

**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.