

WESTMINSTER CITY COUNCIL

STATEMENT OF DECISION

SUBJECT: REVIEW OF FEES FOR HOUSE IN MULTIPLE OCCUPATION (HMO) LICENCES

Notice is hereby given that , Cabinet Member for Climate Action, Regeneration and Renters, has made the following executive decision on the above mentioned subject for the reasons set out below.

(
A review of fees charged for HMO licences in Westminster to ensure cost recovery for service
)

Summary of Decision

1. Recommendations

- 1.1 To approve proposals for revised HMO licence fees from 1st April 2023 as follows;
 - Licence fee for HMOs to increase from current £975 per licence to £1,450 per licence
 - Fees for additional rooms within HMOs above the standard 5 room threshold to increase from current £25 per additional room to £65 per additional room.
 - Retention of the current 10% discount for suitably accredited landlords
 - Retention of current exemption from fees for charities providing accommodation for vulnerable persons such as supported accommodation.

2. Reasons for Decision

- 2.1 As part of the fee review exercise, our fees have been bench-marked against those of other boroughs. This shows our fee at £975 as being the 6th lowest fee amongst 33 London boroughs for a five-bedroom HMO. Our close neighbouring boroughs of Royal Borough of Kensington & Chelsea, and London Borough of Camden, charge £1,400 and £1,300 per licence respectively. These boroughs also have similar housing stock to that in Westminster. The results of the bench-marking exercise are attached as Appendix B.
- 2.2 We are now over one year into our Additional Licensing Scheme, and this has brought increased information regarding the volume of licences we can expect, the time and cost in processing licence applications, and the increased work being carried out in enforcing the requirements of the scheme.

- 2.3 The running costs of the scheme have been reviewed with colleagues from our Finance department with reference to the amount of work being undertaken by the team in assessing incoming applications.
- 2.4 The first year of the scheme has seen a significant amount of applications being received and processed. Work has increasingly turned to identifying unlicensed properties in recent months, with a resultant increase in officer enforcement activity in this area.
- 2.5 The review of scheme costs has determined that the fee for a licence should increase to £1,450. In addition, the costs per additional unit within a larger than average HMO of five units of accommodation, should increase from £25 per unit to £65 per unit. The full breakdown of existing and proposed fees are set out in Appendix A.
- 2.6 Houses in multiple occupation providing accommodation for vulnerable persons, and operated by charitable organisations, will remain exempt from licensing fees.
- 2.7 Discounted fees will remain available for landlords accredited with recognised schemes, or where managing agents registered with recognised trade accreditation schemes are used to manage licensed properties.
- 2.8 The fees for properties licensed under the mandatory and Additional licensing schemes will remain the same given that the same amount of work is expended in processing either licence.

Reasons for Decision

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Implementation Date:

Reference: