

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