

# Quality Housing

A Better Quality Private Rented Sector for Nottingham

for all



## HMO Information Handbook

# The Mandatory & Additional HMO Licensing Schemes

[www.nottinghamcity.gov.uk](http://www.nottinghamcity.gov.uk)

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# What is a HMO?

A HMO (house in multiple occupation) is a building or part of a building which is occupied as a main residence by 3 or more people who form more than 1 household. There are two types of HMO under the Housing Act 2004:

- **Section 254 HMOs** – this includes buildings containing bedsits and/or non self-contained flats, shared houses and hostels.
- **Section 257 HMOs** – these are buildings that have been converted into self-contained flats but where the conversion works did not meet the 1991 Building Regulations (if converted before June 1992) or subsequent regulations at the time of the conversion.

**From September 2018, section 257 HMOs are part of the Selective Licensing Scheme.**

**For more details of the Selective Licensing Scheme, visit the website here:**

[Licensing for Landlords - Nottingham City Council](#)

## What is a “Household” in a HMO?

Households can be one person or several people provided that they are all related to each other. This includes cousins, grandparents, children including foster children and stepchildren as well as partners living together.

Some Examples:

3 unrelated friends would be 3 households and a HMO.

1 couple and 1 unrelated friend would be 2 households and a HMO.

2 unrelated families would be 2 households and a HMO.

More detail can be found on our Licensing for Landlords website link above.

# Which licensing schemes are in operation in Nottingham?

There are three different housing licensing schemes currently operating in Nottingham. Brief details of the three schemes are set out below:



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## Private rented licensing explained



### Mandatory HMO Licensing

- National scheme since 2006 which local councils must carry out
- Applies to private rented properties shared by five or more people from more than one household

### Additional HMO Licensing

- First introduced in certain parts of Nottingham in 2014 where the council has evidence of a need to improve standards of quality and safety
- Applies to private rented properties shared by three or more people from more than one household

### Selective Licensing

- Introduced in certain parts of Nottingham on 1 August 2018 where the council has evidence of a need to improve standards of quality and safety
- Applies to private rented properties with one household

**What is a House in Multiple Occupation (HMO)?**

- A property (or part of a property) with more than one household (e.g. not members of same family)
- Tenants usually share at least one amenity, such as a kitchen, sink or toilet
- Can also include shared flats within a larger building.

