**SELECTIVE LICENSING - FREQUENTLY ASKED QUESTIONS FOR RESIDENTS AND TENANTS**

**What is Selective Licensing?**

The 2004 Housing Act gives councils the power to introduce licenses for rented houses within a designated area. This is called Selective Licensing.

The aim of Selective Licensing is to improve housing conditions and the behaviour of landlords and tenants. This is expected to have a positive impact on the area.

The Council is currently consulting on whether to introduce Selective Licensing in parts of North East Lincolnshire.

If the Council’s proposals to introduce Selective Licensing for parts of the borough is approaved, Landlords will be required to get a licence to rent out a property and the licence will have a set of conditions that the landlord must adhere to.

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| **Why has my area being chosen?** | Data published by the Government shows that these areas are some of the most deprived in the borough.  The areas have high levels of crime, poor health and low income.  Selective Licensing will not solve all of the problems that people in these areas face, but it could help to tackle many of them. |
| **How long would a scheme last?** | A scheme would last for five years. At this point there would be another consultation to see if the scheme should be extended or end. |
| **How much could a licence cost?** | The proposed figure is anticipated to be in the region of £295 for the initial licence fee and £310 for the final licence fee. This totals £590.  The Council are proposing a discounted fee for experienced landlords, through a partnership scheme. |
| **Could the landlord increase my rent?** | If the selective licensing scheme is approved, and you are renting at the time the scheme comes into force, your rent should remain the same whilst you are under a contract. If your initial contract has ended, the landlord may choose to increase the rent however we would expect that the landlord absorbs the cost as a business expense. The Council have demonstrated an intention to make the scheme affordable to landlords and demonstrate value for money. The licence fee can also be used to offset taxation costs.  We anticipate the scheme would cost a landlord in the region of £2.26 per week per property. |
| **My landlord says he will evict me if the scheme is approved?** | If the scheme is approved, it will be illegal for your landlord to evict you simply because they do not wish to obtain a licence for a property that requires one.  Additionally, if you have an assured shorthold tenancy agreement then your landlord legally must follow the correct procedure before evicting you.  If your landlord is threatening you with eviction please contact Home Options on 01472 326296. |
| **Would every privately rented property have a licence?** | Each privately rented property in the designated area would require its own licence.  This means if a landlord has three properties, they would need to apply for 3 licences. |
| **I live in a shared house, would my landlord need to apply for a licence?** | Landlords should check with the Council to confirm if their property is eligible for licensing.  It could be the landlord needs to apply for a mandatory licence for a House of Multiple Occupancy. |
| **Are any properties exempt?**  . | There are a number of circumstances which may mean landlords do not have to licence a property.  Note that the exemptions listed in the business case are covered by law and are not a decision made by the Council. For full details of exemptions please refer to [The Selective Licensing of Houses (Specified Exemptions) (England) Order 2006](http://www.legislation.gov.uk/). |
| **Why does the proposal exempt social landlords for example: Lincolnshire Housing Partnership and Longhurst?** | The Council hasn't exempted social housing. The law itself exempts social housing property from licensing. Social housing is regulated by the Regulator of Social Housing.  However if a tenant is having problems with their property and rent through a social landlord, we recommend you ring the Housing Enforcement Team to arrange a survey.  Social Landlords must comply with the Housing Act 2004 and the Council do work with landlords to ensure that repairs are completed. |
| **Who should be the licence holder?** | The Council can only grant a licence to someone who is in control of the property. It is the owner's responsibility to ensure that an application for a licence is made for their property; however they may not necessarily be the licence holder.  Landlords who manage their properties directly could apply for a licence in their own right. Where a managing agent is used, the managing agent could apply for the licence and the landlord would need to provide information about the property and give their consent.  Where a manager is employed, financial arrangements must be in place to ensure that any works deemed necessary for the proper management and maintenance of the property can be carried out.  When a limited Company is the licence holder, then the company secretary or other authorised signatory should be the licence holder.  Applicants would need to be a resident in the UK to be a licence holder. |
| **What is the licensing process and how does it work?** | Landlords are responsible for applying for a license for each of their properties that are in the designated area.  The Council only issues a licence once it is satisfied that the following points listed below have been met.  If the Council is not satisfied that a property and landlord meet the conditions of the license, it is likely that the license application will be refused.  An overview of the process: -   * Application submitted to council with correct fee and all essential paperwork and elements completed * Acknowledgement sent to applicant confirming application received. * Assessment of management arrangements carried out * Property inspection arranged and carried out * Fit and proper assessment carried out. * Decision made on whether proposed licence holder and manager are fit and proper * Decision made on whether management arrangements are suitable. * If everything satisfactory a draft licence can be drafted ready to send to proposed licence holder and all interested parties. * 2 nd part of fee to be paid. If this is not paid council can review draft licence and may refuse the licence. * Once fee received, draft licence sent out. Information can be provided with the draft in relation to right to make representation (14 day period). * If representation received within 14 days this can be considered prior to final licence being issued. * After 14 days final licence issued and comes into force. Information can be provided with the draft in relation to right of appeal to the first-tier tribunal Property chamber (Residential Property) if not satisfied with the final licence that has been issued (Period of 28 days)   \* If everything isn’t satisfactory the licence may be refused or issued with additional conditions. This process also has a right of representation and appeal. Information on this would be provided with the refusal documentation. |
| **What happens if a landlord does not licence a property?** | If a landlord does not apply for a licence and continues to rent a property then they would be committing a criminal offence. If convicted they could be subject to a fine with additional penalties should they not take steps to license and the Council can apply for a Rent Repayment Order to claim back any Local Housing Allowance paid to the tenant for up to 12 months.  Once a scheme comes into force, landlords cannot legally evict tenants (Section 21 Notice), until the property is licensed. |
