

## **REGULATORY APPRAISAL**

### **HOUSING, WALES**

#### **THE HOUSING (APPROVAL OF CODES OF MANAGEMENT PRACTICE) (STUDENT ACCOMMODATION) (WALES) ORDER 2006**

##### **Purpose and intended effect of the measure**

1. The Order approves three non-statutory codes of practice laying down standards of conduct and practice to be followed with regard to the management of houses in multiple occupation (HMO) and other buildings that are occupied solely or principally by full-time students. The other buildings are buildings that are not HMOs as defined under the Housing Act 2004.
2. The other buildings mentioned are those falling within paragraph 4 of Schedule 14 to the Housing Act 2004 (which provides for a description of building occupied by students, which is not a HMO for the purposes of that Act). In the case of these buildings, students who occupy them must do so for the purpose of undertaking full-time education courses at specified educational establishments namely, University halls of residence and accommodation for students provided by the commercial sector. The Houses in Multiple Occupation (Specified Educational Establishments) (Wales) Regulations 2006 are proposed to be made at the same time as this Order, they specify educational establishments for the purpose of paragraph 4 of Schedule 14.
3. The codes mentioned in article 2(a) and (b) of the Order relate to the management by educational establishments of buildings that are managed and controlled by the educational establishments providing the course. The third code mentioned in article 2(c) relates to the management by educational establishments of buildings that the establishments may own but in respect of which they do not have full responsibility or control. Each code lists in their respective schedules the buildings that are managed in conformity with their code.
4. The codes of relevance to this Order are:
  - The Universities UK/SCOP Code of Practice for the Management of Student Housing (Wales);
  - Code of Standards for Larger Developments (Wales) for student accommodation in Wales managed and controlled by educational establishments; and
  - Code of Standards for Larger Developments (Wales) for student accommodation in Wales not managed and controlled by educational establishments.

5. This Order forms part of a package of legislation, which all come into force in early July 2006.

### **Risk Assessment**

6. This Order provides a safeguard for full-time students living in various types of student accommodation. The Order will help to ensure that student accommodation is managed to an acceptable level and that the accommodation conforms to an acceptable standard whether owned/managed by educational establishments or commercial providers. If this order is not brought into force then there will be direct implications for full-time students, local housing authorities and the voluntary sector in that students will be living in accommodation that is not regulated in terms of management or property condition. This may consequently involve appeals to local authorities and such voluntary organisations as the Citizen's Advice Bureau. The Order was introduced in England on 6 April 2006.

### **Options**

#### Option 1: Do Nothing

7. If this Order is not made the specified buildings would be subject to HMO licensing and there would be direct implications for students in full-time education as they will be living in halls of residence that are not regulated in terms of management and standards and Universities who manage student accommodation would have to be licensed under the HMO licensing arrangements. It would also leave Wales at variance with England, because an equivalent Statutory Instrument was introduced in England on 6 April 2006.

#### Option 2: Make the Legislation

8. The implementation of this Order would benefit students in full-time education as they will live in accommodation that is appropriately managed, is of a required standard and will be in keeping with a national code of practice. Educational establishments will benefit as they will not be subject to HMO licensing for the accommodation they manage as long as they sign up to a code of practice and abide by its principles. It will also fulfil a statutory commitment of the Housing Act 2004.

### **Benefits**

9. The purpose of developing these codes of practice is to reduce the regulatory impact of licensing on larger student accommodation. By complying with a code of practice the student accommodation of colleges of further education may be excepted/exempted from the HMO definition for the purposes of licensing. For commercial undertakings that comply with a code of practice there is the prospect of lower costs and less direct regulation under licensing.
10. Students in full-time education will benefit from the introduction of this Order as their health and safety in their homes will continue to be safeguarded. The authors of the codes, which higher education establishments sign up to, have as a key statement of principle 'the setting, maintenance and raising of management standards (in relation to student accommodation) well above those required by both the current legislation and the Housing Act 2004,

particularly as regards good management practice in the areas of customer care and health and safety'. There will, therefore, be a very strong onus on the approved authors and accreditation bodies to ensure that the key principles applying to duty of care for their clients (i.e. students) in the accommodation that falls under the former's management or control are fulfilled.

