

FAQ

Selective Licensing – The Basics

What is Selective Licensing?

Selective Licensing is similar to other types of licensing, for example TV Licensing and Taxi Licensing – in these examples, if you have a television then you must have a licence and if you drive a Taxi you must have a taxi licence.

The principle is therefore the same for Selective Licensing - if you own a property (in areas where Selective Licensing applies) and rent it out to tenants then you will require a licence.

Why is the Council considering Selective Licensing?

Improving the quality of housing in the City is one of the Council's main priorities. We believe that if you rent a property from a private landlord you should be able to expect a safe and healthy standard for your home, which is also well managed and maintained.

The Council has completed a report – “Selective Licensing in Coventry Feasibility Report 2018” that shows that this is simply not the case for many people living in the private rented sector (PRS). The report revealed a number of problems associated with the PRS in certain areas of the City.

With the above in mind, we are proposing to make it a legal requirement for rented houses to have a licence. The conditions set out in the licence will require landlords to achieve certain standards of management and maintenance, helping to bring about better quality housing in the PRS.

The sort of scheme the Council is proposing is known as “Selective Licensing”.

Has the Council considered alternatives to Selective Licensing?

Yes, the Council is required to consider alternative ways in which improvement in housing standards could be achieved. The main alternatives would be:

Option	Outcome	Barriers	Risks	Resource intensity
Housing Act Enforcement	Repair of individual private rented houses. Effective tools for dealing with health and safety hazards. Allows focus of activities to be targeted at the	Effective tools but do not go far enough to tackle the scale of the problems across the proposed areas. Not all problems are reported to the Council. If tenants do report problems there is a risk of illegal eviction and/or harassment	Taking action to tackle hazards is complicated and can be time consuming. Landlords can be obstructive and dealing with the worst problems can mean the Council taking	Very High. No ability to self-finance.

	worst properties complained about.	by their landlord. Relies upon the tenant complaining, some of whom may be too scared to do so. Not carried out on a proactive area basis. Does not tackle anti-social behaviour by tenants or management standards.	action through the Courts which is time consuming and resource intensive.	
Town and Country Planning Act 1990 - section 215	Discretionary council power to tackle derelict land or property adversely affecting the visual amenity of an area.	Can only be used to tackle the external fabric of a building in an area where the majority of the properties are in a good condition. No formal action can be used for internal works or management standards.	Will not improve the overall impact of the PRS.	High. No ability to self-finance.
Management Orders	Removes the property from an irresponsible landlord. Improves management standards. Draconian approach.	Application process to First Tier Tribunal required. The Council no longer manages its own housing stock and would require an external agency to deliver tenancy and property management services. Individual properties would have to be considered separately creating a disjointed approach.	Does not provide a long term solution to poor management or PRS. Management Order only lasts for 5 years then property is returned to original owner.	Very high. No ability to self-finance.
Accreditation	Shows commitment from landlords to be recognised as good. Encourages landlords to go beyond legal standards. Improves property conditions and management.	Voluntary so cannot compel landlords to join or improve property condition/ standards of management. Experience across schemes shows limited support by landlords. Reluctance to participate over long term period.	Limited effect on wide areas – isolated to landlord portfolios. Only the “good” landlord are likely to be willing to participate.	Medium. Funding required at time of severe resource constraints.
Housing and Planning Act Enforcement	Allows focus of activities to be targeted at worst properties.	New powers for individual cases.	Taking formal action using the new powers is likely to	High. Intensive preparation

		<p>Not particularly beneficial for area based intervention.</p> <p>Not all problems are reported to the Council.</p> <p>Not carried out on a proactive area basis.</p> <p>Does not tackle anti-social behaviour by tenants or management standards</p>	<p>be complicated and can be slow.</p> <p>Landlords can be obstructive and dealing with the worst problems can mean the Council taking action through the First Tier Tribunal and all the way up the legal system to the Court of Appeal which is time consuming and resource intensive.</p>	<p>of cases and recovery of monies owed arising from civil penalties unpaid.</p>
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I am a compliant landlord, will Selective Licensing affect me?

Yes, but the Council recognises that as a compliant landlord you will be carrying out your responsibilities to maintain and manage your properties effectively and as such has developed the proposed fees and criteria for licences to reward compliant landlords. The fee for a five year licence is proposed to be £380, which equates to £6 per month over the five year period.

