

Review of Licence Fees

The Act allows the Council to fix fees for licensing HMO properties, which covers all costs associated with carrying out their functions in relation to HMO Licensing, which includes recovering costs incurred in enforcing the Conditions and Standards

Fees must be transparent, accountable and reflect the actual cost of licensing. It is proposed that the existing licensing fees for Mandatory Licensing and the current Additional Licensing scheme are retained to ensure consistency and a level playing field for those affected by the scheme, however following review of the fees and comments received following consultation it is proposed to provide additional incentives and discounts outlined below.

Many local authorities have adopted differing fee levels to provide a financial incentive to reward good practice and deter poor management, a breakdown of those local authorities which we sampled to indicate the type and level of incentives are outlined in a table at the end of the Appendix

Recommendations:-

A standard fee should be charged to those who delay in complying with their licensing obligations, and an 'early bird' discounted fee should apply to those who apply promptly. Prompt applicants, i.e. applicants are likely to manage their HMOs to a higher standard, resulting in a lesser demand on the Authority's resources.

The fee charged for renewal is generally lower, representing the anticipated lower resource implications required for a second application.

A discount should also be offered where the licence holder is accredited through the National Landlord Accreditation Scheme/other approved Scheme

HMO LICENSING FEE STRUCTURE

Fee Structure 1 – New Applications

The basic fee to be £880 based on 5 **habitable rooms** which is a **bedsit, separate living room or bedroom**.

For properties with between 6 and 10 habitable rooms there is additional charge of £30 for each habitable room. Properties with 11 or more habitable rooms the charge will be £40 per habitable room over and above 11 habitable rooms.

In summary the fees for HMO licensing are as follows:

Habitable rooms (bedsit, living room or bedroom)	Total fee of license for 5 years	Discounted Fee if floor plans are provided *
5 or less	£880	£820
6	£910	£850
7	£940	£880
8	£970	£910
9	£1,000	£940
10	£1,030	£970
11	£1,070	£1,010
12	£1,110	£1,050
13	£1,150	£1,090
14	£1,190	£1,130
15	£1,230	£1,170
16	£1,270	£1,210
17	£1,310	£1,250
18	£1,350	£1,290
19	£1,390	£1,330
20	£1,430	£1,370

Example:

A property consisting of 5 habitable rooms with a fee of £880 for five years will cost:

- £176 per habitable room for 5 years
- £35.20 per habitable room a year
- 68 pence a week for each habitable room

* If the application form is provided with an appropriate floor plan (as detailed in the application form) a discount of £60 will be given on the cost of application.

Additional Discounts Available on First Application

Discounts* will be made available to applicants in the following circumstances to reflect a lower demand on the Authorities resources in processing and implementing the Scheme.

Incentive	Total Discount
Full application** received within 8 weeks of notification of Licensing requirement	£200
Applicants who are existing members of Landlord Accreditation Wales or other approved Accreditation Scheme; for example the National Landlords Association. ***	£80

* Applicants may be eligible for more than one discount

** See Part 10 of the application form for list of documents that must be provided to quality for the discount

*** Proof of membership will be required on application

Fee Structure 2 – Renewal of Licence

Renewal of an existing Licence will attract a 50% discount on the fees detailed in Fee Structure 1. Renewals will not be subject of “additional discounts”

Fee Structure 3

Licenses are non transferable to another person or property and fees are not refundable. If the property was sold on as a HMO, the new landlord would need to apply for a new License, the fee structure remains unchanged given such circumstances.

Additional Charges Over and Above Licence Application Fee

Assistance

If assistance is required in completing the application form an additional charge of £100 will be made and a further £60 per additional property owned by the landlord. The Authority does have the discretion in exceptional circumstances* to waiver the fee for additional assistance

(* Equality Act 2010 - fees can be waived for landlord requiring additional assistance due to any disability which would hinder their ability to complete the application)

Enforcement Activities

Enforcement action is based on application forms being completed and no further action being required. But some time has been added for the occasions when enforcement action is required, such as, Incomplete Applications, Minded to Refuse Licence and Consider & Respond To Representations.

