

Proposed Additional HMO Licensing Consultation

Appendix 3

Proposed Fee Structure for 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 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. (Table 1 below)

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)

(Please note discounts will not be applicable to early applications)

- 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:
(Please note discounts will not be applicable to early applications)

- 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, 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	£605.00	£726.00	£1,331.00

Table 2 – Discounts

Discount Type	Discount (£)	Deducted from Part A/B	Total fee
Accredited Licence holder	£50.00	Part B Payment	£676.00
Compliant EPC	£50.00	Part B Payment	£676.00
Accredited licence holder + compliant EPC	£100.00	Part B Payment	£626.00

Table 3 - Other Fees and Charges.

Variation	Outcome
Additional Unit of Accommodation above a 5 unit let	£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
Variation to the licence in terms of change of address, interested parties, management details.	No 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 Part A	£100 Additional Charge.