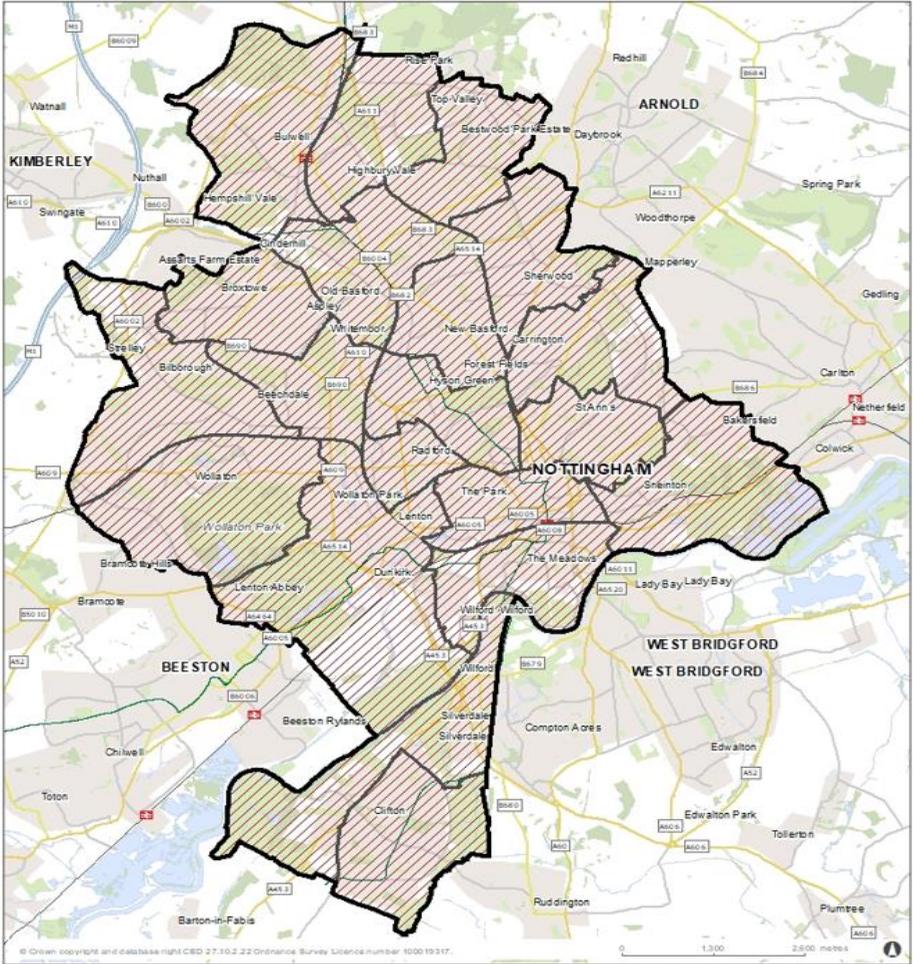




# Check if you need a Licence?

You can use the 'My Property' tool to find out if your HMO falls within any of the licensing schemes by visiting: <https://geoserver.nottinghamcity.gov.uk/myproperty>

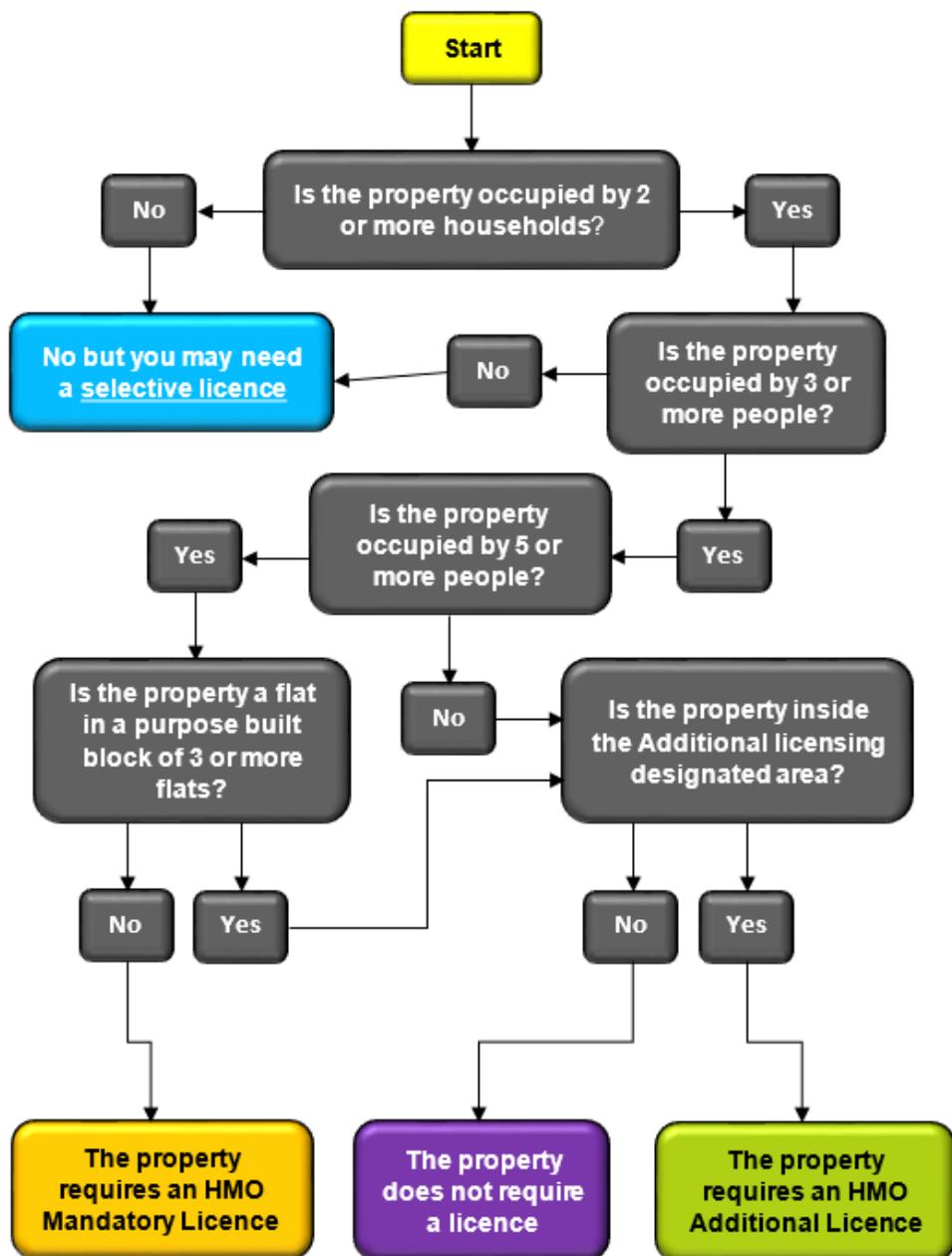
The additional licensing designated area (mapped below) now covers a significant number of the HMOs up to the whole city boundary.



