

Shelter

Selective licensing for
local authorities

A good practice guide



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Foreword

The private rented sector is the only housing option available to some of the most vulnerable people in our society. However, in some areas, properties in the private rented sector suffer from poor conditions and low-level antisocial behaviour, which are a consequence and a cause of low demand. The Housing Act 2004 goes some way to improve this situation with the optional introduction of licensing for all privately rented properties in a designated area. This licensing should improve both the lives of tenants and their local communities.

We want to encourage local authorities to adopt these measures where they have problems with low demand and antisocial behaviour, to make private landlords more accountable and more professional.

With a lack of social housing, and many young people unable to afford to buy their own home, the private rented sector is the only option for them. We are pleased that

the Vodafone UK Foundation is supporting Shelter's work with and for young people, enabling us to work to improve the quality of the housing options available to them. The Vodafone UK Foundation and Shelter are working together to tackle homelessness and social exclusion in the long term.

This guide is an example of Shelter's work in supporting local authorities and other organisations with policy ideas, examples of good practice, and campaigns to support local initiatives. It aims to be clear, practical, and easy to use. We hope that you will find it a valuable resource.



Adam Sampson
Chief Executive, Shelter

Introduction

Background

The private rented sector serves a diverse population of tenants, and privately rented properties range from luxury apartments to large shared houses. Equally varied are the landlords, who range from large companies with an extensive portfolio of properties to individuals renting out a single property.

Research conducted by the Department for Communities and Local Government (DCLG) shows that:

- ten per cent of housing stock in England is privately rented
- some of the poorest housing conditions in the housing sector as a whole are in the private rented sector¹
- thirty per cent of landlords only rent out one property
- some landlords have no consideration for, or participation in, the communities in which they operate, and this can have a huge impact on neighbourhoods.

Facts and figures

Government figures show there are approximately 640,000 privately owned dwellings in low demand areas in England, of which one in five are likely to be privately rented. This equates to 128,000 privately rented dwellings in low demand areas.

Shelter's research has shown that large number of vulnerable people live in private rented accommodation in England.² We believe that everyone deserves a decent home; selective licensing has the potential to help improve the management practices of some of the worst landlords. However, we recognise that bad landlords are not

just confined to areas of low demand and antisocial behaviour.

The majority of private landlords provide a decent service, but the practices of a minority have given the sector a poor reputation. Problems associated with the private rented sector include:

- a lack of security of tenure for tenants
- links to cases of repeat homelessness
- problems relating to tenants' deposits
- Housing Benefit restrictions
- unacceptable states of disrepair.

As a result the private rented sector finds it difficult to maintain investment, and tenants often move on quickly.

Why introduce selective licensing?

Poor housing management and low standards in the sector can lead to the failure of a local housing market. People leave the area, house prices fall, speculative landlords move in, and the local community becomes weaker. Low demand and antisocial behaviour can result in unsettled communities, along with other social and economic problems. These can undermine efforts to regenerate an area.

Although licensing will not strengthen security of tenure, it will improve the management practices of landlords. This will, in turn, make renting privately a more viable option in the longer term.

A more professional private rented sector would encourage landlords to let properties for a longer term and tenants would receive a comprehensive tenancy management service. It would

1 DCLG, *Licensing in the private rented sector: consultation on the implementation of selective licensing and Regulatory impact assessment Housing Bill part three*, July 2004.

2 Shelter, *Safe and secure? The private rented sector and security of tenure*, May 2005.

also find local authorities (LAs) working in partnership with landlords and agents to maximise the use of privately rented properties to help meet a range of housing needs. Managed well, the private rented sector can offer choice and flexibility for those it serves.

Previously, measures to tackle antisocial behaviour have been directed at tenants of social housing, and have only been available for use by the police, LAs and housing associations. Selective licensing will help fight antisocial behaviour, caused by both tenants and landlords, in the private rented sector.

Selective licensing in practice

Selective licensing is a powerful tool for LAs to control the behaviour of private landlords but its use is subject to considerable constraints. It is only available where certain conditions are met and where the LA believes its introduction would reduce specific housing problems. The introduction of a selective licensing scheme must only be considered as an integral part of an LAs overarching housing strategy. Sufficient resources must be made available to support private landlords and tenants to comply with any obligations placed upon them as part of the scheme.

This guide has been produced with the help of four LAs, all in housing market renewal areas.³ As selective licensing has only recently been introduced, we are not able to provide examples of existing schemes, but we have used the experiences of these four LAs in preparing this guide. Shelter will continue to review practice as selective licensing is implemented. You can pick up useful

updates and links on our dedicated web area:

www.shelter.org.uk/goodpractice

and discuss your plans on our online discussion forums.

Housing Act 2004

The Housing Act 2004 is a major piece of legislation which includes wide ranging provisions to develop a more professional private rented sector. It is intended to help create a fairer and improved housing market and assist in meeting the 2010 Decent Homes target.

The provisions regarding selective licensing were introduced by part three of the Housing Act 2004. This part of the Act came into force on 6 April 2006 (with the exception of the provisions regarding enforcement, which came into force on 3 July 2004).⁴

As well as the provisions regarding selective licensing, the Housing Act 2004 brings in a number of measures to ensure basic standards in the private rented sector. The major provisions are:

- a Housing Health and Safety Rating System to replace the existing housing fitness standard
- a compulsory licensing scheme for some HMOs in the private rented sector
- management powers for LAs in respect of properties let by failing landlords and empty homes
- greater protection for tenants' deposits.

Case study areas

The following four LAs have been invited by the Department of Communities and

³ See <http://www.communities.gov.uk/index.asp?id=1140273> for more information on housing market renewal areas.

⁴ The Housing Act 2004 (Commencement No. 5 and Transitional Provisions and Savings)(England) Order 2006 SI 2006 No.1060 (c.34).

Local Government (DCLG) to apply for selective licensing. These LAs are located in housing market renewal areas. It is envisaged that, after this first wave, other LAs may wish to address their own local issues by applying for selective licensing. This guide is designed to introduce this process.

Salford City Council

Salford City Council is leading the way on the introduction of selective licensing. It has a high proportion of privately rented dwellings within some of its wards, and is continually developing policy to find and eliminate bad management practices. It is working with Manchester City Council to establish a selective licensing scheme across the housing market renewal pathfinder area that spreads across both LAs. Both cities have experienced problems where absentee landlords and poorly managed properties have exacerbated problems with antisocial behaviour.

Blackpool Council

Blackpool Council is hoping to introduce selective licensing in December 2006, subject to approval. It considers the stock it has available is inappropriate to meet the housing needs of people in the area. The area that it hopes to designate for selective licensing has 50 per cent privately rented housing and high levels of drug and alcohol abuse and antisocial behaviour. A large proportion of housing is owned by absentee landlords, portfolio investors who then use agents to manage their properties. The council have contracted DTZ Pida consultants in a developmental role, initially to report back with an action plan of tasks to be undertaken, and to assist with the preparation of its submission to the DCLG.

Manchester City Council

Manchester's private rented sector provides homes for more than 25,000 households in the city. It makes up 15 per cent of the housing market compared with the national average of nine per cent. It also represents a very diverse sector, catering for affluent professionals at one end of the scale and supplying temporary affordable housing at the other. In some areas, 68 per cent of landlords are amateurs who do not class being a landlord as their main employment. Many are absentee landlords who fail to monitor conditions or respond to antisocial behaviour problems. The city is also benefiting from the housing market renewal pathfinder programme. Manchester plans to operate selective licensing in five wards suffering antisocial behaviour and low demand.

Middlesbrough Council

Situated in the north east, Middlesbrough has seen industrial restructuring over recent decades, with heavy industry giving way to service industries. The town's high levels of disadvantage (measured by unemployment and ill health) present a challenge to the Council. It plans to operate selective licensing in one ward only; Gresham ward is in the most deprived 10 per cent of all wards in the country. It is made up of older housing located close to the city centre. Forty per cent of housing in Gresham is in the private rented sector and the area suffers from low demand, antisocial behaviour and high levels of empty properties.

What is selective licensing?

Selective licensing enables LAs to extend the benefits of licensing beyond the mandatory licensable properties (large HMOs); it focuses on improving the management of privately rented properties accommodating single households. It is a discretionary scheme that empowers local authorities (LAs) to introduce licensing for all privately rented properties in a given area. The area must be an area of low housing demand or be experiencing significant problems with antisocial behaviour (see page 9 for further information).

Selective licensing enables LAs to gain an overview of private rented accommodation in a specific area, and will help them to develop a more strategic approach to the sector. In return landlords will receive targeted information and guidance on how to manage their properties.

Before considering selective licensing the LA must consider if there are other forms of action it could take to deal with the relevant issues, and whether selective licensing would actually deal with those issues. In order to operate a scheme, a number of other criteria must be met, and the LA must gain the consent of the Secretary of State.

Aims and objectives: what can selective licensing achieve?

If implemented effectively, selective licensing can increase the professionalism of the private rented sector by ensuring:

- that landlords are 'fit and proper persons'
- good and fair management of tenancy relations

- support for landlords to participate in regeneration and tackle antisocial behaviour effectively
- protection for vulnerable tenants from the worst housing conditions and from bad landlords
- strategic knowledge to support LAs in targeting health and safety inspections
- support for landlords to improve the worst properties by helping them to achieve decent minimum standards in housing conditions and management.

Successful schemes may also increase the supply and choice of housing stock and reverse housing market decline in housing market renewal areas.

Case study: Salford City Council

The LA see selective licensing as a tool to change the methods of some landlords, and force bad landlords to engage with them to tackle antisocial behaviour. It also supports the wider housing market renewal regeneration initiative that is currently being delivered to develop more sustainable communities.

Salford wishes to continue its positive relationship with the majority of professional landlords across the city, and deal robustly with the minority of bad landlords. It recognises that dealing effectively with antisocial behaviour is a particularly difficult task, and is providing a number of support services to assist landlords and tenants.

