



## Selective Licensing – Frequently Asked Questions

The Royal Borough of Greenwich is proposing to implement discretionary Selective Licensing in defined areas of the Royal Borough to ensure that the private rented sector provides decent quality accommodation, that anti-social behaviour is effectively managed and issues of social deprivation in areas of the Borough are addressed. The Royal Borough already operates a Borough wide discretionary Additional Licensing scheme for Houses in Multiple Occupation.

### **A. About the consultation**

#### **Q1. Why is the Council consulting about a proposed selective licensing scheme?**

The Housing Act 2004 enables the council to propose and implement Selective Licensing schemes in its area. As part of the legal process to do this the council is required to consult with those who may be affected by the proposed scheme in the designated areas. This includes residents, tenants, landlords, representatives of landlords and letting agents as well as other any other interested persons. The reasons for proposing a Selective Licensing scheme is explained in questions below. To find out more about the Selective Licensing schemes visit: [www.gov.uk/government/publications/selective-licensing-in-the-private-rented-sector-a-guide-for-local-authorities](http://www.gov.uk/government/publications/selective-licensing-in-the-private-rented-sector-a-guide-for-local-authorities).

#### **Q2. How long is the public consultation running for and when does it stop?**

The consultation runs for a total of 12 weeks. It started on Monday 17 February 2020, paused in March because of the coronavirus restrictions, resumed in July and will finish at midnight on Thursday 10 September 2020.

#### **Q3. Where can I find more information about the proposed Selective Licensing scheme?**

An online portal with further information has been set up to provide background information and more details for the proposed property licensing schemes. This can be accessed at: [melresearch.co.uk/greenwichprs](http://melresearch.co.uk/greenwichprs).

#### **Q4. How has the Council publicised the consultation?**

The Council has used a broad range of methods to engage with thousands of residents, private rented tenants, landlords and stakeholders across the Royal Borough of Greenwich and within neighbouring boroughs about the consultation.

Our marketing communications include: local outdoor advertising; business premises, Libraries; Local press and newsletters; website and targeted partner websites. We have continued to successfully engage a broad range of stakeholders with e-marketing campaigns, e-newsletters and digital advertising both within the borough, local neighbourhoods and regionally.

#### **Q5. Is there somewhere I can share feedback?**

We welcome your feedback and comments and have set up a short online questionnaire to capture your feedback. There are various ways you can share your feedback. For further information please visit: [melresearch.co.uk/greenwichprs](http://melresearch.co.uk/greenwichprs).

#### **Q6. I would like to share my feedback by email. How can I do this?**

We have set up a dedicated email address for you to send in your enquiries. Please email us at: [greenwichprs@melresearch.co.uk](mailto:greenwichprs@melresearch.co.uk).

#### **Q7. What if I need help with completing the questionnaire or need a paper copy?**

We have set up a freephone number to contact us with queries such as this. Please contact us on: 0800 0730 348 or email us at: [greenwichprs@melresearch.co.uk](mailto:greenwichprs@melresearch.co.uk).

#### **Q8. What happens after the Public Consultation?**

Following the public consultation, the outcomes will be reviewed, and the council will consider whether to go ahead with implementing the scheme. If the council chooses to go ahead, it is required to make a declaration which will be publicised. The scheme would then come in to force 3 months after the date of declaration.

### **B. Selective licensing**

#### **Q9. What is Selective Licensing?**

The Housing Act 2004 provides councils powers to make sure private landlords in its area are providing good, safe and well managed private rented property through a licensing scheme. A selective licensing scheme would require landlords who rent out single family homes to license their property.

The aim is to improve housing conditions in the private rented sector and address issues relating to ant-social behaviour and deprivation.

Landlords are charged a fee which covers the cost of the council to administer the scheme. and conditions are applied. Through licensing conditions, the scheme could require

landlords to do things like provide written tenancy agreements, undertake safety checks, respond to tenant requests for repairs and manage that may arise from anti-social behaviour such as noise, fly tipping, and refuse.

