



Islington Together: for a more equal future

SELECTIVE LICENSING

Public consultation on new proposals for private rented housing licensing schemes.

Frequently asked questions (FAQs)

Consultation runs from 23 December 2022 to 27 March 2022

The consultation

What are we proposing?

Islington Council is now consulting on introducing a new selective licensing scheme for the licensing of privately rented accommodation to replace the existing Finsbury Park scheme, in the new wards¹ of Hillrise, Tollington and Finsbury Park.

Why are we consulting on the proposal?

The Housing Act 2004 provides for local authorities to designate discretionary licensing schemes for privately rented properties, either borough-wide, or in certain specified areas. The Act requires the council to undertake a public consultation on the proposals before the schemes are implemented.

Why is it important for us to do this?

Our research has shown that there are problems with the standard and management of privately rented properties, particularly in the northern half of the borough. Although there are many responsible landlords, there are also many who do not manage their properties well. The evidence gathered in our assessment of the private sector shows that the PRS in the selected wards has higher levels of poor property conditions than in other parts of the borough, as well as having the highest levels in at least two of the criteria of ASB, crime or deprivation. A high percentage of privately rented properties in these wards means that the council can have the biggest impact through a selective licensing scheme.

The proposed licensing schemes will enable the council to attach conditions to licences that will ensure that the private rented sector is improved, the health and safety of tenants is protected, and that anti-social behaviour and crime affecting neighbourhoods is reduced. This will bring about an improvement of the private rented sector in a way that dealing with complaints one by one doesn't achieve.

How can I find out more detail about the proposals?

Please see the full consultation document.

The consultation process

Who are you consulting with?

We will be consulting widely, with landlords, agents, tenants, residents, local businesses, regional and national landlord associations, the police, London Fire Brigade, neighbouring local authorities and all other stakeholders.

Will there be any public meetings about the proposals?

You can find out more at one of our consultation virtual drop-in sessions. Details of how you can join these will be available on our website at

www.islington.gov.uk/licensingconsultation

¹ New ward boundaries and names come into effect May 2022.

How can I respond to this consultation?

To respond to this consultation please go to the online questionnaire at: www.islington.gov.uk/licensingconsultation or if you cannot complete the questionnaire online, please contact us on 020 7527 3205 to request a paper copy of the questionnaire or another format.

If you have any questions about the consultation, or require this questionnaire in another format please contact us:

E: property.licensing@islington.gov.uk

T: 020 7527 3205

Copies of the consultation FAQs and questionnaire are also available at local libraries and 222, Upper Street, London N1 1XR.

When will the results of the consultation be published and where?

The consultation will close at midnight on Sunday 27 March 2022 and the results will be collated and published on Islington's website.

Who makes the decision to approve the scheme and if the decision is to go ahead, what's the earliest it could start?

The responses from the consultation will be considered by the Islington Council Executive, who will make a decision to either accept or reject the schemes. This should take place around June 2022, subject to the committee cycle.

If the decision is to go ahead with the schemes, then the earliest the existing selective licensing scheme for Finsbury Park will be revoked and the new scheme for the new Hillrise, Tollington and Finsbury Park wards could be expected to start, is likely to be September 2022.

Who can I contact if I have any queries about this consultation?

If you have any questions that are not answered by these questions and answers, please look at the full, detailed consultation document. This document contains all the evidence gathered and justification for the scheme in accordance with government guidance. If you have any further questions, please email your question to property.licensing@islington.gov.uk and we will provide a response.

Proposed selective licensing schemes

What is meant by 'new' wards and how do I know if my street is included?

In our proposals, we refer to 'new' wards. The Local Government Boundary Commission for England (LGBCE) has introduced changes that will take effect from the date of the council elections on 5th May 2022. See [LGBCE proposed ward boundaries](#). The changes bring about an increase in the number of wards to 17. The boundaries of all wards will change, although some only slightly.

As a guide, the new wards are approximately equivalent to the following:

New ward name	Existing ward or wards
Hillrise	Hillrise plus parts of Junction and Tollington
Tollington	Most of Tollington plus part of Finsbury Park
Finsbury Park	Finsbury Park except western corner, plus part of Highbury West

Why are you revoking the Finsbury Park selective licensing scheme when it only began in February 2021?

The boundary changes will make the existing designation both contradictory to the new boundaries and confusing for all concerned. It is the most appropriate course of action to revoke the existing scheme and to include the area it covers in the new proposed designations.

How would the new scheme work?

All private landlords with residential property within the proposed scope of the scheme would need to apply for a licence for each property they let. The licence would come with conditions that would require the landlord to meet certain standards. In order to become a licence holder, they must pass a fit and proper person test.

What does a “fit and proper person” mean?

