

Additional HMO Licensing Scheme 2024 - 2029

Fee Structure for HMO Licence Applications.

Licence Fee, Income and Expenditure for Selective Property Licensing.

1. Licensing Fee Structure

Article 13(2) of the EU Services Directive (2006/123/EC) requires that the licence fee paid by the applicant must be reasonable and proportionate to the cost of the authorisation (licensing) procedure and shall not exceed the cost of the authorisation (licensing) procedure. This means that the costs of the proposed licensing schemes must be cost neutral whereby the total licensing fee income does not exceed the expenditure over the five-year duration of the scheme. The licence fees for licence applications were set taking into account all of the Council's costs in administering and carrying out its licensing functions. The proposed fees are underpinned by assumptions about the level of income the fees will generate, based upon the number of properties that we expect to be licensed during the life of the schemes.

2. Licence fees

The fee is levied in two parts.

Part A of the fee is for the application for a licence and covers the costs of processing, administration, and validation of the application. Part B of the fee comprises the running costs of the scheme and exercising our other licensing functions, such as the inspections and Compliance.

Payment of Part A of the fee must be received when the application is made to the Council and, if the licence application is granted, Part B of the fee must be received and cleared before a licence is issued.

If a licence application is submitted with a Part A fee and the application is not fully completed and or the appropriate documents are not provided, then the application will be deemed invalid. In the event that we decide to refuse a licence application on these grounds the property in question will be considered as unlicensed, the Part A fee will be non-refundable.

(NB. Should you be operating an HMO without a licence Enforcement action may be taken against you).

If the Part B payment remains unpaid then the property will be considered as unlicensed. In the event that we decide to refuse a licence application, only the Part A fee will have been paid and will remain unrefunded. (Table 1 below)

(NB. Should you be operating an HMO without a licence Enforcement action may be taken against you).

The fees will be reviewed throughout the scheme and the Council may adjust the fees to reflect changes in costs.

Licences are not transferable. If a person wants to become the new licence holder for a property, they must apply for a new licence and pay a new licence fee. (Table 3 below)

3. Licence Duration.

Licences will be granted for the duration of the scheme (up to five years) unless we have concerns about the management, use, condition, or occupation of the property, in which case we may grant a licence for a shorter period and a new application and fee will have to be paid on its expiry. If we revoke a licence and the property continues to be rented out, a new application will have to be made and a new licence fee paid.

4. Fees for Mandatory HMO property that has more than 5 units.

An additional fee will be charged for Mandatory HMO accommodation that has more than 5 units to reflect the additional resources required to process this type of licence application.

£50 will be added for each additional unit of accommodation at both Part A & Part B of the application process.

5. Accredited Landlords

If you are an **accredited licence holder** under one of the following schemes, you may be entitled to a £50 discount: (see table 2 below)

- London Landlord Accreditation Scheme (LLAS)
- National Residential Landlords Association (NRLA)
- UK Association of Letting Agents (UKALA)

If you are a **member** of one of the following organisations, you may be entitled to a £50 discount:

- Association of Residential Letting Agents (ARLA)
- Royal Institution of Chartered Surveyors (RICS)
- Safeagent

Please Note: This list of accepted schemes and organisations will be kept under review during the life of the scheme.

6. Property EPC rating of C or above

If your property has an EPC rating of C or above (A,B or C), you may be entitled to a £50 discount. (Table 2 below)

7. Fees Discounts and Charges Table.

Table 1. Fee structure

| Fee Type | Part A (Application fee) | Part B | Total Fee |
|---------------------------|-----------------------------|---------|-----------|
| Full HMO Licensing Fee | £588.50 | £706.50 | £1,295.00 |

Table 2 – Discounts

| Discount Type | Discount (£) | Deducted from Part A/B | Total fee |
|---|--------------|---------------------------|-----------|
| Accredited Licence holder | £50.00 | Part B Payment | £656.50 |
| Compliant EPC | £50.00 | Part B Payment | £656.50 |
| Accredited licence holder + compliant EPC | £100.00 | Part B Payment | £606.50 |

Table 3 - Other Fees and Charges.

| Variation | Outcome |
|---|--|
| Additional Unit of Accommodation above a 5 unit let. This applies to each additional unit. | £50 to be added for each unit above 5 units to Part A and Part B Fees. |
| Application refused by the council. | No refund of Licence Fee |
| Application withdrawn by applicant | Part A Licence Fee not refunded |
| Revocation of Licence | No refund of Licence Fee |
| Application following revocation of a licence. | Full Application Fee |
| Application to licence following revocation of licence. | Full Application Fee |
| Application withdrawn by the applicant Part A. | No refund of Licence Fee |
| Change of Licence Type | Full Application Fee |
| Variation to the licence in terms of change of address, interested parties, management details. | No Fee |
| Variations which affect the overall layout of a property or occupancy levels will require a new licence. A new licence application will need to be made and reassessed. | Full Application Fee |
| Change of licence holder | New Licence Application Fee |
| Property that ceases to be rented during lifetime of scheme. | No refund of Licence Fee |
| Paper applications / Assisted Applications. Part A. | £100 Additional Charge. |