

Policy Committee

17 November 2025



Reading
Borough Council

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Title	Regulatory Schemes Mid-term Adjustment
Purpose of the report	To make a decision
Report status	Partly open to the public and part exempt - see reasons below
Executive Director/ Statutory Officer Commissioning Report	Emma Gee, Executive Director Economic Growth & Neighbourhood Services
Report author	Catherine Lewis, Community Protection Group Manager & Julie Williams, Development Manager (Planning & Building Control)
Lead Councillor	Councillor Liz Terry, Leader of the Council
Council priority	Secure Reading's economic & cultural success
Recommendations	<ol style="list-style-type: none">1. That the mid-term adjustment to the Mandatory HMO Licensing fees are approved and applied to the Discretionary scheme when the tender process is complete and the scheme launched.2. That members approve the amendments to the Housing Standards Enforcement Policy removing reference to discounts in relation to licences issued under the Housing Act 2004 to reflect the revision of fees.3. That the revised Building Regulation charging scheme in line with The Building (Local Authority Charges) Regulations 2010 is approved.4. That the revised fees for the planning pre-application service are approved.5. That the revised fees become effective from 1 December 2025.

This report contains exempt information within the meaning of the following paragraph of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

And in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because:

The report contains within Appendix 1 financial information which, if published, would provide an unreasonable commercial advantage to future contractors and third parties in relation to current Tender process for the Discretionary Licensing Schemes. Therefore, while the public interest in transparency is acknowledged the priority must be to ensure that the Council can continue to negotiate effectively and secure value for money on behalf of its residents.

1. Executive Summary

1.1. This report seeks approval for a number of mid-year adjustments to fees and charges in respect of regulatory schemes operated by the Council.

1.2. The Council currently operates a licensing scheme for larger houses in multiple occupation with 5 or more occupants, the national Mandatory Licensing Scheme. The Council approved on 13 November 2024 the phased implementation of a Discretionary Licensing Scheme consisting of a boroughwide Additional Licensing Scheme alongside the phased implementation of a Selective Licensing Scheme.

On 17 March 2025 approval was subsequently given to procure property inspection services via a delivery partner. The Discretionary Scheme aims to launch this financial year. Licensing fees for both schemes have been reviewed to ensure they are operating on a cost recovery basis and it is proposed fees are increased as set out in the report.

1.3. The Housing Standards Enforcement Policy sets out the way Reading Borough Council implements the requirements of the Housing Act 2004 in relation to HMO licensing and health and safety hazards. Minor amendments are proposed to the Policy to reflect the adjustments to the revised fees.

1.4. The Building (Local Authority Charges) Regulations 2010 provide legal minimum standards applicable to the majority of building work undertaken. The Building Control Team perform a monitoring and enforcement service to ensure these standards are met through assessing, commenting on and approving building plans and then inspecting these works as they progress on-site. Local Authority Building Control services produce a scheme of charges for work in connection with the Building Regulations. The fees charged have been reviewed to ensure costs are recovered and are in line with those charged by our neighbouring authorities.

1.5. Pre-application advice "pre-app" is an informal planning service offered by local planning authorities (LPAs) in the UK. It allows individuals or developers to discuss their development proposals with planning officers before submitting a formal planning application. This process is designed to help improve the quality and success rate of applications. The Council's pre-app service has been reviewed against total costs and comparison with adjacent authorities and it is recommended that fees for some categories of application are increased as set out in the report.

2. Policy Context

2.1. The most recent Borough-wide Stock Condition Survey in Reading found that private rented properties (PRS) make up 39.9% of the total housing stock. The Council aims to ensure that private rented sector accommodation meets a minimum decent standard to protect the health and safety of tenants. The availability of houses in multiple occupation (HMO) lettings is particularly important in order to sustain affordable housing.

2.2. On 17th March 2025 Policy Committee approved the procurement of property inspection services via a delivery partner and for fees for the Discretionary Licensing schemes to be set at a level to ensure full cost recovery. The proposed additional licensing scheme will be the first implementation of Discretionary Licensing, covering smaller HMOs of 3-4 occupants. It is anticipated that the scheme will launch Additional Licensing at the end of this financial year.