The benefits of selective licensing

Benefits to LAs

- Landlords who have not responded to any previous measures (such as

registration schemes or voluntary codes of practice) will be forced to engage with their LA. Bad landlords will be forced to improve their practices or leave the market.

- Schemes should be easy to administer and explain, as all private landlords in a designated area will now be covered by licensing of some kind.
- LAs will gain extensive knowledge about private renting in a particular area. This will enable them to target support, information and enforcement more effectively, and to better understand the root of the problems the area faces.

Selective licensing should not be seen as a panacea. LAs should be aware that licensing is one of a range of tools now available to them for tackling housing related problems locally. Benefits resulting from selective licensing are expected to be realised in the longer term and

only when used in conjunction with other complementary measures (see page 18).

Benefits to landlords

- Responsible landlords will receive information and support.
- Licensing creates a level playing field, so decent landlords will not be undercut by an unscrupulous minority.
- Poorly performing landlords will receive support and training to improve.
- Improved rental income as areas improve.
- Improvement in the reputation of private landlords.
- Shorter void periods and reduced tenant turnover.
- They will have the option to join an accredited scheme for additional support and advice (which can extend to non-selective licensing areas).

Case study: Manchester City Council
Councillors in Manchester see selective licensing as a useful tool to raise standards in the private rented sector and prevent the large amount of work currently required to tackle the effects of bad practice. These can include:

- people becoming homeless due to short tenancies, evictions or poor conditions
- ill-health resulting from poor housing conditions
- antisocial behaviour, which stems from landlords' failure to intervene effectively or to seek support at an early stage.

Increased homelessness applications

(and consequent demand placed on the council's temporary housing stock) may result from any and all of these effects.

Selective licensing enables an LA to reach the root of the problem in the private rented sector as a whole, rather than restricting their interventions to larger HMOs (which are now subject to mandatory licensing under part 2 of the Housing Act 2004). Manchester City Council has allocated funds to a range of regeneration activities in the past, but with limited impact overall. Making the private rented sector more professional should result in fewer homelessness applications and a reduction in complaints about health and safety issues and antisocial behaviour.

- Accredited landlords can be involved in local choice based letting schemes.
- The LA can provide practical support and training around dealing effectively with antisocial behaviour from tenants.

Case study: Middlesbrough – tenancy referencing

A condition for the grant of a licence is that the landlord has obtained references from tenants and prospective tenants. Middlesbrough are introducing a ‘traffic light’ system, with guidance for landlords as to what breaches of tenancy would indicate that there could be problems with a tenancy. It hopes to standardise the criteria and make it easier for landlords to make an informed choice rather than a subjective decision. Information contained in tenancy references can be very useful to direct extra support and resources for those tenants deemed to be most at risk of eviction.

Police checks would only be authorised if there was information about criminal activity that would impact on the community. Credit checks would not be undertaken, as Middlesbrough do not support the view that a previous housing debt should be used as a reason to exclude anyone from affordable housing. They advise all applicants to apply for a Housing Benefit pre-tenancy determination prior to taking on a new tenancy. The applicants can then make an informed decision on whether to accept the offer of accommodation based on whether they can afford any shortfall. Applicants with a history of housing debt are provided with extra support and assistance in applying for Housing Benefit and can be referred for money or debt advice.

Benefits to neighbourhoods and communities

- Increasing housing demand and reducing antisocial behaviour will improve problem areas, making these safer, more desirable places to live.
- Reducing environmental costs and costs of crime, such as street cleaning and tackling fly tipping.
- Making it easier to involve all landlords in wider strategies including crime reduction initiatives, local spatial strategies and other countywide plans.
- Protecting vulnerable groups, who are often occupiers of privately rented accommodation which is poorly managed and maintained.

Case study: Middlesbrough

In the Gresham ward of Middlesbrough local people called for selective licensing even in advance of the legislation. A previous consultation called for action to be taken to tackle the poor practice of private landlords, many of whom are seen as carpetbaggers whose interest lies in making money from regeneration, rather than in running their property as a sustainable business. The area currently suffers from empty and dilapidated properties, high levels of antisocial behaviour, a transient population and low house prices. Selective licensing will force landlords to either improve or sell up, making way for a new and more professional sector. Decent management and conditions can help reduce crime and disorder, and make the community feel more secure.

Benefits to tenants

- More professional landlords should bring about improvements to the quality and management of property.
- Tenants could also see economic benefits, for example in reduced heating costs and improved likelihood of regaining any deposit paid.
- Improvements to the neighbourhood would also benefit private tenants' security and sense of community.
- Better management practices should help to increase length of tenure and reduced incidence of unplanned moves or homelessness.

Case study: Salford City Council

Salford is recruiting a tenancy support worker, through its assisted families project, who will provide support to families to prevent eviction as a result of antisocial behaviour. This service will be purely for private landlords in Salford, to assist them in dealing with challenging tenants, and to minimise the need to end assured shorthold tenancies.

Salford has also recruited an antisocial behaviour officer specifically to work with private landlords. The aim is to deal with antisocial behaviour quickly, by providing a package of support, to hopefully avoid the need to use the punitive measures available. The key aim of this is to minimise evictions and the consequent displacement of antisocial behaviour to other parts of the city.

Conditions

Selective licensing covers all privately rented housing in the designated area.

Part three of the Housing Act 2004 allows LAs to make a licensing scheme for privately rented accommodation in its area, or any part of it, providing certain conditions are met.

An LA can apply to introduce a selective licensing scheme if the area under consideration satisfies one of two general conditions:

- it has low housing demand (taking into account various matters; see below), and
- that introducing licensing will, when combined with other measures taken in the area(s) by the LA, contribute to the improvement of the social or economic conditions in the area

or

- it is experiencing a significant and persistent problem of antisocial behaviour
- private sector landlords in the area are failing to take appropriate action to combat the problem, and
- making a designation will, when combined with other measures taken in the area by the LA, lead to a reduction in, or the elimination of, the problem.

The Housing Act 2004 also provides for the Secretary of State to specify, by order, other situations in which selective licensing could be introduced in future. This would help address issues arising in the private rented sector in future years, when antisocial behaviour and low demand may not be the main problems.

Definition of low demand

In deciding if an area is suffering from low demand an LA must take into account the following conditions:

- the value of properties in the area, in comparison with similar properties in comparable areas
- the turnover of occupiers in an area
- the number of properties available and the length of time they are unoccupied.

Other factors which may be considered include:

- whether there is a high number of void properties
- the results of a housing needs survey of the area (if one has been conducted)
- comparison with a neighbouring area which isn't low demand
- availability of school places
- criminality and antisocial behaviour in the area and any link between this and the private rented sector.

Research tools that can be used include:

- residential mapping exercise of the area
- use of census data to make comparisons with previous data

'Fit and proper persons'

When operating a selective licensing scheme, LAs must assess landlords for:

- management competence
- their being 'fit and proper', and
- the suitability of their management structures and funding arrangements.

The LA does also have the power to impose additional conditions on the licence holder, which could include:

- restrictions on the use of the property (eg a limit on the number of occupants), and
- obligations on the landlord to take steps to deal with antisocial behaviour or make repairs.

Case study: Middlesbrough Council

Forty per cent of property in Gresham ward is in the private rented sector. Many landlords here are hoping to make money from regeneration through the housing market renewal pathfinder scheme. They have little experience of or interest in tenants' welfare or sustaining their business in the long term.

These landlords will have to either improve their practice or leave the market. Under selective licensing landlords will have to take the same responsibility for their

properties as they would for any other business. Properties must be maintained to a decent condition, and reasonable action to counter antisocial behaviour will be expected. For those landlords willing to co-operate the LA will offer support and training.

Improved landlord practice should reduce the number of evictions and unplanned moves. Populations should be less transient and improvements for the neighbourhood should become more sustainable, benefiting the better landlords as well as local tenants.

All landlords will have to prove they are 'fit and proper persons'. Although this term is open to interpretation, it will exclude those with criminal convictions and LAs can use the legislation to encourage those who are competent at managing their properties. They will be able to target support, training and advice services to landlords in areas with specific housing problems more efficiently.

An LA must consider whether the potential licensee (and any person they are or have been associated with, if it is relevant to the management of the property) is a 'fit and proper person' to hold a licence or manage a HMO. Determining factors include whether the applicant (or an associate) has been involved in fraud, practised unlawful discrimination, broken any housing laws, or breached any relevant code of practice.

Exemptions from selective licensing

A property is exempt from licensing under part 3 if:

- it is let by an LA or registered social landlord
- it is an HMO that requires a licence under part 2 of the Housing Act 2004
- it is subject to a management order or empty dwelling management order under part 4 of the Housing Act 2004
- In addition, a temporary exemption from licensing can be granted by the LA if the owner notifies the LA of her/his intention to take steps to ensure that the property is no longer required to be licensed.

Case study: Salford City Council

Private rented sector properties are heavily concentrated in central Salford. In the 1990s the decline of local industries and associated population decline, which had been ongoing since the middle of the previous century, resulted in the collapse of the housing market in central parts of Salford. This created an oversupply of pre-1919 terraced housing. In some instances, the only people willing to buy the empty properties were private landlords. Soon, almost half of all properties within certain areas were privately rented. This resulted in a very transient population which further destabilised the local housing market.

Salford City Council introduced a highly successful landlord accreditation scheme, but bad landlords did not engage with

the scheme, and continued their poor practices. Other landlords were investors from outside the area who did not put in place satisfactory management arrangements. These landlords failed to deal with the impact their tenancies have on the local community, leaving the community feeling powerless to resolve issues such as antisocial behaviour.

Despite only covering 40 per cent of all private rented sector properties in Salford, the accreditation scheme became the largest single scheme of its type in England. Landlord accreditation has paved the way for the introduction of selective licensing, and will allow the LA to ensure that all landlords within central Salford have a legal duty to manage their tenancies effectively.

