

Appendix 8 Draft Proposed HMO Licence Fee

The current fees for HMO applications is set out below and has not been increased since September 2018:

Description	Comments	Current Fees as Approved September 2018
Standard	For non-accredited landlords Application fee up to 9 bedrooms	1 st Payment (Part A) £890 2 nd Payment (Part B) £440 Total £1330
Less Compliant	For non-accredited landlords Application fee up to 9 bedrooms	1 st Payment (Part A) £890 2 nd Payment (Part B) £830 Total £1720
Accredited	The proposed licence holder is accredited with the Nottingham Standard (Either Unipol or Dash) Application fee up to 9 bedrooms	1 st Payment (Part A) £615 2 nd Payment (Part B) £375 Total £990

The full fee policy is available on the website here:

<https://www.nottinghamcity.gov.uk/media/3332933/ncc-licence-fee-policy-april-2021.pdf>

A simplified breakdown of the fee structure can be found on the website here:

<https://www.nottinghamcity.gov.uk/media/3372621/housing-licensing-fee-september-2021-final.pdf>

A fee review has been undertaken in December 2022 and in line with this review the fee will need to increase. The review has taken account of inflationary pressures and pay increases as well as the new proposed designation and a forecast for five years. The confirmed fee may be subject to change prior to implementation, post consultation and from time to time during the operation of the Designation. A separate Delegated Decision paper will be submitted for approval, detailing the final fee and a proposed implementation date.

The additional and mandatory fees have been calculated together for economies of scale. By utilising one team for the delivery of both schemes' fees have been kept to a minimum approximately reducing the revised fees for both schemes by £100 per licence.

The lower accreditation fee has been carried forward and is £356 lower than the standard fee. Properties retaining the National Code Accreditation formally ANUK will not be required to obtain an additional licence as the council has continued its discretionary exemption, as long as they remain compliant with that code. However, they are still legally required to obtain a selective or mandatory licence as applicable.

The revised fee for 2023 has been calculated in the table below:

Description	Comments	Proposed Fee for approval 2023
Standard	For non-accredited landlords Application fee up to 9 bedrooms	1 st payment £658 2 nd payment £816 Total £1474
Less Compliant	For non-accredited landlords Application fee up to 9 bedrooms	1 st payment £658 2 nd payment £1335 Total £1993
Accredited	The proposed licence holder is accredited with the Nottingham Standard (Either Unipol or Dash) Application fee up to 9 bedrooms	1 st payment £658 2 nd payment £460 Total £1118

Basis for financials

Staffing levels are based on an assumed number of applications being 5300 and the time taken to carry out relevant activities such as: processing applications; compliance inspections; targeting of unlicensed properties; compliance activities; tenant & landlord support and specialist support such as communications, data analysis, HR, legal advice and IT support.

This is all additional resource to solely deliver the licensing schemes and does not replace existing activity. The first part A of the fee (application and processing costs) includes all costs associated with processing the application such as staffing, a proportion of IT equipment and training.

The second part B of the fee (enforcement) covers the cost associated with property inspections, dealing with complaints and compliance enforcement activities and interventions.

The fee is calculated on the presumption that 90% of the premises requiring a licence will be licensed within the 5-year period.

The 10% allows for properties not actually complying with the requirement to licence which enforcement checks chase and bring into licensing. The less compliant fee covers any additional monitoring, inspections and enforcement that may be required. Only assuming 90% will readily make applications and 10% will require chasing helps to mitigate the risk of needing to increase fees mid-scheme to cover expenditure.

The level of fees received does not take into account any one-year licences, as this is unpredictable. Should there be a substantial number of one-year licences issued, that are not later varied to the full five years, the fees received will be used in regulating and any enforcement activity for those properties, along with support to those Landlords to improve and become broadly compliant.

There is an assumed level of staff required for what we believe the newly proposed scheme of additional licensing will entail being 12 FTEs based on the anticipated expenditure and the level of licences granted. To minimise the risk of needing to increase fees mid-scheme, the level of staff will be either reduced or increased accordingly to ensure the scheme covers the costs of delivery. It also works on the presumption that all landlords are broadly compliant, with further enforcement and financial penalties in place for those landlords who fail to comply.