

General Fund Housing

B4663 and II4671 - Selective Landlord Licencing and Fees receivable for selective landlord licensing scheme

Q: This should provide a clear description of the statutory opportunity which exists for such schemes and of the basis on which officers believe a part or all of Cambridge could qualify to exercise the powers involved.

Statutory opportunity

1. Part three of the Housing Act 2004 sets out general conditions that should be satisfied for a local authority to designate an area for selective licensing. The legislation was introduced, in order to improve standards of management in the Private Rented Sector (PRS) and reduce anti-social behaviour. A selective licensing scheme could enable the Council to impose a legal requirement in a designated area, requiring some landlords to apply for a licence for each property they rent, that is situated within such an area.
2. A selective licencing scheme can be introduced, provided the local authority has the evidence to back up the necessity to do so. Currently, the City Council exercises existing powers to take PRS housing enforcement action, but only where an occupant of the premises makes a complaint about their housing conditions; or where a property falls within mandatory licensing criteria¹. Where evidence can be provided licencing could be implemented on any type of rented property within a designated area (excluding those exempted by legislation see appendix A). In implementing this type of scheme, the Council must be able to set clear objectives of the scheme goals. The scheme cannot be introduced if evidence shows that the existing use of part one of the Housing Act 2004, or any other appropriate course of action², is adequate to tackle the problems with PRS housing within Cambridge city.

¹ A property occupied by five or more people forming two or more separate households, or a purpose-built flat in a block of up to two flats and occupied as an HMO by five or more people.

² It should only be used where existing measures alone are not sufficient to tackle the underlying housing problems of a specific area.

Demonstrating the need for selective licencing through a feasibility study

1. Local authorities are required to obtain confirmation from the Department for Communities and Local Government 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. The Secretary of State's role in confirmation will be exercised by officials in the Private Sector Property Division and the final decision whether to confirm or refuse to confirm the designation will be made by a senior official of the division. In order to do this for Cambridge city, it will be necessary for an external contractor to carry out an independent feasibility study due to time and overall resource involved in terms of doing this work as well as the need to draw on knowledge and experience of a consultant with specialist knowledge in relation to discretionary licensing schemes.
2. The study will need to demonstrate the introduction of licensing is necessary, under at least one of the following criteria:
 - Low housing demand
 - Anti-social behaviour
 - Poor property conditions
 - An influx of migration
 - A high level of deprivation
 - High levels of crime
3. As stated above, selective licensing is not a tool that can be used in isolation. The local authority will also have to show how such a designation will be part of the overall strategic borough/ district wide approach, and how it fits with existing policies on:
 - Homelessness
 - Empty homes
 - Regeneration
 - Anti-social behaviour associated with privately renting tenants

Further information

4. For further information, please contact Yvonne O'Donnell,
Environmental Health Manager –
yvonne.odonnell@cambridge.gov.uk or tel. 01223 457951.

Appendix A

A full list of exemptions can be found in [the Selective Licensing of Houses \(Specified Exemptions\) \(England\) Order](#)

- A prohibition order under the Housing Act 2004 in force.
- It is being used for business premises.
- It requires another type of licence, for example a HMO.
- It has a tenancy for agricultural land and/or holdings.

- It is managed or controlled by a local housing authority, a police authority, a fire and rescue authority or a health service body.
- It is owned by registered social landlords, such as a housing association.
- It is a holiday home.
- It is a property occupied solely by students undertaking a full-time further or higher education course and where the person managing or in control of the property is the educational establishment.
- The tenancy agreement has been granted for more than 21 years and where the agreement does not include a clause which allows the landlord to end the tenancy (other than forfeiture) earlier than the term of the lease. (The house or dwelling must be occupied by the original person who was granted the tenancy or any members of their family.)
- Houses occupied by members of the owner's family*.
- The house is occupied by the tenant and landlord or his family*.
- Certain student halls of residence.
- If the property is not tenanted at the start of designation and remains unoccupied throughout the period of the licence. (As soon as the property is rented out, an application for a licence must be made).

*A person is a member of the same family, if:

- They live as a couple who are married to each other or live together as husband or wife (or equivalent relationship in the case of persons of the same sex).
- One is a relative of the other (parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew, niece or cousin or half-blood of any of those listed, stepchild). Proof of relationships, for example birth and/or marriage certificates may be required.