a fee of £750 and Blackburn With Darwin Council have set a fee of £900.

11. MOBILE HOME CHARGES FOR RESIDENTIAL SITES

12. The Mobile Homes Act 2013 (MHA 13) was introduced to provide greater protection to occupiers of residential caravans, and park homes.
13. Royal Assent was received on 26th March 2013 with some parts introduced on 26th May 2013.

14. The Mobile Homes Act 2013 amendment of the Caravan Sites Control of Development Act 1960. These amendments introduced some important changes to park home licensing.
15. Changes include the ability of Local Authorities to charge site owners a fee for:
 - Applying for a site licence;
 - Amendments and transfers of existing licences;
 - Depositing site rules and
 - Annual fees.
16. In order to be able to charge these fees the Council needs to publish a fee policy.
17. Sites that are for holiday use only or sites where caravans are only permitted to be stationed on the land at certain times of the year are exempt from licensing fees. These are the only statutory exemptions. However, it is considered appropriate to make single pitch sites exempt from annual fees but not fees for applying, amending and transferring a site licence. These sites are considered to be lower risk sites and are less onerous to inspect and collecting annual fees from them would not be cost effective.
18. The Mobile Homes Act 2013 also introduced the ability for Local Authorities to serve enforcement notices and to carry out works in default to remedy breaches of site licence conditions. From the 1st April 2014 the Council is able to charge fees in relation to this.
19. Local Authorities are able to require a fee when the site rules are deposited with the Local Authority. Furthermore, the Local Authority will be required to publish an up to date site register of the rules.
20. There are currently five sites that have a total of 132 residential units that are required to be licensed under the Mobile Homes Act 2013 these are spread across the Colne and West Craven areas.

IMPLICATIONS

Policy: The Houses in Multiple Occupation policy allows for the changes contained in this report. This report also introduces a new policy in respect of Mobile Homes, Charges for Residential Sites.

Financial: The financial implications are set out in the report.

Legal: The proposals contained in this report are in accordance with current legislation.

Risk Management: Nothing arising from this report.

Health and Safety: Nothing arising from this report.

Sustainability: Nothing arising from this report.

Community Safety: Nothing arising from this report.

Equality and Diversity: Nothing arising from this report.