**Q10. In which areas are the Council proposing the Selective Licensing scheme would operate?**

There is one Selective Licensing scheme proposed and is aimed at addressing property conditions, deprivation and anti-social behaviour and would operate in parts of the following wards:

- Glyndon
- Plumstead
- Shooters Hill
- Woolwich Common
- Woolwich Riverside

You can also view a map of the proposed designated area by visiting:

[melresearch.co.uk/greenwichprs](http://melresearch.co.uk/greenwichprs).

**Q11. Why is the proposed Selective Licensing scheme focused on some wards and not others?**

The proposed Selective Licensing scheme is aimed at addressing three issues:

- Significant numbers of private rented properties that have poor housing conditions and need inspection
- The area is suffering high levels of poverty and deprivation which affects a significant number of private rented properties
- The area is experiencing significant and persistent anti-social behaviour and appropriate action is not being taken by private sector landlords
- The area has seen high levels of new migration

The wards in which the proposed Selective Licensing scheme will operate have been identified and evidenced as being affected by one or more of the issues listed and in accordance with the legislation.

**Q12. What properties are included in the proposed Selective Licensing scheme?**

All privately rented properties within the designated area, where the property is occupied under a single tenancy/licence and is not an HMO. Some single household tenancies are exempt. (see below).

### **Q13. What properties are exempt from the proposed Selective Licensing?**

The most common types of properties exempt from the proposed selective scheme include:

- Council managed tenanted properties
- Properties with tenancies exceeding 21 years
- Business tenanted properties
- Holiday lets
- Care homes and similar properties
- Student accommodation operated by the college/school
- Resident landlords with up to 2 lodgers
- Property that is owned by registered social landlords, such as a Housing Association

### **Q14. I have properties I lease through the Royal Borough of Greenwich, is my property exempt?**

If you are a landlord who owns a property in the proposed designated area and have a lease agreement with the Royal Borough of Greenwich for them to manage your property on your behalf, your property is classified as a Council managed tenanted property and is exempt from a Selective Licencing scheme.

### **Q15. Why are Housing Association properties exempt from Selective Licensing?**

Housing Association properties are exempt from selective licensing as they are regulated separately by the Regulator of Social Housing.

Other tenancies and further details about exemptions from the proposed scheme are listed in the Selective Licensing of Houses (Specified Exemptions) (England) Order 2006. To find out more see our Evidence Report here [melresearch.co.uk/greenwichprs](http://melresearch.co.uk/greenwichprs)

### **Q16. How is the Selective Licensing performance going to be measured?**

If a Selective Licensing scheme is introduced, the impact of the scheme will be assessed at a high level by monitoring and measuring achievements against the outcomes detailed in the table below.

Objective	Outcome
<b>Improve property conditions and management standards</b>	75% of licensable properties are licensed by the end of the scheme
	Compliance with licence conditions to improve property standards in at least 75% of licensed properties
	Reduce Housing hazards by at least 70% in the designated area

<b>Reduce the factors that make deprivation worse</b>	Reduce overcrowding in at least 70% of properties identified as being overcrowded
	Reduce fuel poverty in at least 70% of properties with a F and G EPC rating
<b>Reduce ASB</b>	Take enforcement action to reduce repeat ASB incidents in PRS properties in the designated areas by at least 70%

## C. General information

### Q17. Has the decision already been made to introduce a Selective Licensing scheme?

No. The Council is required to consult a wide variety of individuals and organisations both within Royal Greenwich and its neighbouring boroughs, for a minimum of 10 weeks before considering whether to implement the proposed scheme.