2.3. The Housing Standards Enforcement Policy sets out the way Reading Borough Council implements the requirements of the Housing Act 2004 in relation to HMO licensing and health and safety hazards. It also outlines how the Council intends to use the discretionary powers in the Housing Act and related legislation to ensure fair and equitable enforcement. The Policy also details how fees for licensing applications will be

charged. The Assistant Director for Planning Development and Regulatory Services (now Assistant Director for Planning, Transport and Public Protection) has delegated authority to make minor changes to policy delivery from time to time which do not affect the broad thrust of the policy direction. This enables changes to policy delivery to be accommodated and best practice to be included without a formal re-adoption process.

- 2.4. The Council offers a pre-application planning advice service. This is an informal consultation with the local planning authority (LPA) before submitting a formal planning application. It helps applicants understand how planning policies and site-specific issues may affect their proposal. The service: reduces risk of submitting invalid or incomplete applications, clarifies planning policies, constraints, and local requirements, identifies potential issues and improves application quality. The chances of approval of the application increases saving time and money by avoiding unnecessary revisions or refusals.
- 2.5. The Building (Local Authority Charges) Regulations 2010 impose a legal obligation on Reading Borough Council to have a Building Regulation Charging Scheme in place, to ensure that the overriding objective of the charges being set are at a level that would cover the costs of providing the service, and to annually review and publish figures to ensure that this objective has been maintained.
- 2.6. On 15th October 2024, Council approved a recommendation to allow Policy Committee, or the other Standing Committees, to make in-year changes to Fees and Charges to enable services to be responsive to events as they occurred. Fees and Charges remain an annual item at Budget Council, but the Standing Committees are able to make in-year changes to Fees and Charges within their terms of reference. Policy Committee also has a default power to be able to make in-year changes to Fees and Charges on behalf of the Standing Committees, for any charges across the Council.

3. The Proposal

Private Sector Housing

- 3.1. The Private Sector Housing Team operate the national mandatory licensing scheme for Houses in Multiple Occupation (HMO), under Part 2 of the Housing Act 2004. The Council currently has approximately 1,400 HMOs including those in the process of being licenced. Licenses are processed in house by a team of officers who inspect properties to ensure they meet the required standards.
- 3.2. The deadline for the receipt of tenders for a delivery partner for the Discretionary Licensing Schemes was 6th October 2025. It is anticipated that the contract will be awarded by the end of November, and the launch of the scheme will be early 2026.
- 3.3. 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 – HMO licensing.
- 3.4. The current mandatory scheme fees do not cover all associated costs, therefore this report seeks approval for a mid-year adjustment to the licence fee for 2025/26 ceasing the discounted rate for accredited landlords from 1st November 2025 and increasing the license fee for all licences on both the Mandatory HMO Licence Scheme and the proposed Additional HMO Licensing Scheme (see appendix 1). This will require all applicants to pay the same fee and bring the schemes into alignment. Both the Mandatory and Discretionary Licensing Schemes should be cost neutral to the Council, covering the Scheme's staffing and associated on costs.
- 3.5. A bench marking exercise has been undertaken (see appendix 2) along with a review of the Council's staffing and associated costs to support the recommendation to adjust the fees.

3.6. The amount of work involved in processing and issuing a licence is the same for all landlords. There is some additional burden on officers checking and verifying accreditation status as part of the application process. Non-compliant landlords would potentially be met with enforcement action and penalty notices which should be the incentive for compliance.

3.7. The adjustment ensures fairness to all, as accreditation is not always a guarantee that property standards are good. Conversely some landlords with good and satisfactory properties may choose not to become or retain accreditation. A further set of landlords may be accredited at point of licence but not continue to be accredited for the life of the licence.

3.8. The Councils' [Housing Standards Enforcement Policy](#) currently states:

'The Council will charge a differentiated fee structure based on the level of work the Council is required to undertake. Lower rates apply where landlords are part of a landlord accreditation scheme. The fees will be set to cover the Council's costs of licensing HMOs and are likely to be comparable to fees being charged by other authorities. There is no cap on fees, but the Council must be able to justify its charges. The discounts aim to reward the more responsible landlords by offering discounts for accredited membership of certain schemes. Fees will be reviewed periodically, and any increases will be publicised on the Council's website and in writing to landlords'.

