

HMO licensing fees for new applications and renewals, discounts and refunds (Effective date 8 December 2020)

Section 63 of the Housing Act 2004 permits the Council to charge a licence fee to cover all costs incurred in carrying out its functions under Part 2 of the Act.

In developing its fee structure the Council has had regard to Article 13(2) of the EU Services Directive (2006/123/EC). The Directive 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. The Directive makes it clear that licence fees can only be used to recover costs and cannot be used to make a profit.

For HMO licence applications, the fee is split into two parts:

- **Part 1** – the fee levied at the point of application to cover the costs of the scheme's 'authorisation procedures and formalities', i.e. the costs of processing and determining the application; and
- **Part 2** – if the application is successful, a further fee is payable to cover the costs of running and enforcing the scheme

The move to a two-part fee follows the European Court of Justice's ruling on charging licence fees in the case of *Hemming v Westminster*. For this reason, applicants for a licence need to pay Part 1 of the fee with their application and a second Part 2 fee becomes payable before the final licence is granted.

Applicants will have the opportunity to pay both Part 1 and Part 2 at time of application. If full payment is received with the application but the application is unsuccessful, the second part of the fee will be refunded (see refunds below).

1. Camden's HMO licence fees

From 8 December 2020, the following fees apply for all types of licensable HMO applications as designated within the London Borough of Camden.

The tables below set out the fees for new applications and 'renewal applications' (mandatory and additional licensing).

New applications

HMO Type	Part 1	Part 2	Total fee payable (on successful application)
House or flat in multiple occupation (section 254)	£1,100	£200	£1,300
Converted building into flats (section 257)	£1,100	£200	£1,300
Purpose-built student accommodation	£1,100	£50	£1,150

Renewal applications

HMO Type	Part 1	Part 2	Total fee payable (on successful application)
House or flat in multiple occupation(section 254)	£930	£200	£1,130
Converted building into flats (section 257)	£930	£200	£1,130
Purpose-built student accommodation	£930	£50	£980

Important information regarding “renewal applications”

For an application to be treated as a “renewal” (and qualify for the renewal discount) the applicant and property must not have changed. The following criteria apply:

1. The *applicant* must hold an existing licence in respect of the HMO;
2. The renewal application must be made during the active period of the current licence; and
3. The arrangements for granting the current licence must not have significantly changed (*other than complying fully with any conditions required by the current licence*).

Applicants will have 30 days prior to the expiry of their licence to submit their renewal application. A renewal application cannot be made after expiry of the current licence.

Examples of typical licensable HMO scenarios

- a) A leaseholder letting a four bedroom flat to ‘sharers’. The total fee will be:
 - New application £1,300 (£1,200 if accredited landlord. See **Discounts**)
 - Renewal application £1,130 (£1,030 if applicant accredited landlord)
- b) A freeholder of a building converted into studio flats, each occupied by a single household and the freeholder has responsibility for issues within the flats. The total fee will be:
 - New application £1,300 (£1,200 if an accredited landlord)
 - Renewal application £1,130 (£1,030 if applicant accredited landlord)

We do not charge for:

- Changing details of an existing licence holder (such as change of address), change of mortgage, freeholder or leaseholder
- Change of manager
- Variation of licence
- Revocation of licence
- Temporary Exemption Notices (TENs)

2. Discounts

Landlord Accreditation*

A discount of £100 will be deducted from the final Part 2 fee for private landlords who:

- a) are the proposed licence holder; and
- b) own the licensable property; and have
- c) completed training to become an accredited landlord. This requires them to meet a code of conduct and complete a training course.

**Proof of up-to-date accreditation will be required.*

NB: Companies (even if accredited) do not qualify for the £100 discount. Only private landlords who are accredited and have an accreditation number are eligible for the discount.

3. Refunds

Property not licensable

If the property is not licensable (for example the property is not in Camden or the property is vacant at the time of application) the applicant will be notified and the full fee refunded.

Applications withdrawn or refused

Where a valid application for a licence does not progress beyond the initial phase (for whatever reason) the Part 1 fee is not refundable. Where applicants have elected to pay both Part 1 and Part 2 fees on application and the application is then withdrawn or refused, they will be refunded the Part 2 element of the fee.

Invalid/incomplete applications

A full licence application must contain the following:

- A fully completed application form, including fit and proper declaration
- Correct fee
- Gas safety certificates (if applicable)
- Electrical installation safety certificate (issued within last 5 years)
- Floor plans

If an invalid application is received the applicant will be contacted and asked to provide further information. However, if this information is not received within the time period given the application will be cancelled as not 'duly made' and the fee paid refunded. Alternatively, an incomplete application may result in a one-year licence being issued – see below.

One-year licences

Generally, licences are granted for a five year period but in certain circumstances, the licence period may be reduced to 1 year. There is no reduction for issuing a one-year licence as the fees are based on the costs involved in processing and determining the application and not the length of the licence term. See Camden's [Private Sector Housing Enforcement Policy](#).