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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 housing standards in the private rented sector (PRS) within the Netherfield ward. 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 Selective Licensing scheme will become operational on the 1st October 2018.

How long will the Selective Licensing scheme last for?

The scheme will last for a period of up to 5 years from when it starts, unless the council decide to extend the duration of the scheme beyond this point. Unless there are concerns in relation to issuing a licence your licence will be issued for the duration of the scheme.

Why has Gedling Borough Council introduced the licensing scheme across the Netherfield ward?

The Council has undertaken evidence based research that shows there are 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 will significantly assist in dealing with these issues and bring about better quality housing and living conditions.

The following documents are on our Gedling Borough Council website;

- The Selective Licencing Proposal
- Public notice of the selective licensing scheme
- Selective licensing designation
- Conditions of the scheme



With the above in mind, we are making 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 Netherfield area.

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.

Which accreditation bodies are accepted by Gedling Borough Council for a 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 (UKALA)
- DASH Services Accreditation (Decent and Safe Homes)
- UNIPOL Accreditation

Please note; to qualify for the licence fee discount the proposed licence holder must remain accredited throughout the duration of their licence and must be accredited at the time of completing the application.

Will the scheme be rolled out across other areas within the Gedling Borough?

At this stage there are no formal plans to extend selective licensing. We are keen to ensure the project is successful and are focusing all of our resources at this time on the Netherfield scheme.

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 Mangers 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

If you require further information and guidance on selective licensing this can be found;

- On our Gedling Borough Council webpage
- Under Part 3 of the Housing Act 2004

• Government guidance documents (website below); https://www.gov.uk/government/publications/selective-licensing-in-the-privaterented-sector-a-guide-for-local-authorities

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
- 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 manger are fit and proper
- Decision made on whether management arrangements are suitable.
- If everything satisfactory a draft licence will be drafted ready to send to proposed licence holder and all interested parties. (See * below)



- 2nd 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 will be provided with the draft in relation to 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 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.

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

Once a <u>valid</u> application has been 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 the application must have the correct fee paid, include all essential documentation and have all relevant parts of the application completed satisfactorily.

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

Will the property need to be inspected?

A property inspection will be one part of the procedure the Council undertakes when processing licence applications. The Council is committed to inspecting all properties under the Selective Licensing scheme. The licence holder is expected to be proactive in improving maintaining and effectively managing their property.



Please note there will be an additional fee of £50 for a missed inspection (where an inspection is arranged with the landlord in advance and the officer attends and is unable to gain access). 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).

If I am a licence holder of an existing property covered under a mandatory/ additional licence, do I still need to apply for a licence?

If your privately rented property is already licensed under the Mandatory Licensing scheme, then you will not need to licence the property under the Selective Licensing scheme as this is a separate scheme. If you own a property within the Selective Licensing area that meets the new Mandatory Licensing criteria which also comes into force on the 1st October 2018 (property with five or more people living as two or more separate households irrespective of the number of storeys) then you would need to make an application under the Mandatory Licensing scheme. This can be done using the same online application form.

What happens if I do not apply for a licence?

It is a criminal offence for a person 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).

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.

The Selective Licensing conditions can be found on the Gedling Borough Council web page.

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

Failure to comply with the terms of your licencing conditions may result in prosecution for which the potential fine is unlimited. The Council can now issue civil penalties of up to £30,000 for certain offences under the Housing Act 2004. **Please note**; if found guilty for 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 the Selective Licensing area by using the interactive map found on our webpage <u>here</u>. If your property is privately rented and falls within the designated area 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 whether this be in the Netherfield ward or any other ward.

Who can apply for the licence?

Anyone can apply for a licence. Ideally the person(s) should be the person who has control of the property. This is usually the person who receives the rent (usually the owner manager or agent of the property). They should have access to all of the accurate information that is required for the application form. You may wish to have your agents submit an application on your behalf however most people prefer to do it themselves.

Who can be the licence holder?

The licence holder should be the person 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.

Can there be more than one licence holder?

Gedling Borough Council will only permit there to be more than one licence holder if those people are the registered owners. For example if the property is owned by three individuals who are all named with the Land Registry as owners then one, two or all three can be licence holders. In the situation where an owner wants to be a licence holder but also wants a managing agent to be a licence holder this would not be permitted. It may be in this situation that the owner would be the licence holder and the agent would go onto the licence as the manager.

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 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 <u>here</u>.

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

Yes, a landlord has to make an application for each property that meets the criteria.

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.

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 (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?

Online application and licence fees:

| Landlord type | Part 1 fee | Part 2 fee | Total |
|-----------------------------|------------|------------|-------|
| Accredited Landlords | £360 | £130 | £490 |
| Non Accredited Landlords | £475 | £165 | £640 |



Paper application and licence fees:

| Landlord type | Part 1 fee | Part 2 fee | Total |
|-----------------------------|------------|------------|-------|
| Accredited Landlords | £420 | £130 | £550 |
| Non Accredited Landlords | £535 | £165 | £700 |

- Payment can be made by debit card for online applicants. We hope to make credit card payments available in due course but at this time this is not possible. Card payments are the only way to pay for an online application.
- Payments can be made by debit card online or over the phone for paper based applicants only; alternatively paper applicants can also pay by cash or cheque.

Please see application guidance notes for more information on how to do this.

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 Councils webpage. The 1st part is to be paid at the point of application and the 2^{nd} 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.

Will there be a discount for accredited Landlords?

Yes, there is a discount for accredited landlords; you must remain accredited for the duration of your licence to qualify for the discount. Discounted fees for accredited landlords can be found on the application form and via the Councils webpage (also stated above).

Will I be entitled to a refund for the license fee if I am no longer the license 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 license 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

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.