Devising a licensing scheme

Many local authorities (LAs) have concerns which prevent them from even considering establishing a selective licensing scheme. A consultation carried out by the Department for Communities and Local Government (DCLG) found that the following specific issues would require guidance for the implementation of selective licensing:

- definition of low demand and antisocial behaviour
- general and standardised procedures for licensing
- assessing the fitness of landlords
- consultation on selective licensing
- monitoring the impact of selective licensing
- integrating selective licensing with regional housing strategies
- developing application forms and fees

- the correct format of evidence to be provided to the Secretary of State, supporting such issues as low demand, property conditions and effective consultation
- provision of regular training for landlords and letting agents.

The government has issued legislative guidance entitled 'Approval steps for discretionary licensing schemes in England'. It should be used in tandem with this toolkit and is available on the DCLG website.

Challenges of selective licensing

If it is not introduced with careful planning, there is a risk that selective licensing could have a negative impact, as good and bad landlords alike leave the area due to the licence fees and increased obligations. This could result in an increase in abandoned properties. Speculative

Case study: Blackpool Council

Blackpool are hoping to introduce licensing in an area that is not necessarily suffering from low demand but which does have over 50 per cent of its housing stock in the private rented sector. This creates an uneven mix of tenure where few owner-occupiers are willing to remain. As a result, buyers of these properties tend to be speculative purchasers, only serving to exacerbate the problem of disproportionate amounts of privately rented homes. The challenge facing Blackpool is to engage with these landlords to make the area a more settled community, encouraging landlords to sustain and renew tenancies.

Problem properties in the area are being identified through Blackpool's 're-assurance plus' programme. This is a multidisciplinary team, comprised of council officers and professionals from other agencies, that works with residents to address community issues.

Antisocial behaviour in the area is often related to the condition of properties and management failure, and Blackpool's submission will be based on these two problems. 'The case for selective licensing in blackpool' (a report prepared by DTZ Pida consultants in March 2006) recommended the establishment of dedicated antisocial behaviour officers for selective licensing areas.

landlords may move their business to other areas which are vulnerable to low demand but where licensing is not in operation.

The major challenges for LAs to overcome could be:

- the increased administrative burden due to issuing licences and carrying out consultation
- resistance from landlords
- landlord challenges to LA decisions over issuing or refusing licensing
- challenges to subjective terms such as 'good management' and 'fit and proper person'
- possible impact on homelessness applications by any tenants displaced from designated areas
- resourcing requirements of operating an active outreach scheme to improve landlord management skills

- possible impact on neighbouring boroughs of displacing bad landlords and challenging tenants.

Strategic fit

Selective licensing complements other measures that can be used to address low demand and antisocial behaviour. It should be used where existing measures alone are not sufficient to tackle the underlying housing problems of a specific area.

The selective licensing scheme must be consistent with the overall housing strategy and co-ordinated with procedures for homelessness, empty properties, antisocial behaviour in the private rented sector, and housing market renewal activity.

Case study: East Lancashire Homesure Team

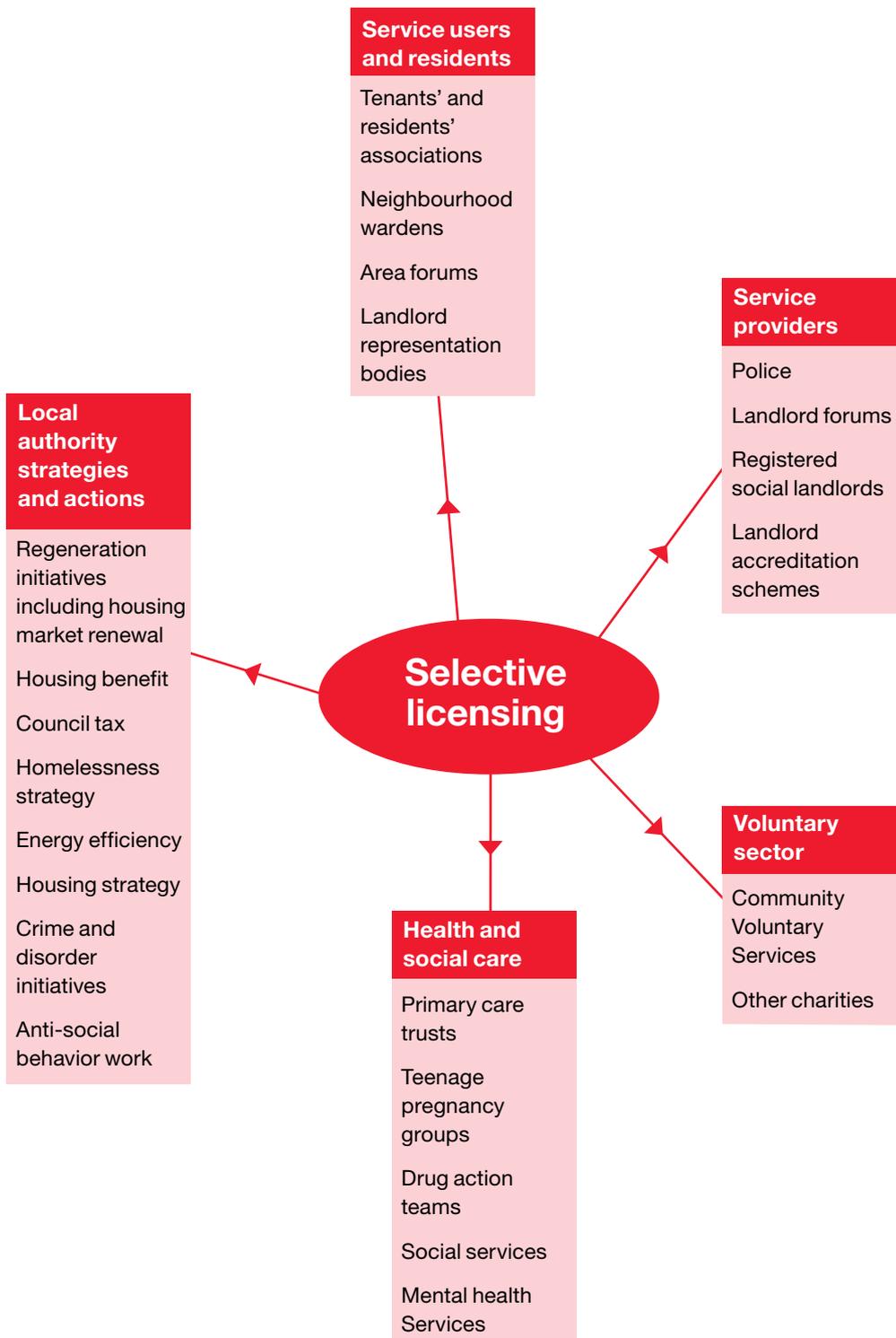
Elevate, the strategic body overseeing the East Lancashire Housing Market Renewal Initiative, funded Homesure, the East Lancashire Landlord and Tenant Partnership, to consider selective licensing for the five LAs of Pendle, Rossendale, Hyndburn, Burnley and Blackburn with Darwen. Although East Lancashire is not included in the first tranche of LAs seeking approval from the Secretary of State, it is already planning its bid to introduce selective licensing.

The biggest challenge Homesure faced in their preparation for mandatory licensing was the availability of suitable

staff training. This also presents a major issue for implementing any selective licensing plans. Local environmental health officers recruited to implement licensing had to start working with the new legislation with little preparation. Any training which was available was not provided locally, resulting in high travel costs for the organisation. However, in view of the increased need for training with the possibility of selective licensing being introduced, Homesure have secured funding from Local Authorities Coordinators of Regulatory Services (LACORS)⁵ for local staff training and are training operational staff first, so they are able to cascade these skills to colleagues.

⁵ LACORS is now responsible for the sharing of good practice in relation to the implementation of the Housing Act 2004. See www.lacors.gov.uk

Chart 1 Selective licensing has links with the following:



Research

Demonstrating engagement

Local Authorities (LAs) need to demonstrate they have methods in place for effective partnership and consultation with private landlords, letting agents, and their respective associations. They must show that they involve these groups in planning the use of selective licensing. Methods which could demonstrate this engagement could include projects run by voluntary agencies or housing associations, funded from regeneration budgets, with a brief to encourage private landlords and agents to participate in community regeneration.

Identifying landlords

It can be difficult to identify privately rented properties, making it challenging to contact landlords for consultation or keep them informed during the implementation stage of licensing. It can prove time-consuming to identify all the housing stock which should be subject to licensing. Effective research should include the pooling of information resources from a range of LA departments and contacts. Resources which could be used include the following records, together with anecdotal evidence that can later be substantiated:

- regeneration initiatives contacts
- environmental health officers' reports
- Housing Benefit receipts
- Land Registry records
- rent officers' feedback and reports
- Council Tax records
- antisocial behaviour teams' feedback
- neighbourhood wardens' reports

- police feedback
- tenants and residents associations
- landlords' forums feedback
- social services contacts and reports
- housing association addresses (to be excluded)
- homelessness teams' reports
- Drug Action Teams' feedback.

Building knowledge from such a variety of resources will also help to improve an LA's housing market intelligence at local and regional level. The collection of this data has taken Salford Council two to three months per ward.

Gathering information from tenants

LAs can find out about the worst properties in their area by soliciting views from tenants. However, LAs should be aware that tenants fear eviction by bad landlords. The anonymity of tenants should be protected, and they should be made aware that unlicensed landlords in a designated area cannot serve notice under section 21 of the Housing Act 1988 (the assured shorthold ground) to evict them. It is important for tenants to understand the licensing process and for LAs to facilitate communication with private sector tenants. Some ways of doing this include:

- setting up a hotline for tenants to pass on information anonymously (at the time of writing this is being trialled in the West London sub-region)
- building contacts with local advice agencies to gather relevant data
- encouraging tenants' associations

- including information for tenants in other materials such as benefits letters
- building on consultation work by producing population-specific information materials.

Consultation

It is a requirement of the application process that an LA must demonstrate that it has carried out an effective consultation process with local stakeholders. These may include private tenants and landlords who have few local community links, making consultation difficult.

It is essential that the consultation process is appropriate to the population targeted, and that all stakeholders have an opportunity to respond.