3.9. The following amendment to this section of the Policy is perceived to be outside the scope of delegated authority and therefore approval is sought for the proposed amendment to state:

fees will be set to cover the Council's costs of licensing and are likely to be comparable to fees being charged by other authorities. There is no cap on fees, but the Council must be able to justify its charges. Fees will be reviewed periodically, and any increases will be publicised on the Council's website and in writing to landlords'.

3.10. Building Control

3.11. The Building (Local Authority Charges) Regulations 2010 provide legal minimum standards applicable to the majority of building work undertaken to virtually every building type. The Building Control Team perform a monitoring and enforcement service to ensure these standards are met through assessing, commenting on and approving building plans and then inspecting these works as they progress on-site.

3.12. The Regulations require that Local Authority Building Control services produce a scheme of charges for work in connection with the Building Regulations.

3.13. The prescribed Building Regulation functions that can be charged for (Charges Regulations 2010) on a cost recovery basis include;

- Checking Full Plans applications;
- Inspecting work associated with Full Plans applications;
- Checking/inspecting work associated with Building Notices
- Checking/inspecting work reverting to local authority control (from Approved Inspectors);
- Checking/inspecting work associated with regularisation applications (retrospective or unauthorised works)
- Providing pre-implementation advice on any of the above areas of work.

3.14. Building control fees were last increased in July 2023 (with a small adjustment in August 2024) and since then salary costs, particularly for agency staff, have increased and the time needed to carry out checking of plans and inspections has also increased for some categories of applications.

3.15. Officers have compared the fees proposed with those being sought by adjacent and other similar authorities and the proposed new schedule of fees is consistent with those findings.

3.16. The largest fee increases are proposed for Regularisation Applications. This work involves dealing with retrospective or enforcement work which is significantly more complicated than when dealing with works proposed or underway. The increase in fee is intended to encourage customers to apply for compliance prior to works beginning, which ensures safety of occupiers and less of a risk for the owners. This is an area of concern that needs attention. By comparing planning decisions against building control applications submitted it is apparent that some are ignoring seeking building regulation approval. The increase in fee will enable resources to be targeted at this enforcement work.

Planning Pre-App Service Review

3.17. Officers have reviewed the existing planning pre-app service and fees (last review was in November 2024) against the current process and costs of providing this service, including all staff involved in the process and have considered the fees being charged by adjacent authorities. This review has shown that the current fees charged for Level 1 advice provided for householder, community groups and small commercial projects remain reasonable and there is no need to change these. However, there is justification for increasing fees charged for pre-app and for Planning Performance Agreements (PPA) for Level 2 and Level 3 pre-application advice for larger commercial housebuilding schemes and large commercial developments.

3.18. The table at Appendix 4 illustrates the current and the proposed fees. As mentioned above officers have carefully considered the whole process of providing pre-app advice for our level 2 and level 3 categories when customers are provided with not just planning advice but a suite of transport, ecology, landscaping, heritage and listed building advice at often several meetings and in writing as appropriate. The increases shown are justified by the combined time and expertise involved in providing this wide-ranging advice and now that applicants no longer have a free second planning application it is worth it to them to give their application the best chance of gaining approval. Comparisons with our neighbouring authorities shows that the fee increase would be comparable and often cheaper due to the reduced travel time for site visits in Reading.

4. Contribution to Strategic Aims

4.1. The Council Plan 'Investing in Reading's Future 2025-2028 has established five priorities for the years 2025/28. The mid-term adjustment to charges ensures financial resilience of the schemes being implemented, whilst ensuring the schemes are fit for the future.

4.2. The Mandatory and Discretionary licensing schemes support securing Reading's economic and cultural success by ensuring residents have access to affordable and decent housing.

4.3. Berkshire West Health and Wellbeing Strategy 2021-2030 identifies that poor housing is one of the determinants of poor health. The Strategy commits the Council to consider the impact on health in work and to 'address the variation in the experience of the wider social, economic and environmental determinants of health'. Delivering these schemes puts residents first and supports building on strong foundations.

4.4. Providing an effective building control service and providing expert advice to planning applicants supports economic growth and public safety. The proposed fee changes for Building Control and Planning Pre-Application advice will enable both teams to carry on delivering this support by improving the financial resilience of both the Building Control and Planning teams.

5. Environmental and Climate Implications

5.1. The Council declared a Climate Emergency at its meeting on 26th February 2019 (Minute 48 refers).

5.2. There are no environmental or climate implications arising from the decision, due to the decision being related solely to changes with the financial element of the schemes.

