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What is Selective licensing?

Part 3 of the Housing Act 2004 gives local authorities the power to introduce selective licensing for privately rented properties within a designated area. The selective licence ensures to raise property standards within problematic and low demand areas.

What is the aim of the scheme?

The aim of the scheme is to improve property management and housing standards in the private rented sector (PRS) within the designated areas. We recognise as a council the importance of the PRS for the borough given that so many of our residents rely on the PRS as their choice of housing tenure over other tenures (e.g. social housing and home ownership). We aim to ensure that all tenants living within the PRS are able to enjoy a safe, comfortable, well managed and maintained home. We also anticipate that the scheme will help towards tackling problems of crime, anti-social behaviour (ASB), low housing demand and deprivation within the designated area.

When does the scheme start?

The council has two Selective Licensing schemes:

Phase 1a covers the whole of the Netherfield ward and commences on the 5th January 2025 and runs until 4th January 2030.

A second designation known as Phase 2 became operational in prescribed parts of Carlton Hill, Colwick, Daybrook and Newstead Village on the 1st November 2022 and will run until 31st October 2027. For more information on what areas are covered by Phase 2 please visit our website: <u>Selective Licensing - Gedling</u> Borough Council

How long will the Selective Licensing scheme last for?

Each scheme will last for a period of 5 years from when it starts, unless the council decide to extend the duration of the scheme beyond this point. As mentioned above, the Netherfield scheme is due to expire on 4th January 2030 and the Phase 2 scheme covering parts of Carlton Hill, Colwick, Daybrook and Newstead Village will expire on 31st October 2027.

Unless there are concerns in relation to issuing a licence your licence will be issued for the duration of the scheme. Please note that expiry dates on licenses cannot be beyond the end date of the scheme in question.



Why has Gedling Borough Council introduced the Selective Licensing Schemes

The Council has undertaken evidence based research that shows the areas covered by the schemes have problems relating to high levels of crime, antisocial behaviour, deprivation and poor property conditions associated with privately rented properties in the area. The Council believes that a scheme of selective licensing in these areas will significantly assist in dealing with these issues and bring about better quality housing and living conditions.

For a more detailed breakdown on why the council proposed the Phase 1a and Phase 2 of Selective Licensing please consult the proposal documents which are available on our website here: <u>Selective Licensing - Gedling Borough Council</u>

In addition to the proposal documents referenced above, the following documents are also available on our Gedling Borough Council website;

- Public notice of the selective licensing scheme for Phase 1a and Phase 2
- Selective licensing designation for Phase 1a and Phase 2
- Conditions of the scheme

With the above in mind, licensing makes it a legal requirement for rented properties to have a licence. The conditions set out in the licence will require landlords to achieve certain standards of management and maintenance of private rented homes in the areas covered by the two schemes.

What about good landlords who already manage their properties well?

As a council we recognise a proportion of property owners, managers and agents in the borough already deliver good quality, well managed and maintained homes. Unfortunately, the nature of Selective Licensing under the Housing Act 2004 does not allow for us to make certain properties/individuals exempt from the scheme. We do recognise good landlords make our task of licensing their properties easier which is why we offer a discounted licence fee for accredited landlords. We also recognise this in our 're-licence' discounted fee for landlords applying under Phase 1a where they have previously held a licence under the old Phase 1 scheme and have not had any compliance issues.

I already pay an agent to manage my property why should I pay for a licence?

Managing agents and letting agents are largely unregulated and whilst some are members of recognised bodies there is no minimum standard, qualification or independent verification of the standard of service provided by managing agents. In our experience not all managing agents are fully authorised to address significant disrepair or fully address poor tenant behaviour. Our findings from Phase 1 also indicate that a large proportion of the most uncompliant/poorly managed properties have managing agents involved.



As a council we believe that selective licensing will formalise the management responsibilities and ensure that good practice is implemented throughout private rented homes in the Netherfield ward and parts of Carlton Hill, Colwick, Daybrook and Newstead Village. We will also independently inspect a selection of properties to ensure they are compliant with minimum legal standards.

What are the benefits of the Licensing Scheme?

Collectively we are expecting to achieve the following:;

- A reduction in anti-social behaviour and crime (better behaved tenants)
- More professional, reputable landlords
- Improvements in the quality and the management of properties
- · Landlords Managers and Agents readily identifiable
- Protect vulnerable groups within privately rented dwellings
- A mixed and vibrant community that people can enjoy living in
- Tenant retention/occupancy, and a reliable and regular income
- Improved health and wellbeing of tenants
- Support from multiple disciplinary agencies

Further information on selective licensing can be found in the following locations:

- On our selective licensing webpage <u>Selective Licensing Gedling Borough</u> Council
- Under Part 3 of the Housing Act 2004
- Government guidance documents: <u>Selective licensing in the private rented</u> sector: a guide for local authorities - GOV.UK

Whose responsibility is it to apply for a licence?