- Written messages should be clear, concise and relevant.
- Existing channels of communication should be used where possible.
- Also, the turnover of assured shorthold tenants can be as high as a third every year, so any message needs to be communicated on an ongoing basis.

Case study: Salford City Council

The council undertook an extensive consultation exercise, which included:

- commissioning of numerous adverts and press releases
- consultation with variety of existing services and groups, including: all existing community committees; residents' groups; statutory support services including police, fire and social services; its in-house assisted families project; homelessness forum; landlords; Supporting People providers; and the LA's homelessness team
- speaking with residents in the proposed scheme area
- sending consultation questionnaires to every home and landlord in the area proposed for selective licensing. This had a two week turnaround with incentives for completion of the questionnaire including £300, £200, and £100 in shopping vouchers

The landlord accreditation scheme was the main mechanism by which it consulted with private rented sector landlords.

Case study: Middlesbrough Council

Gresham ward in Middlesbrough includes many tenants and landlords who are hard to reach. As a result the LA have planned a very active consultation campaign, which does not simply rely on reading and making written responses. Instead the consultation project will go out to the community involved, giving information verbally through popular community council meetings and gathering feedback from attendees. It will engage with landlords by holding a conference, building on the work of the

local landlords' forum. Publications will be short and accessible to take account of low levels of literacy and short attention span among some of the population. These will also take a graphic format, using a cartoon character on all campaign materials. A person dressed as the character will be used to raise awareness at events. Information will be available in public areas, including the busy central bus station. All consultation material will be reviewed in draft form by a group of stakeholder landlords and tenants before the consultation exercise commences.

Chart 2 Preparation for consultation on selective licensing: Identifying audiences

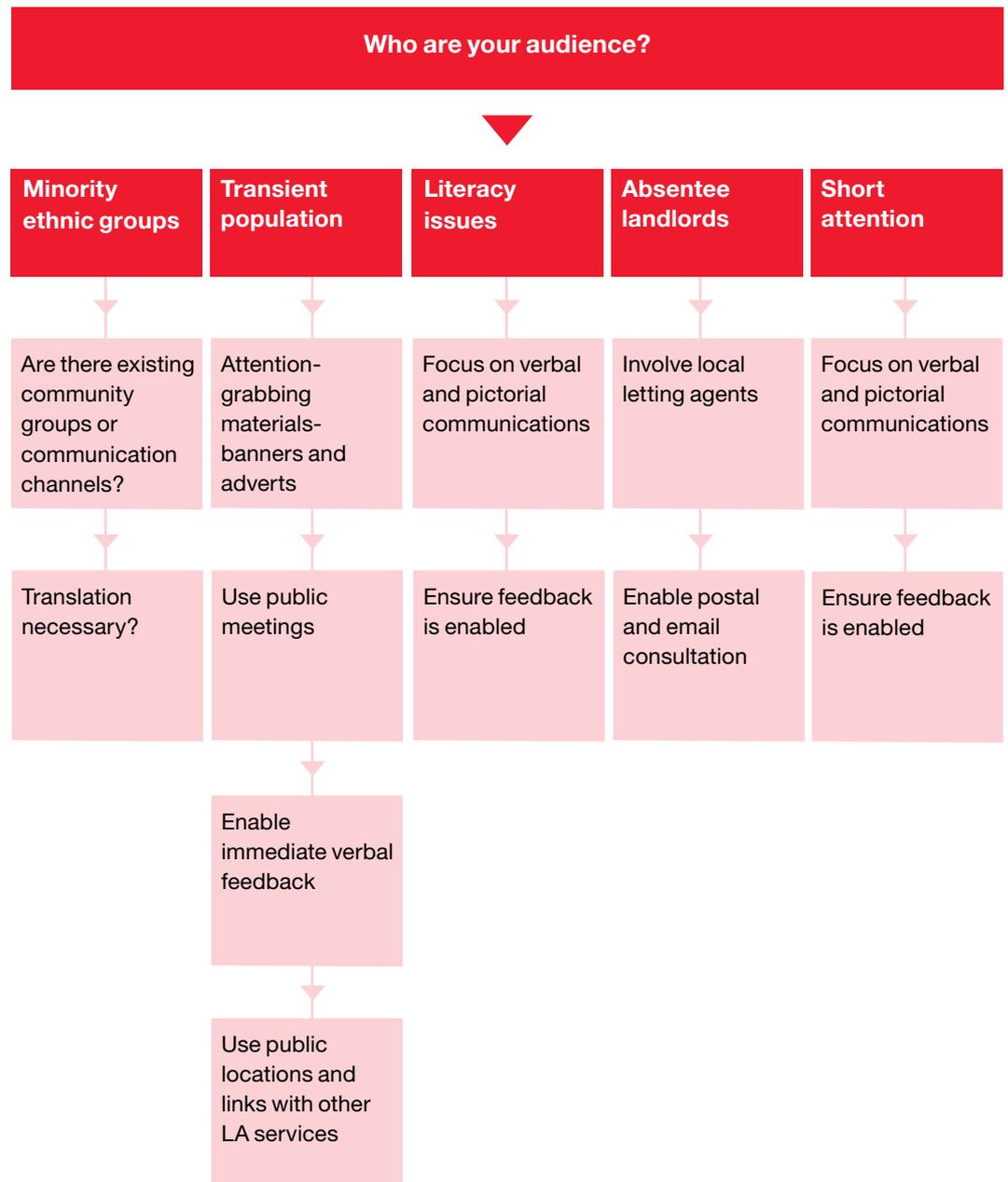


Chart 3 Consultation process



What existing opportunities for consultation are there?

- Work with local media partners.
- Build on voluntary sector networks.
- Use existing public meetings.
- Work with other council departments for example, environmental health and social services.
- Work with existing community groups.

Other courses of action

Under the Housing Act 2004, LAs have powers to address problems with individual properties and landlords using **Special Interim Management Orders**. These enable LAs to take over the management of individual properties with significant problems with antisocial behaviour that the landlord is failing to tackle. By using these powers to address antisocial behaviour in a limited number of properties, an LA can avoid the need to designate the entire neighbourhood for selective licensing.

Transitional licensing is an option available for LAs with existing registration schemes. Any schemes which existed prior to 6 April 2006 will have been automatically rolled over into additional licensing schemes unless the LA decides otherwise. These additional schemes will employ the same conditions as the original registration schemes but will be limited to HMOs only. To find out more about these schemes, please see the Shelter briefing at: www.shelter.org.uk/housingact

Similarly an LA can introduce new **additional licensing schemes**. These take the same level of organisation and administration as selective licensing but

only apply to HMOs. However, this type of licensing is more wide ranging than selective licensing, insofar as:

- it can be used in areas experiencing problems other than antisocial behaviour and low demand
- it can address issues other than housing management issues, such as problems with amenities and housing conditions.

Additional licensing schemes could be of use in areas that experience problems associated with high levels of student housing, for example.

You can find out more about additional licensing schemes on the DCLG website: www.communities.gov.uk

Crime and disorder initiatives or setting up **private landlord forums** or other support for private landlords may also prove useful means of tackling problems within the private rented sector in an area. Introducing a high-standard **accreditation scheme for landlords** can also be effective. To find out more about landlord accreditation, see the London Landlord Accreditation Scheme: www.londonlandlords.org.uk/accreditation/home or visit Accreditation Network UK: www.anuk.org.uk

Approval from Secretary of State

All LAs need confirmation and approval from central Government before introducing a selective licensing scheme. The Secretary of State will not approve a designation if other courses of action might prove effective in dealing with problems.

Financial implications

It is essential that any LA planning to start selective licensing ensures that it has adequate resources in place from the start. Without these, licensing teams may be obliged to focus on chasing better landlords first to obtain the funds to enforce licensing for bad landlords.

The introduction of mandatory licensing should mean that LAs will have some existing resources which can be re-used, such as licence forms, enforcement procedures, licence fee scales and administrative procedures. However, the extension of licensing in problem areas through selective licensing will certainly result in increased work for licensing teams.

Sufficient resources must be set aside to enable effective outreach support for landlords and challenging tenants. The success of selective licensing schemes will depend on the effectiveness of these support services.

Any initial costs can be offset against the long-term drain of funding resulting from antisocial behaviour, low demand and dilapidated, insecure estates. The cost of bad housing and inadequate management is difficult to quantify but will be considerable in terms of homelessness applications, healthcare, reduced life opportunities, reduced property value, street crime, insurance costs, policing and a raft of other emergency measures to combat the after-effects.

Licence fees are set by individual LAs and must be self-financing, so must take into account all the costs involved in running a scheme. Set up costs will vary depending on how much the LA already knows about

Case study: Middlesbrough Council

In Middlesbrough elected members of the council have done more than pay lip service to the benefits of selective licensing; they have underlined their support for licensing with £150,000 year on year in funding from their mainstream budgets. This investment has enabled the licensing team to recruit permanent specialist staff without having to focus on recouping costs immediately through the licence fee. This leaves them with the freedom to chase bad landlords first, rather than seeking to collect the fee from the good landlords who will be ready to comply. Licence fees in Middlesbrough are likely to be £300 for members of the Shield Project (a project which supports landlords in dealing with antisocial behaviour and is already in operation). The fee will rise to £425 for non-members, and any landlords who must be chased for inspections or compliance will be charged a further hourly rate.

