

# Selective licensing in the private rented sector

A guide for local authorities



Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence visit <a href="http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/">http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/</a>

This document/publication is also available on our website at www.gov.uk/dluhc

If you have any enquiries regarding this document/publication, email <a href="mailto:correspondence@communities.gov.uk">correspondence@communities.gov.uk</a> or write to us at:

Department for Levelling Up, Housing and Communities Fry Building 2 Marsham Street London SW1P 4DF

Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: https://twitter.com/luhc

June 2023

## Contents

Introduction	page 4
Overview	page 5
Conditions applying to selective licensing	page 6-7
Making a scheme	page 8-13
Selective licensing as part of the area's housing strategy	page 14-15
Consultation requirements	page 16
Application to the Secretary of State for confirmation	page 17-19
Duration and notification of a selective licensing scheme	page 20
Local authority review of a selective licensing scheme	page 21
Annex	page 22

#### Introduction

The Government values the private rented sector and wants to see a strong, healthy and vibrant market. Its aim is a private rented sector that offers a greater security of tenure and safer, higher quality homes for renters. The 'A Fairer Private Renter Sector' White Paper (<a href="https://www.gov.uk/government/publications/a-fairer-private-rented-sector">https://www.gov.uk/government/publications/a-fairer-private-rented-sector</a>) sets out clear actions to reform the sector for landlords and tenants. It sets out a strategic direction for the PRS for the first time in a generation.

The Government is keen to ensure that the sector is encouraged to meet, in a professional way and with decent quality accommodation, the demands placed upon it by the housing needs of the wide range of tenants it services. It strongly supports voluntary arrangements such as accreditation and landlords' forums.

Currently local authorities have powers to introduce selective licensing of privately rented homes in order to tackle problems in their areas, or any part or parts of them, caused by:

- low housing demand (or is likely to become such an area) and/or;
- a significant and persistent problem caused by anti-social behaviour;
- poor housing conditions;
- high levels of migration;
- high level of deprivation;
- high levels of crime.

Local residents, landlords, tenants, and any other person likely to be affected by the selective licensing designation, must be consulted prior to the introduction of a licensing scheme. Landlords who rent out properties in an area that is subject to selective licensing are required to obtain a licence from the local authority for each of their properties.

With effect from 1 April 2015, a General Approval came into force. Local authorities are required to obtain confirmation from the Secretary of State for any selective licensing scheme which would cover more than 20% of their geographical area or would affect more than 20% of privately rented homes in the local authority area. Additional criteria for making a designation were also added which include experiencing poor housing conditions, an influx of migration, a high level of deprivation or high levels of crime.

Together these rules enable local authorities to put in place effective licensing schemes to address specific problems arising in particular areas.

This (non-statutory) guidance explains the criteria for making a selective licensing scheme and discusses the type of evidence needed to support a designation. It sets out what a local authority would expect a scheme to deliver in terms of the economic and social conditions of the designated area and how during the period of the designation this will be evaluated. It also explains the processes that need to be complied with before a designation can be brought into force. This Guidance applies to



#### What is selective licensing?

- 1. Part 3 of the Housing Act 2004 (the Act) sets out the framework for licensing private rented properties<sup>2</sup> in a local housing authority area. Under section 80 of the Act a local housing authority can designate the whole or any part or parts of its area as subject to selective licensing. Where a selective licensing designation is made, it applies to privately rented housing in the area. Subject to certain exemptions specified in the Selective licensing of Houses (Specified Exemptions) (England) Order 2006<sup>3</sup>, all properties in the private rented sector which are let or occupied under a licence, are required to be licensed by the local housing authority, unless the property is a House in Multiple Occupation and is required to be licensed under Part 2 of the Act<sup>4</sup>. From 1 April 2015<sup>5</sup>, local housing authorities are required to apply to the Secretary of State for Levelling Up. Housing and Communities should the scheme affect more than 20% of privately rented homes in the local authority area or of the geographical area. If a local housing authority makes a designation that covers 20% or less of its geographical area or privately rented stock, the scheme will not need to be submitted to the Secretary of State. The housing authority must satisfy the statutory requirements and consult for at least 10 weeks on the proposed designation<sup>6</sup>.
- 2 If the local housing authority makes one or more designations that will be in force partly concurrent to an existing scheme, and cumulatively all the designations cover more than 20% of the area or the private rented stock, those new designations will need to be submitted to the Secretary of State for approval. Likewise, if the local housing authority makes two or more designations at the same time, each of which account for less than 20% of the area or private rented stock, but cumulatively account for more than 20% of either, all of the schemes will need to be submitted to the Secretary of State for confirmation.
- 3. In order to determine the number of privately rented properties a scheme would apply to, the local housing authority may want to consider the data it holds on their private rented sector, including housing benefit and council tax records, the most recent census, English Housing Survey or any other appropriate up-to-date data. Using up-to-date data is vital and although not essential, the local authority may also wish to commission their own independent review of the proposed designation to ensure that the figures are correct.