6. Community Engagement

6.1. As set out within the November 24 HNL report a comprehensive consultation process was followed with reference the implementation of the new Discretionary Scheme. The consultation was launched on 13th June and ran to 29th August 2024 (11 Weeks). There is no legal obligation to consult on these changes.

6.2. The Building (Local Authority Charges) Regulations 2010 do not require consultation on changes to fee charging schemes but do require that the revised scheme is publicised no less than 7 days before the scheme is due to start. Similarly, there is no duty to consult when setting Planning Pre-Application fees.

7. Equality Implications

7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to –

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.2 The proposals are not expected to require an Equality Impact Assessment (EqIA) as it is not relevant to the decision being made.

7.3 The licensing schemes will have a beneficial impact to residents in the private rented sector by conditioning landlords to ensure property standards are met. The improved housing conditions will support individuals at high risk of poor health outcomes, a priority in the Berkshire West Health and Wellbeing Strategy 2021-2030.

8. Other Relevant Considerations

8.1. None.

9. Legal Implications

9.1. The Housing Act 2004 enables Local authorities to set fees that are reasonable and proportionate to ensure a self-financing scheme.

9.2. The Building (Local Authority Charges) Regulations 2010 impose a legal obligation on Reading Borough Council to have a Building Regulation Charging Scheme in place, to ensure that the overriding objective of the charges being set are at a level that equates to the costs of providing the service.

9.3. For Planning Pre-Application fees a local authority must be able to justify the charge set in line with S93 of the Local Government Act. As described below, Officers have sought advice from finance to ensure that the fee changes proposed can be shown to be fair and meet the costs of providing the service.

10. Financial Implications

10.1. For a number of years, the existing Mandatory scheme has not recovered it's costs and it is therefore necessary to increase the fees to ensure costs are met. Officers undertook a benchmarking exercise to ensure the fees are in alignment with other Local Authorities.

- 10.2. The fees are set for the schemes referenced to recover costs and therefore the schemes will operate on a cost neutral basis to the Council.
 - See Appendix 1, 2 and 3 for fee proposal.
 - The proposals, taking account the public health benefits and cost recovery element of the schemes, represents value for money.
- 10.3. The additional fee levels will generate in year benefits for 2025/26 and into the following financial year to help the forecast position.
- 10.4. The Building Control and Planning Pre-Application fees proposed take into account finance advice for setting hourly rates and bench marking against adjacent authorities to calculate and justify the rates proposed.

11. Timetable

- 11.1 The proposed amendments to the fees and charges for Mandatory Licensing, Building Regulations and Pre-App Charging Schemes would come into effect from 1 December 2025.
- 11.2 The Discretionary Licensing Scheme is timetabled for implementation early 2026.

12. Background Papers

- 12.1 There are none.

Appendices

1. **Confidential Financial Annex – Fee proposal Mandatory and Discretionary Licensing**
2. **Fees comparison Mandatory and Discretionary Licensing**
3. **Fees & Charges Building Regulations Scheme**
4. **Fees for Planning Pre-Application Advice and Planning Performance Agreements**

Appendix 2
Fees comparison Mandatory and Discretionary Licensing

New HMO fees (June)2025			
Local Housing Authority	Mandatory HMO	Renewal	Discretionary
Reading (Current)	£1000-1250		
Reading (Proposed)	See confidential annex		See confidential annex
Bournemouth, Christchurch and Poole (BCP)	£1,453	£1,338.5 0	N/A
Birmingham	£1,125	£755	
Bristol	£1,886	£1,564	£1,300
Coventry	£916-2175	£910	N/A
Ealing	£1500-2000	£1,300	
Guildford	£1,037.34		N/A
Islington	£1440 (288/room)		£1440 (288/room)
Manchester	£1,321	£1,121	£736-936
Nottingham	£1553-2108		£1553-2108
Oxford	£554- 2900		£266-557
Preston	£700		N/A
Richmond	£1759-2039		N/A
Slough	£965		Ended
Southampton	£795-1344		N/A
Warwick	£1,060.40		£1,060.40
Woking	£800	£642	N/A

Appendix 3. Fees & Charges Building Regulations Scheme
Building Control Fees (extract of typical work)

