

### HMO Licence fee SWOT analysis

#### Strengths

Compliant landlords pay similar or lower fees as currently and will see that we are actively seeking to punish those evading licensing and assigning the cost to them accordingly.

Provides an enforcement tool – compliant landlords pay lower fees, and still allows us to issue licences for a longer or shorter period as required.

Fee structure still straightforward and relatively easy to administer – it is simple to request payment when sending out Intention Notice.

#### Weaknesses

Additional time needed if required to raise invoices for the second-stage licence fees.

Requires additional decision-making by officers prior to issuing the licence.

May not be able to enforce payment of stage 2 fee – risk of tenants being evicted to avoid higher-rate fee.

Need to ensure timings are correct between finance (raising invoices) and issuing of notices/licence conditions – additional challenge/potential for delays.

#### Opportunities

New fee structure gives greater flexibility to use licence fees as an enforcement tool – i.e. either as a financial incentive or disincentive.

Allows us to charge a higher fee after completing renewal inspections and problems are found – allowing targeted enforcement and targeted cost recovery.

#### Threats

Non-payment of second stage fee resulting property remaining an unlicensed HMO.

Lower fees may not cover all costs if landlords which were previously compliant subsequently need enforcement over the lifetime of the licence.

Additional scrutiny and challenging of higher fee charges – likely to get more representations etc.

Additional time spent chasing stage 2 fee (but includes mechanism to promote early payment for majority of applicants).

We may be challenged on the basis that under the Housing Act 2004 section 64 the only grounds for refusal are based on the suitability of the property to be an HMO, and/or the fit and proper status of the licence holder etc. If we issue the Intention Notice, there is a question over whether we can subsequently refuse to license because they haven't paid the fee (may be covered by 63(2)/(3), may not be). This risk is low as many other authorities (including Oxford City) use a similar fee structure.

High levels of compliance by licensed landlords may result in under-funding of scheme (high expenditure on enforcement seeking small number of unlicensed HMOs).