Those to be consulted include, but are not limited to:

- Tenants renting private properties
- Landlords
- Landlord representatives
- Letting agents and management agents
- Residents who do not rent private properties
- Business organisations
- Community groups and Charity organisations

### Q18. Why is the Council considering the introduction of a Selective Licensing scheme?

At Royal Greenwich we believe a person's home is fundamental to every aspect of life. We are committed to driving up standards to achieve safer communities and contribute positively to the local economy. We want to improve property management and conditions to provide good quality private rented accommodation. We know some of our newer migrant communities are at risk and are unlikely to report poor accommodation. We propose to use Selective Licensing alongside our other work to improve property conditions, tackle anti-social behaviour and crime and help reduce deprivation in the borough.

### Q19. What additional powers will a Selective scheme provide to the council?

Selective Licensing gives Councils the extra power to:

- impose 'local' licence conditions which must be adhered to
- inspect private rented properties to ensure that the licence conditions are being met
- prosecute and issue civil penalties against landlords who do not licence and landlords who do not adhere to licence conditions.

The licence conditions that will be proposed for the scheme will stipulate a management regime for properties that will encourage landlords to inspect their properties and deal with

disrepair and anti-social behaviour. Failure to manage a property effectively could also lead to prosecution or a civil penalty. Civil penalties can be up to £30,000.

**Q20. What evidence is there of the impact of other councils with Selective Licensing?**

There is strong evidence from many Councils schemes operating Selective Licensing schemes that they have had very positive impact. The independent review for the government concluded; 'The research overall indicates that selective licensing can be an effective policy tool with many schemes achieving demonstrable positive outcomes'. Selective Licensing has helped to improve housing standards, positively tackle anti-social behaviour within several local communities and reduce the factors that make deprivation worse; improving the living conditions of thousands of private rented tenants.

See MHCLG report: [An Independent Review of the Use and Effectiveness of Selective Licensing](#)

**Q21. How long will the proposed licensing scheme be in place?**

If approved the proposed licensing scheme will operate for five years. Conditions within the private rented sector will be kept under review as to whether the licensing scheme should cease at the end of the five years, or whether there is a need to introduce a new licensing scheme.

**Q22. What are the potential benefits of the proposed Selective Licensing scheme?**

The proposed scheme will have several benefits to the community, landlords and tenants which include:

**Residents**

- Reduced levels of anti-social behaviour
- Providing Royal Greenwich residents with a more desirable place to live in and enjoy
- Environmental benefits in relation to the requirements for disposal of refuse and waste

**Tenants**

- Improving poor property conditions and management of privately rented properties
- Reducing levels of sub-standard and overcrowded living conditions
- Making homes much safer and more secure in the private rented sector
- Enabling tenants to recognise when properties are of a sub-standard or dangerous condition and what options are available to them
- Providing acceptable living conditions and improved health and wellbeing
- Provide additional protection for assured short-hold tenants in unlicensed properties

**Landlords**

- Support for landlords dealing with anti-social behaviour caused by tenants
- Educating landlords and tenants about their responsibilities and the impact of their behaviour on the local communities and neighbourhoods

- Encouraging more professional landlords
- Protecting and encouraging new investment in the area
- Supporting and advising landlords on property conditions and those who might not necessarily be aware of their responsibilities
- Identifying landlords who may be willing to work alongside the council's homelessness team to enable easier access to private rented sector housing
- Creating good landlord reputations by independent endorsement

**Q23.What help (advice and support) will be available to landlords via the scheme?**

If the proposed Selective scheme is introduced, there are several areas that the Royal Borough of Greenwich can support and advise landlords, letting and managing agents.

- Providing advice and guidance for landlords to improve property conditions and the management of privately rented properties
- Providing advice and practical support for dealing with anti-social behaviour and tenancy issues
- Providing specific fire safety advice
- Landlord Business club in partnership with National Landlord's Association (NLA) providing accreditation, training and regular newsletters providing information and advice on the latest legislation and government initiatives, as well as sharing practical advice and ideas.
- Support and financial assistance for landlords who may be willing to lease their property to the Royal Borough
- Support to work alongside the council's homelessness team

**Q24. How will the fees help the council deal with property conditions/ deprivation/ASB?**

Fees charged are intended to cover the cost of administering the scheme and any enforcement.