Case study: Salford City Council

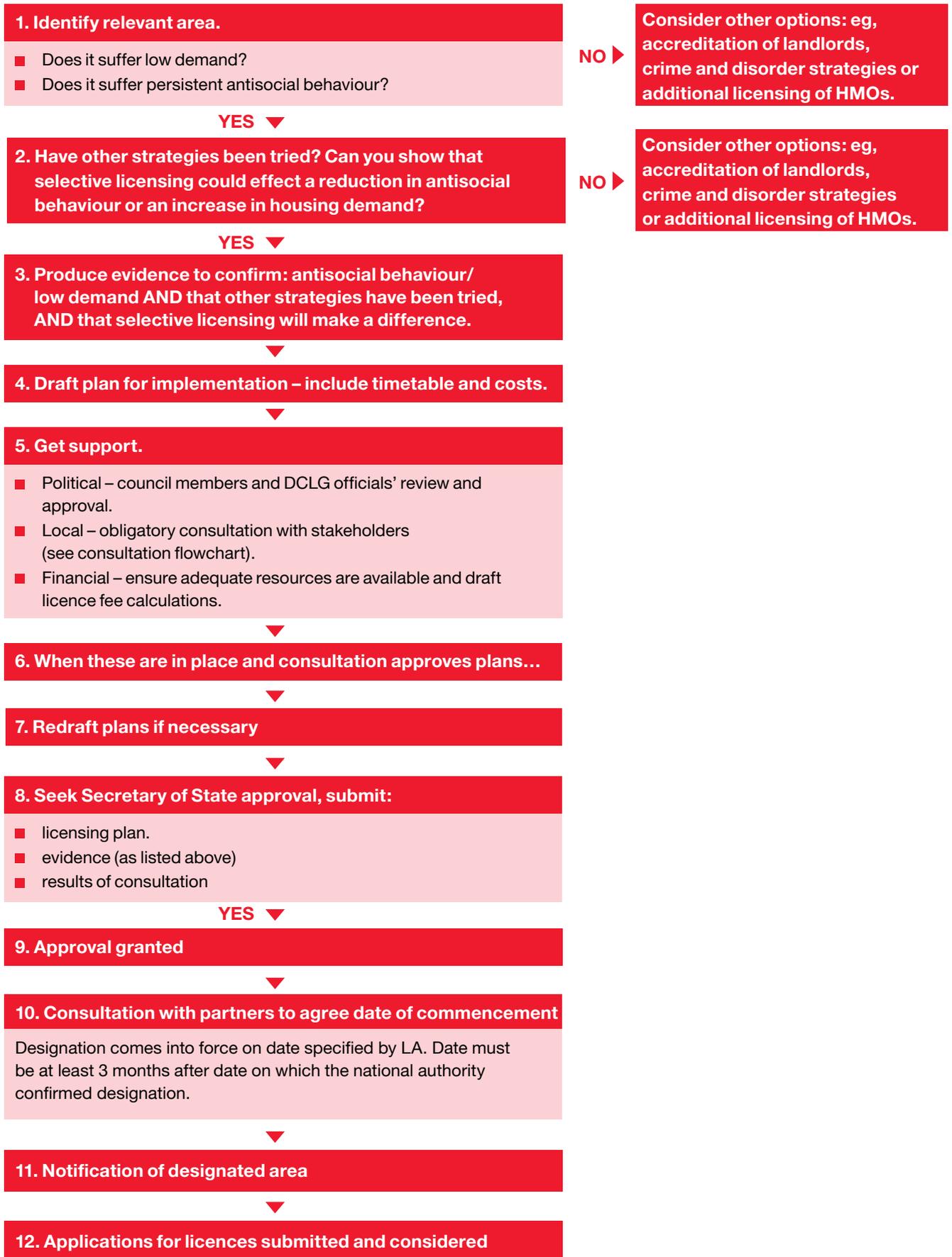
The council has secured £500,000 from the housing market renewal fund for the current and forthcoming business year. This is intended to provide a wide range of support to manage the impact of landlord licensing. Salford have also negotiated with the DCLG a local public sector agreement which will include a stretched performance target for target for empty property enforcement. Previously, Salford had successfully completed a three year local public sector agreement target for landlord accreditation, which resulted in a reward grant of £370,000. This is being used to improve property conditions and services to private landlords.

the private rented sector in its area and the landlords concerned. Regulations may impose a limit on fees, which are to be based on reasonable costs.

Evidence to be submitted

- Average house price for the proposed area tracked over a five year period.
- Average house price compared to the rest of LA area.
- Number of private rented properties within the proposed area compared to other areas, including regional and national averages.
- Number of void properties, compared to the LA average, and length of time vacant.
- Turnover of occupiers.
- Antisocial behaviour derived complaints received by the LA compared to other areas and details of current and recent cases under investigation.
- Crime data from local police authority.
- Outcome of consultation exercise.
- Details of regeneration based initiatives undertaken within the area.
- Details of how licensing can protect large scale investment in an area.
- Housing market renewal pathfinder work within the area.
- Emphasis on how licensing is an additional tool to support the sustainability of the local community.

Chart 4 Selective licensing procedure



Implementing a licensing scheme

Once designation of an area for selective licensing is approved, a local authority (LA) can start on implementation. Implementation is very similar to licensing of larger HMOs, which is now mandatory. The main difference relates to what the licence can and should cover. Successful implementation should consider the following stages:

- notification of requirements of designation
- temporary exemptions
- licence applications
- what a licence should cover
- how much a licence will cost
- criteria for grant/refusal of licences
- procedure for variation and revocation of licences
- procedure for challenges and appeals
- enforcement of licensing (breach of conditions and failure to register)
- duration, review and revocation of designation.

Notification of requirements of designation

Once designation is confirmed, the LA must publish a notice stating:

- that the designation has been made, confirming the area of designation
- that the designation has been confirmed by the Secretary of State
- the date the designation comes into force
- any other information prescribed by regulation.

A scheme can come into effect no sooner than three months following designation.

After the publication of the notice, and for the length of the designation, the LA must make copies of the designation, and any other prescribed information, available to the general public.

Temporary exemptions

A temporary exemption notice can be issued if the applicant demonstrates that s/he is (or will be) taking steps to ensure the property is no longer subject to licensing, for example, if the landlord intends to live in the property or sell it into owner-occupation or sell it to a person who intends to occupy it. A notice lasts for three months and is renewable only in exceptional circumstances. If an LA refuses to grant a temporary exemption, it must notify the applicant of the reasons for refusal and their right to appeal. Refusal to grant a temporary exemption can be appealed, within 28 days, to a residential property tribunal.

Licence applications

A landlord must apply for a licence for each property s/he owns, and a licence cannot relate to more than one property. LAs may, at their discretion, consider bulk applications from landlords with multiple properties in the area.

What a licence should cover

Mandatory conditions of a licence include:

- having a current annual gas safety certificate
- ensuring that all furniture and electrical equipment provided is safe, and

provision of a safety declaration if requested

- ensuring there are working smoke alarms
- supplying tenants with a written tenancy agreement which includes the landlord's procedures for dealing with antisocial behaviour
- obtaining references for new tenants
- taking 'reasonable and practical steps' to prevent or reduce any antisocial behaviour
- carrying out repairs and meeting other legal obligations within a reasonable time
- the landlord supplying their tenant(s) with their contact details.

Having minimum tenancy management standards brings benefits to landlord and tenant relationships and reduces disputes and friction in the sector; it will also assist LA environmental health, housing advice and tenancy relations staff in their advisory and supportive work.

Case study: Salford City Council

Selective licensing is mainly concerned with management conditions rather than property conditions. The council will be conducting a Housing Health and Safety Rating System inspection of all selectively licensed properties. This is not an absolute legal requirement, although the LA does have a mandatory duty to deal with category I hazards within private sector dwellings.

A licence can impose restrictions or obligations on a person other than the licence holder, but only with that person's consent.

See appendix three for a sample licence and licence conditions.

How much a licence will cost

The costs of licences are determined locally, and the LA can take account of all the costs of running a scheme when setting the fee. The government has not introduced a cap on charges.

Issuing licenses

Before granting or refusing a licence, the LA must serve notice upon the applicant and any relevant person, stating that:

- it is proposing to grant/refuse a licence
- the reasons for granting/refusing to grant the licence
- if it is proposing to grant a licence, the main terms of the licence (including a copy of the proposed licence)
- that there will be a consultation period, and when this will end.

The consultation period must be at least 14 days from the date of the notice. The LA must then consider any representations made in accordance with the notice.

If, having considered any representations made, the LA decides to modify the licence, it must (unless the modifications are not material in any respect) serve notice as above, detailing the modifications and the reason for them, and have another consultation period. The consultation period regarding any proposed modifications must be at least seven days from the date of the notice. The LA must again consider any representations made.

When an LA grants a licence, it must, within seven days of making the decision,

serve on the applicant for the licence, the licence holder (if s/he is not the applicant) and each relevant person a copy of the licence and a notice setting out:

- the reasons for deciding to grant the licence
- the date on which the decision was made
- the right of appeal against the decision
- the period in which appeal may be made.

When refusing to grant a licence, an LA must, within seven days of making the decision, serve notice on the applicant and each relevant person setting out:

- that the decision has been made not to grant a licence
- the reasons for the decision
- the date on which the decision was made
- the right of appeal against the decision
- the period in which an appeal may be made.

A 'relevant person' is a person with an estate or interest in the property, any person managing or having control of the property, or any person on whom a licence condition is imposed. This includes tenants of the property (because they have a legal interest in the property).

Where an LA have decided to refuse to grant a licence, and it considers that either:

- there is no reasonable prospect of a licence being granted in the near future, or

- there is a risk to the health, safety, or welfare of persons occupying the property or living in the vicinity,

it must make an Interim Management Order in respect of the property.

Duration, variation and revocation of licences

Duration of a licence

Once granted, a licence continues in force for the period specified in the licence (which must not be more than five years from the date on which the licence was granted or came into force) unless:

- the licence holder dies
- the licence is revoked.

A licence may not be transferred to another person.

Death of the licence holder

If the licence holder dies, then the licence is terminated on her/his death. However, the property is treated as if a temporary exemption notice has been served for a period of three months after her/his death. At the end of the initial three month period, a formal temporary exemption notice can be served for a further three months at the request of the representatives of the licence holder. Provisions regarding notice of this and appeals of a refusal of exemption apply as for temporary exemption notices.

Revocation of a licence

An LA may, on its own initiative or further to an application from the licence holder or other relevant person, revoke a licence. The licence may be revoked with the agreement of the licence holder, or where the LA consider that:

- the licence holder has seriously breached a condition of the licence, or repeatedly breaches a condition of the licence
- the licence holder is no longer a fit and proper person
- the management of the house is being carried on by someone who is not a fit and proper person
- the property ceases to be one that requires a licence
- the property is granted a licence as an HMO (under part two of the Housing Act 2004)
- were the licence to expire at that time, it would, for a reason relating to the structure of the property, refuse to grant a new licence.