The legal requirements relating to licensing can be found in Part 3 of the Housing Act 2004. It is the responsibility of the person having control of or managing a house to apply for a licence. This is defined in the Act as any person or party who is in receipt of the rack rent for the property and any legal owner or lessee who is in receipt of the rent either directly or via another party such as an agent.

Therefore, there is a legal responsibility on a Letting Agency to apply for a licence for the property if they are collecting the rent from the tenant, even if they are passing it on to the owner minus a management fee.

The council strongly recommends that agents check that a property has a licence or an application to licence has been submitted before taking on the management. Alternatively, if an agent continues to manage a property in the knowledge that no application to licence has been submitted, they themselves must consider making an application to licence the property or stop managing the property in order to be legally compliant.



What is the licensing process and how does it work?

Criteria for granting a licence; It is the responsibility of the proposed licence holder who has control of the property (usually owner, manager or agent who receives the rent for the property) to apply to the Council for a selective licence.

The Council will only issue a licence once it is satisfied that the following points listed below have been met. In the event that any of the issues listed below are not satisfactory the council may decide to impose extra conditions on the licence or refuse the licence completely.

Criteria:

- The proposed licence holder and proposed manager/agent (if applicable) is a 'fit and proper person'
- The proposed licence holder is the most appropriate person to hold the licence
- The proposed management arrangements are satisfactory
- Persons involved in the management of the property are competent.

An overview of the process:

- Application submitted to council with correct fee and all essential paperwork and elements completed. Where essential elements of the application are not provided, we will contact the applicant to facilitate submission of what we require.
- Once all essential information is received, an acknowledgement letter/email will be sent to applicant confirming the application as 'duly made'. Once duly made, landlords and agents are able to continue to rent property as normal from this point in the knowledge they are compliant with the requirements of selective licensing.
- Assessment of management arrangements carried out.
- Property inspection arranged and carried out where appropriate.
- Fit and proper assessment carried out on all proposed licence holder and managers.
- Decision made on whether proposed licence holder and manager are fit and proper.
- Decision made on whether management arrangements are suitable.
- If everything satisfactory and the council make the decision to issue the licence, an invoice will be sent out for the part 2 fee. The part 2 fee will be calculated by the team based on accreditation status and/or whether the application is a Re-Licence application or not.
- Once the part 2 fee is received, a draft licence will be issued to the proposed licence holder and all interested parties. (See * below). If the part 2 fee is not paid, the council can review the draft licence and may refuse the licence.



- Information will be provided with the draft licence explaining the decision and providing information in relation to the right to make representation (14 day period).
- If representation received within 14 days this will be considered prior to final licence being issued.
- After 14 days final licence issued and comes into force. Information will be provided with the final licence explaining the 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 do I need to submit to make a selective licence application

In order to submit a valid application to licence a property you will need to complete all relevant parts of the application form. We have provided an 'online application guide' to help with this process which can be found under 'Supporting Documents' on the selective licensing page on our website Selective Licensing - Gedling
Borough Council. A separate application will be required for each property you are applying to licence. There are also certain documents that are mandatory for your application to be considered valid:

- Completed fit and proper declarations for all licence holders and managers. If there is more than one party involved with the property then this will need to be submitted as a separate attachment using the form entitled 'Fit and Proper Person Form (PDF)' which can be found on our website.
- A Gas Safety certificate completed within the last year (if the property has a gas supply)
- An electrical test certificate (e.g. EICR) completed within the last five years.

Once I have applied for a licence, what happens next?

If you have submitted your licence application via our online portal then shortly after submission you will receive a confirmation email from Idox (the company who provide and host the online application system). The email will confirm that your submission has been sent to Gedling Borough Council and will have a pdf version of your application attached.

You will also receive a confirmation email from Capita confirming the details of your card payment.



Once the council has confirmed that the application is valid and that all essential information has been submitted we will confirm in writing that the application is considered as 'duly made'. When an application is duly made, the legal duty has been met and it is then down to the council to process the licence. In order to be considered valid (duly made) the application must have the correct fee paid, include all essential documentation and have all relevant parts of the application completed satisfactorily.

If we determine that there are essential parts of the application missing we will contact the applicant to request them. Until all essential parts have been submitted the application would not be considered as 'duly made'.