<sup>&</sup>lt;sup>2</sup> Private rented properties do not include accommodation where the tenancy is granted by a non-profit registered provider of social housing or a profit-making registered provider of social housing, within the meaning of Part 2 of the Housing and Regeneration Act 2008.

<sup>3</sup> SI 2006/370

<sup>&</sup>lt;sup>4</sup> Housing Act 2004 Section 85 (1)(a).

<sup>&</sup>lt;sup>5</sup> Selective licensing general approval 2015

<sup>&</sup>lt;sup>6</sup> Housing 2004, Part 3, Section 80

#### Conditions applying to Selective licensing

- 4. A selective licensing designation may be made if the area to which it relates satisfies one or more of the following conditions. The area is one experiencing:
  - low housing demand (or is likely to become such an area)<sup>7</sup>;
  - a significant and persistent problem caused by anti-social behaviour<sup>8</sup>;
  - poor housing conditions<sup>9</sup>;
  - high levels of migration<sup>10</sup>;
  - high level of deprivation<sup>11</sup>;
  - high levels of crime<sup>12</sup>.
- 5. Should a local authority be considering designating an area on the following grounds:
  - poor housing conditions and/or
  - migration
  - deprivation
  - crime

then the local housing authority may only make a designation if the area has a high proportion of housing in the private rented sector <sup>13</sup>. Nationally the private rented sector currently makes up 19% of the total housing stock in England <sup>14</sup>. The actual number of privately rented properties in a given area may be more or less than this, and if it is more than 19%, the area can be considered as having a high proportion of privately rented properties. Local authorities should consult the latest available English Housing Survey or Census when considering whether an area has a high proportion of privately rented properties.

- 6. It is also a statutory requirement that the properties referred to are occupied either under assured tenancies or licences to occupy.<sup>15</sup>
- 7. When considering whether to make a selective licensing designation a local housing authority must first identify the objective or objectives that a designation will help it achieve. In other words, it must identify whether the area is suffering problems that are caused by or attributable to any of the criteria for making the designation and what it expects the designation to achieve for example, an improvement in housing conditions in the designated area.
- 8. Secondly, it must also consider whether there are any other courses of action

<sup>&</sup>lt;sup>7</sup> Housing Act 2004 Section 80(3)

<sup>&</sup>lt;sup>8</sup> Housing Act 2004, Section 80(6)

<sup>&</sup>lt;sup>9</sup> The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 – Article 4

<sup>&</sup>lt;sup>10</sup> The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 – Article 5

<sup>11</sup> The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 – Article 6

<sup>&</sup>lt;sup>12</sup> The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 – Article 7

<sup>13</sup> The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 - Article 3 (1) (a)

<sup>&</sup>lt;sup>14</sup> English Housing Survey 2019/2020

<sup>15</sup> https://www.legislation.gov.uk/uksi/2015/977/article/3/made

available to it that would achieve the same objective or objectives as the proposed scheme without the need for the designation to be made. For example, if the area is suffering from poor housing conditions, is a programme of renewal a viable alternative to making the designation? In areas with Anti-Social Behaviour, where landlords are not taking appropriate action, could an education programme or a voluntary accreditation scheme achieve the same objective as a selective licensing designation?

- 9. If the problems of anti-social behaviour are only associated with a small number of properties a local housing authority should consider making a Special Interim Management Order, rather than a selective licensing designation covering properties with regard to anti-social behaviour (see Annex below).
- 10. Only where there is no practical and beneficial alternative to a designation should a selective licensing scheme be made.
- 11. If the local housing authority decides there is no practical and beneficial alternative to the scheme, it must only make the designation if it is satisfied that the scheme will significantly assist it in achieving its objective or objectives, with other actions the local housing authority may be taking.