Other conditions in which a licence may be revoked may be specified by regulation.

Before revoking, or refusing to revoke, a licence the LA must (unless the licence is being revoked with the agreement of the licence holder and the LA do not consider it appropriate to serve notice) serve notice on the licence holder and each relevant person stating:

- that it is proposing to revoke the licence
- the reasons for this
- the end of the consultation period (which must be at least 14 days from the date of the notice).

The LA must then consider any representations made in accordance with the notice.

When the decision to revoke, or refuse to revoke, a licence is made, the LA must, within seven days, serve notice on the

licence holder and any relevant persons, setting out:

- the reasons for the decision and the date on which it was made
- the right of appeal
- the period within which an appeal must be made.

Where an LA have decided to revoke a licence, and it considers that either:

- there is no reasonable prospect of a licence being regranted in the near future, or
- there is a risk to the health, safety, or welfare of persons occupying the property or living in the vicinity,

it must make an Interim Management Order in respect of the property.

Variation of a licence

An LA may, on its own initiative or further to an application from the licence holder or other relevant person, vary a licence. It may do so with the agreement of the licence holder or where it considers that there has been a change of circumstances since the grant of the licence.

When considering varying the licence, or considering refusing to vary a licence, the LA must (unless it considers that the variation is not material or licence is being varied with the agreement of the licence holder, and it does not consider it appropriate to serve notice) serve notice setting out:

- where it is proposing to vary the licence, and the effect of the variation
- the reasons for the variation, or refusal to vary

- the end of the consultation period (which must be at least 14 days)

The LA must then consider any representations made in accordance with the notice.

When the decision to vary, or refuse to vary, a licence is made, the LA must, within seven days, serve notice on the licence holder and any relevant persons, setting out:

- the decision to vary, or not to vary, the licence
- the reasons for the decision and the date on which it was made
- the right of appeal
- the period within which an appeal must be made.

Procedure and appeals

A landlord or relevant person may wish to challenge decisions relating to the grant, variation or revocation of a licence. S/he can do so by applying to a residential property tribunal within 28 days of the date of the decision. More information on appeals can be found on the Residential Property Tribunal Service website: www.rpts.gov.uk

Enforcement of licensing (breach of conditions and failure to register)

A breach of licensing conditions is an offence, and can result in a fine of up to £5,000. A failure to licence a licensable property is also an offence, and can result in a fine up to £20,000. If a property is let on an assured shorthold tenancy, the landlord loses the right to serve notice requiring possession under section 21

of the Housing Act 1988 until the property is licensed. Rent repayment orders can also be made in some circumstances if the LA or an occupier apply to a residential property tribunal.

Information for tenants

Tenants need to be informed of the effect that selective licensing has on their landlord and on the conditions of their tenancy. As well as being consulted prior to designation, tenants need to have information on the following if they are renting from a private landlord:

- the area(s) to which selective licensing applies
- the conditions that are attached to licensing
- standards landlords have to meet
- if their landlord has applied for and obtained a licence
- how to complain if standards are not being met
- where to find out more information.

Where can I find out what other LAs are doing?

The Local Authorities Co-ordinators of Regulatory Services (LACORS) support regulatory services within LAs. It has a new role with regards to housing and will work with LAs to raise issues and problems with them, and help them to forge consistent practice in the implementation of selective licensing nationwide. All LAs can access shared information via LACORS and seek specialist advice from their policy team.

Appendix 1: References, further reading and websites

'Act in seven parts', *Adviser 110*, July/August 2005

Carr, Helen et al, *The Housing Act 2004: a practical guide*, Jordan Publishing Limited, 2005

DCLG, *Approval steps for discretionary licensing schemes in England*

DCLG, *Dealing with 'problem' private rented housing*

DCLG, *Licensing in the private rented sector: consultation on the implementation of selective licensing*

DCLG, *Licensing in the private rented sector: Government's response to consultation*

DCLG, *Licensing in the private rented sector: summary of responses*

DCLG, *Regulatory impact assessment: Housing Bill part 3*

DCLG, *Selective licensing of other accommodation*

Department for Communities and Local Government, www.communities.gov.uk. All the DCLG publications referred to above are available on the website; click on Housing, then Renting and letting, then Private renting and letting, then Private renting by topic, then Selective licensing

'Empty Threats', *Inside Housing*, 7 April 2006

Housing Act 2004, available as an appendix to Carr et al, or online at www.opsi.gov.uk/legislation

Hunter, Caroline and Andrew Dymond, *Private sector housing: regulating conditions*, Sweet and Maxwell, forthcoming December 2006

Local Authorities Co-ordinators of Regulatory Services:
www.lacors.gov.uk

Residential Property Tribunal Service:
www.rpts.gov.uk

'Selective licensing', *Adviser 112*, November/December 2005

Shelter Housing Act website and good practice forum:
www.shelter.org.uk/housingact

Appendix 2: LA/project details

Salford City Council

Rob Turner

Housing Market Support 0161 793 2922

rob.turner@salford.gov.uk

Manchester City Council

Jenni Seex or Leslie Parker

0161 234 5663

Information for landlords and tenants:

www.manchester.gov.uk

Click on housing, then private housing,
then private landlords

Blackpool Council

Lorraine Ferguson

01253 478284

lorraine.ferguson@blackpool.gov.uk

Middlesbrough Council

Debi Waite

01642 728 354

debi_waite@middleborough.gov.uk

Information for landlords and tenants:

www.middlesborough.gov.uk

Click on housing, then selective licensing

East Lancashire Homesure Team

Elaine Embley

Homesure team 01282 661661

enquiries@homesure-eastlancs.co.uk

Appendix 3: Sample licence and licence conditions

Reproduced courtesy of Salford City Council

Selective licence

Housing Act 2004, Part 3 and Schedule 5

Licence number

The Licence Holder:

Name

Address

Postcode

Licensed property:

Address

Postcode

Licence duration:

This licence is valid
from
until

Licence conditions

This licence is non-transferable and is issued subject to compliance with the attached conditions, reference

Maximum Permitted Occupancy:

The licence is granted for occupancy of the premises by a maximum of people

| | |
|----------------|---------------------|
| Signed: | Designation: |
| Name: | Date |

Selective Licence Conditions

The following are the licence conditions to which the licence holder (or their nominated agent where specified) must adhere, as required by section 90 and Schedule 4, Housing Act 2004. If you do not understand the requirements, please contact the licensing team who will be able to help you.

Failure to adhere to one or more of these licence conditions could result in formal proceedings against you, with a maximum penalty of up to £5,000 and/or the loss of your licence.

Housing Act 2004 prescribed conditions

1. The licence holder must produce to the local housing authority annually for their inspection, a gas safety certificate obtained in respect of the house within the last 12 months.
2. The licence holder must:
 - i) keep electrical appliances and furniture provided by her/him in a safe condition
 - ii) supply the authority with a declaration by him, as to the safety of such appliances and furniture.
3. The licence holder must:
 - i) ensure that smoke alarms are installed in the house and must keep them in proper working order
 - ii) supply the authority with declaration by him as to the condition and positioning of such alarms.
4. The licence holder must provide each tenant with a written statement of the conditions of the terms on which they occupy the house.

Conditions relating to property

5. The licence holder will inform the local housing authority as to any changes to the positioning or type of smoke alarm fitted in the property.
6. The licence holder must produce to the local housing authority annually for their inspection, a Fire Detection & Alarm System Certificate (in accordance with BS5839) obtained in respect of the house within the last 12 months.
7. The licence holder must produce to the local authority a periodic electrical survey inspection report for the whole of the electrical installation in accordance with current IEE wiring regulations. Such a report should be provided by a suitably trained, experienced and competent person i.e. NICEIC or ECA member, within the first twelve months of the licence period or upon termination of the current tenancy.

8. Should any remedial works be recommended on the periodic electrical survey report, the licence holder must ensure that such works are completed no later than 12 months following the date of the report and must inform the licensing team upon completion of such works.
9. If the property is provided on a furnished basis which includes electrical appliances, the licence holder must produce to the council for their inspection a portable appliance test (PAT) certificate within the first twelve months of the licence period or upon termination of the currency tenancy
10. The licence holder must allow officers of the council access to the licensed property for the purpose of carrying out inspections at all reasonable times.
11. The licence holder must provide adequate facilities for the storage and disposal of refuse and must outline to the tenants their responsibilities in this respect.
12. The licence holder will ensure that any furniture supplied at the start of a tenancy or licence is in safe and good condition and maintained or replaced as far as it is the landlord's responsibility throughout the tenancy.
13. Where the property is let as furnished, the licence holder will ensure that there is adequate and relevant insurance cover.
14. If the property is a HMO, licence holder must ensure that the house is compliant with the council's approved standards for houses in multiple occupation, according to the type of accommodation offered. These standards will be reviewed periodically to ensure that they remain appropriate to the type of multi-occupied housing within the council's area and needs of residents.

Local Conditions

15. The licence holder will provide any existing tenants without a written tenancy agreement with the council's approved tenancy agreement, confirming the terms on which they occupy the property.
16. The licence holder will ensure that any tenancy agreement used, is as far as practicable, free from unfair terms and complies with legislative requirements.
17. The licence holder must provide the tenants of the licensed property and the occupiers of any adjoining properties, with details of the following:
 - name of the licence holder or managing agent
 - a contact address and daytime telephone number
 - an emergency contact telephone number.

This information must be supplied within 28 days of receipt of the licence document and should be clearly displayed in a prominent position within the licensable property. An emergency contact telephone number for the licence

holder and/or management agency shall also be available and notified to the council.