We are committed to making the Royal Borough of Greenwich a better place to rent and this scheme will help us achieve that by giving us the enforcement capability and regulatory framework to:

- set our own licence conditions
- carry out proactive inspections of properties
- ensure compliance with licence conditions by a combination of informal and formal actions
- enforce the improvement in property conditions through compliance with licence conditions
- support landlords in dealing with ASB in their properties through advice, guidance and, where necessary, with enforcement action
- prosecute or bring civil penalties against landlords who do not work with the council to deal with ASB and poor management of their properties.

- reduce the factors that make deprivation worse. Overcrowding and fuel poverty can be addressed with the scheme
- act against landlords who do not protect their tenants' deposits by virtue of not belonging to an approved scheme.

**Q25. Are such schemes necessary as there are a lot of good landlords in the Royal Borough of Greenwich?**

The Council acknowledges that many landlords provide well-managed properties, which do not cause issues for tenants and the wider community. However, there remains a significant proportion of private rented properties within Royal Greenwich which is poorly managed and suffering from sub-standard property conditions. High levels of deprivation and anti-social behaviour within the private rented sector have also been identified which has a negative effect on tenants and residents in the local area. The Council wants to work together with responsible landlords and other agencies to ensure the problems associated with the poor management of these properties are addressed.

**Q26. How does the Royal Borough of Greenwich expect a Selective licensing scheme can help to reduce anti-social behaviour?**

If anti-social behaviour is carried out by tenants, we expect a landlord to address the issues with them directly.

Anti-social behaviour can include:

- Noise, rowdy and nuisance behaviour affecting neighbours;
- Animal related problems;
- Vehicle related nuisance;
- Anti-social drinking or prostitution;
- Illegal drug taking or dealing;
- Graffiti and fly tipping; and
- Overgrown gardens, litter and waste within the curtilage of the property.

Landlords are required to take reasonable steps to address anti-social behaviour of tenants within the properties they rent. The licence conditions will clearly state the responsibility of the landlord: *"The licence holder shall take reasonable and practicable steps to prevent or address problems of anti-social behaviour resulting from the conduct of occupiers or visitors to the property"*.

**Q27. How will the Royal Borough of Greenwich manage and handle ASB with the funds from these schemes?**

If the proposed scheme is introduced, the Royal Borough of Greenwich will work with and support landlords in dealing with serious ASB. We will work towards reducing ASB using informal actions, but where necessary will use enforcement notices and civil penalties. This enforcement action will aim to reduce repeat ASB incidents in PRS properties in the designated areas by at least 70%.



**Q28. Should the Council/Police rather than landlords deal with anti-social behaviour from problem private tenants?**

The Royal Borough of Greenwich accepts that individuals need to be accountable for their actions and the council together with the police already act against problem tenants. However, the Royal Borough of Greenwich does expect responsible landlords to engage appropriately with tenants if they cause nuisance to neighbours or are using the premises for criminal activity by enforcing the tenancy conditions.

**Q29. What standards will a landlord have to meet to get a licence for either scheme?**

Selective Licensing requires landlords or their agents to demonstrate they are 'fit and proper' and have no criminal convictions which may affect their management of the property. They must also have satisfactory management and financial arrangements, as well as having adequate procedures in place for dealing with problem tenants. Management arrangements will include things such as, making sure the property is safe to live in and issuing the tenant with a written tenancy agreement. Licence holders will also have to provide annual gas safety records and adhere to several conditions as part of their licence. You can find out more about the proposed licence conditions here [melresearch.co.uk/greenwichprs](http://melresearch.co.uk/greenwichprs).

**Q30. What does a 'Fit and Proper Person' mean?**

The legislation requires that before a licence is issued the council must ensure that the person involved in the management of the property is sufficiently competent, is a 'fit and proper person' and that management structures and funding are adequate.