## **Costs**

11. The impact on the public sector of complying with the codes of practice has been estimated to be £5 million for England and Wales as a whole. In England the costs of accreditation for university maintained properties covering 300,000 bed spaces have been estimated at £210,000. In respect of privately maintained properties that are accredited but subject to licensing it is estimated to be a little over £1 million. In Wales the costs would be appreciably less given that 10 Welsh higher education establishments have signed up to the codes compared with 155 in England on which the costs are based. On this basis the impact of complying with the codes of practice in Wales could be estimated to be £300,000.
12. There are no significant costs associated with making these Regulations as they merely list educational establishments that provide accommodation for full-time students.
13. The only direct costs involved with making the legislation will be in connection with supplying copies of the Order to local authorities and Universities. These will be met out of existing budgets held by the Assembly Government's Housing Directorate. Potential savings relate to the fact that Universities will not have to pay HMO licensing fees if they sign up to one of the codes. These savings cannot be quantified.

## **Consultation**

### With Stakeholders

14. Consultation on the policy behind this Order took place from 9 September 2005 to 2 December 2005 following Royal Assent of the Housing Act 2004 in November 2004. Consequently formal consultation on this Order itself was not considered necessary. A list of consultees is attached at Annex A. One response was received to the consultation from North Wales Fire Service which was supportive. The Order has not been changed as a result of the consultation process.

### With Subject Committee

15. The Social Justice and Regeneration Committee was first notified of these Regulations on the list of forthcoming legislation on 12 January 2006 (SJR(2) 01-06, p.4, Annex 1, page 4). The Order has remained on the list ever since. However, at that time the title of the legislation was, Regulations Covering Approved Codes of Practice for Certain Student Accommodation. The Regulations were re-notified to the SJ&R Committee, via the list of forthcoming legislation on 3 May 2006 (Paper SJR(2)-07-06 (p.4) Annex 1). The Regulations have not been identified for detailed scrutiny. The legislation was

debated in Plenary on 18 January 2005. Progress on the provisions of the Housing Act is regularly reported to the Subject Committee.

**Review**

16. This Order is linked to other Regulations and Orders covering HMO licensing that are an important feature of the Housing Act 2004. It will be reviewed in three years time in the light of experience. The Assembly Government's Housing Directorate will carry out the review.

**Summary**

17. The Order, when implemented will provide codes of management practice that will help to ensure that accommodation for students is of an acceptable standard. The Order puts in place non-statutory codes of practice laying down standards of conduct and practice to be followed with regard to the management of HMOs and other buildings that are occupied by full-time students.

## **Annex A**

### **CODES OF PRACTICE FOR STUDENT ACCOMMODATION: CONSULTATION ON APPROVING CODES UNDER SECTION 233 OF THE HOUSING ACT 2004**

#### **List of Consultees**

Accreditation Network UK (ANUK).  
Association for Student Residential Accommodation (ASRA)  
Association of Managers of Student Services (AMOSSHE)  
Association of Residential Letting Agents (ARLA)  
Association of Residential Managing Agents (ARMA)  
Association of Tenancy Relations Officers (ATRO)  
Association of University Chief Security Officers (AUCSO)  
Association of University Directors of Estates (AUDE)  
Association of University Heads of Administration (AUHA)  
British Property Federation (BPF)  
Chartered Institute of Environmental Health Officers (CIEH)  
Citizens Advice  
Conference of University Business Officers (CUBO)  
HMO Network  
Law Commission  
National Union of Students (NUS)  
National Federation of Residential Landlords (NFRL)  
National Landlords Association (NLA)  
Opal Limited  
Prime Living Group plc  
Residential Landlords Association (RLA)  
Standing Conference of Principals (SCOP)  
Unipol Student Homes  
Unite plc  
Universities UK  
University Partnerships Programme (UPP)  
University Safety and Health Association (USHA)  
Wales: Higher Education Wales\*  
Wales: Society of Directors of Public Protection in Wales\*  
Wales: NUS (Wales)\*  
Wales: National Assembly for Wales\*  
Wales: Association of Managers of Student Services Wales\*  
Wales: Higher Education Liaison Officers Association\*  
Wales: National Association of Student Money Advisers\*  
Welsh Local Government Association\*.

\*Consulted directly by the Welsh Assembly Government.

The remaining bodies which have a GB/UK remit were consulted by ODPM.