

TRANSFER OF HOUSES IN MULTIPLE OCCUPATION (HMO) FUNCTION FROM NIHE TO DISTRICT COUNCILS	5th June 2018
TO: ENVIRONMENTAL SERVICES COMMITTEE	
FOR DECISION	

Linkage to Council Strategy (2015-19)	
Strategic Theme	Innovation and Transformation
Outcome	Delivery of a licensing scheme for Houses in Multiple Occupation
Lead Officer	Head of Health & Built Environment
Cost: (If applicable)	N/A

Background

The new legislative control, the Houses in Multiple Occupation (HMO) Act NI 2016 completed Final Stage on the 15th March 2016 and received Royal Assent on the 12th May 2016. On commencement of this Act HMO regulation will transfer to local Councils.

This paper provides an update on the progress with the transfer of Houses of Multiple Occupation (HMO) function from the Northern Ireland Housing Executive (NIHE) to Councils.

The programme for the transfer of the HMO function is being overseen by a Regional Board in NI consisting of officers from Department for Communities (DfC), NIHE and the three lead Councils (Belfast City Council, Causeway Coast and Glens Borough Council, and Derry City and Strabane District Council) and has been endorsed by SOLACE.

An economic appraisal commissioned by the Department for Communities (DfC) considered a number of delivery options for the new service. The appraisal included financial and option modelling.

This appraisal recognised that whilst an 11 council model was the most desirable it would mean that full cost recovery for councils would prove difficult and would create a potential rate base burden on councils as the service would have to be provided within existing resources. It was considered that the only way to negate these risks and provide a cost neutral and fit for purpose service was to cluster councils and provide the new regime via a shared service.

The proposed model for service delivery is to cluster councils on a geographical basis, the cluster leads being those areas with the largest number of HMOs, Belfast, Causeway Coast and Glens, and Derry City and Strabane. See Appendix 1.

It is accepted by the Regional Board that the Cluster leads will need to provide support to each other in order to ensure the effectiveness and provision of a fit-for-purpose service. This will require providing support across each other's respective cluster areas.

Members should be aware of the following emerging factors in the current programme.

Fee setting process

Members are reminded that the new regulatory regime comes with a number of additional powers and the financial modelling included in the economic appraisal forecast an uplift in fees will most likely be required to allow for full cost recovery. Derry City & Strabane District Council are in the process of appointing a consultant to undertake the next step in the fee setting process. The cost of the consultant will be funded by the DfC as a transition cost.

Date of transfer

The date for transfer of functions will be 31 March 2019. This date was considered appropriate given the amount of work that was required, especially regarding the fee setting process and the procurement processes, prior to the transfer. Decisions on the proposals outlined in this paper are critical if Councils are to be in a state of readiness at the point of transfer.

Transferring staff

Whilst it is not a strict transfer of the existing registration scheme or function to councils by way of a Transfer of Functions Order, advice obtained from the Department for Communities Personnel Department confirms that TUPE transfer arrangements remain as there is a change in control of the regulatory HMO function that was provided by the Housing Executive and is now being taken over by councils.

The Committee should also be aware that the NIHE currently employ 14 staff to manage the current HMO function. It is suggested that Belfast City Council should become the employing authority for all the currently employed NIHE staff, including those currently based in Coleraine. Arrangements for office accommodation and staffing will be brought to a future meeting.

The specific details of the responsibilities of the councils across the region will be outlined and covered by an agreed SLA. The costs for staffing will be covered from fee income.

ICT

A new ICT system will be required to support the transferring HMO function. The current system does not provide a public interface, provides limited ability to make online payments and applications, and does not provide for mobile working for technical officers undertaking site visits and inspections.

Belfast City Council will shortly undertake to procure new ICT systems required for the new scheme. To underpin this work, a collaboration agreement between Belfast City Council and the 10 other councils will be required. A non-disclosure agreement will also be required for the duration of the procurement process. This will provide detail on how Belfast City Council will carry out this process on behalf of the other councils.

The purchase of new ICT systems will be funded by the DfC. A letter of assurance regarding the estimated costs has been received from DfC.

Financial & Resource Implications

It is anticipated that procurement costs for the consultant and for the new ICT System will be paid for as transition costs by the DfC. It is essential that the scheme will be cost neutral to the councils and that all costs will be covered by fee income.

Equality or Good Relations Implications

There are no relevant equality considerations associated with the delivery of the new function.

Appendix 1

Cluster/Council Areas

Cluster Area 1

Belfast City Council (nominated lead Council)

Cluster Area 2

Causeway Coasts and Glens Borough Council (sub-regional lead Council)

Mid and East Antrim Borough Council

Antrim and Newtownabbey Borough Council

Lisburn and Castlereagh City Council

Ards and North Down Borough Council

Cluster Area 3

Derry and Strabane district council (sub-regional lead Council)

Fermanagh and Omagh District Council

Mid Ulster District council

Newry Mourne and Down District Council

Armagh Banbridge and Craigavon Borough Council

Recommendation

It is recommended that Causeway Coast and Glens Borough Council note the update information regarding the Houses of Multiple Occupation function and the current status of the programme of transfer, and to endorse the approach as recommended by SOLACE with respect to the determination of fees process, the transference of staff and the procurement of a suitable ICT system.