Key

-  Proposed Designation
-  City Boundary
-  Wards

# Will I need to apply for a HMO licence?



# Do I need a Mandatory or Additional HMO Licence?

Landlords and managing agents will need to apply for a licence under the Mandatory Licensing Scheme if the property:

- is occupied by at least 5 persons from more than 1 household;
- is located anywhere in England;
- is **NOT** a flat in a purpose built block of 3 or more flats, and;
- is **NOT** included in the list of exemptions in Schedule 14 of the Housing Act 2004.

The new scheme of Additional Licensing will start on the 1<sup>st</sup> January 2024 and run for five years unless ended sooner. Landlords and managing agents will need to apply for a licence under the Additional Licensing scheme if the property:

- is **NOT** already subject to the Mandatory Licensing Scheme;
- is occupied by at least 3 persons from more than 1 household;
- is located in the designated area for the scheme, and;
- is **NOT** included in the list of exemptions in Schedule 14 of the Housing Act 2004.

Please remember it is not the responsibility of Nottingham City Council to remind you to apply for a licence. Licensing is not transactional you have a legal duty to apply and comply with the regulations



# Who will need to apply for a licence?

It is the responsibility of the person in control of the property (usually the owner and/or the manager) to apply for a licence. It is important, that this person has access to all of the relevant information and documents needed to submit the application. The list of requirements is given on page 10.

The licence is usually granted to the proposed licence holder and relates to a specific property. A separate licence will be needed for each property that a landlord and/or manager has in any given scheme, even if the same people are involved in the property's ownership and management and the licence holder will be the same person.

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

- Are the proposed licence holder and manager deemed 'fit and proper persons'?
- Is the proposed licence holder the most appropriate person to be the licence holder, of those available?
- Are the arrangements for managing the property satisfactory?
- Is the property suitable for the number of persons requested?

Licences are also non-transferable and so if a licensed property is sold, the new owner will need to apply for a licence. It is also important to note that a licence is not automatically revoked when you sell a property and so the existing licence holder should contact us as soon as the sale is completed to request that we revoke the licence. Otherwise, the licence will remain in place and the licence holder will remain liable for any breaches of the licence conditions that the new owners commit. Breaches of licence conditions are a criminal offence and can lead to prosecution or a civil penalty for up to £30,000 per offence.



# Who can be the licence holder?

The licence holder should be the person who has control of the property. Usually this person receives the rent (usually the owner or manager) or would receive rent if rents were payable. They will be bound by the licence conditions and should be competent in managing and maintaining the property. Information on licence conditions is on page 17.

Sometimes the manager or managing agent is the licence holder as they fully manage the property. Where this is the case, the manager may apply to be the licence holder, which is common. This manager and therefore, the licence holder, may be a company. The licence holder does not have to be the owner of the property.

Where there are two owners or persons involved with a property, for example a husband and wife, partners, siblings and spouses, both can propose themselves as licence holders. A manager and owner can be joint licence holders, but both parties would be jointly liable as the licence holder. However, if for whatever reason one party no longer wanted to be the licence holder, a new licence holder could not be automatically added in their place. Any new licence holder would have to make a new application.



# What information will I need when applying for a licence

When applying for a licence online, you will need to provide all the information needed to satisfy the Council that a licence should be granted. Where applications are missing any key information or documents, the applicant will be given one opportunity to resolve this. If they do not, depending on how incomplete the application is, the Council may return the application to the applicant or process the application and refuse to grant the licence.