There will be a team of three people processing the licenses so timescales for issuing will vary. You are able to continue to rent your home as normal whilst your licence is being processed.

What happens if my licence is refused; how can I appeal this?

Details of how to appeal are provided with the refusal documents.

For what reasons can a licence be refused?

Details of the reasons for refusal are provided with the refusal documents.

Reasons may include

- Not being a 'Fit and Proper Person'
- Unsatisfactory management arrangements and persons involved in the management are not competent
- The licence holder is not the most suitable person
- Failure to pay the part 2 fee

Will the property need to be inspected?

A property inspection may be carried out as part of a licence application to assess the management of a property. In some cases the council will apply a risk based approach to selecting which properties will and won't be inspected – this is more likely to be the approach for landlords/licence holders who have a large portfolio, or where a property is being licensed for the second time (for example under Phase 1a). The licence holder is expected to be proactive in improving, maintaining and effectively managing their property. If a property is not inspected, the council would still expect that the licence holder and/or manager carry out any necessary repairs and maintenance as necessary.

Inspections will also be made following complaints of disrepair and anti-social behaviour and where there are significant hazards (Under Part 1 of the Housing Act 2004- Housing Health and Safety Rating System (HHSRS).



My property is a Housing in Multiple Occupation (HMO), do I still need to apply for a licence?

If you own a property within the Selective Licensing area that is occupied as an HMO by five or more unrelated occupants then you would need to make an application under the Mandatory Licensing scheme. This can be done via the mandatory HMO licensing page on our website: Houses in multiple occupation - Gedling Borough Council

If your privately rented property is already licensed under the Mandatory HMO Licensing scheme, then you will not need to licence the property under the Selective Licensing scheme as this is a separate scheme.

If you operate a privately rented HMO property within one of the selective licensing areas that doesn't fall under mandatory licensing (for example it is occupied by four or less unrelated occupants) then you would be required to submit an application under the Selective Licensing scheme.

If in doubt contact the team for clarification. We can be contacted via the contact centre (0115 9013972) or via email at: privatesectorhousing@gedling.gov.uk

What happens if I do not apply for a licence?

It is a criminal offence for a person or party who requires a licence to not apply for the licence, if found guilty of this offence by the courts the penalty fine is unlimited. If the person is issued a civil penalty they could face a fine of up to £30,000 for offences under the Housing Act 2004 (This would be instead of a prosecution).

As mentioned previously it is not just the responsibility of the legal owner to apply for a licence. If managing agents are collecting rent (even if they are then passing it on) they too are responsible for ensuring the property is licensed. In such instances the council could take enforcement action against both owner and agent.

What conditions will be on the licence?

The licensing conditions cover a range of requirements including (but not limited to) gas/electrical certificates, fire safety and general repairs, property management, tenancy agreements, tackling anti-social behaviour and notifying the Council of changes. A list of the conditions can be found on our website under "Supporting Documents" here: Selective Licensing - Gedling Borough Council



What happens if I do not comply with any of the terms of the licence conditions?

The Council can issue civil penalty notices (CPN) or prosecute for a breach of licence condition (separate fine can be issued per breach). The maximum CPN amount is £5,000 per breach.

Please note; if found guilty of a breach of the conditions contained within your licence it may affect your 'fit and proper' status which could result in any other licenses you hold being revoked.

How do I know if my rented property is licensable?

You can establish whether your property falls within a Selective Licensing area by using the interactive map found on our selective licensing webpage here Selective Licensing Areas. The areas are shown on the map with blue outlines for phase 2 and a purple outline for phase 1a. If your property is privately rented and falls within one of the designated areas you will be required to apply for a licence.

Note: Mandatory HMO licensing is a separate scheme to Selective Licensing. If your property is occupied by five or more people living as two or more households you will be required to apply for a Mandatory HMO licence irrespective of whether it falls within a selective licensing area or not.

Who can apply for the licence?

Anyone can apply for a licence, even if they have no involvement with the management of the property. The applicant does not have to be the proposed licence holder. The applicant should have access to all of the accurate information that is required for the application form.

Who can be the licence holder?

The licence holder should be the person or party who has control of the property. This is usually the person who receives the rent (usually the owner or manager). They will be bound by the licence conditions and should be competent. Further advice is provided in the Online Application Guide document which can be found under supporting documents on the selective licensing page Selective Licensing-Gedling Borough Council.

Can there be more than one licence holder?

You are permitted to have more than one licence holder on the licence if there is more than one person/company having control. In order to be a licence holder that person or company must be in control.



How can I apply for a licence?

