

Selective Licensing in Nottingham

It's now the law for Landlords

What is Selective Licensing?

The Housing Act 2004 allows any Local Authority to introduce Selective Licensing. The Nottingham City Council (NCC) ratified the scheme on 17th April 2018 after going through a period of consultation and the approval of the Secretary of State. Most rented properties within the NCC boundaries will require a licence. The scheme will last for 5 years with the possibility of an extension.

Why is it being introduced?

This scheme will apply a minimum standard to all private rented properties and also apply the Housing Health and Safety Rating System (HHSRS). In addition to this, the conditions set out in the licence will require landlords to achieve certain standards of management and maintenance, helping to bring about better quality housing in the private rented sector (PRS).

Is my rented property affected?

Probably! You can use the following link to find out if your property is captured within the scheme boundaries. You will need the post code, street name and house/flat number to carry this out. <http://bit.ly/checkproperty>

How much will it cost?

Non accredited Landlords will need to pay £780 per property, payable in two instalments i.e. £460 on application and £320 when the proposed Licence is granted. Accredited Landlords will enjoy a Licence fee discount of £480 i.e. £360 on application and £120 when the proposed Licence is granted. For existing Landlord clients, we can debit fees from the rental income if consent is given.

Is the fee an annual cost?

No, the fee will be for the full 5 year period of the scheme, i.e. from 1st August 2018.

Why are we telling you this?

We have a duty of care to protect our Landlord clients, as all responsible Managing Agents should.

“

**Landlords must act now,
it's the law and it's real!**

Ask us how, today...

”

How do I get accredited?

The NCC recognises two accreditation bodies, DASH Services and UNIPOL. The latter body is more akin to student property. You are advised to look at the websites and decide if any cost saving on the Licence fee isn't eroded by the accreditation application fees, any Electrical Condition Report/Electrical Installation Certificate or extra works required as a condition of gaining the accreditation. DASH Services cannot guarantee that accreditation will be awarded in time before the start of the scheme. Currently the DASH fees to apply for 1-5 properties is £114, with a renewal fee of £96 in 3 years time (inc. VAT).

Is there another way to get a discount?

Possibly. Mark Batty of Walton and Allen is an accredited Landlord and part owner of Walton & Allen. He can be nominated as the 'Manager' on the Licence application form and Walton and Allen as the 'Licence Holder'. NCC states "We offer a discount on licence fees for proposed licence holders, or managers, who are fully accredited through DASH or UNIPOL". If you decide to use this approach, please be prepared to pay the full £780 as the NCC may plug this potential loophole. There is no guarantee that this method will succeed in obtaining you the discounted rate.

When does the scheme start?

The scheme starts on 1st August 2018. Applications can be uploaded through the Nottingham City Council website from 1st July 2018.



This is all too much for me, what other options do I have?

You can instruct us to manage the process of the application, with us being the Licence Holder. However, there will be additional costs which are explained overleaf.

I am based abroad, can I still be a Licence Holder?

No, not even if you have a right to reside in the UK. NCC state *“the Council does not allow those based abroad to be Licence Holders. This is not dependent on your right to reside in the UK but it is because the documents are legal documents and cannot be enforced through the courts if served abroad. Therefore, you would need to nominate a person/company in this country to be the Licence Holder.”* We are prepared to be the Licence Holder for you, however, there will be additional costs which are explained overleaf.

This is the final nail in the coffin, should I sell up?

Well, that’s a matter for you to consider and we can value your property with a view to marketing it. However, you will still probably need to apply for a Licence as time is quickly running out before the scheme starts. If you are in a position where a sale is agreed but not yet completed then you may be able to apply for a Temporary Exemption Notice (TEN) if the building is to be occupied or used in such a manner that it will no longer fall within the definition of a licensable house. However, the exemption is purely at the NCCs discretion on a case by case basis.

What are the conditions of the licence?

The conditions are extensive and more onerous than the requirements of normal day to day property management. Details of the conditions can be found on the Nottingham City Council website, but are summarised overleaf.

Can I be fined for not having a Licence?

Yes, up to £20,000 if found guilty. The Council can now issue financial penalties of up to £30,000 for offences under the Housing Act 2004. If you are found guilty of an offence under the scheme then the Tenant could apply for all of the rent he/she has paid to you, for the period the property was unlicensed (Rent Repayment Order).

Can I be fined for not being compliant throughout the 5 years?

Yes, you run the risk of prosecution and a possible unlimited fine. The NCC can now issue financial penalties of up to £30,000 for certain offences under the Housing Act 2004. This would be instead of prosecution. It may also affect your ‘fit and proper’ status and your licence will most likely be revoked.

