



## **Croydon Private Rented Property Licence 2020 [CPRPL 2020] Proposed frequently asked questions (FAQs)**

Questions that are new or have been amended since the consultation exercise ended are highlighted in blue text to allow the changes to be easily identified. The FAQ are more directed at the operation of the licensing scheme rather than the consultation.

### **General information.**

#### **What is the Croydon Private Rented Property Licence scheme?**

The Croydon Private Rented Property Licence (CPRPL) is a licensing scheme for private rented properties. It applies to all privately rented properties that are not exempt or required to be licensed in a separate scheme as Houses in Multiple Occupation (HMOs).

Part 3 of the Housing Act 2004 gives councils the power to implement selective licensing for private rented properties within a designated area. Part 2 covers the Mandatory HMO licensing scheme

#### **Is the CPRPL the same thing as selective licensing?**

Yes, CPRPL is the name for the scheme which is also known as selective licensing. It is shortened to CPRPL 2020 (the year the designation(s) was made).

#### **Why are you introducing it?**

The council is looking to 'continue' the current scheme. This commenced on the 1<sup>st</sup> October 2015 and lasts for 5 years until the 30<sup>th</sup> September 2020. The council will make the designation(s) on the 11<sup>th</sup> May 2020 and has set a commencement date of the 1<sup>st</sup> of February 2021 (subject to Secretary of State approval) or such later date as determined by the Secretary of State for this purpose. The aims of the CPRPL 2020 are to help raise housing standards, control overcrowding, reduce anti-social behaviour, reduce crime and tackle deprivation across the Borough. By encouraging an improved private rented sector with settled communities Croydon becomes a 'Better Place to Rent'.

#### **Who will it apply to?**

It's a legal requirement for all Croydon landlords (some exemptions apply) to have a licence for each of their privately rented properties. The proposed start date is the 1<sup>st</sup> February 2021.

#### **What will it cost (a landlord)?**

A CPRPL is £750 per dwelling (discounts apply) paid in two stages; A and B. An application can be made for either a single dwelling or with a property, which comprises more than one dwelling; a multi-let application.

Landlords with multiple rented properties across the Borough must complete an application for each property.

The fee requires two payments; Part A and Part B. The Part A payment is a non-refundable administration fee paid on application. The Part B payment is to cover the costs of the enforcement and administration of the CPRPL 2020 designation. Part B must be paid on request at the point that the council is ready to issue the property licence. Not making a part B payment on request and within 14 days will deem the licence application not to have been duly made.

The HMO scheme has a different fee structure. The fee structure is on the website [here](#). No VAT is charged as part of the fee.

Any reduced fee is subject to eligibility and the terms and conditions of CPRPL 2020. Also, refer to the separate fees and charges document.

<b><u>Proposed Licence fee structure (per dwelling)</u></b>	<b>Total Fee</b>	<b>Part A</b>	<b>Part B</b>
<b>Single dwelling licence (new application)</b>	£350.00	£185.50	£164.50
<b>Single dwelling licence (standard fee)</b>	£750.00	£397.50	£352.50
<b>Multi-let application (&gt;1 dwelling) (new application)</b>	£300.00	£159.00	£141.00
<b>Multi-let application (&gt;1 dwelling) (standard fee)</b>	£650.00	£344.50	£305.50

A reduced licence fee for ‘new’ licence applications is available. To be eligible;

1. During the CPRPL 2020 grace period, for dwellings previously licenced under CPRPL 2015 (licence identical to that previously issued) (grace period is to be a minimum of three months prior to the start of the new designation), OR
2. A dwelling have being let for the first time such as through construction (new build, conversion, tenure change) and a duly made application is made within one calendar month of the first tenancy term commencing. (Tenancy agreement to be uploaded with application), OR
3. [A privately rented dwelling moving into new ownership and the application is from an existing licence holder under CPRPL 2020, \(where application is made within one month of the purchase completion\) \(regardless of previous dwelling tenue\).](#)

The reduced fee of £30 for Almshouse applications is retained.

### **What is a Multi-Let property application?**

Some landlords own buildings that are divided into a number of separate dwellings. This can be purpose built or through conversion. The legislation gives the council discretion to consider an application that is made to have one licence holder for the building containing a number of lets. If accepted the council will grant a multi-let property licence. It is still a selective licence. The council will need to be satisfied that conditions are met and this approach is the best course of action.