In order for the application to be complete, you will need to submit:

- An online application form with all the mandatory questions completed
- Proof of the right to reside (live) in the UK for the proposed licence holder(s) and the proposed manager(s)
- Detailed floor plans (See page 11 for details)
- The correct application fee
- Electrical safety certificate
- Gas safety certificate (if there is gas within the property)
- Fire alarm test certificate (depending on system in place)
- Emergency lighting test certificate (if present in the property)
- Sprinkler / Misting system test certificate (if present in the property)
- Building control certificates (where 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).

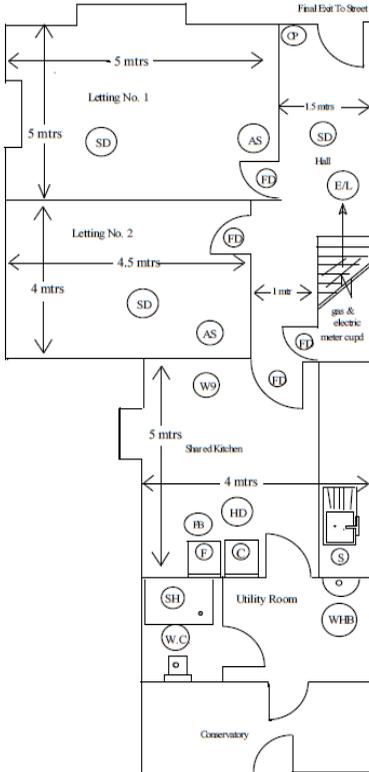
## How can I apply for a licence?

For each of the three housing licensing schemes in Nottingham, you can apply online or download a paper application\* by the following link to the website and selecting the scheme you are interested in: [Licensing for Landlords - Nottingham City Council](#)

\*Posting out and processing paper applications will incur additional fees/charges. See the fee policy at the above link on our website for more details.

# Example ground floor plan

## KEY TO SYMBOLS TO BE USED ON PLAN



	FIRE DOOR
	EMERGENCY LIGHTING
	SMOKE DETECTOR
	HEAT DETECTOR
	ALARM SOUNDER
	CALL POINT
	FIRE BLANKET
	WATER EXTINGUISHER
	FOAM EXTINGUISHER
	SHOWER
	WATER CLOSET
	COOKER
	SINK
	FRIDGE
	BATH
	WASH HAND BASIN
	FIRE ALARM PANEL

Plans should be clear and include:

- A full layout of the HMO (include cellars and floors without habitable rooms).
- Full room measurements showing the available floor space in each bedroom, kitchen, living space and dining space. Any floor space where the ceiling height is below 1.53m should be clearly marked.
- The location of any sinks, cookers, toilets, baths, showers and wash hand basins.
- The location and type of any smoke or heat detectors, any alarm sounders (if applicable) and any fire alarm control panels (if applicable).

# What is the licensing procedure?

## Duly Made Applications

When an application for a licence is submitted to us online, the application 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 application will be accepted by the Council and the applicant will receive an email notification to confirm this. If the online application is not duly made, the applicant will be notified by email with details of the reason it is not duly made and how the deficiencies can be rectified.

## Determining the Application

If accepted, the online application will then be passed onto an officer for further processing. This officer will review your application before making a decision on it.

The officer may want to visit the property prior to making a decision but this will not always be necessary. The decision of whether to visit or not will be based on the content of the application, the type of fee paid and any other information that the officer considers relevant. Applications where the accredited fee was paid are generally less likely to require a visit at this stage, when compared to applications where the less-compliant fee was paid, as the risks associated with accredited properties are generally lower.

The purpose of inspections is to ensure that the property is safe and meets the requirements for HMO licensing, such as checking the number and location of amenities, as well as checking the overall standard of the management of the property. When assessing the amenities in a property, the officer will consider the number of occupants against the Council's published amenities guidance documents. Copies of the published amenities guidance are available on the website via this link: [Licensing for Landlords - Nottingham City Council](#)