The criteria will be based on a number of factors, for example, accreditation will be given to those landlords and agents who are experienced, knowledgeable in their profession and following the good practice principles set out in the Royal Institution of Chartered Surveyors (RICS) Private Rented Sector Code of Practice.

A five year licence at the lower fee will be provided to landlords who meet the necessary criteria.

If introduced, how long will Selective Licensing last?

A Selective Licensing scheme will last no longer than five years.

Will I have to pay for Selective Licensing, and if so, how much?

The Council is proposing to introduce a range of fees to reflect the level of compliance and competence of the landlord/manager. Lower fees and longer licences will be provided to compliant landlords and shorter licence with higher fees to the non-compliant. The proposed fees are as follows:

Stage	Type of Licence	Fee
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Stage 1 Fee – Payable at the time of making the application	1 year licence	£ 251.32
Stage 2 Fee – Payable once the Council has determined to grant a Licence.	1 year licence – where landlord has been found to be operating an unlicensed property	£ 488.59

Total Fee		£ 740.00
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Stage	Type of Licence	Fee
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Stage 1 Fee – Payable at the time of making the application	1 year licence	£ 251.32
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Stage 2 Fee – Payable once the Council has determined to grant a Licence.	1 year licence – where the landlord is licensing a new property without being identified as part of the Council proactive enforcement regime.	£ 290.54
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Total Fee		£ 540.00
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Stage	Type of Licence	Fee
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Stage 1 – Payable at the time of making the application	5 year licence – subject to criteria	£ 221.52
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Stage 2 – Payable once the Council has determined to grant a Licence	5 year licence	£ 160.00
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Total Fee		£ 380.00
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Stage	Type of Licence	Fee
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Stage 1 – Payable at the time of making a Renewal Application.	Renewal of a licence – subject to criteria	£ 191.72
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Stage 2 – Payable once the Council has determined to Grant a Renewal of a Licence	Renewal of a licence	£ 225.10
Total Fee		£ 415.00

Is Selective Licensing just another way for the Council to make money?

No, the Council is not permitted to obtain financial gain from the fees paid through the Licensing process. The fee charged will cover the costs associated with administering the Licensing Scheme over the length of the scheme (5 years). Fees will be reviewed on an annual basis and where there may be surpluses at the beginning of the scheme this will be used to either maintain the fee levels to cover costs over the following years or to reduce fees to landlords. In the event that the fees are not covering the cost of the scheme then they may be increased.

If approved, when will Selective Licensing work?

The scheme is proposed to commence in 2020.

I live in a privately rented property, if my landlord fails to meet the standards, will I have to move out of my home?

No, in all cases the landlord must provide you with two months' notice AND obtain an Order from the Court requiring you to leave. If the landlord does not have this Order then he/she could be attempting to evict you illegally and you should contact the Council.

Where your landlord is required to licence the property that you live in and if he/she does not licence the property then the Council is legally required to make an Order and take over control of your property if it considers your health, safety or welfare is at risk, this is known as a Management Order.

I live in a privately rented home, what will stop my landlord passing on the cost of the licence to me by increasing my rent?

It is not intended that the cost is passed on to tenants and the Council cannot prevent this from happening but there is no evidence to suggest in other areas of the country where similar schemes have been introduced that this has happened. Over the past few years rents in Coventry have increased without the introduction of a licensing scheme. A licence for 5 years equates to an increase in rent of £6 per month if the landlord did decide to adopt this approach.

I rent out a room to a lodger, would I need a Selective Licence?

No, a resident landlord and family can have up to two lodgers living in the house. If you have three or more lodgers in the house you may require a HMO licence (under the proposed Additional Licensing scheme).

I am buying or selling a house, will the licence be transferable as part of the sale?

No, licences are not transferable. When you sell a licenced house you must inform the Council that you have done so because the new owner will need to apply for a new Licence.

Are there any exemptions to needing a Selective Licence?

If you are in the process of selling your property and it falls within the designated area you can apply for a temporary exemption notice (TEN).

You can only make an application if you are the owner or person in control of the property.

A temporary exemption notice lasts for three months. You can renew for an extra three months in special circumstances. If the property still needs a licence after this period of time, you must apply for a property licence straight away.

There are also a number of Statutory Exemptions

Prohibition of occupation by law - A tenancy or licence of a house or a dwelling within a house where the house or the dwelling is subject to a prohibition order made under section 20 of the Act the operation of which has not been suspended under section 23.