The council will carry out checks to make sure that the person applying for a licence is a “fit and proper person”. In deciding whether someone is “fit and proper”, the council must take into account, amongst other matters:

- a) Any offences involving fraud or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003.
- b) Any unlawful discrimination on grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with the carrying on of any business.
- c) Any contravention of any provision of the law relating to housing or of landlord and tenant law.
- d) Any person involved in the management of the property has sufficient level of competence to be so involved.
- e) Any person involved in the management of the house is a fit and proper person to be so involved.

The council can also decide if a person is not “fit and proper” as a result of association with other persons who would not be considered “fit and proper” where this would affect the management of a licensed property.

My property already has a licence under the Finsbury Park scheme. What will happen to that licence when the existing scheme is revoked?

Licences issued under the existing Finsbury Park scheme will remain in force for the period stated on the licence and landlords will not need to reapply for a licence. Following expiry of a licence and should a selective licensing scheme still continue to be in operation, an application for a licence renewal must be made.

Will my property be inspected by the Council?

Selective licensing does not require the mandatory inspection of every property. Inspection will be risk-based. Tenants who consider there are possible disrepair issues in their rented property will be able to contact the Residential Environmental Health Team and discuss their concerns. If there are grounds for an inspection, then we will liaise with both the landlord and tenant to arrange the inspection.

What will happen if I do not apply for a licence?

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

No offence is committed however if there is a genuine outstanding application for a licence on record or a Temporary Exemption Notice (TEN) is in force.

Is VAT payable on the licence fee?

No, VAT is not payable on licence fees.

Who is responsible for paying the licence fee?

The applicant, who may be the property owner, landlord or their agent, will be responsible for paying the licence fee for each property.

Is the council using licensing fees to raise money?

The fees charged will cover the costs associated with running the licensing scheme.

Will the licence fees be a disincentive for landlords and drive them out of the rental market?

The proposed fee for a licence is affordable, as it is only a small proportion of the overall rental income from a property over a period of five years. We believe that irresponsible landlords who do not keep their properties in good condition and do not manage them properly might decide to sell, in order to avoid licensing. This will however, open up their properties to people that will manage them well. Licensing will improve the image of the sector as a whole and will help encourage responsible landlords to invest in Islington.

Will the fees just be passed on to tenants through rent increases?

For a selective licence for a single family home it will be £500. This equates to £1.92 per week respectively for each five-year licence. We anticipate that this cost can be easily absorbed as part of the business model for landlords. Rents are generally market driven and do not tend to be influenced by licensing costs. Local housing market areas tend to cross borough boundaries and several of Islington's neighbours have already introduced discretionary licensing schemes and although the likelihood is low, any impact of such schemes on rent costs is likely to have already impacted Islington. We are not aware of any issues with rent increases due to licensing fees in the existing Finsbury Park scheme.

How long will the licence last?

In general, the council will aim to grant licences for the maximum term (5 years). There may be instances in which there are justifiable concerns with either:

- the condition of the property
- the management or the management arrangements
- or with the conduct (past or present) of a landlord or his associates which, whilst not leading to a conclusion that they fail the fit and proper person test, are significant enough to warrant granting a licence for a shorter term.

In every other case, the council will consider granting licences for five years, unless there are good reasons not to do so.

Following expiry of a licence and should a selective licensing scheme still continue to be in operation, a decision will be made on the standard of management of the property and the property relicensed accordingly for another five years or other period deemed appropriate. All licences continue for the term granted even when this extends beyond the life of the scheme.

I have a house in multiple occupation (HMO) in the proposed area, will it need a licence under the new scheme?

HMOs occupied by three or more people who are not a single household are generally covered by either the council's borough-wide additional licensing scheme, or the mandatory HMO licensing for larger HMOs. If not already licenced, landlords of HMOs anywhere in Islington should apply for an HMO licence and not a selective licence under these proposals. If you have an HMO licence you do not need a selective licence for the same property. Houses or flats that are occupied by just two people who do not form a single household will come within scope of selective licensing.

Aren't these conditions overly burdensome for landlords?

Many of the conditions are already mandatory for landlords and others we consider to be best practice in property management.

What happens if a landlord breaches the licence conditions?

If there are continued or serious breaches, they could be prosecuted with unlimited fines for each condition breach. Where appropriate they will be supported and given advice on how to comply with the conditions, a plan and timeframe for doing so.

A Civil Penalty Notice of up to £30,000 is an alternative sanction available to the council. A breach of licence conditions could also lead to the revocation of the licence and unless a suitable alternative licence holder could be found, the council may take over the management of the property by issuing an Interim Management Order (IMO).

What will the council do to support landlords under its proposed schemes?

The council intends to enhance its good working relationship with responsible private sector landlords as part of the proposed licensing schemes.