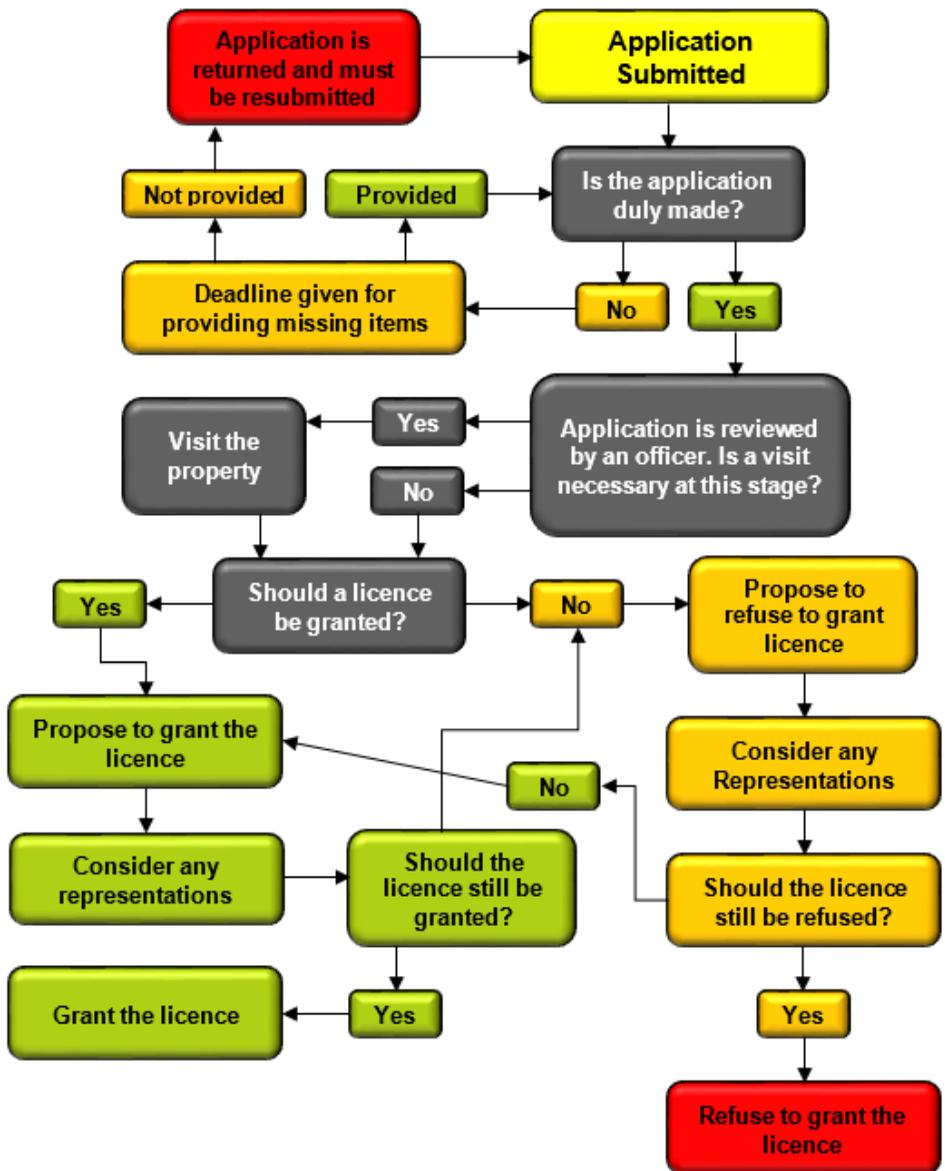
The officer will determine whether to grant the licence or refuse to grant the licence, by considering all of the information available and applying the tests under the Housing Act 2004.

These tests are:

- That the proposed licence holder and manager, as well as their associates, are fit and proper persons;
- That the proposed licence holder is the most appropriate person, of those available, to be the licence holder;
- That the property is suitable for use as an HMO, and;
- That the proposed management arrangements are satisfactory.

If each of these tests is met, the officer will grant a licence but if not, the officer will instead refuse to grant a licence. Before making a final decision, the officer will serve a proposal on each of the relevant parties and this will give them 14 days to make representations. Representations are a chance to answer any concerns that the officer may have or to propose alternative arrangements that will meet the tests in the Housing Act 2004. After considering any representations, the officer will then make a final decision and serve the appropriate documents on each of the relevant parties. These documents will explain how the officer's decision can be appealed against at the First-tier Tribunal.

# HMO licence process flow chart



# What happens if I don't make an application for a licence?

It is a criminal offence to operate or manage a HMO or other rented property that requires a licence but does not have one and individuals or companies who do so make themselves liable to a number of serious enforcement options.