#### 12. Any designation made must:

- ensure that the exercise of the power is consistent with their overall housing strategy<sup>16</sup>; and
- seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others<sup>17</sup>.

<sup>&</sup>lt;sup>16</sup> Housing Act 2004, Sections 81(2)

<sup>&</sup>lt;sup>17</sup> Housing Act 2004, Sections 81(3)

## Making a scheme – identifying the factors affecting an area, assessing impacts of schemes and measuring their outcomes

#### Introduction:

13. Before proposing a designation and embarking on a consultation, the local housing authority must identify the problems affecting the area to which the designation will apply and provide evidence to demonstrate the existence of the problems. It must also decide what other measures they will take along with other stakeholders to mitigate or eliminate those problems, enabling the aims of the scheme to be achieved. It should be noted that in making a selective licensing designation, the local housing authority must also take other measures to help address the problems. A scheme cannot be proposed unless those other measures are to be introduced (or continued).

#### **Low Housing Demand**

- 14. When deciding if an area is suffering from, or likely to become, an area of low housing demand, local housing authorities should consider the following factors:
  - The value of residential premises in the area, in comparison to the value of similar premises in other areas which the authority considers to be comparable (for example, in terms of type of housing, local amenities, or availability of transport);
  - The turnover of occupiers of residential premises (in both rented and owneroccupied properties); and
  - The number of residential premises which are available to buy or rent, and the length of time for which they remain unoccupied.
- 15. The scheme should state how it will help address the problems associated with low demand in the designated area, for example, through imposing conditions relating to the management of properties. It must identify how the scheme will work in combination with other specified measures that the local housing authority is taking to combat those problems.
- 16. The outcome of the scheme should be a reduction in or elimination of the blight of low demand, leading to identifiable improvements in the social and economic conditions of the area.

#### **Anti-Social Behaviour**

- 17. In deciding whether an area suffers from anti-social behaviour, it is recommended that local housing authorities consider whether private sector landlords in the designated area are effectively managing their properties or not. This would aid in combatting incidences of anti-social behaviour caused by their tenants or people visiting their properties. An area that suffers from anti-social behaviour as a result of a landlord's failure to manage their property effectively would significantly contribute to that problem.
- 18. In considering whether the area is suffering from anti-social behaviour which a landlord should address, regard should be had as to whether the behaviour is being conducted within the curtilage of the rented housing or in its immediate vicinity and includes acts of (but not limited to):
  - intimidation and harassment of tenants or neighbours
  - noise, rowdy and nuisance behaviour affecting persons living in or visiting the vicinity
  - animal related problems
  - vehicle related nuisance
  - anti-social drinking or prostitution
  - illegal drug taking or dealing
  - graffiti and fly posting
  - and litter and waste within the curtilage of the property.
- 19. The scheme should state what measures will be taken to address the problems associated with anti-social behaviour, for example by including conditions in licences requiring landlords to take action to deal with such behaviour or to ensure that properties are not let to persons with a known record of anti-social behaviour, or other conditions relating to the use of the property. It should also make clear how the measures taken in the scheme when combined with other specified measures will work together to combat the problems caused by anti-social behaviour.
- 20. The outcome of the scheme should be a reduction in, or elimination, of antisocial behaviour (caused by tenants in the private sector) in the designated area.

#### **Poor housing conditions**

Local housing authorities can address poor housing conditions through their powers in Part 1 of the Act, which are extensive. As mentioned below a local housing authority should not use its Part 3 powers (selective licensing) where it is appropriate to tackle small numbers of properties which are in disrepair directly and immediately under Part 1. There may, however, be circumstances in which a significant number of properties in the private rented sector are in poor condition and are adversely affecting the character of the area and/or the health and safety of their occupants. In that case, as part of a wider strategy to tackle housing conditions, the local housing authority may consider introducing a selective licensing scheme so that it can prioritise enforcement action under Part 1 of the Act, whilst ensuring through licence conditions under Part 3 that the properties are properly managed to prevent further deterioration.