In addition to the fee outlined above additional charges will be payable for Enforcement Activities carried out at the time of the activity:

- Appeals to Residential Property Tribunal (RPT)
- Variations To Licence
- Revocation of Licence
- Interim Management Orders
- Final Management Orders
- Rent Repayment Orders
- HMO Declarations
- Prosecutions

These will be charged at £50 per hour of work. As some of the functions listed above will depend on the complexity of the case it is difficult to judge the total cost per function.

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Table of Licensing Fees Charged and Incentives Offered by a Sample of Local Authorities

Name of Local Authority	Fees Charged/Conditions Imposed	Any Incentives/discounts Offered
Bristol City Council	Full cost for application paid upfront if no application is made (unlicensed property) - £1450 Upfront fee payable for a new application - £950	Discount for correct fee and form received -£100 Discount when landlord complies with requirement to improve property to the required licence conditions and legal standards -£250
Harrow Council	£1200 to licence a HMO. £850 renewal (to cover the administration and inspection costs of the licensing procedure)	
Wrexham County Borough Council	£800 to licence a HMO. No other information available on their website	
Southend on Sea Borough Council	Mandatory licence fees are £750 per licence for up to 6 lettings, £50 per let thereafter. Licence terms are 2 years in the first instance/ 5 years for renewal	There are no incentives/discounts offered for landlords
Cardiff Council	Mandatory Licence Grant of Licence - £770.00 Duration 5 years. Renewal of Licence - £275.00. Duration 5 years. Additional Licence Grant of Licence - £660.00. Duration 5 years. Grant of Licence to accredited landlords £560.00. Duration 5 years.	There is a discount to renew when accredited
Cambridge City Council	Fee for initial application - £620 Renewal fee - £310	A 50% discount will apply to properties accredited with their accreditation scheme, for the initial application only
Conwy County Borough	£595 for up to 8 lettings, £20 per let thereafter. Condition of licence is to attend LAW training within 1 year of receiving licence	There are no incentives/discounts offered for landlords

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Council		
Stafford Borough Council	Standard fee for 1 st application for properties with up to 8 bedrooms/bedsits - £575.00. £6 fee for each additional bedroom/bedsit thereafter Renewal/subsequent applications where there are no changes - £510.00 Return of incomplete application - £40.00 Late application fee dependent on additional work required - £78.00 Assistance with floor plans - £120.00	There are no incentives/discounts offered for landlords
East Northamptonshire District Council	£471.50 for new applications and £307.50 for renewal.	There are no incentives/discounts offered for landlords
Gateshead Council	£830 for new licence, plus £13 for each bedroom over 5 in no. £460 for licence renewal, plus £13 for each bedroom over 5 in no.	The following discounts apply:- £75 for Membership of Gateshead Private landlords Association of nationally recognised landlord scheme. £150 for accredited property (ones which have been inspected/accredited/received safety certificates for on an annual basis etc)
Swansea Council	Swansea charge on a sliding scale depending on number of occupiers. Licence fee is £550 for up to four occupiers (we have an additional licensing scheme) and go up by £50 per person to a max of £850 for 10 or more occupiers.	The only discount provided is for applicants who are existing members of Landlord Accreditation Wales - £75 per property.
Plymouth City Council	Initial licence fee is £800	Where a full application is received within six weeks of becoming licensable. None of the further discounts apply - £540 or the licence holder has passed the Landlord Proficiency Test - £510

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		<p>A licence fee of £480/£410 for renewal if the licence holder is accredited through:-</p> <ul style="list-style-type: none"> *The National Landlords Association *Private Rented Sector Accreditation Scheme *Landlord Accreditation South West *The London Landlord Accreditation Scheme *Any other Scheme approved by Plymouth City Council
Ceredigion County Council	<p>Additional HMO licensing fee is £200 per habitable room (for those not subject to mandatory fee)</p> <p>Renewal of Licence (subject to renewal criteria being met) - £180 per habitable room</p> <p>Administration charge for the amendment of HMO licence details, where there has been a change in ownership of an HMO licensed property. (One-off charge for the remaining duration of the licence) - £200</p>	<p>50% discount for larger HMOs providing for the accommodation needs of the University (but not directly owned or managed by them), provided they are registered and fully up to the ANUK code of practice for student accommodation</p>
Gwynedd Council	<p>Additional HMO licensing fee is £90 per unit of accommodation.</p>	<p>There are no incentives/discounts offered for landlords</p>