

# HMO Additional Licensing Scheme

- *The income generated in the initial years of the scheme will be accumulated within the Reserve movement, this will be utilised as part of the implementation and administration over the 5 year duration.*
- *The licensing schemes have to be cost neutral whereby the total licensing income does not exceed the expenditure over the 5 year duration. Any funding not used within this period would need to be refunded back to the landlords who have paid for a licence. However, any refund is highly unlikely as the council currently contributes towards the running of the HMO schemes.*
- *The funding of the additional staff and the income from licences has been included as part of the 5 year Medium Term Financial Strategy proposals for 2020/21. The council subsidy for running the HMO licencing schemes reduces from £465k in 2019/20 to £65k in 2020/21 releasing £400k of savings.*
- *The fees charged for the licensing schemes following the designation will alter from those currently Charged for additional HMO licensing and Mandatory HMO Licensing following court rulings. The fee charged will be set fee of £1100 (average cost for 5 bed let) as opposed to £208 per unit fee previously charged.*

*The fee will be taken in two stages. £500 at the application stage and a further £600 on the issuing of the licence.*
- *Initially the cost of the scheme are higher, due to start-up costs, and then reduce in the subsequent year.*
- *Profiled Grant and Licensing fees income is higher within the first few years of the scheme due to the expected initial uptake, then decrease accordingly as the grant funding ends and the early up take of licensing wanes.*

# HMO Additional Licensing Scheme - Financial Profiling

<b>HMO Additional Licensing Scheme - Financial Profiling</b>						
<b>Financial Year</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>
Funding	-630	-1280	-740	-675	-735	-515
Cost		1040	960	840	860	875
Surplus/Deficit - Reserve Movement	630	240	-220	-165	-125	-360
<b>Net Position</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>Funding</b>		<b>Cost</b>	
	<b>£ '000</b>		<b>£ '000</b>
Licensing Fees	-3,030	Cost of delivering scheme	<b>4,575</b>
Enforcement income (RRO & FPN)	-340		
Grant funding	-215		
18/19 Carry forward	-265		
General fund	-725		
	<b>-4,575</b>		

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