



House in Multiple Occupation (HMO) Licensing

A Glossary of Terms

This document seeks to explain some of the words used in the Application Form for a Mandatory House in Multiple Occupation (HMO) Licence. It is important that you read this glossary as it explains words that have a particular meaning in the Mandatory HMO Licensing Application Form. The glossary also contains words that you might not be sure of and want some further explanation or clarification. Please note that these words might have slightly different meanings elsewhere.

Important Words and Phrases	Definition
<p>Applicant</p>	<p>Whilst anyone can apply for a property licence, the Council has a duty to grant a licence to the most appropriate person. The most appropriate individual to apply for a licence will be the person that is in control of the property, and would be responsible for matters such as: letting, rent collection, accessing the property, repairs and maintenance. The Council will emphasise the importance that the licence holder is the person who has authority to ensure that licence conditions are complied with.</p> <p>The Council has a duty to grant a licence to the most appropriate person and for this purpose the applicant and proposed licence holder must be named individuals and not a company name. Should a company apply for a licence, they will need to appoint an individual within that company.</p> <p>The applicant signs the declaration at the end of the form and is responsible for the details given.</p>
<p>Licence Holder</p>	<p>Means a person entitled to apply for, or has been awarded, a licence in respect of the HMO. The proposed Licence Holder needs to be the person who can authorise, organize and pay for essential repairs.</p> <ul style="list-style-type: none"> • They must also be available for tenants to contact in case of problems that may arise with respect to the property, and they must have the means to resolve them. The proposed Licence Holder will often be the landlord, but it could be a manager to whom the rent is paid, and who has authority from the owner to effectively manage the property. • Overall, it is the person in control of the property. • A proposed Licence Holder may appoint an agent to control the property and to hold the licence if they are not considered to be a fit and proper person. • This proposed Licence Holder should also be able to authorise and pay for works or repairs, as they will be liable for any breaches of the licence. Organisations that are landlords must nominate an appropriate person to be the Licence Holder. This person will be responsible for ensuring that there are no breaches of the licence.
<p>Manager</p>	<p>A person or a company appointed by the landlord expressly for the purposes of managing the house. The manager may be an employee of the landlord.</p> <p>If no separate manager is appointed the landlord will also be the manager. The manager will act under the instructions of the landlord and will have powers and</p>

	<p>duties given to him by the landlord.</p> <p>The manager must have, at least, the following powers:</p> <p>a) to let to tenants and terminate tenancies in accordance with the law;</p> <p>b) to access all parts of the premises to the same extent as the landlord; and</p> <p>c) be authorised to approve expenditure of up to 25% of the yearly rental income of the property for necessary repairs etc. (note that the manager is not expected to authorise such expenditure but that he or she has the authority to do so if there is a reasonable need).</p> <p>The manager must be able to travel to the property within a reasonable time unless there are arrangements in place to cover every eventuality which might otherwise demand his or her presence.</p>
Agent	Means someone appointed by the landlord to carry out some or all of the duties on behalf of the landlord. This may be a professional property manager, associate or relation of the landlord. The agent may or may not be paid by the landlord.
Freeholder	Means the same as owner i.e. the person entitled to sell the property.
Landlord	Means the person who has the legal right to let and terminate tenancies in the house. This may be by virtue of being the freeholder, being a leaseholder with rights to let, or as the result of some form of agreement with the freeholder.
Owner	Means the person entitled to sell the property.
Authorise Expenditure	Means having the power to agree that money can be spent on items, work, materials etc. reasonably necessary for the proper management of the property without having to seek approval from a superior landlord, owner or any other person. That is not to say that approval from some other person should not be sought if it does not cause undue delay having regard to level of the expenditure and the urgency of the requirement.
Basic Disclosure and Barring Service Declaration (BDS)	<p>These are available for all types of employment, voluntary positions or other purposes not covered by the higher-level disclosures. This level of disclosure contains details of convictions considered 'unspent' under the Rehabilitation of Offenders Act (ROA) 1974 and held on the Police National Computer. The basic disclosure is applied for, and issued to, the individual concerned.</p> <p>Information about criminal records will be used as part of the process of determining an applicants' suitability to be the proposed Licence Holder or proposed Manager of a HMO. The council will also take other details and information into account. Therefore it will not necessarily be the case that a licence will be refused if a criminal record is declared.</p>
Building Regulations Approval	A document issued by the Local Authority which, following the submission of plans and/or specifications indicates that any work to be done in the property which requires Building Regulation Approval has been assessed by the Local Authority and approval given to the works proceeding.
Building Regulations Completion Certificate	A certificate issued by the Local Authority which indicates that specified building work carried out in the building has been completed to a standard which complied with the Building Regulations in force at the time the work was done.
Companies House Registration Number	Is a number given to companies and limited liability partnerships when they register at Companies House. It is normally an eight digit number such as 01234567 but the first digits may be replaced with letters for a number of reasons such as region of registration.
Company - Limited Company	If you form a limited company, its finances are separate from your personal finances, but there are more reporting and management responsibilities.
Company - Public Limited Company	A company whose shares may be freely sold and traded to the public.
Company - Sole Trader	A person who sets up and owns their own business. They may decide to employ other people but they are the only owner.
Competent Person	Means:

	<p>1) In respect of Gas Safety inspections, a person with the appropriate qualification. Note that simply being 'Gas Safe' registered is not sufficient qualification in itself as within the 'Gas Safe' registration process there are competencies to carry out and inspect various aspects of gas installation and equipment. Landlords should ensure that the inspection is carried out by a person qualified to inspect the types of equipment installed in the house.</p> <p>2) In respect of Electrical Safety inspections, a person should be qualified to at least City and Guilds 2391-10 or 2392-10. Preferably, persons should be registered under Part P of the Building Regulations.</p>
Contravention	A contravention is to act contrary to the law for example by not complying with the Licence conditions or Management Regulations.
Conviction	A conviction is what follows a guilty verdict.
Create a Tenancy	Means to let a property (or part of a property) to a tenant under the terms of an agreement without further reference to a superior landlord.
Declaration	The act of declaring that all interested parties have been notified and that the form has been completed correctly to the best of your knowledge.
Electrical Installation Condition Report (EICR)	Means a certificate completed and signed by a competent person indicating the state of the electrical installations, electrical switchgear and accessories. Please note that a visual inspection only is not sufficient and if works are listed on the certificate these may need to be rectified and the report updated before the licence is issued.
Emergency Lighting	A system of battery powered lights complying with British Standard (BS) 5266 part 1 or equivalent where the battery is continuously trickle charged from the mains supply. The lights are located on the fire escape route and are designed to operate if the primary lighting sub-circuit fails.
Fire Detection & Warning System	<p>Is a system of smoke and/or heat detectors and sounders properly designed and installed to comply with one of the following British Standards:</p> <p>BS 5839 Part 1 (panel system, call points and sounders) BS 5839 Part 6 (interlinked mains detection)</p>
Fire Escape (Route)	Escape route means a route (including stair cases) by which occupants may reach a place of safety if there is a fire in the property. These need to be kept clear at all times and should be protected from fire and smoke. If the external door leads to an enclosed space there needs to be at least 7m distance between the building and the furthest part of the external space.
Fire Risk Assessment	Means an analysis of the HMO to consider whether there are adequate means of escape and other fire precautions. The analysis should consider management of the fire precautions, not merely confirming their existence. Consideration is also required to ensure that the occupants are familiar with the fire precautions and evacuation procedures.
Fire Safety Criteria	<p>In respect of upholstered furniture means that the covering material must be match and cigarette resistant and the foam filling material must have been specially modified to make it burn less quickly.</p> <p>The type of furniture most likely to be subject to this requirement includes settees, armchairs, dining chairs, bed bases, mattresses, headboards, sofa beds, pillows and loose covers intended for use with upholstered furniture.</p> <p>Furniture which complies with this requirement should have a sewn-on label indicating compliance with the Furniture and Furnishings (Fire) (Safety) Regulations 1988. Mattresses and bed bases will not normally have such a label but instead should have a blue label indicating compliance with BS 7177:1991.</p> <p>All shops and wholesalers have been under a duty since 1990 to ensure that any furniture they supply is fully compliant. Any furniture you have purchased since 1990 should therefore be satisfactory but you are advised to check this carefully,</p>