- 21. Local housing authorities are required to consider the following factors to aid them in determining whether there are poor housing conditions in their area:
  - Whether a high proportion of those properties are in the private rented sector (this is a statutory requirement). 18
  - Whether following a review of housing conditions under section 3(1) of the Act<sup>19</sup>, the authority considers a significant number of properties in the private rented sector need to be inspected in order to determine whether any of those properties contain category 1 or 2 hazards. In this context "significant" means more than a small number, although it does not have to be a majority of the private rented stock in the sector. It would not be appropriate to make a scheme if only a few individual properties needed attention. It is a prerequisite to making a scheme that such a review has been carried out.
- 22. Local housing authorities may also consider carrying out an age and visual appearance check of properties in the area.
- 23. The scheme should state what action the authority intends to take under Part 1 of the Act if it identifies there are serious deficiencies with properties, including the timescale for taking the appropriate action and its enforcement plan for non-compliance with improvement notices or prohibition orders it serves.
- 24. The outcome of the designation, when combined with other measures, should be a general improvement of housing conditions in the designated area within the lifetime of the designation.

#### High levels of migration

25. Migration refers to the movement of people from one area to another. It includes migration within a country and is not restricted to migration from overseas. A selective licensing designation can be made, as part of wider strategy, to

<sup>&</sup>lt;sup>18</sup> see The Selective Licensing of Houses (Additional Conditions) (England) Order 2015- Article 3 (1) (a)

<sup>&</sup>lt;sup>19</sup> The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 – Article 4 (a)

- preserve or improve the economic conditions of the area to which migrants have moved and ensure people (including migrants) occupying private rented properties do not live in poorly managed housing or unacceptable conditions.
- 26. In considering whether an area is experiencing, or has experienced, high levels of migration, the local housing authority will want to consider whether the area has experienced a relatively large increase in the size of the population over a relatively short period of time. In assessing this, the local housing authority should consider whether net migration into the designated area has increased the population of the area. We suggest a population increase of around 10% or more over a 5-year period would be indicative that the area has or is experiencing a high level of migration into it.
- 27. The designated area must contain a high proportion of privately rented properties occupied either under assured tenancies or licences with a significant number of migrants to the area occupying them. In assessing whether the area is experiencing or has experienced significant migration the local housing authority will want to have regard to: the information it holds on households in the area; any significant increase in the call for, or in the provision of, local authority services in the area; any increase in local authority or police intervention in the area; and any changes to the socio-economic character of the area.
- 28. The scheme should state what actions the local housing authority intends to take to ensure the preservation of or improvements to the social or economic conditions of the area. It should also state what measures it would put in place through licensing, to ensure proper standards of management of privately rented properties in the area are maintained, and to prevent properties becoming overcrowded.
- 29. The outcome of the designation should be to preserve or improve the economic or social conditions of the area during the lifetime of the designation and ensure that a proper standard of management of privately rented housing is maintained and that properties do not become overcrowded.

#### High levels of deprivation

- 30. A local housing authority may make a designation if the area is experiencing a high level of deprivation. It must, however, be clear that by making the scheme it will, together with other measures as party of a wider strategy, improve housing conditions in the private rented sector in that area.
- 31. In deciding whether to make a designation because the local authority considers the area suffers from a high level of deprivation<sup>20</sup>, the local housing authority should consider the following factors when compared to other similar neighbourhoods in the local authority area or within the region:
  - the employment status of adults;
  - the average income of households;
  - the health of households;
  - the availability and ease of access to education, training and other services for households;
  - housing conditions;
  - the physical environment;
  - levels of crime.
- 32. It is a matter for the local housing authority, having regard to the above factors, to determine whether the area is suffering from a high level of deprivation. Should the area meet the criteria, the local housing authority can then only make a designation if there is a high proportion of private rented housing in the area, occupied either under assured tenancies or licences.
- 33. The scheme should state what actions the local housing authority intends to take to combat housing problems associated with the deprivation; including, for example, through licence conditions to ensure properties are managed properly, and can contribute to an improvement in the well-being of the occupants and wider community.
- 34. The outcome of the designation should be (together with other measures) a reduction of the problems with housing in the private rented sector contributing to the high level of deprivation.