18. The licence holder will provide all new tenants with details of standard reporting procedures and the anticipated timescales for undertaking repairs, which must be 'reasonable'.
19. In addition to the information contained within the written tenancy agreement, the licence holder will make both parties repairing responsibilities clear to the tenant.
20. The licence holder will ensure that tenants are aware of their obligations in ending a tenancy.
21. The licence holder will provide clear information relating to the tenants responsibilities for the condition of the property and payment of any utility bills at the end of the tenancy.
22. The licence holder, when providing the utilities to the property, will set reasonable market rates for all utility supplies.
23. The licence holder will not attempt to end a tenancy or licence in order to avoid carrying out repairs.
24. Where major works are required during the period of the tenancy, the licence holder will provide suitable alternative accommodation for the period during which works are carried out.
25. All repairs are to be carried out by competent and reputable persons and as far as practicable; the licence holder will ensure all works are carried out to a reasonable standard.
26. The licence holder will provide the tenant with copies of user manuals for any equipment provided as part of the agreement.
27. Where window locks are fitted, the licence holder will ensure that keys are provided to the tenant.
28. Where an alarm is fitted to the property, the licence holder will inform the tenant how the code may be changed and in what circumstances they are allowed to do so.
29. Where previous tenants have not surrendered keys, the licence holder will arrange for a lock change to be undertaken prior to new tenants moving in.
30. The licence holder will arrange to undertake a detailed inventory to be agreed with all new tenants and kept on file at the onset of each new tenancy (draft inventory forms are available from the council).
31. The number of persons residing in the premises at any one time shall not exceed the maximum number of occupants stated on the licence.

32. The licence holder must ensure that he is familiar and compliant with the requirements of the Disability Discrimination Act 2005 and the Race Relations Act 2000 (available on request from the council)
33. If the property is an HMO, the licence holder must ensure that he is familiar and compliant with the requirements of The Management of Houses in Multi Occupation (England) Regulations 2006, Statutory Instrument No. 372 (available on request from the council)
34. The licence holder must cooperate with licensing staff in circumstances where complaints of alleged breaches of licence conditions have been made in respect of the licensed property.
35. The licence holder must ensure that all monies in respect of the licence fee are paid to the council by the due date.
36. The licence holder will not discriminate against prospective tenants on the grounds of race, disability, gender, religion or sexual orientation.
37. The licence holder must act lawfully and reasonably in requiring any advanced payments, handling rents, returning deposits and making deductions from deposits. The licence holder will provide any tenant/prospective tenant with all relevant information about the property, in particular:
- the amount of rent payable
 - the details of any deposit required
 - details of what the deposit covers and arrangements for return
 - the frequency of payments
 - the details of any utilities or other charges included in the rent
 - the responsibility for payment of Council Tax
 - the responsibility for payment of utilities and arranging provision of such.
- The Licence Holder is encouraged to make use of the rental bond scheme provided by the local authority, and must make use of an approved tenancy deposit scheme upon legal requirement to do so.
38. In circumstances where the licence holder seeks repossession of the property, this must be done using lawful means.
39. The licence holder and/or her/his nominated managing agent shall undertake training courses provided through council where appropriate.
40. The licence holder and/or her/his nominated managing agent are required to make frequent visits to the property (with or without access inside) to ensure that the property is secure and has not been abandoned.

41. The licence holder and her/his managing agent must inform the licensing team of any changes in their circumstances including:
- any new convictions/cautions which may be deemed relevant to the fit and proper person test
 - change of ownership of the licensed property
 - change in managing agent
 - any substantial works to the property.
42. The licence holder is required upon request during the period of the licence to complete and return to the local authority, an energy efficiency assessment questionnaire of the licensed property.
43. The licence holder must complete and return any correspondence regarding the closure of rear alleyways using gating.
44. Where there are alley gates installed to the rear of the licensed property, the licence holder must:
- take responsibility for holding a key for any alley gates which are in place or which are installed
 - provide all new tenants with a copy of the key at the time of letting
 - issue any new tenants with a copy of any key holding agreement which is in place for the alley gate scheme to the rear of the licensed property.
45. The licence holder must inform the council of any steps being taken to sell the property including the details of any successful purchaser(s).
46. The licence holder must ensure that any persons involved with the management of the house are to the best of their knowledge 'fit and proper persons' for the purposes of the Housing Act 2004.
47. The licence holder must, if required by the council, attend training, or otherwise demonstrate competence in relation to all aspects of tenancy and property management.

Preventing and reducing antisocial behaviour

48. The licence holder is required to demand references from persons who wish to occupy the house and supply evidence of these to the council on demand.
49. The licence holder and/or her/his nominated managing agent are required to provide to the council upon request information regarding tenants, including names and dates of birth.
50. The licence holder will respond to reference requests within reasonable timescales and provide an honest and accurate reference relating to existing or past tenants.

51. The licence holder must take reasonable and practicable steps for tackling antisocial behaviour. The licence holder and/or his nominated managing agent are required to undertake an incremental process of investigation of any complaints which have been made either directly to them, or via the council, regarding their tenants. This process of investigation may involve one or more of the following.

- Appropriate response to a complaint from a member of the community, neighbour or another person regarding the conduct of the licence holders' tenant(s) and/or the behaviour of their children or visitors.
- Sending of appropriate and proportionate warning letter(s).
- Conduct of a tenancy warning interview.
- Attendance at a case conference or any other appropriate multi agency meeting arranged by the council or other relevant agency.
- Engagement with the council, the police or any other agency involved in the case. This may involve providing supporting information or evidence where an appropriate authority seeks a legal remedy to the antisocial behaviour such as an Anti Social Behaviour Order.
- Serving of a relevant notice to seek possession where all other interventions have failed and that all parties agree that this would be the most appropriate course of action.

52. The licence holder will ensure that tenants are aware of the services available to them and how they can report nuisance and anti social behaviour.

53. The licence holder must issue any new tenants with the prescribed the council's private landlords tenancy agreement (available free of charge) or, alternatively, insert the following clauses into any other tenancy agreement which s/he decides to use. Licence holders or their nominated agents are required to explain these clauses to new tenants during the letting interview.

Tenant Responsibilities

- To be held responsible for the fair net costs involved in carrying out repair to or maintenance of the premises and/or its fixtures or fittings where such action is required as a result of negligence, or significant breach of this agreement, or mis-use, by the tenant or her/his invited guests or visitors
- Where Part 2 or Part 3 of the Housing Act 2004 applies to the premises, the tenant(s) will be held responsible if they or any other person (including children) living in or visiting the premises causes a nuisance or annoyance to anyone or behave(s) in an antisocial manner.

Landlord Responsibilities

- To respond to complaints of antisocial behaviour and where appropriate take the necessary legal advice and action to either caution or evict where the alleged perpetrator is the tenant of the landlord, either under this agreement or otherwise
 - To respond appropriately to a complaint from a member of the community, neighbour, or any other person, regarding the alleged conduct of the tenant(s) or any other person (including children) living in or visiting the premises with respect to causing nuisance, annoyance or exhibiting activities of antisocial behaviour.
 - To comply with the landlord's duties under the Housing Act 2004 and the conditions of any licence issued under that Act and to take appropriate action to investigate and respond to complaints of antisocial behaviour where the alleged perpetrator(s) is/are the tenant(s) and/or any person occupying or visiting the premises.
54. The licence holder will ensure that tenants are aware of the services available to them and how they can report nuisance and antisocial behaviour.
55. The licence holder will ensure that all tenants are issued with a copy of the 'Anti Social Behaviour – Terms and Responsibilities' leaflet upon commencement of the tenancy and that the tenant and licence holder understand their responsibilities outlined within the leaflet.

ANTI SOCIAL BEHAVIOUR – TERMS AND RESPONSIBILITIES

This leaflet must be issued to all existing tenants and to any new tenant upon the commencement of the tenancy to make them aware of their responsibility and in order to comply with licence condition number 54.

1. You are responsible for the behaviour of every person (including children) living in or visiting your home including surrounding land, in communal areas (stairs, lifts, landings, entrance halls, paving, shared gardens, parking areas) and in the locality of your home.
- 1.2 You (or anyone living with you, or visiting your home) must not cause a nuisance, annoyance or disturbance to any other person. Examples of nuisance, annoyance or disturbance include:
 - loud music; arguing and door slamming; dog barking and fouling; offensive drunkenness; selling drugs or drug abuse; fly tipping; playing ball games close to someone else's home.
- 1.3 You (or anyone living with you, or visiting your home) must not harass any other person in the locality of your home or surrounding area. Examples of harassment include:
 - racist behaviour or language; using or threatening to use violence; using abusive or insulting words or behaviour; damaging or threatening to damage another person's home or possessions; writing threatening, abusive or insulting graffiti; doing anything that interferes with the peace, comfort or convenience of others.
- 1.4 You (or anyone living with you, or visiting your home) must not use your home or any communal area for any illegal activity such as selling drugs.
- 1.5 You (or anyone living with you, or visiting your home) must not damage, deface, or put graffiti on property belonging to the landlord. You would have to pay for any repair or replacement. The costs may be charged on top of your rent.
- 1.6 You (or anyone living with you, or visiting your home) must not interfere with security and fire safety equipment in communal block. Doors should not be jammed open and strangers should not be let in without identification.
- 1.7 You must co-operate with the council and your neighbours to keep any communal areas clean, tidy and clear of obstruction, including rear alleyways.
- 1.8 You (or anyone living with you) must not run a business from your home without the landlords' permission in writing. We will not normally refuse permission unless the business would cause a nuisance or might damage the property.
- 1.9 You (or anyone living with you, or visiting your home) must not park a vehicle anywhere on your property except on 'hard standing' (a driveway or paved area intended for parking). Caravans or motor homes must not be parked on the garden, driveway or paved area around your home or on any communal parking

areas without the landlord's agreement in writing. You (or anyone living with you, or visiting your home) must not park anywhere that would obstruct emergency services.