Alternatively, the council may decide that each separate dwelling in the building should have its own licence, a single dwelling licence. If the council is satisfied that single dwelling licences should be granted, it will give notice of this to the licence applicant and other parties. Anyone dissatisfied with this approach has the right to make an appeal.

For the council to use its discretion to grant a multi-let property licence, meeting the following conditions is the first stage of the application assessment:

- Each of the dwellings are separate dwellings (usually self-contained flats), which adjoin one another in the same building; and
- Each of the dwellings are occupied under non “exempt tenancies”; and
- Each of the dwellings are within common ownership and management control.

- Clear responsibility for the CPRPL licensing conditions is achievable.

### What are the fees for a Multi-Let Property Licence?

An applicant for a multi-let property licence is entitled to a fee that is reduced to reflect the slightly reduced administrative and enforcement costs. A reduction is offered for both the Part A and Part B payment. E.g. If a house is formed of 5 dwellings a fee of £300 or £650 (£1,500 or £3,000) is due with the application. If the application is not successful the single dwelling licence fee structure is applicable.

### Are there risks for Multi-let Property Licence Holders?

A licence cannot be transferred and to remain valid the property management arrangements cannot change. The main risk occurs with the licence covering a greater number of dwellings meaning there is an increased chance of a change which could deem the current licence void. In this situation a new application maybe necessary as a CPRPL cannot be transferred.

How is the fee calculated and what happens if the number of dwellings in the house changes? The fee is calculated by taking the number of dwellings and multiplying it by £300 or £650.

Example 1.

The house was let during CPRPL 2015. It is a converted house that contains three separate dwellings, one on each floor. The ownership has not changed and the freeholder owns, manages and lets all three dwellings – The applicant can apply for a multi-let property licence where the full fee is £900. On application £477 is paid as the Part A payment and on notice and within 14 days £423 is paid as the part B payment.

### How long does a licence last?

Most licences will be issued for a five year period. This may mean the licence is granted for a period that is longer than this 5 year designation. The council has the discretion to issue a licence for a shorter period of up to 5 years. [Please refer to the Policy decisions relating to granting of licences under CPRPL 2020.](#)

### When can one year licences be issued?

The council is aware that not all landlords provide high levels of management or meet the current fit and proper person test. If higher levels of monitoring are needed or a licence holder needs time to get his/ her property management arrangements in place the council may look to issue a licence for a shorter period; possibly just for one year. A new application would be needed at the end of the one year period and the council would then make a further assessment. [No 'new' reduced licence fee reduction is available.](#)

<u>One Year Licence fee structure (per dwelling)</u>	<b>Total Fee</b>	<b>Part A</b>	<b>Part B</b>
<b>Single dwelling licence (one year)</b>	£468.00	£397.50	£70.50
<b>Multi-let application (&gt;1 dwelling) (one year)</b>	£405.60	£344.50	£61.10

### **What happens at the end of the period the licence is granted for?**

If a designation is in place you will need to make an application for a new licence. The council will keep licence holders updated using the website, Landlord Forums and electronic newsletters.

### **Why would an applicant be refused a licence?**

An application for a licence can be refused for a number of reasons. These can include situations where the proposed licence holder does not meet the fit and proper person test or where the proposed management arrangements are not satisfactory. [Please refer to the Policy decisions relating to granting of licences under CPRPL 2020.](#)

## **Application process**

### **When do landlords have to be licensed from?**

It is proposed that CPRPL 2020 commences from the [1<sup>st</sup> February 2021](#). It is a legal requirement for a property to be licensed from this date.

### **How will you be able to apply?**

Applications will be able to be made on-line [from three months prior](#) to the commencement of CPRPL 2021 via a link on the council's website. At this stage it is not known whether past information can be transferable. If you are unable to apply online an officer can provide support to you with the application. ~~[An additional fee of £50 is due as part of the Part A payment for this service.](#)~~

### **Who can be a licence holder?**

A licence holder can be a single person, a limited company or a small group of people. If a limited company is the proposed licence holder the full company name and UK registered office address is needed along with a listed director who is subject to the assessment including the 'fit and proper person' test.

In addition to a licence holder, a further person can agree to support the licence holder and accept responsibility for ensuring compliance with the property licensing conditions. The further person must have signed a clear 'Declaration of Management' that will need to be submitted as part of the licence application.

Applicants need to be made aware that should the nominated licence holder cease to operate, the existing licence is non-transferable. This means that a new licence will have to be applied and paid for.