<sup>&</sup>lt;sup>20</sup> https://www.legislation.gov.uk/uksi/2015/977/article/6/made

#### High levels of crime

- 35. In considering whether an area suffers from a high level of crime the local housing authority may wish to have regard to whether the area has displayed a noticeable increase in crime over a relatively short period, such as in the previous 12 months; and whether the crime rate in the area is significantly higher than in other parts of the local authority area or is higher than the national average. In particular, the local housing authority may want to consider whether the impact of crime in the area affects the local community and the extent to which a selective licensing scheme can address the problems.
- 36. The licensing scheme must be part of a wider strategy to address crime in the designated area and can only be made if a high proportion of properties occupied either under assured tenancies or licences in that area are in the private rented sector. In particular, the local housing authority may wish to consider:
  - whether the criminal activities impact on some people living in privately rented accommodation as well as others living in the areas and businesses therein.
  - whether some of the criminal activity is the responsibility of people living in privately rented accommodation.
- 37. The scheme should show what measures the local housing authority will be able to take through licensing (and such other measures as are being taken), to reduce criminal activity in the area, such as by imposing conditions in licences to ensure properties are safe from intruders.
- 38. The outcome of the designation (together with the other measures) should lead to a reduction in crime in the area.

#### Selective licensing as part of the overall housing strategy

- 39. Selective licensing is not a tool that can be used in isolation. Although the housing strategy does not need to be submitted as part of the application process, the local housing authority will have to show how such a designation will be part of the overall strategic local authority wide approach<sup>21</sup>, and how it fits with existing policies on:
  - Homelessness
  - Empty Homes
  - Regeneration
  - Anti-social behaviour associated with privately renting tenants.
- 40. Local housing authorities must also ensure that selective licensing complements other measures. It should only be used where existing measures alone are not sufficient to tackle the underlying housing problems of a specific area. Local authorities should also carefully consider any potential negative economic impact that licensing may have on their area particularly the risk of increased costs to landlords who are already fully compliant with their obligations. These additional costs can reduce further investment and are frequently passed on to tenants through higher rents.
- 41. Prior to licensing an area, due regard should be given to objectives set out in the Equality Act 2010, in line with the Public Sector Equality Duty.
- 42. The selective licensing scheme must be consistent with the overall housing strategy and co-ordinated with procedures for homelessness, empty properties, anti-social behaviour in the private rented sector, and housing market renewal activity.
- 43. Local housing authorities will also have to demonstrate the role of other partners (if any), such as the Police or Social Services, in ensuring the designation reaches its goal.
- 44. The local housing authority must show:
  - it has considered whether there are any other courses of action available that might provide an effective method of achieving the objectives that the designation is intended to achieve, and;
  - how the making of the designation will significantly assist the local housing authority in achieving its objectives (whether or not in conjunction with those other measures).
- 45. It is important for local housing authorities to demonstrate how licensing will work in conjunction with existing initiatives (such as landlord accreditation) and partnerships. Licensing in itself is not a stand-alone tool, and local housing authorities should take account of this. For example, landlords will need adequate support to help them deal with problem tenants. Local housing

\_

<sup>&</sup>lt;sup>21</sup> Housing Act 2004, Section 81

- authorities should ensure that their schemes are adequately resourced and include services such as active outreach support programmes to engage with landlords and tenants who need their assistance.
- 46. It is also important for local housing authorities to consider some of the possible effects of making a designation, and to include any risk assessment they may have carried out. For example, there may need to be an assessment of the likelihood of possible displacement of unprofessional landlords to other areas within the local authority's jurisdiction, or to neighbouring local authorities.

#### **Consultation requirements**

- 47. Section 80 (9) of the Act states that when considering designating an area the local housing authority must:
  - take reasonable steps to consult persons who are likely to be affected by the designation, and,
  - consider any representations made in accordance with the consultation and not withdrawn.
- 48. Local housing authorities are required to conduct a full consultation. This should include consultation of local residents, including tenants, landlords and where appropriate their managing agents and other members of the community who live or operate businesses or provide services within the proposed designation. It should also include local residents and those who operate businesses or provide services in the surrounding area outside of the proposed designation that will be affected. Local housing authorities should ensure that the consultation is widely publicised using various channels of communication.
- 49. If the designation does not require the confirmation of the Secretary of State because of its extent, then the local housing authority must consult on the proposed scheme for at least 10 weeks. If the scheme requires the Secretary of State's confirmation, then the local housing authority should still aim to consult for at least 10 weeks unless there are special reasons for not doing so.
- 50. The consultation should be informative, clear and to the point, so the proposal is readily understood. It should inform local residents, landlords, letting agents and businesses about the proposed designation, giving the reasons for proposing it, why alternative remedies are insufficient, demonstrating how it will tackle specific problems together with other specified measures, and describing the proposed outcome of the designation. It should also set out the proposed fee structure and level of fees the authority is minded to charge (if any). Consultees should be invited to give their views, and these should all be considered and responded to.
- 51. Once the consultation has been completed the results should then be published and made available to the local community. This should be in the form of a summary of the responses received and should demonstrate how these have either been acted on or not, giving reasons.