Certain tenancies which cannot be assured tenancies - A tenancy which cannot be an assured tenancy by virtue of section 1 (2) of the Housing Act 1988 comprised in Part of Schedule 1 of the Act and which is:

- a) a business tenancy under Part II of the Landlord and Tenant Act 1954
- b) a tenancy under which the dwelling-house consists of or comprises premises, which, by virtue of a premises licence under the Licensing Act 2003, may be used for the supply of alcohol (within the meaning of Section 14 of that Act) for consumption on the premises
- c) a tenancy under which agricultural land, exceeding two acres, is let together with the house
- d) a tenancy under which the house is comprised in an agricultural holding or the holding is comprised under a farm business tenancy if it is occupied (whether as tenant or as a servant or agent of the tenant), in the case of an agricultural holding, by the person responsible for the control of the farming of the holding, and in the case of a farm business tenancy, by the person responsible for the control of the management of the holding.

Tenancies and licences granted etc by public bodies - A tenancy or licence of a house or dwelling within a house that is managed or controlled by:

- a) a local housing authority
- b) a police authority established under section 3 of the Police Act 1996 or the Metropolitan Police Authority established under section 5B of that Act
- c) a fire and rescue authority under the Fire and Rescue Services Act 2004; (d) a health service body within the meaning of section 4 of the National Health Service and Community Care Act 1990.

Tenancies, licences etc regulated by other enactments - A tenancy, licence or occupation of a house which is regulated under the following enactments:

- a) sections 87 to 87D of the Children Act 1989
- b) section 43 (4) of the Prison Act 1952
- c) section 34 of the Nationality, Immigration and Asylum Act 2002
- d) The Secure Training Centre Rules 1998
- e) The Prison Rules 1999
- f) The Young Offender Institute Rules 2000
- g) The Detention Centre Rules 2001
- h) The Criminal Justice and Court Service Act 2000 (Approved Premises) Regulations 2001
- i) The Care Homes Regulations 2001
- j) The Children's Homes Regulations 2001
- k) The Residential Family Centres Regulations 2002

Certain student lettings etc - A tenancy or licence of a house or a dwelling within a house which is;

- a) managed or controlled by a specified educational establishment or is of a specified description of such establishments and
- b) the occupiers of the house or dwelling are undertaking a full time course of further or higher education at the specified establishment 16 and
- c) the house or dwelling is being managed in conformity with an Approved Code of Practice for the management of excepted accommodation under section 233 of the Act

Long leaseholders - A tenancy of a house or a dwelling within a house provided that –

- a) the full term of the tenancy is for more than 21 years and
- b) the tenancy does not contain a provision enabling the landlord (or his successor his in title) to determine it other than by forfeiture, earlier than at the end of the term and

- c) the house or dwelling is occupied by a person to whom the tenancy was granted or his successor in title or by any members of either of those person's family.

Certain family arrangements - A tenancy or licence of a house or a dwelling within a house where –

- a) the person who has granted the tenancy or licence to occupy is a member of the family of the person who has been granted the tenancy or licence and
- b) the person who has granted the tenancy or licence to occupy is the freeholder or long leaseholder of the house or dwelling and
- c) the person occupies the house or dwelling as his only or main residence (and if there are two or more persons at least one of them so occupies).

Holiday lets - A tenancy or licence of a house or a dwelling within a house that has been granted to the person for the purpose of a holiday.

Certain lettings etc by Resident Landlord etc - A tenancy or licence of a house or a dwelling within a house under the terms of which the person granted the tenancy or licence shares the use of any amenity with the person granting that tenancy or licence or members of that person's family. An "amenity" includes a toilet, personal washing facilities, a kitchen or a living room but excludes any area used for storage, a staircase, corridor or other means of access.

Can I be refused a Selective Licence if the scheme is approved? What would happen to my tenants if it was?

Yes, you can be refused a licence if the Council considers that you are not a fit and proper person or competent to be a licence holder or manager. The Council would require you to nominate someone else who could be licence holder/ manager and as such nothing would happen to your tenants.

I'm not a tenant, but I live in the area, how will Selective Licensing affect me?

Over time you should see an improvement in rented properties in your area. If you have any concerns about rented properties then you can email them to housingenforcement@coventry.gov.uk

Will licenced properties have to be inspected, if so who by?

