

Current and Proposed fees for Mandatory licensing of Houses in Multiple Occupation under the Housing Act 2004

Currently there are two different charging regimes in operation. With the exception of Durham City, all existing District authorities charge a flat application fee between £400.00 - £500.00.

	2008/09	
HMO - Applicants Fee (Fit & Proper Person)	£105.00	
HMO - Property Licence (per household / letting)	£178.50	
Statutory Authority for Making Charge: Housing Act 2004 - Section 63		

Example:-

Minimum cost for new application with 5 occupants:

$$5 \times \text{£}178.50 = \text{£}892.50 + \text{£}105.00 = \text{£}997.50 \text{ (inc. VAT)}$$

If the same application was made by a landlord who had already paid the applicants fee for a previous property, the minimum fee would be **£892.50 (inc. VAT)**

The component fees are considered annually, as part of the annual review of fees and charges, and must be more thoroughly reviewed prior to the first wave of renewals in 2011 when it is anticipated that they will need to be reduced as the initial set up costs can no longer be included in the calculation.

It is proposed that the level of fees relating to mandatory licensing of Houses in Multiple Occupation within the County is also based upon the Local Government Association Financial Toolkit and is consistent with Durham City's current charging regime. The level of fees proposed for 2009/2010 should include VAT (15%) and a minimum inflationary increase of 2.5% on the above 2008/2009 fees and charges.