#### **Application to the Secretary of State for Confirmation**

- 52. Applications for confirmation of Selective licensing designations should be submitted to the Department for Levelling Up, Housing and Communities using the Department's published application form and should use the following structure.
  - Introduction. This should cover the strategic significance of the proposed area and provide a detailed description of the proposed area (including the number and types of properties affected, and a map of the area).
  - An explanation of whether the designation is for more than 20% of the local authority's geographical area; or whether it affects more than 20% of privately rented homes in the area and how this was calculated; or, where the scheme is for less than 20% of the area or homes, how it together with other schemes affects more than 20% cumulatively.
  - Where the designation would cover over 20% of the area or 20% of properties the application should set out what the rationale for adopting a larger scale scheme is.
  - Current position with regards to tackling:
    - low housing demand;
    - o anti-social behaviour;
    - o poor housing conditions;
    - o an influx of migration;
    - o a high level of deprivation;
    - high levels of crime.
  - Demonstration of how the area would benefit from the combination of existing policies and selective licensing.
  - Conclusion, addressing the relevant issues that were raised in the stakeholder consultation and details as to what the long-term impact of the scheme will be on the proposed area.

53. In addition, the local housing authority must include with the application:

 A copy of the consultation document and the published summary of the responses;

Details of the fees that will be charged;

- A copy of the Designation and minutes of the Council meeting resolving to make the designation;
- A copy of the local housing authority's strategy to ensure compliance with the scheme and enforcement against those who do not comply. It must also set out the level of compliance with other licensing schemes it operates, including mandatory House of Multiple Occupation licensing.
- 54. Applications should be e-mailed to: selectivelicensing@levellingup.gov.uk
- 55. The selective licensing team in the Department is content to engage with local authorities prior to an application being submitted to the Department for approval. However, no legal advice can be provided on specific matters. Please make us aware that you are intending to apply with an estimated date of submission. This helps us to plan and diarise assessments as they come in. Please contact us at selectivelicensing@levellingup.gov.uk.

#### Department's role in the confirmation process

- 56. The final decision whether to confirm or refuse to confirm the designation will be made by the Secretary of State or delegated Minister.
- 57. The decision will be in writing and where appropriate, will give reasons where the Secretary of State declines to give consent. There is no appeal against the Secretary of State's decision, although it can be subject to judicial review.
- 58. Typically, a decision in relation to an application will take around 14 weeks from receipt, but processing applications may take longer if the Department has not been given all the information required, or if further information or research are required, or if the case is complex.
- 59. The Department may request further information relating to the application and supporting documentation, including clarification of matters which are unclear, and may seek further evidence of certain matters. The local authority will also be informed if there is not sufficient information to make a decision.
- 60. The role of the Secretary of State is not about second-guessing the local housing authority's reasons for making the decision. As this guidance makes clear, local housing authorities will know their local housing market conditions better than the Department. The approval system is concerned with ensuring that the local housing authority has carried out the requirements imposed on it through the legislation before making the designation and can sufficiently demonstrate

- 61. that there is robust evidence to support the reasons for making the designation.
- 62. All applications will be considered impartially on a case-by-case basis, balancing the views and interest of all parties and the Department will consider representations in support of the application from other Government Departments and agencies, such as the Home Office.
- 63. The Secretary of State or delegated Minister will also take account when considering confirmation of a new scheme whether there has been sufficient compliance with other licensing schemes operating in the local housing authority area<sup>22</sup>. This may be done by reviewing the local housing strategy if available and considering the other courses of action that the local authority has taken alongside licensing.
- 64. It is important that existing licensing schemes are robustly enforced to ensure compliance and improve the overall quality of the PRS. It would be expected that a local housing authority is able to demonstrate evidence of robust enforcement and a clear approach to ensuring compliance in its application. Demonstration of robust enforcement will help to evidence the grounds for introducing a new scheme.