There are two ways to apply, you can either apply online via the Gedling Borough Councils web page here <u>Selective Licensing - Gedling Borough Council</u> or complete a paper based application and send it to the council by post. Please note there is an additional fee of £60 for paper based copies. The application takes approximately 45 minutes to complete. Please remember to have your supporting documents to hand to speed up the process.

Are there any properties that are exempt from the licensing scheme?

Certain properties are exempt from licensing. These are contained within The Selective Licensing of Houses (Specified Exemptions) (England) Order 2006 which you can access online via this link: The Selective Licensing of Houses (Specified Exemptions) (England) Order 2006 (legislation.gov.uk).

Housing operated by a registered social housing provider is also exempt from selective licensing.

If I have several licensable properties do I have to complete a separate application for each property?

Yes, a separate application is required for each property that meets the criteria.

If you have a large number of properties you need to apply for and want to discuss a staggered application period to assist, please contact the team at privatesectorhousing@gedling.gov.uk to discuss.

What documents do I need to support my licence application?

Supporting documents are explained within the 'Online Application Guide' document which can be found on our website and in the guidance notes which will be included within the paper application pack.

Essential pieces of paperwork are:

- Gas Safety Test certificate completed within the last year (where there is gas at the property)
- A fixed electrical installation test certificate completed within a period of 5 years (e.g. EICR)
- Fully completed fit and proper declarations for all proposed licence holders and managers.



What if I do not have the means of uploading my documents online?

You can post supporting documentation within 5 working days from the date your online application is submitted. Please send copies of the Gas Safety Certificate, EICR and Fit & Proper Persons Form (not the originals), make sure you clearly mark what property your documentation relates to and post to:

Selective Licensing Team Public Protection Civic Centre Arnot Hill Park Arnold Nottingham, NG5 6LU

You can also access the public libraries within the borough where the staff will be able to assist you in scanning documents. Alternatively, you can bring your paperwork into the Civic Centre (address above) where staff will take copies and forward the documents on to the Selective Licensing Team.

How much does a licence application cost?

The licence fee is split into two parts. The first part is required to be paid in full at point of application. The part 2 fee will be requested via invoice when the council have made a decision to issue the licence.

Any associated discounts with an application will be reflected in the Part 2 fee. The case officer will assess the application and should an accreditation discount and/or Re-Licence fee discount be appropriate, this will be reflected in the Part 2 fee invoice.

The Part 1 fee is the same for all applications (with the exception of paper based applications which have an additional £60 fee).

Online application licence fees (New Licence):

Landlord type	Part 1 fee	Part 2 fee	Total
Accredited Landlords	£400	£245	£645
Non Accredited Landlords	£400	£440	£840



Online application licence fees (Re-Licence):

Landlord type	Part 1 fee	Part 2 fee	Total
Accredited	£400	£190	£590
Landlords			
Non Accredited	£400	£390	£790
Landlords			

Paper application licence fees (New Licence):

Landlord type	Part 1 fee	Part 2 fee	Total
Accredited Landlords	£460	£245	£705
Non Accredited Landlords	£460	£440	£900

Paper application licence fees (Re-Licence):

Landlord type	Part 1 fee	Part 2 fee	Total
Accredited	£460	£190	£650
Landlords			
Non Accredited	£460	£390	£850
Landlords			

- Payment can be made by debit or credit card for online applicants. Card
 payments are the only way to pay for an online application as the payment
 must be made at the end of the electronic form in order to submit the
 information.
- Payments can be made by debit or credit card online or over the phone for paper based applicants only; alternatively paper applicants can also pay by cheque
- The part 2 fee will be calculated by the case officer based on the information you have provided and the information we hold on our system. This will then be invoiced at the point where the council has made the decision to issue the licence. The part 2 fee will not be required if the licence is refused.



What is a Re-Licence application and which applications qualify for this discount?

Re-Licence fees relate to properties within the Netherfield ward that have been licensed previously under the old Phase 1 scheme. The Re-Licence fees will **not** apply to any applications submitted under the Phase 2 scheme.

In order to qualify for the Re-Licence fee, the proposed licence holder(s) must be the same as those mentioned on the licence issued under Phase 1. If the proposed licence holder is different or you want to add another proposed licence holder onto the licence, a new application fee will apply.

There must also have been no compliance issues since the date the previous licence was issued to qualify for this discounted fee.

Which accreditation bodies are accepted by Gedling Borough Council for an accredited licence fee discount?

