

# Housing and Planning Scrutiny Select Committee

03 December 2024

## Part 1 - Public

### Matters for Cabinet - Key Decision



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Cabinet Member	Kim Tanner, Cabinet Member for Finance and Housing
Responsible Officer	Eleanor Hoyle, Director of Planning, Housing & Environmental Health
Report Author	Linda Hibbs, Head of Housing & Health Hazel Skinner, Senior Environmental Health Officer

### HMO and Caravan Site Licensing Fee Charges for 2025/26

#### 1 Summary and Purpose of Report

- 1.1 This report sets out the proposed fees for licensing of houses in multiple occupation (HMOs) and caravan sites for permanent residential use from 1 April 2025.

#### 2 Corporate Strategy Priority Area

- 2.1 Efficient services for all our residents, maintaining an effective council.
- 2.2 It is important that fees are reviewed on an annual basis in accordance with a set of guiding principles to ensure the Council can continue to provide the existing range and standard of services and cover increases in expenditure.

#### 3 Recommendations

- 3.1 The proposed fees for licensing of HMOs and caravan sites for permanent residential use as detailed in the report be approved; and
- 3.2 The proposed fees be implemented from 1st April 2025

#### 4 Introduction and Background

- 4.1 The proposed charges for 2025/26 have taken into account a set of guiding principles for the setting of fees and charges reproduced below for the benefit of this Committee:

- Fees and charges should reflect the Council's strategic priorities and other corporate aims, recognising there may be trade-offs as these are not mutually exclusive.
  - Fees and charges should have due regard to the Council's Medium Term Financial Strategy.
  - If there is to be a subsidy from the Council taxpayer to the service user, this should be a conscious choice.
  - The Council should look to maximise income subject to market conditions, opportunities and comparable charges elsewhere, in the context of its strategic priorities and other corporate aims.
  - Fees and charges should normally be reviewed at least annually (unless fixed by statute or some other body).
  - Fees and charges should not be used to provide a subsidy from the Council taxpayer to commercial operators.
  - There should be consistency between charges for similar services.
  - Concessions for services should follow a logical pattern so as not to preclude, where appropriate, access to Council services on the grounds of ability to pay.
- 4.2 It is essential in light of the Council's overall financial position that opportunities are taken to maximise income, as it is becoming increasingly difficult to achieve further expenditure savings to meet the targets in the Savings and Transformation Strategy. Attention has been given to the fees and charges applied by neighbouring Council's, and averages across the County, and these comparisons are included in relevant sections of the report for Member consideration.

## **5 Proposal**

### **5.1 HMO Licensing Fees**

- 5.1.1 Under the Housing Act 2004 Part 2 HMOs occupied by five or more persons living in two or more households are required to be licensed. HMOs in self-contained flats in purpose-built blocks where the block comprises three or more self-contained flats are excluded from this licensing requirement.
- 5.1.2 There are currently 27 licensed HMOs in the Tonbridge & Malling area.
- 5.1.3 The aim of licensing is to improve the controls on HMOs and to raise the standard of some of the highest risk properties that are often occupied by some of the most vulnerable people, whilst maintaining an adequate supply of rented accommodation.

- 5.1.4 The licence is for a maximum of five years and cannot be transferred. The licence can end as a result of the passage of time, the death of the licence holder, the sale of the property or the revocation of the licence by the Council.
- 5.1.5 The Council is required to have a register containing the particulars of these HMOs, which can be inspected by members of the public.
- 5.1.6 Following a review of administrative costs and using the same HMO licence fee cost calculator developed by the Kent and Medway local authorities that has previously been used and based on an increase of 3.5% the proposed revised charges are detailed in the table below:

<b>Service</b>	<b>Current Charge</b>	<b>Recommended Charge</b>	<b>Predicted Income Full Year 2025/26</b>
New HMO licence application fee	£753	£779	£2,337 for three new HMO licence applications.
Renewal of a HMO licence application	£675	£699	£2,097 for three licence renewals due in this period

- 5.1.7 The charge for a new HMO licence application (in 2024/25) in Tunbridge Wells is £760 (for 5 to 7 occupants) and £855 (for 8 or more occupants), £740 in Maidstone and £972 in Sevenoaks.
- 5.1.8 The charge for the renewal of an HMO licence application (in 2024/25) in Tunbridge Wells is £655 (for 5 to 7 occupants) and £700 (for 8 or more occupants), £690 for Maidstone and £972 in Sevenoaks. The lower cost for a licence renewal is attributed to the reduced inspection time.

