EXPLANATORY MEMORANDUM TO

THE STUDENT ACCOMMODATION (CODES OF MANAGEMENT PRACTICE AND SPECIFIED EDUCATIONAL ESTABLISHMENTS) (ENGLAND) (AMENDMENT) REGULATIONS 2025

2025 No. 431

1. Introduction

1.1 This explanatory memorandum has been prepared by the Ministry of Housing, Communities and Local Government and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 Matthew Pennycook, Minister of State for Housing and Planning at the Ministry of Housing, Communities and Local Government confirms that this Explanatory Memorandum meets the required standard.

2.2 Guy Horsington, Deputy Director for the Private Rented Sector, at the Ministry of Housing, Communities and Local Government confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Amy Barnett at the Ministry of Housing, Communities and Local Government (phone: 0303 444 3699, email: NonTraditionalTenures@communities.gov.uk) can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument approves a new code of practice relating to the management of student accommodation, the Universities UK/GuildHE Code of Practice for the Management of Student Housing dated 11 March 2025, and revokes approval of the predecessor to that code.

4.2 The instrument also consolidates, updates and simplifies provisions specifying educational establishments that are exempt from houses in multiple occupation ("HMO") licensing in relation to student accommodation provided by them.

Where does the legislation extend to, and apply?

4.3 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales.

4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England only.

5. Policy Context

What is being done and why?

5.1 The Housing Act 2004 ("the 2004 Act") introduced a licensing regime for HMO to raise the standards of management of such properties. It also gave the Secretary of State power to approve codes of practice regarding the management of HMOs or excepted accommodation, again with a view to raising the standards of management of such properties. Excepted accommodation is accommodation that would be a licensable HMO if it were not covered by an exception in Schedule 14 to the 2004 Act.

5.2 The Secretary of State takes the view that maintaining standards in purpose-built student accommodation ("PBSA") is more easily achieved through compliance with codes of practice designed specifically for such accommodation, rather than requiring local housing authorities to license them. In light of this, the Secretary of State is specifying, for the purposes of paragraph 4 of Schedule 14 (student accommodation) to the 2004 Act, those educational establishments who are currently members of an approved code. The effect of this is that accommodation provided by the specified establishments listed in the Schedule to this Instrument will be excepted from HMO licensing requirements. This will reduce regulatory burden on local authorities who would otherwise have had to carry out inspections of those student properties for the purpose of HMO licensing, while ensuring that accountability and high standards are maintained.

5.3 The first two codes of practice for purpose built student accommodation managed by specified educational establishments were approved in 2006. One of the codes was developed by a consortium made up of Accreditation Network UK (ANUK), the National Union of Students (NUS) and Unipol. The other code was developed by Universities UK (UUK) and GuildHE and is administered by College and University Business Officers (CUBO).

5.4 Since 2006 the Universities UK/GuildHE Code of Practice for the Management of Student Housing ('the UUK/GuildHE Code'), has been revised and a new version was approved in 2019 (S.I. 2019/884). Following a governance review and feedback from members, UUK/GuildHE recognised that parts of the 2019 UUK/GuildHE Code required significant development to bring it in line with current practice standards and legislation and also make it consistent with the ANUK/Unipol Code. Those areas included sustainability and environmental impact, wellbeing, training and development. In 2022, UUK/GuildHE and CUBO commenced a period of extensive consultation with UUK/GuildHE Code members and other stakeholders. Details of the consultation undertaken in relation to the revised UUK/GuildHE Code approved by these Regulations are given in section 7 below.

What was the previous policy, how is this different?

5.5 This Instrument approves the newly revised Universities UK/GuildHE Code of Practice for the Management of Student Accommodation. The revised UUK/GuildHE Code introduces new requirements and standards for members to remain in compliance with the UUK/GuildHE Code. It also strengthens the administration and governance processes to be followed by the administrators of the UUK/GuildHE Code.

5.6 This Instrument also specifies a list of educational establishments that are exempt from HMO licensing, in relation to accommodation provided by them to their full-time students. The establishments specified, by virtue of their membership of an

approved code of practice, have committed to managing their student accommodation in conformity with that code and its governance body has assessed that they are indeed doing so.

5.7 Where an educational establishment is not specified in this instrument, they will be subject to HMO licensing.

6. Legislative and Legal Context

How has the law changed?