We offer a discount on licence fees for **proposed licence holders** who are fully accredited through either of the following:

- London Landlord Accreditation scheme (LLAS)
- Accreditation and Training for Landlords and Agents service (ATLAS)
- National Landlords Association (NLA)
- Residential Landlords Association (RLA)
- Association of Residential Letting Agents (ARLA)
- National Approved Lettings scheme (NALS)
- UK Association of Letting Agents (UKALA)
- DASH Services Accreditation (Decent and Safe Homes)
- UNIPOL Accreditation

If you feel you are accredited under a different scheme and feel that you should qualify for the discount, please contact the Selective Licencing Team via Privatesectorhousing@gedling.gov.uk

Please note; to qualify for the licence fee discount the **proposed licence holder** must be accredited at the time of completing the application and remain accredited throughout the duration of their licence. Licences where the manager is accredited but the licence holder is not will not qualify for the accreditation discount.



What does the licence fee cover?

Part 1 fee- will cover the application processing costs including validation of the application, background checks, a fit and proper person assessment, and an inspection of the property together with advice to achieve compliance. The fee will also cover drafting of the licence and verification of any compliance issues identified.

Part 2 fees- will cover issuing the draft licence, consideration of any representations, before issuing the full licence. The fee will also cover maintaining the public register, responding to complaints, and enquires associated with the scheme and compliance checks.

Can I pay the licence fee in instalments?

The fee is to be paid in two parts as explained in the guidance notes and on the Council's webpage. The 1st part is to be paid at the point of application and the 2nd part will be due once the application has been processed and the council is ready send out the draft documents.

Is there a discount for multiple applications from the same landlord?

There is no discount for landlords with multiple properties.

Can an application be withdrawn?

An application can be withdrawn at the request of the applicant at any time, should the property no longer require a licence. Should the applicant wish to withdraw an application they must inform the department in writing. Once an application is withdrawn, the department will cease processing the application any further. If an application is withdrawn prior to the draft paperwork being issued the Part 2 fee will not be payable. Once a request has been made to withdraw the application in writing and actioned by the department it cannot be reversed and should an application be required for the same property at a later date, a new application and Part 1 fee will be required.

NOTE: A licence cannot be withdrawn if the property to which it relates is still required to be licensed i.e. if the property is privately rented and continues to be so. If a licence is withdrawn at a time where the property is not required to be licensed and then the property subsequently becomes licensable at a later date, a complete new application will be required. A licence can still be applied for, processed and issued even if a property is not being privately rented at that time (therefore if an applicant applied to licence a property and subsequently moved back into the property (meaning it no longer required a licence), they could still continue with the licence application so that they have the option to privately rent the property in future without the need to re-apply).



If you have further questions on any of these issues please contact the department for further information.

Will I be entitled to a refund for the licence fee if I am no longer the licence holder of the property? (E.g. if I sell the property)

You'll only be entitled to a refund for the following:

- Your property doesn't need a licence at the time of application (for example, it falls under one of the exemptions)
- You make a duplicate application.

You're not entitled to a refund if:

- Your property needs to be licensed at the time of application.
- You subsequently sell the property at any point during the application process
- The Council refuse your application and does not grant a licence
- You withdraw your application at any point during the application process
- The Council revoke (take away) your licence
- The Council vary your licence and reduce the amount of time it remains operationally valid
- You are refused planning permission
- Our fees are not connected to the length of a licence. If you cancel your licence before it expires, we cannot give you a refund for any unused time.

Is the fee transferable to another property?

No, the fee is not transferable to another property

Is the licence transferable to another property or person

Licenses are property and person specific and cannot be transferred between properties or people. If the licence holder changes then a new application is required.

How will the Council spend the licensing money?

The Selective Licensing scheme is a non-profit scheme. All money received from licensing fees will be used to cover the cost of implementing and running the scheme. The fee is broken down into two parts; part 1 covers the costs associated with processing the licence application and part 2 covers the cost of compliance actions relating to the scheme.



I have read the online application guide and am confused by the applicant details section

The online application guide states the following when giving direction on the Applicant Details form: <u>"It is not foreseen that the second option – 'This is a Joint Application, I am one of the applicants'</u> will be needed."

The reason this has been added into the guide is because the other three options in the list should cover all situations. We are also trying to direct applicants away from the 'This is a Joint Application, I am one of the applicants' option because there is a fault with the form if you choose this route in that the form does not record the details of the applicant. We need the applicant details in order to send out paperwork which is why we strongly advise applicants to use one of the following three options:

- I am completing the form on behalf of the Proposed Licence Holder(s)
- I am the Proposed Licence Holder The Sole Applicant, who collects the rent and has sole responsibility for managing the property
- I am the Proposed Licence Holder There are other people involve in the management of the property.