### **Who is most suitable to be the Licence Holder?**

The Housing Act 2004 requires the council to only grant a licence to the most appropriate person. In most circumstances this would be the property owner or the named landlord on the tenancy agreement. Generally the licence holder must;

- Be the person who is responsible for managing and is in control of the property and must be a 'fit and proper' person.
- Be able to authorise, organise and pay for essential repairs to the property.
- Be available to the tenants should problems arise in respect of the property, and must have the means to resolve them where reasonably practical.
- Be able to let and terminate the tenancies;

- Have access to all parts of the premises to the same extent as the owner.

The council can grant a licence either to the applicant, or to some other person, if both the person and the applicant agree.

#### **Where can the Licence Holder live?**

- The council will accept an application where the licence holder lives in the British Isles.
- A person cannot be a licence holder and live outside of the British Isles unless further arrangements are made for the management of the property. Here, another person or management company, who will sign the Declaration of Management, needs to be appointed.
- The Declaration of Management will allow a third party to consent to the imposition of the restrictions or obligations (conditions) under CPRPL 2020.
- For the purpose of licencing the council sees The British Isles as the group of islands in the North Atlantic off the north-western coast of continental Europe that consist of the islands of Great Britain, Ireland, the Isle of Man, the Hebrides and over six thousand smaller isles including the islands of Alderney, Jersey, Guernsey, and Sark, and their neighbouring smaller islands.

#### **Address for the licence holder.**

The licence holder cannot use the licenced premises address unless they are resident at the address. A licence holder is expected to use his or her home address so that the council can easily communicate with them. Companies, such as letting and property agents are expected to use their business addresses. The Council wants an address to make communication easy. Permission will also be sought from persons to use an email address for corresponding.

#### **Mortgage Companies (mortgagees).**

The council requires the application to include details of all interested parties involved in the ownership or management of the property. The council must inform all parties that a licence is intended to be granted. An interested party includes the mortgage company who has provided funding for the property. The mortgagor must provide up to date details about the mortgagee (bank / lender). An application is not duly made without this information.

#### **Making the assessment to issue a licence.**

For the council to issue a licence it must be satisfied that the:

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

The words competent, satisfactory and arrangements are all used to ensure that the property functions. The council will assess whether management arrangements are satisfactory where a council debt exists at an address or against a person.

### **What documents and information are needed to apply for a licence?**

As part of a duly made application the council expects the following documents to be uploaded;

1. Property plan detailing fire safety measures (position of alarms) and room sizes and occupancy rates (crowding).
2. Gas safety certificate (current).
3. Energy performance certificate.
4. Declaration of Management (appointment of other parties to accept responsibility).
5. Tenancy agreement (where new application discount being applied for).

### **Is tacit consent provided?**

With regards to the granting or refusing, of a licence under section 88 of the Housing Act 2004, the Local Housing Authority will aspire to issue a decision following a completed application, within a reasonable period. Not meeting this target will not confirm tacit consent. Unfortunately the council may not be able to continually update applicants as to the progress of an application towards review.

### **Will the property be inspected?**

The council will prioritise premises for inspection either during the application process or after a licence has been issued. Not all premises will be inspected but licence holders can request an inspection by contacting [SelLicinspection@croydon.gov.uk](mailto:SelLicinspection@croydon.gov.uk) or telephoning 0208 760 5476.

### **What happens once my licence is approved?**

Once your application is approved, you will be sent confirmation of your licence which will also include the terms and conditions. We will also sign you up to the Croydon private rented property licence scheme e-newsletters and invite you to landlord forum events. There is also a landlord information pack on line, useful links and previous newsletters and advice sheets all aimed at helping landlords.

### **Is a CPRPL transferable to another property or person?**

No, a private rented property licence is non-transferable. A licence granted under CPRPL 2015 will not be valid under CPRPL 2020 because it will have time expired.

### **I rent several properties in Croydon - do I need a CPRPL for each one?**

Yes, all privately rented properties in Croydon require an individual licence. An application and fee is to be paid for each dwelling.

### **How do I report an unlicensed property?**

Unlicensed properties can be checked and reported [here](#). [link on Croydon website]

## **Complaints and Appeal**

### **How can I complain or appeal the decision to refuse a property licence?**

If applicants are dissatisfied with a decision the council has made regarding their licence, we would recommend they get in touch with us by email [propertylicensing@croydon.gov.uk](mailto:propertylicensing@croydon.gov.uk) or by calling 020 8726 6103 (available Monday – Friday 09:00 – 16:00) to discuss the decision.