The Council will carry out checks to make sure that the person applying for a licence is a "fit and proper person". In deciding whether someone is "fit and proper", the Council must consider, amongst other matters:

- a) Any offences involving fraud or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 of the Sexual Offences Act 2003
- b) Any unlawful discrimination on grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with the carrying on of any business
- c) Any contravention of any provision of the law relating to housing or of landlord and tenant law
- d) Whether the person has a 'banning order' in force under section 16 of the Housing and Planning Act 2016
- e) Any person involved in the management of the property has sufficient level of competence to be so involved
- f) The Council can also decide if a person is not "fit and proper" because of association with other persons who would not be considered "fit and proper" and where this would affect the management of a licensed property

### **Q31. What standards or conditions will apply to a licence?**

The Housing Act 2004, specifies certain mandatory conditions that must be applied to Selective Licences and it also allows the council to set other conditions for the management, use and occupation of the property.

There would be specific conditions attached to each licence issued which would relate to the management of the property.

Some of the conditions would be mandatory, imposed by the Housing Act 2004, which would include (but not be limited to):

- A gas safety certificate to be provided to the council annually – if there is a gas supply
- Electrical appliances and furniture supplied by the landlord must be kept safe
- Smoke alarms to be installed in the property and maintained
- Carbon monoxide alarms to be installed in the property and maintained - if there is a solid fuel burning appliance
- A tenancy agreement needs to be in place
- The licence holder to have references from prospective tenants

In addition, the council can include other relevant conditions to the licence and which would include (but not limited to):

- Provision of information to tenants
- Make suitable arrangements for completing routine repairs and maintenance
- The requirement to undertake routine inspections of the property
- Provide adequate security to the property
- Maintain external areas
- Make suitable arrangements for refuse and waste
- Appropriately manage anti-social behaviour

### **Q32. What happens if a landlord breaches the proposed licencing conditions?**

If a licence is issued and the conditions are subsequently breached, this could lead to enforcement action and an unlimited fine for each breach. A Civil Penalty Notice of up to £30,000 is an alternative enforcement option available to the Council as is prosecution. A serious breach of licence conditions could also lead to the revocation of the licence and, unless a suitable alternative licence holder can be found, the Council may take over the management of the property by issuing an Interim Management Order (IMO).

### **Q33. Are these just money-making schemes?**

No. The proposed fees for the scheme have been calculated solely on meeting the costs of administering and delivering the scheme as required by law.

**Q34. Rather than charge landlords, can the costs not be funded from elsewhere?**

The law is very clear that the licence application fee can cover the cost of administering the licensing scheme. The Council can require, as part of a valid licence application, the payment of a fixed fee.

The cost of all other types of licensing operated by the council (e.g. alcohol and gambling licences) is also paid for by the licence applications fees.

**Q35. What happens if a landlord does not apply for a licence?**

It is a criminal offence to operate a licensable property without a licence in a designated area and could result in the landlord/owner being prosecuted. On conviction the landlord/owner could face an unlimited fine and any rent collected during the unlicensed period could be reclaimed by either the tenant or the council. A Civil Penalty Notice of up to £30,000 is an alternative enforcement option available to the council.

The Council can also apply to the First-Tier Property Tribunal for a “rent repayment order” to recoup any housing benefit the landlord has received during the unlicensed period (maximum 12 months).

**Q36. Will licences be transferable?**

No. Licences are specific to the individual property and will specify a named licence holder. A new application will need to be submitted if there is a change in ownership or licence holder.

**Q37. Why not target ‘rogue landlords’ instead?**

The Royal Borough of Greenwich review of the private rented sector in the borough found that there are significant levels of poor property conditions which are not being dealt with, significant levels of anti-social behaviour and high levels of deprivation. The proposed licensing scheme will address these issues.