| **What happens if a landlord breaches a licence?** | If a licence breach the license conditions, this could lead to a fine of up to £5,000 for each breach.  Breaching the licence conditions could also lead to the revocation of the licence and unless a suitable alternative licence holder could be found, the Council may take over the management of the property by issuing an Interim Management Order (IMO). |
| **Would each property be inspected?** | Yes, the Council would aim to inspect every property before a licence can be issued. The number of times the Council propose to inspect a property would depend on the risk. For example; Landlords choosing to opt for a Partnership Scheme would be inspected where there is a breach. The scheme provider would be contracted to liaise with their members and tackle inspections. The Council would monitor the provider and make quality checks which could include random inspections. Where a landlord has opted to stay licensed with the Council, properties would be inspected annually, unless the landlord has a proven track record of providing quality housing and management standards. |
| **A landlord must be a “fit and proper person” to obtain a licence. What does this mean?** | The Council would need to apply a test to check licence holders are suitable to hold the licence. We could look into matters including but not limited to those set out in the business case which may have arisen either in the UK or elsewhere.  Conviction for a criminal offence would not automatically mean an application would be rejected. For further details, please follow the link to the proposed fit and proper person policy.  Details of the proposed Fit and Proper Person Policy can be found the Business Case. |
| **If a landlord is refused a licence, could they appeal against a Council decision?** | Yes, landlords could appeal to the First Tier Tribunal within 28 days if they disagree with any of the Councils decisions. They could appeal if the council decided to:   * Refuse a licence * Grant a licence with conditions * Revoke a licence * Vary a licence * Refuse to vary a licence |
| **Would the Council target those landlords who fail to get a licence?** | We propose to target Landlords who fail to engage at an early stage in the project. |
| **How do the Council plan to identify unlicensed properties?** | Tenants would be able to inform the Council if their property is unlicensed. Other methods include mapping tools, investigatory tools, reports from the community and working with partners could identify unlicensed properties. Landlords should feel reassured that should the scheme be approved, the Council is committed to seeking out unlicensed premises as a priority. |
| **What are the benefits of a licensing scheme?** | Selective Licensing ensures that landlords of properties in a certain area are signed up to a set of rules.  These rules cover how a property is managed and maintained.  They also set out how a landlord should act when taking on tenants and interacting with them.   * Selective Licensing is expected to:Tackle the issue of anti-social behaviour * Deal with issues of low demand and area decline * Support inexperienced landlords * Engage with landlords to improve property and tenant management   Selective licensing would make sure your landlord is managing and maintaining your home so that it is kept in good state of repair. They’ll also be expected to act in a responsible manner.  This would include carrying out tenant vetting, issuing valid tenancy agreements and securing deposits in one of the government’s nominated schemes. |
| **Would landlords choose to sell up?** | The Council is proposing a realistic fee is charged for a licence, which is both affordable and demonstrates value for money.  Holding a licence would demonstrate the quality of their rental business for a reputable landlord. |
| **How do landlords benefit from licensing?** | Licensing can help to identify irresponsible landlords who impact negatively on the reputation of responsible landlords.  It can also help inexperienced landlords who might not be familiar with all of the requirements for establishing a rental business with what they need to do.  Tackling these landlords will improve conditions and management standards, improve tenancy arrangements and help tackle to Anti-Social Behaviour.  The proposal intends to support landlords and tenants to sustain tenancies. |
| **How do tenants benefit from a selective licensing scheme?** | Licensing improves housing standards and ensures that landlords have proper management processes in place.  Tenants will be reassured that landlords are 'fit and proper', and have agreed to abide by the license conditions. |
| **Would the list of licensed properties be public information?** | The register would be held by North East Lincolnshire Council and is intended to be available for public view.  The Council currently publicises information on Mandatory Licensing for Houses of Multiple Occupation and the register of licensed properties would be published in the same way.  How would the Council spend the licensing money?  The money would pay for the running costs of the scheme. This would include additional staff to work with the community and landlords, processing applications and ensuring landlords do not breach their licensing conditions.  In addition the officers would support landlords and tenants, maintaining tenancies to avoid un-necessary homelessness and help build a caring community. |
| **Why should good landlords apply for a licence?** | As a council we recognise many landlords, letting agents and managers already deliver good quality, well managed and maintained homes.  Selective Licensing, under the Housing Act 2004, does not allow for the Council to make certain properties/individuals exempt from the scheme. We value good landlords in our area, and that is why we intend to offer a discounted partnership scheme to those landlords. |
| **If the scheme is approved, will other areas be included at a later date?** | At this stage there are no formal plans to extend selective licensing proposals. However, the Council is keen to ensure that poor management practices do not spread to other areas. Therefore, pending the schemes approval, other areas will be monitored and if necessary will be considered. |
| **What would a landlord get in return for their licence fee?** | The licence fee covers the council’s staffing and administrative costs in processing and granting the licences only. However, landlords would receive training, inexperienced landlords would receive support with tenants, and hopefully more demand for their properties from reliable tenants, as add ons to the scheme. |
| **Is there any evidence this has worked in other areas?** | Other authorities who have operated and evaluated successful licensing schemes have seen reductions in anti-social behaviour, and the number of empty homes. The scheme has also helped to improve the private rental market.  It is important for other projects, such as the good tenant passport, landlord training, and projects with environmental, social and economic benefits for the community to be run alongside licensing to complement the scheme. |
| **As a tenant, why is anti-social behaviour my responsibility?** | Anti-social behaviour can disrupt communities and become a nuisance to neighbours. Landlords are expected to challenge tenants inconsiderate behaviour and to work with the council and police to manage incidents of ASB by their tenants, which relate to the tenancy.  Tenants would be asked to sign an ASB agreement in advance of taking a tenancy. |