I want help but am on a ‘let only’ service

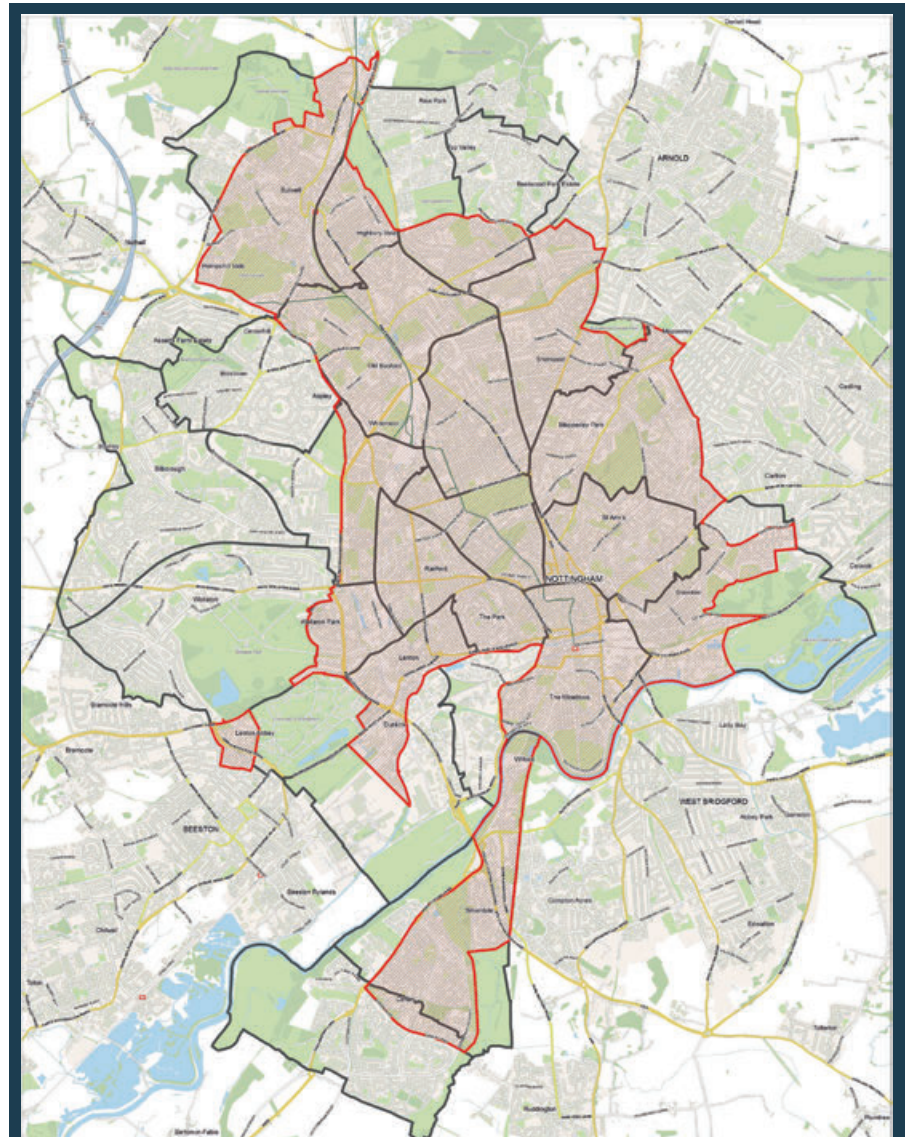
You will have to be the Licence Holder if you wish to remain on that service, or instruct us on a ‘Fully Managed’ basis where we can be the Licence Holder. The NCC states that the Licence Holder *“should be the person who has control of the property. This is usually the person who receives the rent (usually the owner or manager). They will be bound by the licence conditions and should be competent.”*

What should I do now?

You need to decide whether you want to be the Licence Holder and take the full risk and responsibility for both the application and complying with the conditions over the 5 year period. If you decide to instruct Walton and Allen to be the Licence Holder (or have no choice because you are based abroad) then you need to instruct us formally by signing a new agreement. You should check that you accept the fee structure which is an additional 2.4% inc. VAT to your existing rate and £150 inc. VAT for making the application.

Walton & Allen is not my agent, but I want to instruct them

There is a lot to consider and we are here to help you. If you are based abroad or you don’t want the responsibility of being a Licence Holder then Walton and Allen can occupy that role. The Council state that a Licence Holder or Manager should be the person collecting the rent, meaning that we can only be the Licence Holder if the arrangement between you and ourselves is a fully managed service. Let only arrangements cannot qualify.