Where you are still not happy with the service provided or any decision made Croydon council has a complaints procedure accessed from its [website](#) [link]

If the council revokes or refuses a licence application you will receive a revocation or refusal document in writing. At this stage you can appeal to the Residential Property Tribunal within 28 days of the decision being made.

First Tier Tribunal (Property Chamber – Residential Property)

1st Floor 10 Alfred Place

London

WC1E 7LR

Tel: 020 7446 7700

Fax: 020 7637 1250

Email: [rpLondon@hmcts.gsi.gov.uk](mailto:rpLondon@hmcts.gsi.gov.uk) .

### **Enforcement and prosecution**

#### **How are you going to enforce this?**

If CPRPL 2020 commences the council will look to allocate a high level of resources to seek landlords who have not licensed under the CPRPL 2020. As part of the data collection behind CPRPL 2020 information has been gather to help enforce non-compliance.

Landlords should not expect to receive a warning before full enforcement action is started for licencing offences.

#### **What are the penalties for breaking a licence or not having one?**

Landlords renting out a property without a licence could face prosecution with an unlimited fine from the Court or a fixed penalty up to £30,000. This could result in the landlord licence being refused and the property being required to license under the name of an alternative licence holder.

For properties that continue to be unlicensed the council can make an application for an Interim Management Order which gives the council the power to take over management of the property and collect the rent.

An unlicensed landlord cannot serve notice to their tenants under section 21 of the Housing Act 1988 because the Courts will deem it invalid under these circumstances. The council or tenant can make an application to the Residential Property Tribunal for a Rent Repayment Order (RRO) for up to 12 months rental income.

Prosecution for not licensing or providing false or incorrect information can lead to an application for a Landlord to be banned.

### **Inspections**

#### **How will inspections work?**

Licensed private rented properties may be inspected. The council will look to implement a variety of approaches to enforce the scheme. This will include a self-declaration approach as well as property inspections. The council will look to prioritise resources.

#### **How long will each inspection take?**

A licence holder will be normally given warning about a CPRPL 2020 inspection. This is normally 10 days. This will give time for documents to be submitted to the council. Depending on the size and condition of the property, the inspection could take 30 minutes.

#### **What are the penalties for a breach in Licence Condition?**

The council expect landlords to be proactive in complying with property conditions. If there is a breach the licence holder could face prosecution with an unlimited fine from the Court or a fixed penalty up to £30,000. This action could impact on the fit and proper person definition and ability to hold a landlord licence.

### **Other information about CPRPL 2020.**

#### **Can someone complete the application on my behalf?**

Yes. The application can be completed by the proposed licence holder, the letting or managing agent or a third party on behalf of the agent or owner.

#### **Providing inaccurate information on a licence application.**

Under section 238 of the Housing Act 2004 it is an offence to provide false or misleading information. An applicant needs to be sure the information provided in an application (including a declaration about the fit and proper person declaration) is true.

#### **Fit and proper assessment. What is the 'fit and proper' assessment the licence holder and managers have to go through?**

Under the Housing Act 2004, licence holders and managers must be 'fit and proper' persons in order to undertake the responsibilities of managing a private rented property. The council has to assess whether proposed licence holders (including director or partner in a company or organisation) are 'fit and proper' persons to hold a CPRPL.

To be fit and proper the council expects the person to have no serious record of poor management or an outstanding criminal charge (unspent) that is inconsistent with operating as a landlord. [Please refer to the Policy decisions relating to granting of licences under CPRPL 2020.](#)

To assist the council in making proper assessments of suitability, details about previous criminal convictions must be disclosed in the application. The applicant and proposed licence holder provides a signed declaration. Any incorrect or false information given will be investigated as a possible offence under section 328 of the Housing Act 2004

If the licence holder or other person is convicted of any relevant offence(s) during the licence period the council must be notified immediately.

If the licence holder or manager fails the fit and proper test, your application may be refused or revoked and the licence application fee will not be refunded.

#### **At what times am I entitled to a refund (refer to fee structure)?**

Refunds **will** be issued if:

- You have made a duplicate application
- You made an application for an exempted property by mistake.

Refunds **will not** be issued if:

- We refuse your application
- You withdraw your application
- We revoke (take away) your licence (after it has been granted)
- You are refused planning permission for a non-mandatory licence.
- You sell your property, stop letting it or cancel your licence.
- A new licence holder is appointed.