Yes, the Council considers that the Licensing process is more than just issuing a piece of paper and will inspect your property before it issues a licence and after the licence has been issued to check compliance with any licence conditions. This will be carried out by the Property Licensing Team.

Is there a right to appeal if a licence is refused?

Yes, an appeal can be made within 28 days from the date of the refusal to the First Tier Property Tribunal.

How will you spend the licensing money?

Fees must be related to the cost of operating the scheme and include (amongst other things) employing staff, staff time, premises, travel, publicity and materials, such as stationery, and equipment needed, such as use of telephones and computers.

Additionally, the Council has central costs that directly relate to processing the application such as the cost of the Finance Department relative to the scheme, human resources and legal services.

The fees will also be used more generally to cover costs associated with monitoring and supervising existing licence holders and enforcement against unlicensed owners.

What will be the penalties for not having a licence?

It is an offence under the Housing Act 2004 to operate an unlicensed property without a licence and if you are found guilty of this offence and prosecuted the Court has the potential to lay down an unlimited fine. The Council can issue a financial penalty as an alternative to prosecution of up to £30,000 for offences under the Housing Act 2004.

What are the criteria for a property/landlord needing a licence?

Anyone can apply for a licence; anyone can be 'the applicant'. They must, however, have access to all of the necessary information that is required for the application form. Many people have their agents submit an application whilst others do this themselves.

The person should be the person who has control of the property. This is usually the person who receives the rent (usually the owner or manager). They will be bound by the licence conditions and should be competent.

The Council must issue a licence if it is satisfied that the:

- proposed licence holder and proposed manager (if there is one) is a 'fit and proper person' **and**
- proposed licence holder is the most appropriate person to hold the licence **and**
- proposed management arrangements are satisfactory **and**
- persons involved in the management of the house are competent.

If the Council is not satisfied with the above then they may decide to refuse the licence, reduce the term of the licence and/or impose extra conditions on the licence holder.

Reduced term licences (Annual licences) will normally be issued to new landlords where they have recently acquired or converted their property into a licensable

property. This licence will be issued for a probationary period of 12 months and will be subject to the inspections process described earlier.

Annual licences will also automatically be issued to those landlords who are found to be operating an unlicensed property through proactive visits carried out by the Council. In cases such as these it is likely that the landlord may also be subject to a formal investigation by the Council – given that they have been found to be operating an unlicensed property. This may affect their eligibility as licence holder or manager so they will be required to nominate an alternative competent person to be licence holder/manager.

Upon renewal the landlord/licence holder will be able to apply for a longer licence and, subject to meeting the relevant criteria, may be issued with a 5 year licence. In cases where the landlord/licence holder is not able to meet the qualifying criteria an annual licence will be issued as a renewal.

All applicants that meet the criteria set out below will be eligible for a longer licence – 5 years.

A complete application form with the appropriate fee paid; and a signed declaration; and the necessary five-year licence self-certification forms signed by the licence holder and (if applicable) managing agent.

All parties actively involved in managing the property (i.e. joint or sole management responsibility) must be accredited with Coventry City Council's Landlord Accreditation Scheme (CLAS).

All parties involved in the licensing and management of the property must also have a compliant history with the Council. When determining the compliance with this element of the criteria the Council will take the following into account:

- All licence applications made on time;
- No outstanding licence conditions;
- No recent complaints about the property we have taken action to resolve;
- All certificates provided up to date and satisfactory;
- No issues with other departments within the council i.e. planning/highways;
- Have suitable maintenance arrangements in place with suitably qualified and competent tradespeople for the upkeep of the property; and
- Adhere to the principles set out in the [Private Rented Sector Code of Practice](#);

Managing Agents (with sole or joint management responsibility) must meet the following additional criteria:

- 50% or more of the company's employees are suitably qualified in residential property management;
- All employees carry out regular continued professional development (CPD); and
- The company is registered with a recognised professional association.

Should any issues arise or new information be discovered after the licence is issued, Coventry City Council reserves the right to revoke the licence. If any relevant person is found to have provided false or misleading information or made a false declaration, we may take enforcement action against them separately.

It is the responsibility of the proposed licence holder and manager(s) to meet all of the eligibility criteria for the licence and provide all necessary evidence when requested. If all requested documentation is not provided in time, the Council will automatically assess the application based on the evidence we hold and issue a licence accordingly, which will generally be an annual licence.