#### **Duration and Notification of a Selective licensing Scheme**

- 65. Where a designation does not require confirmation, it cannot come into force until three months after it is made. Where it requires confirmation, the earliest it can come into force is three months after it has been confirmed by the Secretary of State<sup>23</sup>.
- 66. The introduction of the scheme may be delayed up to an additional three months, if need be, to prepare for the scheme's implementation. If a further delay is required for schemes approved by the Secretary of State, then this must be discussed with the Department in the early stages of the application process and good cause must be provided. This is to avoid an excessive delay between the consultation and the scheme's introduction, to ensure consultation requirements are met and persons who are likely to be affected by the designation have been consulted.
- 67. A designation may be made for up to 5 years<sup>24</sup>.
- 68. Section 83 of the Act requires local housing authorities to publish a notice of the designation once it has been confirmed. A local housing authority must:
  - publish a notice within the designated area within seven days of the designation being confirmed.

<sup>&</sup>lt;sup>22</sup> A local housing authority that has designated an area subject to selective licensing is under a general duty to ensure the scheme is complied with: Housing Act 2004, section 79 (5)(a)

<sup>&</sup>lt;sup>23</sup> Housing Act 2004, section 82 (3) and (7)

<sup>&</sup>lt;sup>24</sup> Housing Act 2004, section 84 (2)

- notify all those consulted on the proposed designation within two weeks of the designation being confirmed.
- 69. Further information on the publication requirements relating to additional and selective licensing designations can be found in Statutory Instrument No. 373 "The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006" which can be found on the Office of Public Sector Information website www.opsi.gov.uk.

#### Local Authority Review of a Selective licensing Scheme

- 70. Section 84 (3) of the Act require local housing authorities to review the operation of a designation made by them from time to time. If following a review they consider it appropriate to do so, they may revoke the designation.
- 71. Selective licensing is not intended to be an end in itself. It is a means to an end. It is about improving management standards in the private sector in areas where improvements in those standards are sorely needed, for the benefit of occupiers and the wider community. Therefore, after making a designation, local housing authorities must continue to monitor designations to show that they are achieving the desired effect. For example, if a selective licensing designation is deemed to have worked, and the problems of low demand and/or anti-social behaviour have been resolved in an area, the local housing authority may consider that the designation is no longer needed and should be revised or revoked. Alternatively. if a designation is failing to tackle the issues it is meant to address, the local housing authority may consider that the designation should be revised or revoked, and alternative measures considered for addressing the issues. The Government recognises that licensing may have to be a long-term strategy and that it will not provide instant solutions. It also appreciates that, if in the initial phase there has been little improvement in an area, this does not necessarily mean that a designation is a failure.

### Renewal of a Selective licensing Scheme which requires confirmation

- 72. There are no additional conditions above what is set out in legislation when considering whether a local housing authority should renew a selective licensing scheme which requires confirmation by the Secretary of State. We do however recommend that a summary of outcomes is provided where possible, explaining whether the desired outcomes in the previous scheme were delivered or not.
- 73. Any existing scheme that covers more than 20% of the geographical area of the authority or 20% of private rented homes in the area will require confirmation on any proposed renewal as will any scheme which covers less than 20% but cumulatively with other schemes would include more than 20% of the area of stock.

#### **Annex**

#### **Special Interim Management Order**

It will not be appropriate to make a selective licensing designation to address isolated individual problems of anti-social behaviour which nevertheless seriously impact upon the local community. In such cases local housing authorities should consider making a Special Interim Management Order (SIMO) under part 4 of the Act.

A Special Interim Management Order transfers the management of a residential property to the local housing authority for a period of up to twelve months and can only be made if approved by the First Tier Tribunal (Residential Property). The tribunal may not authorise a Special Interim Management Order in respect of a property unless, in the case of non-Houses of Multiple Occupation, there is **antisocial behaviour** emanating from the property, the landlord is failing to take appropriate action to deal with the problem, and it is necessary to make the order to protect the health, safety or welfare of persons occupying, visiting or engaged in lawful activities in the locality of the house.