Specific support measures will include:

- A reduced licensing fee for properties where the landlord is accredited by the London Landlord Accreditation Scheme (LLAS), or another recognised accreditation scheme.
- A five-year licence for properties that do not raise significant concerns regarding the condition or management of them.
- Advice will be provided to landlords in relation to the licence standards.

What is an accredited landlord?

Islington actively promotes the London Landlord Accreditation Scheme (LLAS) and Accreditation and Training for Landlords and Agents Scheme (ATLAS). This is a voluntary scheme where landlords undergo training and sign up to a Code of Conduct which requires certain standards of management and maintenance. LLAS and ATLAS is a valuable scheme for engaging with well-meaning landlords. It provides support and imparts the knowledge necessary for them to run their businesses effectively, comply with the law, and provide safe, decent quality homes. There are also other recognised landlord accreditation schemes. Details can be found at <https://www.anuk.org.uk/schemes-near-you> .

Why don't you just use existing powers to deal with bad landlords?

We already do a number of things to improve the management of private rented properties and to tackle crime and anti-social behaviour in the borough. We will continue to use all our existing powers and work closely with other agencies. However, licensing will help us take a more proactive, targeted approach. We will have a dedicated, self-financed team in place to deal with service requests and complaints about properties within the scope of the schemes.

What is the existing selective licensing scheme in Islington?

Since 1 February 2021, a selective licensing scheme has been in place in the existing Finsbury Park ward. This scheme is in place for a period of 5 years and is due to expire after 31st January 2026. This designation applies to all houses and flats located within the existing Finsbury Park ward and rented to either:

- A single person
- Two people sharing (regardless of their relationship to one another)
- Any number of persons forming a single household (family).

What have you learnt from the existing selective licensing scheme in Finsbury Park and the borough-wide additional licensing scheme?

These schemes only came into effect in February 2021 and so it is too early to draw any conclusions. However, the lessons learned from the operation of the previous additional licensing scheme in Caledonian Road and Holloway Road were taken into account in drawing up our proposals for these schemes.

Why are you introducing other selective licensing schemes when you only previously designated Finsbury Park ward?

Although the evidence supported the introduction of the scheme, Finsbury Park was initially selected for designation as a pilot, before considering introduction of a scheme in further wards. The evidence we have gathered this time supports the case for designation of the additional wards now proposed. The systems we have

now put in place for the Finsbury Park scheme can readily be scaled up to deal with a greater number of properties in scope.

My property is in the existing Finsbury Park scheme but will be in another ward once the new boundaries are introduced. What will this mean?

Any property already licenced or subject to selective licensing under the existing scheme that won't be in the new Finsbury Park ward will fall into the new Tollington ward. As the new Tollington ward will be included in the proposed new scheme, then these properties will still fall within scope of selective licensing.

My property is not in the existing Finsbury Park scheme but will be within the new Finsbury Park ward boundary after the changes. What will this mean?

Some streets in the existing Highbury West ward will come under the new Finsbury Park ward after the changes, these streets will come within the scope of the proposed new scheme for Hillrise, Tollington and Finsbury Park.

Will all properties in these wards have to be licensed?

The following properties/circumstances do not require a licence:

- Owners who reside in a property they own as their main residence (owner-occupiers)
- Homes let to tenants of registered housing providers (housing associations)
- Those places specifically excluded from the legislation such as care homes, etc
- Student accommodation directly managed by educational institutions, e.g. halls of residence (but not those where students have tenancies with private landlords)
- HMOs that require licensing through Islington's additional or mandatory HMO licensing schemes
- Homes subject to management orders and prohibition orders
- Households that act as host families for foreign students studying for a short period
- Homes with lodgers

Full details of all exemptions are set out in [The Selective Licensing of Houses \(Specified Exemptions\) \(England\) Order 2006](#)

What evidence do you have that selective licensing will help?

In a great number of local authority areas, selective licensing has proved to have had a substantial impact on landlord and agent behaviour and improved their engagement and relationship with them.

I'm a tenant of a property within the designated area for selective licensing. How will it affect me?

Selective Licensing requires landlords to adhere to a number of conditions as part of their licence. Officers from Islington Council may inspect the property to ensure the conditions are complied with, it is in a satisfactory condition and that any hazards present are appropriately addressed by your landlord. This provides you with the

reassurance that checks have been carried out to ensure that the property is of a suitable standard and suitable for occupation.

I'm not a tenant but I do live in the areas proposed for designation so how would it affect me?

Selective licensing aims to ensure that privately rented properties in your area are being properly managed and will enable the council to take enforcement action against a wider range of properties, where necessary. The additional controls will assist in addressing issues such as property condition or anti-social behaviour and should result in benefits to all residents, businesses and visitors to the local area.

Implementation of the schemes

When will these schemes come into effect?

The council will make a designation, on a date to be determined, after the consultation concludes. The designation will state that the schemes will commence three months later.