	particularly if the furniture is second hand.
Fire Safety - The Regulatory Reform (Fire Safety) Order 2005 (FSO)	Places a duty on the responsible person to take general fire precautions to ensure, as far as is reasonably practicable, the safety of the people on the premises and in the immediate vicinity. LACORS guidance is recognised as the accepted standard to ensure compliance with the landlord's obligations in relation to fire safety in HMOs.
Fit and Proper Person	<p>When a landlord or proposed Manager makes an application to license a HMO, we are required to carry out checks to make sure that the proposed Licence Holder, and any other person involved in the management of the property, is a suitable person to carry out such duties in accordance with criteria laid out in the Housing Act 2004.</p> <p>In deciding whether someone is 'fit and proper', the Council must take into account:</p> <ul style="list-style-type: none"> • any previous convictions relating to violence, sexual offences, drugs and fraud • whether the proposed Licence Holder has broken any laws relating to housing or landlord and tenant issues • whether the person has been found guilty of unlawful discrimination • whether the person has previously managed HMOs that have broken any approved code of practice <p>In most cases, the declaration signed in Part 1 for the proposed Licence Holder or Part 5 for the proposed Manager, will be accepted as being sufficient for establishing that the proposed Licence Holder or proposed Manager (if different) are fit and proper persons.</p> <p>If, however, the property to be licensed accommodates vulnerable persons, then supporting information will usually be required. This type of property is classified as supported accommodation, where additional services are required that are appropriate to the needs of the residents. In such cases, the proposed Licence Holder and proposed Manager will be required to provide a Basic Disclosure and Barring Service Declaration.</p>
Flats	Would normally be considered to be units of accommodation divided horizontally and containing a kitchen, bathroom and WC for exclusive use of the occupier. To be self-contained all facilities must be located behind the entrance door to the flat.
Freehold	Means the same as owner i.e. the person entitled to sell the property.
Furniture & Furnishings (Fire)(Safety) Regulations 1988	Require that soft furnishings provided by the landlord are fire resistant. Such items all have permanent labels attached indicating compliance.
Gas Supply	Means a supply of piped gas to the house be it from a utility company or from a local liquefied petroleum gas storage vessel.
House in Multiple Occupation (HMO)	<p>Means House in Multiple Occupation. A HMO is a building, or part of a building (such as a flat) that:</p> <ul style="list-style-type: none"> • is occupied by 3 or more people living in 2 or more households and share/lack an amenity such as a bathroom, toilet or cooking facilities, or • is occupied by 3 or more people living in 2 or more households and which is a converted building - but not entirely self-contained flats (whether or not some amenities are shared or lacking), or • is converted into self-contained flats, but does not meet as a minimum standard the requirements of the 1991 Building Regulation, and at least one third of the flats are occupied under short tenancies.

	<p>The building also has to be occupied by more than one household:</p> <ul style="list-style-type: none"> • as their only or main residence or as a refuge for people escaping domestic violence or • by students during term time or for other purposes prescribed by the government.
Habitable Room	Means a room intended to be used for living or sleeping purposes. Kitchens and bathrooms should be excluded.
Household	<p>Means:</p> <ul style="list-style-type: none"> • a family - that is, having a blood tie, • a single person, • couples including same sex couples. <p>For example, a house occupied by the following people would contain four households:</p> <ul style="list-style-type: none"> • Mr & Mrs George, their two children and Mrs George's mother • Brian Smith, a single person • Sophie Lawson & Wendy Patterson, a same-sex couple • Brian Wilson & Alison Randall, an unmarried couple <p>A house containing five single but unrelated people would contain five households.</p> <p>This would be the case irrespective of whether those people were under a single tenancy agreement. In most circumstances, people who are resident because of adoption, fostering, caring or employed as domestic staff will not increase the number of households and can be treated like family members.</p>
Landlord	Means the person who has the legal right to let the property, and to create and terminate tenancies in the house. This could be by virtue of being the freeholder, being a leaseholder with rights to let, or as the result of some form of agreement with the freeholder. If no Proposed Manager is appointed, then the Landlord will also be the Proposed Manager.
Landlord's Gas Safety Certificate	Means a form completed and signed by a properly qualified and competent person indicating the condition of the gas installation and appliances. The report must cover the whole of the installation and all gas appliances including necessary venting requirements.
Leaseholder	A leaseholder can be a person (or persons) or a company who owns a lease on the property which gives them the right to occupation and use of the property for the term of the lease.
Let	To award a tenancy to a tenant under the terms of an agreement without further reference to a superior landlord.
Letting Units	<p>The number of units of accommodation you offer in the house. The number should be the same as the maximum number of tenancy agreements you might have at any one time.</p> <p>This could be different to the number of tenants as some units could be occupied by more than one person.</p>
Licence Holder	<p>A person entitled to apply for, or who has been awarded a licence in respect of the HMO. The licence holder needs to be the person who can authorise, organise and pay for essential repairs.</p> <p>They must be reasonably available for tenants to contact them in case of problems with respect to the property and they must have the means to resolve any problems that occur.</p> <p>The proposed licence holder will often be the landlord, although it could be a</p>