- 1.10 You (or anyone living with you, or visiting your home) must not carry out major car repairs on the land around your home or on the road.
- 1.11 You (or anyone living with you) must not put up structures such as sheds, garages or pigeon lofts anywhere on your property without the landlords' agreement in writing.
- 1.12 You must make sure your garden is tidy. Lawns must be cut and hedges trimmed.
- 1.13 You (or anyone living with you, or visiting your home) must not keep or use bottled gas, paraffin, petrol or any other dangerous material in your home or in communal areas.

The licence holder and his nominated managing agent must recognise the importance of tackling antisocial behaviour in order to ensure that communities are safe and that areas do not decline because of a failure to act. The licence holder and/or their nominated agent must have the facilities to receive and respond to initial complaints about their tenants' behaviour.

The licence holder and/or his nominated managing agent are required to undertake an incremental process of investigation of any complaints, which have been made either directly to them, or via the council, regarding their tenants. This process of investigation may involve one or more of the following.

- Appropriate response to a complaint from a member of the community, neighbour or another person, regarding the conduct of the license holders' tenant and/or the behaviour of their children or visitors.
- Sending of appropriate and proportionate warning letter(s).
- Conducting a tenancy warning interview.
- Attendance at a case conference or any other appropriate multi agency meeting arranged by the council or other relevant agency.
- Engagement with the council, the police or any other agency involved in the case. This may involve providing supporting information or evidence where an appropriate authority seeks a legal remedy to the antisocial behaviour such as an Anti Social Behaviour Order.
- Serving of a relevant notice to seek possession where all other interventions have failed and that all parties agree that this would be the most appropriate course of action.

Declaration

I declare that I have read/had read to me the terms and responsibilities in this leaflet and that I understand and agree to adhere to these terms and responsibilities.

Tenant's signature

Date:

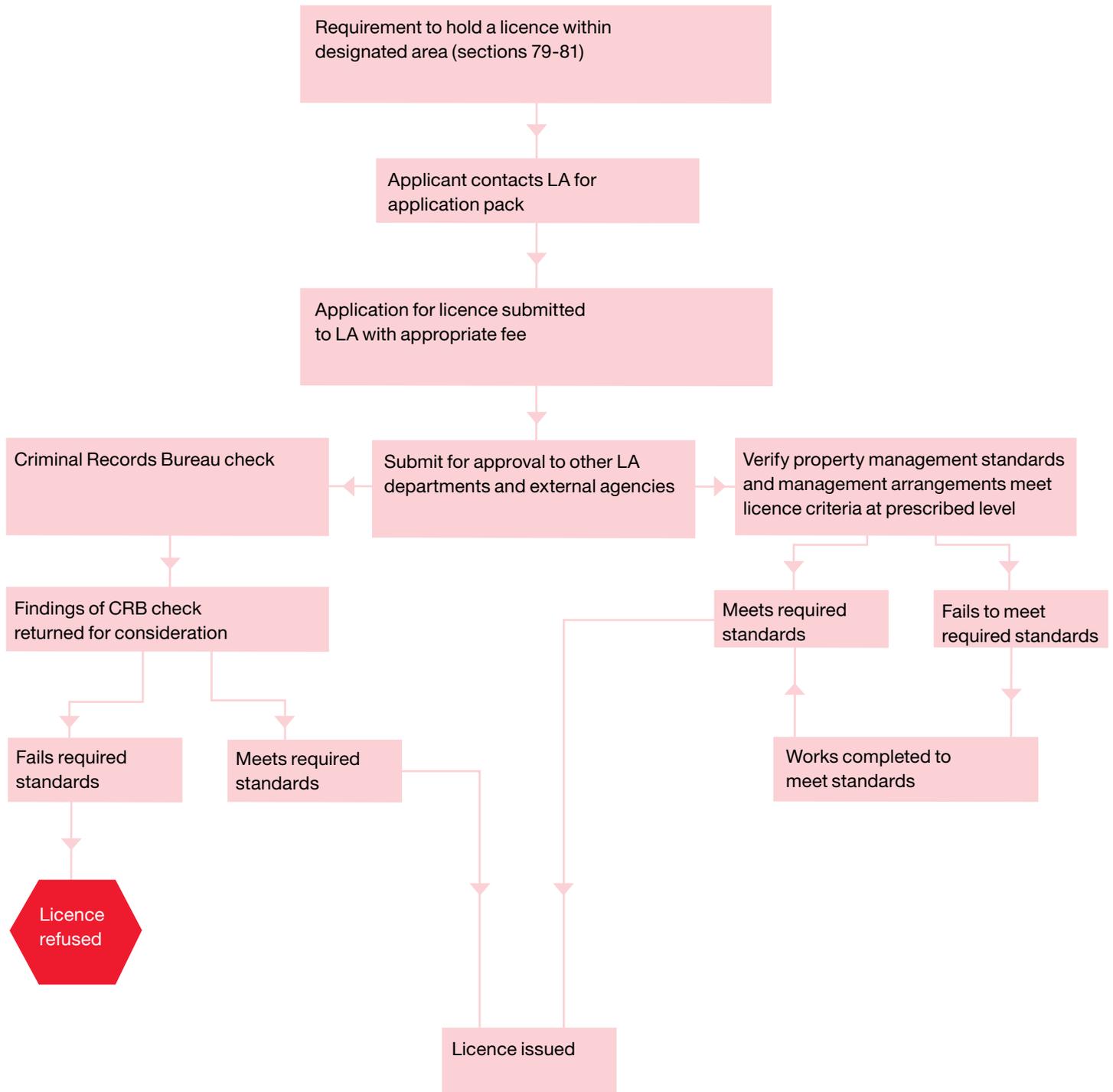
Landlord's signature

Date:

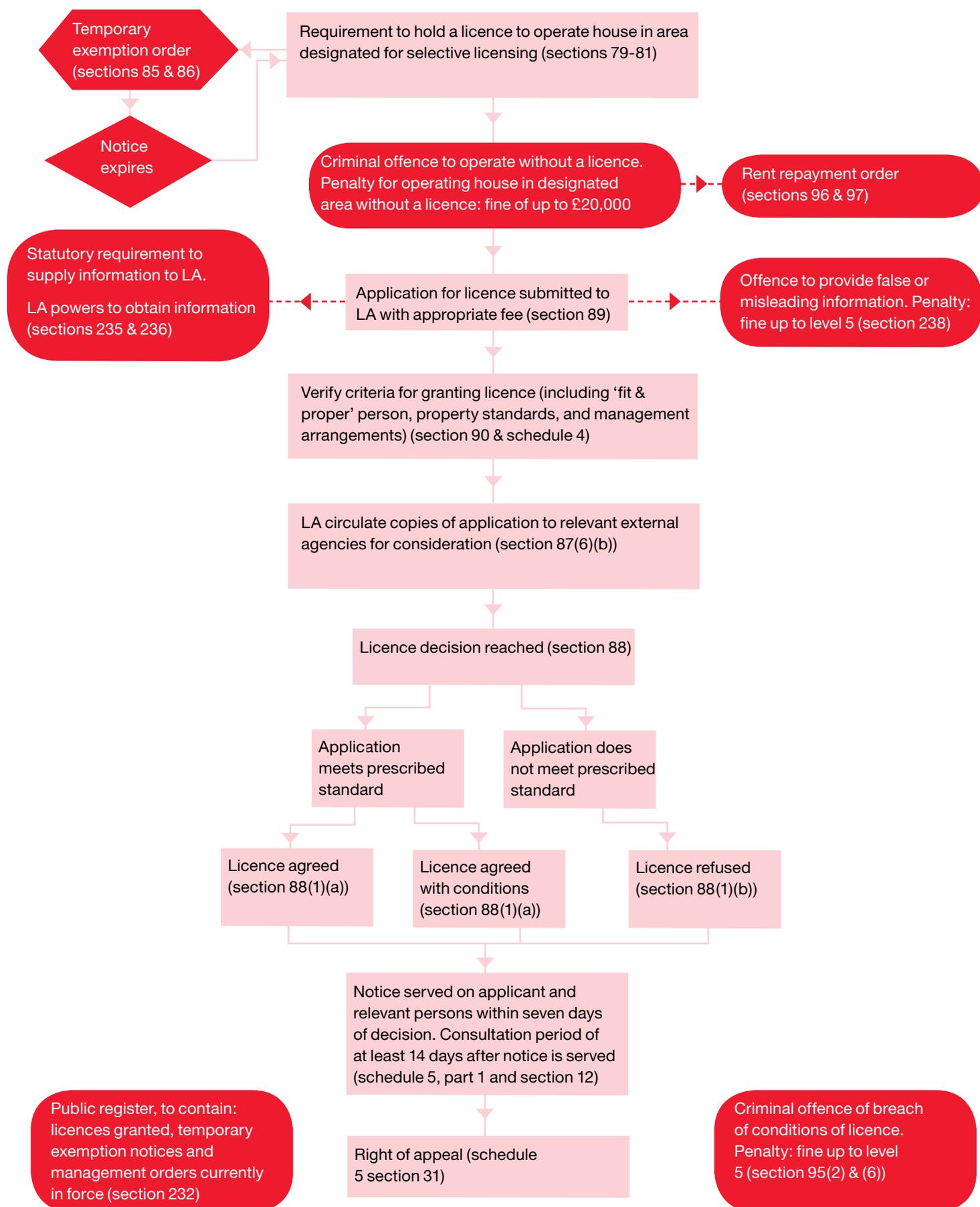
Appendix 4: Selective licensing flowcharts

Reproduced courtesy of East Lancashire Homesure Project

Flowchart A: landlord application process



Flowchart B: selective licensing procedure



Bad housing wrecks lives

We are the fourth richest country in the world, and yet millions of people in Britain wake up every day in housing that is run-down, overcrowded, or dangerous. Many others have lost their home altogether. Bad housing robs us of security, health, and a fair chance in life.

Shelter believes everyone should have a home.

We help 170,000 people a year fight for their rights, get back on their feet, and find and keep a home. We also tackle the root causes of bad housing by campaigning for new laws, policies, and solutions.

Our website gets more than 100,000 visits each month; visit www.shelter.org.uk to join our campaign, find housing advice, or make a donation.

We need your help to continue our work. Please support us.

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