6.1 The 2004 Act introduced a licensing regime for HMOs to raise the standards of management of such properties. HMOs are defined in section 254 of the Act. In broad terms, they are buildings (or parts of buildings) occupied as a sole or main residence by more than two persons who do not form a single household. The precise conditions for a building or part of a building to qualify as a HMO are set out in subsections (1) to (5) of section 254. Under Part 2 of the Act, HMOs are subject to a licensing regime overseen by local housing authorities.

6.2 Schedule 14 of the 2004 Act details types of buildings that are excepted from HMO licensing ("excepted accommodation"). Paragraph 4 of that Schedule covers any building occupied by persons for the purpose of undertaking full-time further or higher education courses at specified educational establishments, where the person managing or having control of that building is the educational establishment in question or a specified person or a person of a specified description. This instrument revokes, consolidates and simplifies previous provisions specifying educational establishments for that purpose.

6.3 Under Section 233(1) of the 2004 Act, the "appropriate national authority" (for England, the Secretary of State) may by order approve a code of practice (whether prepared by that authority or another person) laying down standards of conduct and practice to be followed with regard to the management of HMOs or of excepted accommodation.

6.4 The Student Accommodation (Codes of Management Practice and Specified Educational Establishments) (England) Regulations 2024 (S.I. 2024/947) ("2024 Regulations") consolidated provision made under various section 233 Orders and approved a new code. It also amended provision related to specified educational establishments in the Houses in Multiple Occupation (Specified Educational Establishments) (England) Regulations 2019 (S.I. 2019/904) ("2019 Regulations"). The present instrument amends the 2024 Regulations to approve a new code of management practice and to revoke, consolidate and simplify, in the 2024 Regulations, previous provision specifying educational establishments for the purpose of paragraph 14 of Schedule 4 to the 2004 Act, including the 2019 Regulations.

6.5 By virtue of these Regulations, there are now three codes of practice which are currently approved under section 233 of the 2004 Act in relation to the management of student living accommodation comprised in buildings that fall within paragraph 4 of Schedule 14. These are:

- Universities UK/GuildHE Accommodation Code of Practice for Student Housing dated 11 March 2025 and approved by these regulations;
- ANUK/Unipol Code of Standards for Larger Developments for student accommodation managed and controlled by educational establishments dated 5 September 2024 and approved by the 2024 Regulations; and

- ANUK/Unipol Code of Standards for Larger Developments for Student Accommodation Not Managed and Controlled by Educational Establishments dated 28 February 2022, with approval saved by the 2024 Regulations.

Why was this approach taken to change the law?

6.6 The UUK/GuildHE Code has been updated. Accordingly, the Secretary of State considers it appropriate to approve the new UUK/GuildHE Code. The provision approving the revised UUK/GuildHE Code has been inserted in the 2024 Regulations in order that information about all approved codes is included in the same instrument.

6.7 Since the last instrument specifying educational establishments was made there have been various changes to membership of the Codes, for example new members joining and others ceasing to be members as they no longer provide student accommodation. It is therefore necessary to amend the list of specified educational establishments, and the Secretary of State has taken the opportunity to simplify and consolidate the previous instruments specifying such educational establishments in a single instrument.

7. Consultation

Summary of consultation outcome and methodology

7.1 Under section 233(2) of the 2004 Act, the Secretary of State may only approve a code of practice if she has taken reasonable steps to consult persons involved in the management of premises of the relevant kind and persons occupying such premises, or persons whom the authority considers represent the interests of such persons. Following approval by the UUK/GuildHE Code Governance Board in Spring 2022, work commenced on a program of strategic development for the revision to the UUK/GuildHE Code. The Strategic Advisory Group considered a number of priorities to align with the strategic plan and agreed that a review of the Code was a priority. The Ministry of Housing, Communities and Local Government (MHCLG) discussed the required updates to the UUK/GuildHE Code with UUK/GuildHE and CUBO. It was agreed the detailed consultation process with stakeholders should be led by CUBO as it was more practical and appropriate for them to do this, given their role as UUK/GuildHE Code administrators and the direct relationship they had with universities and students.

