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## ADDITIONAL CIRCULATION



To: Councillor Cooney, Convener; Councillor Jean Morrison MBE and Graham, Vice Conveners; and Councillors Allan, Blackman, Corall, Cormie, Crockett, Delaney, Dickson, Jackie Dunbar, Finlayson, Grant, Laing, McCaig, Milne, Samarai, Thomson and Yuill.

Town House,  
ABERDEEN, 16 March 2015

## **COMMUNITIES, HOUSING AND INFRASTRUCTURE COMMITTEE**

The undernoted item is circulated in connection with the meeting of the **COMMUNITIES, HOUSING AND INFRASTRUCTURE COMMITTEE** to be held here in the Town House on **WEDNESDAY, 18 MARCH 2015 at 2.00 pm.**

JANE G. MACEACHRAN  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

## **BUSINESS**

### **REQUESTS FOR DEPUTATIONS**

- 2.1 Request for Deputation - Mr Martin Wilson re Item 9.5 HMO Fee Setting 2015-2016 (Pages 1 - 6)

Should you require any further information about this agenda, please contact Stephanie Dunsmuir, tel 01224 522503 or email [sdunsmuir@aberdeencity.gov.uk](mailto:sdunsmuir@aberdeencity.gov.uk)

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# Agenda Item 2.1

To Cllr Cooney, Convenor  
Community, Housing and Infrastructure Committee,

Copy: Clerk to the committee

Dear Cllr Cooney,

Request for deputation

I request permission to make a short deputation in respect of item 9.5 HMO Fee Setting 2015-2016.

You may recall I made a similar deputation in 2013 when the surplus on the HMO account, which had been built up over a number of years, was proposed to be reduced over a 2 year period. At that time I proposed that the surplus be run down over 3 years rather than 2 years and that it be effected by a discount to the renewal fee. The rationale for the discount being applied to renewals was that only renewals were affected by the higher fees some 3 years earlier. (I have attached the meeting minute.)

The current proposal being put forward in report number CHI/15/116 proposes to reduce the discount for renewals to £95 (3-5 tenants).

**I am merely quoting the 3-5 tenant figures for convenience. The proposal would of course affect all renewal discounts, albeit by different amounts.**

In the last two years the renewal fee discount has been set at £275 and £245.

The proposal to reduce the discount this year to £95 will not provide the same level of discount to those affected by high HMO fees in the year 2012-13 when the fee was £550 **and 3 years previously in 2009-10 £1000. This was the year (2009-10) in which the largest surplus was raised on the account.** (refer attached power point slide.)

The ratio of new applications to renewals has remained steady at approx. 1:2 and is forecast to remain at this ratio for the next year. Therefore any £1 decrease in the renewal fee can be matched by a £2 increase in the new application fee to maintain revenue level.

The proposal for the 2015-16 fees is for renewals to be set at £400 and new applications to be set at £495.

I wish to suggest an alternative, fairer fee structure for 2015-16, which preserves the intent of the original proposal in 2013.

According to my estimates, the fee income would be the same if the fees were £350 and £595. The £50 reduction in renewals being offset by the £100 increase for new applications. The difference between the two fees would be £245, a level of discount similar to that of the last 2 years (£275 and £245).

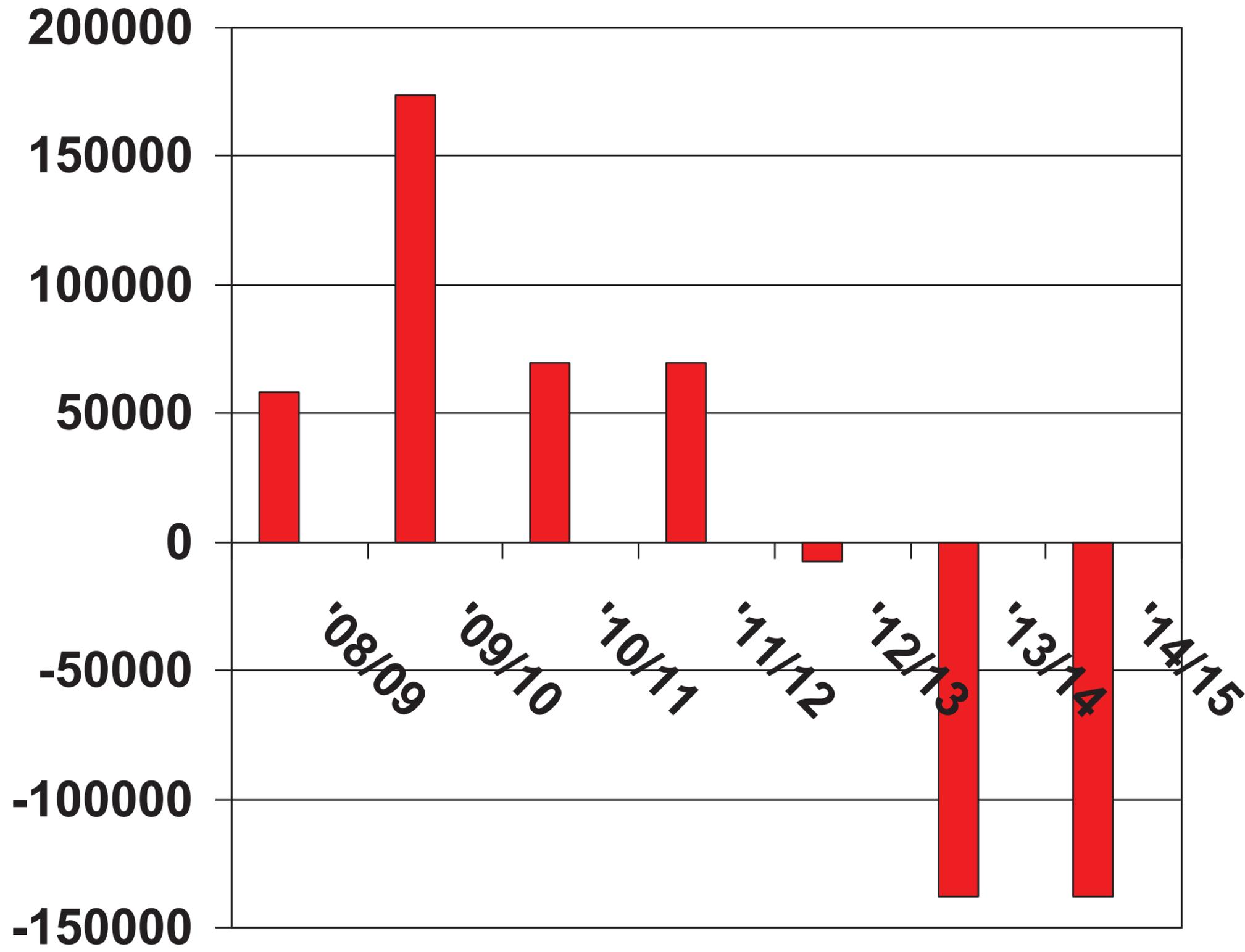
This would maintain the fairness of the original proposal in the final year of the 3 year period.

