

Projected income

Projected income and proportion of fee categories

There are currently approximately 145 licenced HMOs in the district. Each has a licence which will expire and need renewing in the next 5 years. Some of those properties will be sold and fall out of licensable HMO use, or the new owner will apply for a new licence. We are also receiving new applications for HMOs which are being created or bought.

Based on the rate of recent new applications and renewals for HMO licences, we anticipate having approximately 200 licensed HMOs in the district by March 2025. The table below summarises the projected ratios of new and renewal applications which we expect to receive over the next 5 years, together with the anticipated income under the current and proposed fee structures. The increased income from the imposition of the higher fees will be used to cover the additional resources required in enforcing those cases.

Licence fee category	Projected applications over 5-year period	Current fees	Projected income – current fees	Proposed fees	Projected income - proposed fees (anticipated compliance ratios)	Projected income if all applications at lower fee rate (i.e. 100% compliance)
A – Higher new	5	£700	£45,500	£1050	£5,250	£42,250
B – Standard new	60			£650	£39,000	
C – Higher renewal	20	£400	£54,000	£650	£13,000	£60,750
D – Standard renewal	115			£450	£51,750	
Total	200	-	£99,500	-	£109,000	£103,000

- Category A new application fees may be charged for HMOs found by enforcement, late payment of a Category B fee, or operating an unlicensed HMO for more than 6 weeks.
- Category B New applications fees may be charged when the HMO has been operating less than 6 weeks, changing licence holder e.g. following purchase of an existing HMO, or a late renewal of an existing HMO (within 6 weeks of expiry). Applicants must be broadly compliant and pay the stage 2 fee on time.
- Category C renewal fees may be charged for poor management, unsafe property conditions, or late payment of a Category D fee.
- Category D renewal fees will be charged for valid renewals which are broadly compliant, no fire or health and safety licence conditions, and pay the stage 2 fee on time.