### **Are there any properties that are exempt from licensing?**

There are some properties that are exempt from licensing, however they must fall into one of the following categories;

- The property is an HMO that already requires a licence under a mandatory HMO or additional licensing scheme;
- The tenancy or licence has been granted by a registered social landlord under Part I of the Housing Act 1996.
- The property is subject to an Interim or Final Management Order under Part 4 of the Housing Act 2004 (i.e. the council have taken over the management of the property);
- The property is covered by a temporary exemption notice; or
- The property is occupied under an exempt tenancy or licence, as defined in the *Selective Licensing of Houses (Specified Exemptions) (England) Order 2006*.  
Examples include:
  - Any property subject to a Housing Act 2004 prohibition order;
  - Certain tenancies associated with business premises, Licensing Act 2003 premises, agricultural land or agricultural holdings;
  - Buildings managed by a local housing authority, police or fire & rescue authority or a health service body;
  - Buildings already regulated under certain other statutory provisions (Schedule 1 to SI 2006 Number 373)
  - Certain student halls of residence;
  - Holiday homes; and
  - Buildings let to a member of the landlord's family or where an occupant shares any accommodation with the landlord or a member of the landlord's family (with sufficient lodgers this may become an HMO).

The council does not view properties let to property guardians as exempt from the licensing regime.

### **When can I apply for a Temporary Exemption Notice?**

If you have a licensable property and you are in the process of making it non-licensable you can apply for a Temporary Exemption Notice. Selling the property is one example. The council can grant you a notice (TEN) for a maximum of 3 months. In circumstances you may be granted a second TEN. You cannot apply for a third TEN.

In making a decision about whether to grant a TEN the council will consider the period (if any) that the property has been licensable for. A TEN will not be granted where the property has been rented for a long period.

[There will be no charge for the administration of the Temporary Exemption Notice.](#)

If the property remains licensable, you need to tell the prospective purchaser that they have to apply for a licence in their own name.

### **What documents and information are needed to apply for a licence?**

The council is considering allowing licence holders to store licensing condition documentation on the *Croydon my account* site. This is to assist the council with the application process and also the enforcement of the CPRPL 2020 scheme.

It is also being considered whether the council writes to the licence holders at the expiration of the gas safety certificate to request new documentation.

Where a CPRPL 2020 property inspection is scheduled the licence holder is requested to supply the council with the following documentation.

1. Property plan detailing fire safety measures (position of alarms) and room sizes and occupancy rates (crowding).
2. With multi-let licences a fire risk assessment and other fire safety measure certification (emergency lighting, sprinklers)
3. Gas safety certificate.
4. Electrical appliance(s) test certificate or declaration.
5. [Electrical installation inspection and test certificate](#)
6. Declaration that the furniture and furnishings meets safety standards
7. Tenant's written statement of the terms (tenancy agreement)
8. Tenant's reference(s)
9. Statutory tenancy deposit scheme receipts / prescribed information
10. Periodic Electrical Inspection Condition report (where available).
11. Energy Performance Certificate (EPC)
12. Property inspection record (6 month frequency)
13. Tenancy management arrangements (ASB) and log of activity.
14. Tenant's information sheet: covering waste, recycling, storage and collection.
15. Declaration of Management (appointment of other persons to accept responsibility).

### **Data Protection and Information collected with CPRPL 2020**

#### **Council Data Protection Policy**

The council's policy can be read here: [www.croydon.gov.uk/privacy](http://www.croydon.gov.uk/privacy)

#### **Register of licenses.**

Section 232 (1)(a) of the Housing Act 2004 requires the council must keep and maintain a register of licences issued under part 3 of the Housing Act 2004. The information in the register is covered by The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006. A copy is here: [Regulations](#) .

#### **Prescribed information to be held on the register.**

Paragraph 11 lists the information that must be held on the register of licences granted.

- the name and address of the licence holder;
- the name and address of the person managing the licensed HMO or house;
- the address of the licensed HMO or house;
- a short description of the licensed HMO or house;
- a summary of the conditions of the licence;

- the commencement date and duration of the licence;
- summary information of any matter concerning the licensing of the HMO or house that has been referred to a residential property tribunal or to the Lands Tribunal
- summary information of any decision of the tribunals referred to in sub-paragraph (g) that relate to the licensed HMO or house, together with the reference number allocated to the case by the tribunal.