## Prosecution and Banning Orders

A conviction in the courts, for operating an unlicensed HMO, carries a maximum fine of £20,000 and it is a 'Banning Order Offence'. This means that upon conviction, any local authority in England can apply to the First-tier Tribunal to have the person banned from having any involvement with the private rented sector in England.

Breaching a banning order is itself an offence and can result in a further fine and imprisonment of up to 51 weeks. Local Authorities are under a duty to record any banning orders on the Database of Rogue Landlords and Property Agents and this database is accessed by all local authorities in England. Even if a local authority doesn't apply for a banning order, they can still put details of the conviction on the database and this will affect the person's ability to obtain or maintain housing licences in England.

## Civil Penalties

If a local authority decides not to pursue a prosecution in the courts, it can instead impose a financial penalty, under the Housing and Planning Act 2016, of up to £30,000 for each offence that is found, including failing to licence a property. If unpaid, financial penalties can be registered as a debt and a county court judgement will be issued against the person or company.

## Rent Repayment Orders

Tenants living in an unlicensed HMO can apply to the First-tier Tribunal to have any rent they have paid during the unlicensed period repayed to them (up to a limit of 12 months). Local authorities can also reclaim any housing benefit that has been paid during the time the property was without a licence.

## Section 21 Notices

Under the Housing Act 2004, a section 21 notice of eviction cannot be served on the occupants of a house that requires a licence unless it has a licence or a duly made application in place.

# How long will my licence last for?

Your HMO licence can be issued for up to a maximum of 5 years, but this is not guaranteed, and a shorter licence may be granted in certain circumstances. An Additional licence can continue past the end of a licensing scheme (overhang) and will remain in force even after the scheme has expired or been revoked. Any conditions on the licence will remain enforceable during the overhang period. A licence will only end if it expires, is revoked or the licence holder dies.

# What happens if my licence application is refused?

If, after proposing to refuse and then considering any representations, the Council proceeds with a decision to refuse, there will be an opportunity to appeal against this decision at the First-tier Tribunal. Details of how to do this will be included with the notice of our decision. If approved, the decision to refuse to grant a licence will be suspended until the tribunal hearing has been resolved.

If you do not make an appeal or the tribunal confirms our decision not to grant a licence, the HMO will either need a new licence application submitting or you will have to stop operating the property as a HMO. Failing to do either of these things will result in further enforcement action as detailed on page 14.

If a new application is submitted, it will need to be duly made and the appropriate fee will be payable again in full. The proposed arrangements will also need to be different or the outcome is likely to be the same. You may want to discuss any new arrangements with the Council in advance to check that they will satisfy the tests to grant a licence.

# Exemptions to HMO licensing

Schedule 14 of the Housing Act 2004 gives a full list of properties that are exempt from HMO licensing. Some examples include buildings controlled or managed by:

- public sector bodies;
- cooperative societies;
- educational establishments and used solely for housing full time students;
- religious bodies and used principally for prayer, contemplation, education or the relief of suffering, and;
- owner-occupiers with no more than two lodgers.

These exemptions apply to both the Additional Licensing Scheme and the Mandatory Licensing Scheme but, in each case, conditions apply and if you think you have a HMO which might fall within one of these exempt categories, please contact us to discuss the matter further. Our contact details can be found on the back page of this booklet.

There is a separate list of properties that are exempt from the Selective Licensing Scheme and details of these can be found in 'The Selective Licensing Scheme' handbook.

## Additional Licensing Exemptions

Alongside the statutory exemptions listed above, Nottingham City Council has discretion to exempt certain types of properties from the Additional Licensing Scheme.

As such, we have exempted:

- Section 257 HMOs as they became part of the Selective Licensing Scheme in 2018, and this will continue into the second selective scheme. For more details of the Selective Licensing Scheme, see 'The Selective Licensing Scheme' handbook, available at [www.nottinghamcity.gov.uk/landlords](http://www.nottinghamcity.gov.uk/landlords)
- 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.

Examples of this include properties operated by Registered Social Landlords (RSL) or Co-operative Societies. Please note that properties exempt from HMO licensing may still be subject to Selective Licensing Schemes. For a full list of exemptions, follow this link:

<http://www.legislation.gov.uk/ukpga/2004/34/schedule/14>.