## **5.2 Caravan Site Licensing Fees**

- 5.2.1 The Mobile Homes Act 2013 amended the Caravan Sites and Control of Development Act 1960 to allow local authorities from the 1 April 2014 to charge a fee for the licensing of residential mobile (park) home sites (“relevant protected sites”) and recover their costs in undertaking this function.
- 5.2.2 A caravan site must have planning consent for use as a caravan site before it can be licensed and once licensed it remains in perpetuity until a change of use or planning consent has expired.
- 5.2.3 Following a review of administrative costs associated with charging for caravan site licences based on our experience over the last twelve months the proposed revised charges based on an increase of 3.5% are shown in the table below:

<b>Service</b>	<b>Current Charge</b>	<b>Recommended Charge</b>	<b>Predicted Income Full Year 2024/25</b>
New caravan site licence application fee	£475	£492	£492 for one new licence
Transfer of a caravan site licence	£232	£240	£240 based on the transfer of one caravan site licence

- 5.2.4 The charge to process a licence application for a new caravan site and transfer of the licence (in 2024/25) in Tunbridge Wells is £355 and £175 respectively. The charge in Sevenoaks is an incremental cost from £720 dependent on the number of pitches above one for a new caravan site, free if a single pitch site, and to transfer an existing licence is £99.
- 5.2.5 Where a licence holder of a permanent residential site wishes to register their site rules with the Council, the Council can charge a fee for administering and publishing the site rules on their website. The fee charged for this in 2024/25 was £60. The fee charged in Sevenoaks in 2024/25 is £66. It is proposed to increase this fee for the 2025/26 period to £62.
- 5.2.6 The Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020 introduced a fit and proper person test for site owners/caravan site licence holders or for their person appointed to manage the mobile home/caravan/park home site. This only applies to relevant protected sites other than non-commercial family occupied sites.
- 5.2.7 The Regulations require site owners/caravan site licence holders to apply to be included or their appointed manager to be included on a register of fit and proper persons. Inclusion on the register is for five years.
- 5.2.8 The Council adopted a fee policy for processing fit and proper person test applications and the fee charge in 2024/25 was £273. It is proposed to increase this fee for the 2025/26 period to £283. There are no fit and proper person test applications due for renewal in 2025/26. The fee charged by our neighbouring boroughs of Tunbridge Wells and Sevenoaks (in 2024/25) is £132 and £107.48 respectively.

## **6 Other Options**

- 6.1 For each of the services included in the report a proposed charge has been included taking into account the guiding principles for the annual review. Members of this Committee may of course wish to bring forward other options such as lower or higher charges.

## **7 Financial and Value for Money Considerations**

- 7.1 The fees and charges have been considered in accordance with a set of guiding principles and the opportunity to maximise income has been taken into account where possible.

## **8 Risk Assessment**

- 8.1 A decision is required now on the proposed fee structure for these activities to ensure that the Council has timely and up-to-date arrangements in place to administer service requests when received.

## **9 Legal Implications**

- 9.1 The Council is legally required to licence certain HMOs and caravan sites under the Housing Act 2004 Part 2 and the Caravan Sites and Control of Development Act 1960 (as amended by the Mobile Homes Act 2013) respectively. For this licensing function they may charge a fee to fund the costs to process an application.

## **10 Consultation and Communications**

- 10.1 In bringing forward proposals surrounding local authorities have been consulted so Members can make appropriate comparisons.

## **11 Implementation**

- 11.1 Implementation of all the proposed charges will be from 1st April 2025.

## **12 Cross Cutting Issues**

- 12.1 Following corporate guidelines for all of the charges included in this report has ensured a standard approach across different services.

### **12.2 Climate Change and Biodiversity**

- 12.2.1 Limited or low impact on emissions and environment.

- 12.2.2 Climate change advice has not been sought in the preparation of the options and recommendations in this report.

### **12.3 Equalities and Diversity**

- 12.3.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### **12.4 Other If Relevant**

- None

Background Papers	None
Annexes	None