7.2 The first phase of the consultation process, which begun in November 2022, was focussed on research and preparatory communications with UUK/GuildHE Code members and stakeholders to ensure maximum engagement. The 17-month consultation period that followed included a literature review, in-depth stakeholder interviews and an online survey, with the following invited to respond:

- UUK/GuildHE Code Governance bodies: Universities UK (UUK), GuildHE, Association of Managers of Student Services in Higher Education (AMOSSHE), Accreditation Network UK (ANUK), Association of Student Residential Accommodation (ASRA), Association of University Directors of Estates (AUDE), Council of Higher Education Internal Auditors (CHEIA), Ministry for Housing, Communities and Local Government (MHCLG), National Union of Students (NUS), University Safety and Health Association (USHA), Local Authority representative, Association of University Engineers (AUE), College and University Business Officers (CUBO), Association of University Chief Security Officers (AUCSO).
- 143 UUK/GuildHE Member Organisations.

7.3 The second phase of the project focused on redrafting the UUK/GuildHE Code based on the information gained from this initial consultation. The work was led by an independent consultant with input from a task force of members, representing both stakeholder associations and the UUK/GuildHE Code Governance bodies to ensure comprehensive incorporation of the consultation feedback. Additional roundtable events were held with UUK/GuildHE Code members and stakeholders, and the penultimate draft shared with them for further review. The final draft underwent legal scrutiny before being approved by UUK/GuildHE and the respective UUK/GuildHE Code Governance and Scrutiny bodies.

7.4 MHCLG monitored progress of the consultation through regular meetings with CUBO and through its membership of the Governance Board. Before approving the revised UUK/GuildHE Code, MHCLG consulted further with UUK/GuildHE as representatives of persons involved in the management of accommodation covered by the revised UUK/GuildHE Code, and with the NUS as representatives of persons occupying such accommodation about the proposal for the Secretary of State to approve the revised UUK/GuildHE Code.

7.5 The review of the UUK/GuildHE Code provided clarity on several areas. This included clarity on administration and governance of the UUK/GuildHE Code, complaints processes and penalties, health and wellbeing policies and procedures, equality and diversity policies and procedure. It also clarified the expectations on UUK/GuildHE Code members where a building is unlikely to be ready for occupation as advertised.

7.6 All UUK/GuildHE Code members were provided with a copy of the final draft to allow them to prepare for implementation. The revised UUK/GuildHE Code will be published on the UUK/GuildHE and CUBO websites with paper copies available on request, in line with the requirements of section 233(3) of the 2004 Act. Those managing student accommodation will be required to provide potential or existing student tenants with information about the existence and operation of the approved revised UUK/GuildHE Code, through the letting and marketing materials and other tenant information.

8. Applicable Guidance

8.1 The Secretary of State does not consider that there is a need for Government Guidance as to the effect of the Regulations. Membership of the UUK/GuildHE Code is voluntary and UUK/GuildHE and CUBO, as the UUK/GuildHE Code administrators, are responsible for ensuring that members of their code have the information necessary to ensure their compliance.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because the specific changes made through the SI have no, or no significant, impacts on businesses, charities and voluntary bodies.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies of approving the revised UUK/GuildHE Code. The additional costs to educational establishments of complying with the additional requirements in the revised

UUK/GuildHE Code will be small. There is also no, or no significant, impact on business, charities or voluntary bodies of consolidating and simplifying the provision specifying educational establishments for the purposes of paragraph 4 of Schedule 14 to the 2004 Act.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no, or no significant, impact on the public sector approving the revised UUK/GuildHE Code or amending the provision specifying educational establishments.

9.5 Complying with an approved code of practice was estimated to be significantly less than £5 million when the codes were first approved in February 2006, and this remains the case.

9.6 The purpose of developing codes of practice is to reduce the regulatory impact of licensing on student accommodation. By agreeing to comply with a code of practice, student accommodation managed by a specified educational establishment (which are all members of one of the approved codes of practice) will be excepted from the HMO definition and therefore will not be subject to mandatory licensing under Part 2 of the 2004 Act. The impact on local authorities who would otherwise have had to carry out inspections of those student properties for the purpose of HMO mandatory licensing, will be significantly reduced.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The Department monitors the work of the UUK/GuildHE through its governance arrangements with the UUK/GuildHE Code administrators CUBO, and its membership of the UUK/GuildHE Code Governance Board. UUK/GuildHE also submits annual reports to the Department on the operation of their code of practice. The legislation will be updated from time to time to reflect changes in the membership of the approved codes of practice.

10.2 The instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, Matthew Pennycook has made the following statement:

10.3 "As the impact on the public sector of complying with an approved code of practice was estimated in 2006 to be significantly less than £5 million, and that still remains the case, carrying out a review would be disproportionate."

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 nor the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").