Table A - Schedule 1 - Domestic New dwellings	Full Plans / Building Notices Current inc. VAT	Full Plans Proposed inc. VAT	Building Notice Proposed Inc. Vat	Regularisation charge Current exc. VAT	Regularisation charge Proposed exc. VAT
1	£1295	£1385	£1523	£1,554	£1827
2	£1745	£1867	£2053	£2,094	£2463
Additional dwellings		Fees on negotiation	Fees on negotiation		Fees on negotiation
Table B - Schedule 2 - Domestic					
Extension under 10m ²	£730	£781	£859	£876.00	£1030
Extension 10m ² - 40m ²	£885	£946	£1040	£1,062.00	£1248
Extension 40m ² - 60m ²	£990	£1059	£1164	£1,188.00	£1396
Extension 60m ² - 100m ²	£1095	£1170	£1288	£1,314.00	£1545
Erection or extension of detached garage	£575	£615	£676	£690.00	£811
Extension or alteration to a loft not exceeding 50m ²	£930	£995	£1094	£1,116.00	£1312
Conversion of a single garage for habitable use estimated works	£575	£615	£676	£690.00	£810
Table B - Schedule 3 - Domestic					
Window replacement up to 5 in a single dwelling	£225	£240	£264	£270.00	£316
Window replacement 10 to 20 in a single dwelling	£285	£304	£334	£342.00	£400
Renovation of a single thermal element	£335	£358	£393	£402	£471
Replacement roof covering	£269	£287	£315	£323	£378

Appendix 4. Fees for Planning Pre-Application Advice and Planning Performance Agreements (PPA)

Service	Category	Charge Unit	Fee Nov 2024	Fee including VAT	New Fee Nov 2025	Fee including VAT	Comment
Level 1 Householders, small business & community groups Level 1 used for advice on development within in the “Other Development” category for planning applications.	Householders	Each	180.00	£216.00	£180	£216	No change for Level 1 advice
	Meetings extra	Per hour	£104.60	£122.52	£104.60	£122.52	
	Small business and developers: where the floor area is less than 200sqm.	Each	£180.00	£216.00	£180	£216	
	Meetings extra	Per hour	£104.60	£122.52	£104.60	£122.52	
	community uses - (Free of charge for up to 200sqm)	Each	£160.00	£192.00	£160.00	£192.00	
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Level 2 Business, commercial or other development of 201 sqm to 999 sqm. Residential development for less than 10 dwellings. Level 2 service used for advice on development that would fall within in the “Minor Development” category for planning applications.	201 - 499sqm	Each	£400.00	£555.00	£600.00	£720.00	Fee increase
	500 - 999sqm	Each	£862.50	£1,035.00	£1,000.00	£1,200.00	Fee increase
	1 - 3 dwellings	per dwelling	£462.50	£555.00	£462.50	£555.00	No change to fee but the charge is now per dwelling with one category for 1 - 9 dwellings
	1 - 9 dwellings One Meeting included in fee, additional Meetings charged by hour.						
	4 - 9 dwellings	per dwelling	£862.50	£1,035.00			
	10 - 15 dwellings	Each	£1,075.00	£1,290.00	£1,500.00	£1,800.00	Move all Major planning enquiries to Level 3 service
	16 - 19 dwellings	Each	£1,437.50	£1,725.00	£2,000.00	£2,400.00	
	One Meeting included in fee, additional Meetings charged by hour.	Each	£147.50	£177.00	£166.00	£200.00	
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Level 3 Development between 1,000 and 5,000 sqm or 10 - 19 dwellings Level 3 pre-app service used for advice on development that would fall in the "Small Major Development" category for planning applications.	Introductory scoping meeting. Further meetings charged per hour	Each	£3,750.00	£4,500.00	£4,000.00	£4,800.00	All major pre-app to have initial meeting
		Final written advice report	£3,750.00	£4,500.00	£4,000.00	£4,800.00	All major type pre-application enquiries dealt with as Level 3 to rationalise service provided for each level. Increase fee.
Level 3 - PPA Development over 5,000 sqm or 20+ dwellings (Large Major) Level 3 - PPA service used for pre-application advice and to manage the eventual planning applications for Large Major development.	The first fee is for introduction meeting and negotiations on terms of PPA. The second fee is minimum for PPA.	Each	£3,750.00	£4,500.00	£4000 £10000	£4800 £12000	Increase in fee for initial meeting. Minimum fee for PPA stated.