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

The standard licence conditions are available on the website to download and will include:

- 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.

This is not an exhaustive list and other conditions will also apply. New or modified conditions may also be added part way through the scheme but will only apply to licences granted after their introduction. You must always read your licence conditions and if you fail to comply with the licence conditions you run the risk of enforcement action that can include prosecution, with an unlimited fine, or a financial penalty of up to £30,000 per breach. It may also affect your 'fit and proper' status and your licences could be revoked.



# Fees Applicable to all HMO applications

The 1st payment (Part A) will be taken as part of submitting the application through the online portal. The 2nd (Part B) payment will be requested, by an email with a payment link that is sent to the applicant and/or proposed licence holder, when the Council is ready to propose to grant a licence. The 2nd (Part B) payment is not payable if the Council is proposing to refuse to grant the licence.

<b>Table 1 – Application Fee Licence Fees For Mandatory &amp; Additional</b>		
<b>Description</b>	<b>Comments</b>	<b>Fees</b>
<b>Standard</b>	<b>For non-accredited landlords Application fee up to 9 bedrooms</b>	<b>1st Payment (Part A) £670 2nd Payment (Part B) £803  Total £1473</b>
<b>Less Compliant</b>	<b>For non-accredited landlords Application fee up to 9 bedrooms</b>	<b>1st Payment (Part A) £670 2nd Payment (Part B) £1311  Total £1981</b>
<b>Accredited</b>	<b>The proposed licence holder is accredited with the Nottingham Standard (Either Unipol or Dash)  Application fee up to 9 bedrooms</b>	<b>1st Payment (Part A) £670 2nd Payment (Part B) £453  Total £1123</b>

To view the full Fee Policy and extra fees that may be chargeable please visit our website: [Licensing for Landlords - Nottingham City Council](#)

Extra fees will become payable during the licence application process if any of the criteria detailed in the policy are met. The application will not be considered duly made until all 1st (Part A) fees have been paid. Any extra fees will be collected with and in addition to the 2nd (Part B) payment.

Once the licence is granted extra payments shall be payable on request, for example missed inspections or copy documents requested.

Please note

- the fees are non-refundable.
- no fee payments made by Personal, Business or Bankers Cheques will be accepted.

# 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.

## Benefits of being accredited

The benefits of accreditation include: discounts on licence application fees; inclusion on accredited landlord register searchable by prospective tenants; access to training and advice, and much more. For full details, visit the Nottingham Standard webpage at the bottom of this page.

## What is the Nottingham Rental Standard?

The Nottingham Rental Standard is an accreditation mark, unique to Nottingham and supported by Nottingham City Council, that established an overarching minimum standard for privately rented accommodation across the city. The Nottingham Rental Standard unites the DASH Landlord Accreditation and Unipol student Homes accreditation under a citywide verification process.



**Working together so you can rent accredited properties with confidence.  
Contacting the Nottingham Rental Standard Partners.**

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

**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)



# Planning permissions for HMOs

Planning consent and HMO licensing are separate pieces of legislation; however, Nottingham City Council is both the Local Housing Authority and the Planning Authority for the city. This means that the licensing team and the planning department work closely together and support each other in their work with HMOs.

An Article 4 Direction, which came into effect from 11<sup>th</sup> March 2012 in Nottingham, means that it is necessary to obtain planning permission to convert a family dwelling (known as 'Use Class C3') to a HMO with between 3 and 6 unrelated people sharing (known as 'Use Class C4') anywhere within the Nottingham City Council area. Planning permission has always been required for properties shared by 7 or more unrelated people (known as 'Sui Generis').

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 applying for a HMO licence.

As part of the determination of a HMO licence, we will check whether the property has the necessary planning permissions and may grant reduced term licences, or even refuse to grant a licence, where the HMO does not have the correct planning permission.

For more information visit our website: [Do I need Planning permission? - Nottingham City Council](#)

By email: [planning@nottinghamcity.gov.uk](mailto:planning@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, the online application, further information and guidance, please visit: [Licensing for Landlords - Nottingham City Council](#)

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**

In writing (correspondence only):

**Environmental Health (HMO team)**

**Nottingham City Council**

**C/O Loxley House**

**Station Street**

**Nottingham**

**NG2 3NG**



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