

Mandatory Licensing fee structure

There are two types of HMO licence applications with two different licensing fee structures

- A new HMO licence application, which is when a licence holder applies for a HMO licence for a specific property which does not currently hold a licence.
- A Renewal HMO licence application, when a licence holder applies for a subsequent and successive HMO licence when the licence period comes to an end.

For an application to be treated as a renewal, it must be submitted before the expiry of the current licence.

The licence fee structure reflects the amount of work involved to process the application including the visit(s) to ensure that it is compliant with Part 2 matters of the Housing Act 2004. Each property would have at least 1 visit per licence term.

In line with recent court decisions – there are 2 stages to fee payment:

- the first stage fee payment will need to accompany the licence application so that the council can carry out necessary checks to enable the Notice of Intention to Issue the licence
- the second stage fee payment will need to be paid when your application is complete and at the granting of the final licence. The applicant will be notified when the final licence is issued.

The details of the licensing models are explained in Appendix 1.

Application type	Part 1 fee	Part 2 fee			
		5 Rooms	6 Rooms	7 Rooms	8 Rooms
New Application - 5 year Licence	£275	£825	£878	£931	£984
New Application - 2.5 year Licence	£275	£863	£916	£969	£1,022
New Application - 1 year Licence	£488	£1,037	£1,090	£1,143	£1,196
Licence Renewal - 5 Years	£180	£862	£915	£968	£1,021
Licence Renewal - 2.5 Years	£180	£739	£792	£845	£898
Licence Renewal - 1 Year	£180	£700	£753	£806	£859

To work out the fee charged if the number of bedrooms exceeds those listed in the table above the following table explains how to do this:

Application type	Part 1 fee	Part 2 fee calculation
New Application - 5 year Licence	£275	$((\text{No. of Bedrooms} - 5) \times 53) + 825$
New Application - 2.5 year Licence	£275	$(\text{No. of Bedrooms} - 5) \times 53 + 863$
New Application - 1 year Licence	£488	$(\text{No. of Bedrooms} - 5) \times 53 + 1,037$
Licence Renewal - 5 Years	£180	$(\text{No. of Bedrooms} - 5) \times 53 + 862$
Licence Renewal - 2.5 Years	£180	$(\text{No. of Bedrooms} - 5) \times 53 + 739$
Licence Renewal - 1 Year	£180	$(\text{No. of Bedrooms} - 5) \times 53 + 700$

For example, to work out the Part 2 fee for a new application for a 5 year licence for a 12 bedroom HMO, the calculation would be:

$$((12-5) \times 53 = 371) + 825 = \underline{\underline{£1,196}}$$

Refunds Policy

A refund will be given if:

- You have made a duplicate application
- You made an application for an exempted property by mistake
- You made an application for a property which is not licensable under Portsmouth HMO licensing schemes

A refund will not be given if:

- You withdraw your application at any stage
- We refuse your application
- We revoke (take away) your licence
- You are subsequently refused planning permission for your HMO
- Your property ceases to be let as an HMO during the term of the licence (including if you sell your HMO during the term of the licence).

Risks identified:

1. The profile of landlord licencing from 1 Year, 2.5 Year or 5 Year is estimated in the fee structure based upon assumptions.
2. Inflation is a challenge in calculating costs and levels of fee licence modelling.