There are ‘rogue’ or ‘criminal’ landlords that operate in the private rented sector. The Royal Borough of Greenwich has a good history of tracking down and enforcing against criminal landlords. This work has also uncovered dangerous, overcrowded and illegal properties and criminality relating to modern day slavery and exploitation. This type of criminal activity has a direct impact on issues such as harassment, intimidation, threats and illegal evictions. These are not landlords who are unaware of their responsibilities or who are inexperienced.

**Q38. Will landlords simply sell up and move out of the borough and thus reduce the number of properties available for rent?**

We believe that only irresponsible landlords who do not keep their properties in good condition and do not manage them properly might decide to sell to avoid licensing. This will however, open their properties to people that will manage them well. Licensing will help

encourage responsible landlords to further invest in the Royal Borough of Greenwich and provide decent and quality properties to rent.

**Q39. What is the Council doing to ensure that they understand the impact this may have on those groups of people with ‘protected characteristics’ as defined by the Equality Act 2010 (for example, disabled residents)?**

As part of the process of developing the proposals, an equalities impact assessment will be reviewed following relevant feedback from the public consultation. This has enabled the council to better understand the impact of the proposals. Lack of management controls of un-licenced properties leads to limited choice, causing people to live in less desirable accommodation. Poor living conditions, lack of privacy and security are issues that we can identify and address to provide better living conditions for all groups.

**Q40. If the proposed Selective Licensing scheme is implemented, how much will landlords have to pay for licences?**

The licence fee must be reasonable and proportionate and will not exceed the cost of the proposed licencing scheme. The fees will be reviewed throughout the scheme and the council may adjust the fees to reflect changes in costs.

The proposed licence fees per property are:

	full fee	On application	On issue of Licence	Period of Licence
Applicants who apply before the commencement date of the licensing designation. No further discounts apply.	£312	£187	£125	5 years
Applicants who apply after the commencement date of the licensing designations:	£780	£468	£312	5 years
Applicants who apply after the commencement date with previous management contraventions and are of concern	£780	£468	£312	1 year

## Discounts

Applicants who agree to lease or offer an AST to a council nominated tenant to the Royal Borough of Greenwich for a minimum of 12 months	£585	£351	£234	5 years
Applicants who are accredited with an approved Landlord or Letting Agent Association	£624	£375	£249	5 years
Applicants who are both accredited and who agree to lease or offer an AST to a council nominated tenant to the Royal Borough of Greenwich for a minimum of 12 months	£429	£257	£172	5 years
New build properties where application is received within 1 month of first tenancy. No further discounts apply	£351	£211	£140	5 years

### Q41. Why is the licence fee split into TWO parts?

The law allows for the council to recover the full costs of the administration and enforcement of the scheme. However, recent case law has stated that the fee at the time of making the application should only cover the cost of dealing with the application and issuing of the licence. The second part of the fee, for enforcing the scheme, only becomes payable when the council issues a decision to the applicant stating that licensing requirements have been met to issue the licence. We will require full payment of the first part of the fee with the application, and the second part of the fee if the licence application is successful.

### Q42. Is VAT payable on the licence fee?

No VAT is not payable on the licence fee.

### Q43. Who is responsible for paying the licence fee?

The licence holder must be the landlord, or the person who is responsible for managing the property and to whom the tenants pay rent to if different from the landlord.

### Q44. When would landlords have to apply for a licence for the Selective Licensing scheme?

If the Selective licensing scheme is implemented, there will be a requirement for landlords to apply for a licence(s) on commencement of the scheme coming into force.

**Q45. When will the Selective Licensing scheme come into force?**

If the Selective licensing scheme is implemented, the Council will notify landlords publicly and there will be a reasonable notice period before the scheme starts, thus giving landlords time to make their applications.

**Q46. How do I apply for a licence?**

Further information about the application process and its timeframes will be made publicly available should the council, following consultation, implement the licensing scheme.

**Q47. What is the process for applying for a Selective Licence?**

Once the consultation finishes, we will consider the feedback and then share the consultation findings publicly. If any decision is made to introduce the Selective licensing scheme, the council would at that point provide further details on the commencement dates, application process and its timescales