	<p>manager to whom the rent is paid and who has authority from the owner to effectively manage the property. Overall it is the person in control of the property. A landlord may decide to appoint an agent to control the property and hold the licence if they are not considered to be a fit and proper person themselves.</p> <p>Landlords that are organisations must nominate an appropriate named person to be the licence holder. This person will be responsible for ensuring that there are no breaches of the licence.</p> <p>The Licence holder will be responsible for all legal obligations associated with the licence and letting of the property.</p>
Living Accommodation	Means rooms in the house which are used for everyday living activities. Living accommodation is all rooms except kitchens, bathrooms, uninhabitable rooms, hallways, landings, stairwells, passages and cupboards. It includes Living Rooms, Dining Rooms, Studies, Games Rooms and Sports Rooms. Where a room has a dual function in that it is used as a bedroom and living room, it should be classed as sleeping accommodation.
Management Order	Where a local authority has made an application to the Residential Property Tribunal (RPT) for a Management Order on the property under Part 4 of the Housing Act 2004. Management Orders are to last for a fixed period of time to protect occupiers and others from risk to their health, safety or welfare. The effect of the order is to allow the local authority to possess and take over the entire management of the property.
Minimum Energy Efficiency Standards (MEES)	The prescribed minimum EPC band (band E) allowed under the Regulations for domestic private rented property which is let (including renewal) from 1 April 2018, or which continues to be let from 1 April 2020, subject to any qualifying exemptions.
Mortgage	Means a loan given by a lender under an agreement which is secured on the property. That is to say that the lender would be entitled to take possession of the house and sell it if the repayments of the loan are not kept up.
Mortgagee	Means the person or financial institution who has granted a loan secured upon the property.
Mortgage Lender	Means the person, company or institution to whom loan repayments are made and would be entitled to take possession of the house if loan repayments are not kept up.
Mortgagor	Is the person who borrows money from the mortgagee, and where the loan is secured on the property.
National Insurance Number	Is a number given to all UK citizens when they reach working age and is used to identify people for a number of purposes by the government. It takes the general form AB 12 34 56 C. that is, two letters, six digits and a further letter. It can be found in most documentation relating to benefits, pensions and national insurance.
Owner	Means the person entitled to sell the property.
Person or Persons	In respect of the number of people occupying the HMO means persons of all ages including newly born children.
Planning Consent	Means a document issued by the Local Authority which, following the submission of plans and / or specifications and / or information indicates that the building complies, or will comply, with the relevant planning criteria.
Planning Permission	<p>If you are purchasing a property to run as a House in Multiple Occupation (HMO), you may need Planning Permission from Daventry District Council Planning Department. HMO licensing legislation is independent of planning legislation, and the granting of a HMO Licence, or the acceptance of a licence application, should not be interpreted as any form of planning permission being granted.</p> <p>If you are already operating a HMO, you may need to apply for a 'Certificate of Lawful Use'.</p>

	As a landlord or person having control of a property, it is your responsibility to seek the relevant permission for any works or alterations that you propose to undertake to the property.
Proposed Manager	<p>Means a person, or company, appointed by the landlord expressly for the purpose of managing the house. The proposed Manager could be an employee of the landlord. If no separate Manager is appointed, the landlord will also be the Manager. The proposed Manager will act under the instructions of the landlord and will have powers and duties given to him / her by the landlord. The proposed Manager must have the following powers:</p> <ul style="list-style-type: none"> • to let to tenants, and terminate tenancies in accordance with the law • to access all parts of the premises to the same extent as the landlord • be authorised to approve expenditure of up to 25% of the yearly rental income of the property for necessary repairs. <p>The proposed Manager must be able to travel to the property within a reasonable time. Unless there are other arrangements in place to cover every eventuality that may otherwise demand his or her presence.</p>
Rent Collector	The person who collects the rent from the occupants.
Resident Landlord	A landlord who lives continuously in the same building (or in another dwelling which forms part of the same building) as his tenant(s), unless the two dwellings are contained in a purpose-built block of flats.
Sleeping Accommodation	Rooms within the house in which a bed or beds or other furniture for sleeping are provided (see also Living Accommodation).
Storeys	The number of floors, including basement floors, in the building which are capable in whole or part of being used for the purposes of habitation. Storeys used wholly for commercial purposes at or above ground level should also be counted. Note that this definition relates only to how storeys are counted for determining if the HMO is licensable. Storeys could be counted differently for the purpose of determining the type of fire precautions required.
Superior Landlord	The person or company for the time being who owns the interest in the property which gives him the right to possession of the premises at the end of the Landlord's lease of the property.
Tenancy	A contract between a landlord and a tenant that allows the tenant to live in a property as long as they pay rent and follow stipulated rules.
Tenant	A person who rents and occupies land, a house, an office or the like from another for a period of time.
Terminate Tenancy	Means to follow the steps allowed by law to bring a tenancy to an end.
Type of Letting	<p>Means the contractual arrangements for occupation:</p> <ul style="list-style-type: none"> • Bedsits would normally be let on separate agreements and tenants would have exclusive occupation of their particular room. There may still be a common sitting room. • Shared houses and flats are normally let on a single agreement and tenants have joint and several liability for the entire property. • Lodging Houses are those in which the owner also lives in the property with other non-related persons. • Hostels/Bed and Breakfast HMOs are normally for persons who would otherwise be homeless and there would normally be a degree of supervision and catering provided. • Student halls of residence are purpose built blocks of flats designed specifically for persons in full time education.

If you find this booklet difficult to read, we may be able to supply it in a format better suited to your needs.

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