

London Borough Haringey. Selective Property Licensing

Appendix 6

Fee structure for Licence Applications.

Licence Fee, Income and Expenditure for Selective Property Licensing.

1. Licensing Fee Structure

Article 13(2) of the EU Services Directive (2006/123/EC) requires that the licence fee paid by the applicant must be reasonable and proportionate to the cost of the authorisation (licensing) procedure and shall not exceed the cost of the authorisation (licensing) procedure. This means that the costs of the proposed licensing schemes must be cost neutral whereby the total licensing fee income does not exceed the expenditure over the five-year duration of the scheme. The licence fees for licence applications were set taking into account all of the Council's costs in administering and carrying out its licensing functions. The proposed fees are underpinned by assumptions about the level of income the fees will generate, based upon the number of properties that we expect to be licensed during the life of the schemes.

2. Licence fees

The fee is levied in two parts.

Part A of the fee is for the application for a licence and covers the costs of processing, administration and validation of the application. Part B of the fee comprises the running costs of the scheme and exercising our other licensing functions, such as the inspections and Compliance.

Payment of Part A of the fee must be received when the application is made to the Council and, if the licence application is granted, Part B of the fee must be received and cleared before a licence is issued. If the Part B payment remains unpaid then the property will be considered as unlicensed. In the event that we decide to refuse a licence application, only the Part A fee will have been paid. (Table 1 below)

The fees will be reviewed throughout the scheme and the Council may adjust the fees to reflect changes in costs.

Licences are not transferable. If a person wants to become the new licence holder for a property, they must apply for a new licence and pay a new licence fee. (Table 3 below)

3. Licence Duration.

Licences will be granted for the duration of the scheme (up to five years) unless we have concerns about the management, use, condition or occupation of the property, in which case we may grant a licence for a shorter period and a new application and fee will have to be paid on its expiry. If we revoke a licence and the property continues to be rented out, a new application will have to be made and a new licence fee paid.

4. Early Application Fee

Applicants who apply before the designation becomes operational will only pay the Part 'A' Fee for their licence. (Table 2 below)

5. Accredited Landlords

If you are an **accredited licence holder** under one of the following schemes, you may be entitled to a £50 discount: (see table 2 below)

(Please note discounts will not be applicable to early applications)

- London Landlord Accreditation Scheme (LLAS)
- National Residential Landlords Association (NRLA)
- UK Association of Letting Agents (UKALA)

If you are a **member** of one of the following organisations, you may be entitled to a £50 discount:

(Please note discounts will not be applicable to early applications)

- Association of Residential Letting Agents (ARLA)
- Royal Institution of Chartered Surveyors (RICS)
- Safeagent

Please Note: This list of accepted schemes and organisations will be kept under review during the life of the scheme.

6. Property EPC rating of C or above

If your property has an EPC rating of C or above, you may be entitled to a £50 discount. (Table 2 below)

7. Buildings Containing Self-Contained Flats that are not Flats in Multiple Occupation.

Where a building qualifies for a single selective licence (where there are multiple rented flats in the same block or building and are owned or managed by the same person), the Part A fee will be payable at the full rate for the first flat, but the Part A fee will be reduced by £75.00 in respect of the 2nd, 3rd etc. flats within the building. The Part B fee is the full fee for all flats. *Accredited Landlord and EPC discounts will be applicable to all remaining flats.

8. Fees Discounts and Charges Table.

Table 1. Fee structure

Fee Type	Part A (application fee)	Part B	Total Fee
Full Selective Licensing Fee	£350.00	£250.00	£600.00
Early Application Fee	£350.00	—	£350.00

Table 2 – Discounts

Discount Type	Discount (£)	Deducted from Part A/B	Total fee
Accredited Licence holder	£50.00	Part B Payment	£550
Compliant EPC	£50.00	Part B Payment	£550
Accredited licence holder + compliant EPC	£100.00	Part B Payment	£500

- NB. A discount will not be applicable to any early applications made

Table 3 - Other Fees and Charges.

Variation	Outcome
Application refused by the council	No refund of Licence Fee
Application withdrawn by applicant	Part A Licence Fee not refunded
Revocation of Licence	No refund of Licence Fee
Application following revocation of a licence	Full Application Fee
Application to licence following revocation of licence	Full Application Fee
Application withdrawn by the applicant Part A	No refund of Licence Fee
Variation to the licence in terms of change of address, interested parties, management details.	No Fee
Change of licence holder	New Licence Application Fee
Property that cease to be rented during lifetime of scheme	No refund of Licence Fee
Paper applications Part A	£100 Additional Charge.

9. Summary of Predicted Income and Expenditure

The table below shows the estimated total income and expenditure for the scheme over the 5 year duration.

Some assumptions have been made in estimating the income which include the predicted number of properties to be licensed within the designation. The percentage of take up within the 5 year period of the scheme and the number of early applications that will be made by landlords who wish to apply before the operational date who will pay a lower fee for their licence application.

Selective Licensing Designation	INCOME (Licence fees)	EXPENDITURE (Operational costs)
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(estimated number of properties to be licensed)		
19,442	£10,050,950	£10,050,950

10. Summary of Expenditure.

The table below shows the estimated total expenditure for the scheme over the 5 year duration.

Expenditure Cost Elements	Cost (£)
Staffing (employee costs)	£7,010,868.00
Overheads and management costs	£2,258,272.00
Staffing Expenses (indirect employee costs)	£155,751.00
IT & Project	£266,990.00
Legal Costs	£125,219.00
Communications	£65,000.00
Postal, Land Search & Translation costs	£168,850.00
Total	£10,050,950