Other fee levels for different size HMOs would be adjusted in the same manner. I understand that the 3-5 size HMO property is the largest sector size.

I have copied this email to the report author.

Yours sincerely,  
Martin Wilson

# HMO ACCOUNT SURPLUS



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**HOUSING AND ENVIRONMENT COMMITTEE  
12 MARCH 2013**

**PROPOSED HMO LICENCE FEES FOR 2013/2014 (H&E/13/015)**

7. The Committee had before it a report by the Director of Housing and Environment which sought approval to set revised HMO Licensing fees from 1 April 2013.

With reference to article 1 of this minute, the Committee heard from Mr Wilson in the following terms:-

Mr Wilson started by stating that he wished to make it clear that he believed that HMO matters had progressed substantially in recent years, despite the many significant challenges in a rapidly changing regulatory environment and that Officers were doing an excellent job in very trying circumstances.

Mr Wilson explained that the proposal to reduce fees from £550 to £275 (based on the 3-5 tenants example) was welcome but unfortunately created a high degree of unfairness that he wanted to discuss with members.

Mr Wilson presented a graph which covered the annual HMO account surplus from 2008/9 through 2014/15. In 2009/10 a licence payer in that year would have renewed his licence this year - 3 years later and will again renew in 2015/16 based on the 3 year cycle. That licence payer will miss out on the halving of the HMO fee for 2013/14 and 2014/15. Yet of course he paid the much higher fee in 2009/10. Moreover, a new HMO licence payer, who in all likelihood did not pay the higher fees in earlier years, will pay the halved fee, which seemed a little unfair to those renewing their licences.

Mr Wilson suggested an alternative fee structure as follows:-

That the current fee of £550 should remain in place for new applications, and the halved fee of £275 should only apply for the next 3 years for renewals (based on the 3-5 tenant example). This proposal, based upon the numbers presented in the report before the Committee which shows 2/3rds of applications being renewals, would reduce the surplus over 3 years rather than 2.

Councillor Milne asked if the proposal had been raised with Officers prior to the meeting whereupon the Convener advised that it had not been discussed with Officers. Councillor McCaig asked if the proposal could be discussed with Officers and that powers be delegated to the Director of Housing and Environment to determine if the proposal would be viable.

**The report recommended:-**

that the Committee –

- (a) introduce a new fee structure for all HMO Licence applications as from 1 April 2013; and

- (b) approve the fee scale as set out in the following table to take effect as from midnight on 31 March 2013 –

Number of Tenants	Fee £	Cost Part 1	Cost Part 2
3 – 5	275	136.60	138.40
6 – 10	400	201.60	138.40
11 – 20	750	611.60	138.40
21 – 50	1,400	1,215.46	184.54
51 – 100	2,350	1,980.93	369.07
101 – 200	3,800	3,246.39	553.61
201 +	4,100	3,361.85	738.15

**The Committee resolved:-**

to delegate powers to the Director of Housing and Environment, in consultation with the Convener, Vice Convener and the Convener of the Finance and Resources Committee to look at the proposal intimated by Mr Wilson, that for new applications the full HMO fee as previously set be applied and that for renewals the reduced fee as contained in the report be applied, to see if it would be viable and if not that the recommendations contained in the report be applied and that members are notified of the outcome at the next meeting of the Committee.