

Report of the Chief Executive

HOUSE IN MULTIPLE OCCUPATION LICENCE FEES1. Purpose of report

To seek approval for a change to the fees charged for House in Multiple Occupation (HMO) licences.

2. Detail

On 6 April 2006, the Housing Act 2004 introduced mandatory licensing for HMOs that comprise three or more storeys and accommodate five or more occupants. Government guidance advised that licence fees should be set at a level that covers the Council's costs of administering the service. The fee was set by the then Housing, Health and Leisure Select Committee at its meeting on 29 March 2006.

As members of this committee will be aware, 2018 has seen the expansion of the compulsory licensing of HMOs to include properties that comprise two or more storeys and accommodate five or more occupants.

The original fee was set at £340 for a first application with reductions in certain circumstances, including multiple applications by the same owner, and where the owner is a member of a recognised landlords' association. This fee has risen over the years to reflect inflationary increases and is currently £475 for an application and £415 if the landlord is a member of a recognised landlords' association or is making an application in respect of a second or subsequent HMO.

An internal audit of the HMO licensing process has recommended that the fee for licensing is re-assessed. This has been undertaken using a template which breaks down the process into its constituent parts and assigns the amount of time each of these takes. This is then multiplied by the hourly rate of the officer undertaking the task, resulting in an overall figure.

The proposed licence fees are:

Full licence application or renewal £560.00

If the landlord is a member of a recognised landlords' association or is making an application in respect of a second or subsequent HMO £449.00

Recommendation

The Committee is asked to RECOMMEND the fees for HMO licence applications to the Finance and Resources Committee for introduction on 1 April 2019.

Background papers

Nil