Nottingham Selective Licensing: The black edged area represents Nottingham City Council’s boundary whilst the red edged area represents all areas within the licensing scheme. Source: Nottingham City Council

Services & Options

We understand that you may wish to ‘row your own boat’ by preparing/submitted the application and maintaining your licence over the 5 year period. You would be the Licence Holder in these circumstances and be fully responsible for complying with the NCC conditions.

If you are NOT a current client of Walton & Allen then you may wish to consider changing managing agent over to ourselves. If you are considering this option then please read the terms and conditions of your existing agency agreement. We can look at this agreement for you. Why not talk to us today?

Walton & Allen Service Options

Application Service

£150 inc. VAT per property

- Complete form, collate supporting documents (below), upload to NCC website
- Property insurance schedule
- 'Basic' DBS Certificate (if applicable)
- Energy Performance Certificate
- Electrical Condition Report/Electrical Installation Certificate*
- PAT certificate*
- Gas safety certificate
- Mortgage lenders details
- Valid photo ID
- Recent utility bill
- Proof of 'right to reside' in the UK - e.g. passport

*NCC are currently considering if this is mandatory

NCC Conditions Compliance Service (Over 5 year period)

Additional 2.4% of monthly rent inc. VAT

- Check that gas installations and appliances are in a safe condition
- Annual gas safety check
- Check that electrical appliances are in a safe condition and proper working order
- Check that electrical installations are in a safe condition and proper working order
- Maintain/test fire detection and alarm system
- Maintain/test emergency escape lighting
- Furniture to be kept in a safe condition
- Maintain/check carbon monoxide alarm
- Respond to repair and maintenance issues in a timely fashion
- Keep property in good state of repair
- Keep property free from health and safety hazards (HHSRS)
- Keep externals in reasonable decorative order
- Keep property free from graffiti
- Keep external areas clean, tidy & free from rodents
- Ensure adequate security is in place
- Undertake security repairs within 24 hours
- Security provisions to be maintained
- Provide keys for window locks
- Provide instructions on how to operate any burglar alarm
- Change lock if former tenant fails to return keys
- Hold key for alley gates
- Fit thumb turn mortice lock to main escape door
- Complete additional security works if required by NCC/Police
- Provide tenants with information on bin collection days, recycling, bulky waste & general disposal rules
- Inspect property at least every 6 months, to identify problems
- Issue tenants with complaints procedure & respond in a timely manner
- Provide tenants with government 'How To Rent Guide'
- Provide tenants with emergency call out telephone numbers and costs
- Provide tenants with a property information pack
- Comply with all relevant Landlord & Tenant laws
- Obtain tenant references for all new tenants
- Provide buildings insurance to cover costs of re-housing
- Carry out photographic inventory before new tenancy starts
- Provide tenant with details of the approved Deposit Scheme
- Carry out 'Right to Rent' checks on tenants
- Prevent/reduce antisocial behaviour (ASB) of tenants and visitors
- Provide written procedures as to how ASB complaints are handled
- Attend suitable training within 12 months of Licence starting
- Inform NCC of any material change of circumstances, including:
 - Change of owners address
 - Change of manager, arrangement or ownership
 - Change to any parties' 'fit and proper' status
 - Change to layout of the property
 - Maintain Landlord accreditation status (if applicable)

Qualified specialists may be required for certain conditions (e.g. inspections every 6 months) and will be charged separately at the prevailing rate.



Note: The NCC may at any time request evidence of all or any of the above, to be produced within 7 days

Call 0115 924 3304 or email nsi@waltonandallen.co.uk

Walton & Allen has employed a full time dedicated Selective Licensing Coordinator to specifically manage each property for our Landlord clients. This will ensure each will stay within the licensing requirements for the full 5 years.

WALTON & ALLEN

Contact us for more information

0115 924 3304

ns1@waltonandallen.co.uk

waltonandallen.co.uk/selective-licensing



WALTON & ALLEN



Download the Walton & Allen app for useful landlord tools, plus licensing update notifications

www.waltonandallenapp.co.uk

Useful links

www.waltonandallen.co.uk/selective-licensing

www.bit.ly/nottinghamcitycouncil

www.bit.ly/selectivelicensinghandbook

www.dashservices.org.uk

www.unipol.org.uk

www.waltonandallenapp.co.uk

www.waltonandallen.co.uk/investor-services

