



# HMO Licensing

## A Glossary of Terms

# Introduction

This document seeks to explain some of the words used in the application forms. It is important that you read the first part of the glossary (Important Words & Phrases) as this explains words that have a particular meaning in the HMO Licensing Application Forms.

The remainder of the glossary contains words that you might not be sure of and want some further explanation or clarification. Words which appear in bold in this glossary can be identified throughout the applications forms. Please note that these words might have slightly different meanings elsewhere.

## Important Words & Phrases

**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**.

**Manager** means a person, or company appointed by the **landlord** expressly for the purpose of managing the house. The **manager** may be an employee of the landlord. 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 duties given to him by the **landlord**. The **manager** must have, at least, the following powers:

- a) to let to tenants and terminate tenancies in accordance with the law;
- b) to access all parts of the premises to the same extent as the landlord; and
- 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)

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.

**Owner** means the person entitled to sell the property

## Other Words & Phrases

**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.

**Building Regulations Approval** means 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** means 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.

**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.

**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.

## **Competent Person** means:

- 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.
- 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.

Fire Detection & Warning System means a system of smoke and/or heat detectors and sounders properly designed and installed to comply with one of the following British Standards:

- BS 5839 Part 1 (panel system, call points and sounders)
- BS 5839 Part 6 (interlinked mains detection)

**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.

**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.

**Furniture & Furnishings (Fire) (Safety) Regulations 1988 as amended** 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.

**HMO** means House in Multiple Occupation. An HMO is a building, or part of a building (such as a flat) that:

- 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 (Section 257 HMO).

The building also has to be occupied by more than one household:

- 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** means:

- a family - that is, having a blood tie,
- a single person,
- couples including same sex couples.

For example a house occupied by the following people would contain four households:

- Mr & Mrs Smith, their two children and Mrs Smith's mother
- Robert Butler, a single person
- Erica Riley & Florence Pemberton, a same-sex couple
- John Denton & Julie Thompson, an unmarried couple

A house containing five single but unrelated people would contain five households. 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.

**Let** means to award a tenancy to a tenant under the terms of an agreement without further reference to a superior landlord.

**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.

**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.

**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.

**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.

**Person or Persons** in respect of the number of people occupying the **HMO** means persons of all ages including newly born children.

**Terminate tenancy** means to follow the steps allowed by law to bring a tenancy to an end.

**Type of Letting** means the contractual arrangements for occupation. 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 & 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 the text in this booklet difficult to read we may be able supply it in a format better suited to your needs.

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