



Department for
Communities and
Local Government

Selective licensing in the private rented sector

A Guide for local authorities



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Introduction

The Government values the private rented sector and wants to see a strong, healthy and vibrant market. Its aim is a bigger and better private rented sector that offers security, stability and decency. We are increasing the supply of private rented sector housing through the £1 billion Build to Rent fund and a £3.5 billion Private Rented Sector Guarantee scheme to underpin investment in the private rented sector. We are also educating tenants so that they understand their rights, and their responsibilities. We want landlords to treat their tenants as valued customers, not just someone who they can extract rent from without providing any kind of service.

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 and/or significant anti-social behaviour. Local residents, landlords and 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, a new General Approval will come into force. Local authorities will be 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 scheme are also now in force. A designation may be made to combat problems in an area experiencing poor property conditions, an influx of migration, a high level of deprivation or high levels of crime.

Together these new rules will enable local authorities to make 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 both designations made under the General Approval 2015 and those which require confirmation by the Secretary of State.

Overview

1. Part 3 of the Housing Act 2004 (the Act) sets out the scheme for licensing private rented properties¹ 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 property in the area. Subject to certain exemptions specified in the Selective licensing of Houses (Specified Exemptions)(England) Order 2006², 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 Act³. With effect from 1 April 2015 a local housing authority will now need to apply to the Secretary of State for Communities and Local Government (Secretary of State) for confirmation of any scheme which would cover more than 20% of their geographical area or that would affect more than 20% of privately rented homes in the local authority area.
2. Under the new arrangements if a local housing authority makes a designation that covers 20% or less of its geographical area or privately rented properties, the scheme will not need to be submitted to the Secretary of State, provided the authority has consulted for at least 10 weeks on the proposed designation. However, if the local housing authority makes one or more designations that are 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 deciding the number of privately rented properties a scheme would apply to the local housing authority may want to consider data it holds on sector, including housing benefit and council tax records.

¹ 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.

² SI 2006/370

³ Housing Act 2004 Section 85 (1)(a).

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)⁴;
 - a significant and persistent problem caused by anti-social behavior⁵;
 - poor property conditions⁶;
 - high levels of migration⁷;
 - high level of deprivation⁸;
 - high levels of crime⁹.
5. In considering whether to designate an area for selective licensing on the grounds above on property conditions, migration, deprivation and crime the local housing authority may only make a designation if the area has a high proportion of property in the private rented sector¹⁰. Nationally the private rented sector currently makes up 19% of the total housing stock in England¹¹. 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. 19% is the figure as of March 2014. This figure will vary from time to time, so local authorities are strongly advised to consult the latest available English Housing Survey when considering whether an area has a high proportion of privately rented properties.
6. 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 property conditions in the designated area.
7. Secondly, it must also consider whether there are any other courses of action 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 property conditions, is a programme of renewal a viable alternative to making the designation? In areas with Anti-Social Behaviour,

⁴ Housing Act 2004 Section 80(3)

⁵ Housing Act 2004, Section 80(6)

⁶ The Selective Licensing of Houses (Additional Conditions)(England) Order 2015 – Article 4

⁷ The Selective Licensing of Houses (Additional Conditions)(England) Order 2015 – Article 5

⁸ The Selective Licensing of Houses (Additional Conditions)(England) Order 2015 – Article 6

⁹ The Selective Licensing of Houses (Additional Conditions)(England) Order 2015 – Article 7

¹⁰ The Selective Licensing of Houses (Additional Conditions)(England) Order 2015 - Article 3 (1) (a)

¹¹ English Housing Survey 2013/2014

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?

8. If the problems of anti-social behavior 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).
9. Only where there is no practical and beneficial alternative to a designation should a scheme be made.
10. 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.
11. Any designation made must:
 - ensure that the exercise of the power is consistent with their overall housing strategy¹²; 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.¹³

¹² Housing Act 2004, Sections 81(2)

¹³ Housing Act 2004, Sections 81(3)

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

Introduction:

12. 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 support the existence of the problems. It must also decide what other measures it, or other persons together with the local housing authority, will take together with the selective licensing scheme to eliminate or mitigate those problems and how they will work together. The local housing authority must also assess what outcomes will be delivered through the making of a scheme and taking the other measures¹⁴.

Low Housing Demand

13. When deciding if an area is suffering from, or likely to become, an area of low housing demand, it is recommended that local housing authorities 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 (whether in terms of type of housing, local amenities, availability of transport).
- The turnover of occupiers of residential premises (in both rented and owner occupied properties).
- The number of residential premises which are available to buy or rent, and the length of time for which they remain unoccupied.
- The general appearance of the locality and the number of boarded up shops and properties.

14. 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.

15. The outcome of the scheme should be a reduction in or elimination of the blight of low demand which has led to improvements of the social and economic conditions of the sector, which are identifiable.

¹⁴ 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 made unless those other measures are to be introduced (or continued in force).

Anti-Social Behaviour

16. In deciding whether an area suffers from anti-social behavior, it is recommended that local housing authorities consider whether private sector landlords in the designated area are not effectively managing their properties so as to combat incidences of anti-social behaviour caused by their tenants or people visiting their properties and in particular the area suffers from anti-social behaviour as a result of this failure or because that failure significantly contributes to that problem.
17. In considering whether the area is suffering from anti-social behaviour which a landlord should address regard must be had as to whether the behaviour is being conducted within the curtilage of the rented property 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.
18. 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, to ensure that properties are not let to persons with a known record of anti-social behaviour and 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.
19. The outcome of the scheme should be a reduction in, or elimination, of anti-social behaviour (caused by tenants in the private sector) in the designated area.

Poor property conditions

20. Local housing authorities can address poor property 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 wider strategy to tackle housing conditions, the local housing authority may consider it appropriate to make 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. It is recommended that local housing authorities consider the following factors to help determine whether there are poor property conditions in their area:
- The age and visual appearance of properties in the area and that a high proportion of those properties are in the private rented sector¹⁵ ;
 - Whether following a review of housing conditions under section 3(1) of the Act¹⁶, 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.
22. 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.
23. The outcome of the designation would be a general improvement of property conditions in the designated area within the lifetime of the designation.

High levels of migration

24. 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 preserve or improve the economic conditions of the area to which migrants have moved and ensure people (including migrants) occupying private rented

¹⁵ The proportion of properties is a statutory requirement- see The Selective Licensing of Houses (Additional Conditions)(England) Order 2015- Article 3 (1) (a)

¹⁶ It is a prerequisite to making a scheme that such a review has been carried out. The Selective Licensing of Houses (Additional Conditions)(England) Order 2015 – Article 4 (a)

properties do not live in poorly managed housing or unacceptable conditions.

25. 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 15% or more over a 12 month period would be indicative that the area has or is experiencing a high level of migration into it.
26. The designated area must contain a high proportion of privately rented properties 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 such 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.
27. The scheme should state what actions the local housing authority intends to take to ensure the preservation or improvements to the social or economic conditions of the area. It should also state what 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.
28. 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 property is maintained and that properties do not become overcrowded.

High levels of deprivation

29. 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 part of a wider strategy, improve housing conditions in the private rented sector in that area.
30. In deciding whether to make a designation because the local authority considers the area suffers from a high level of deprivation we recommend that the local housing authority considers 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.

31. Although it is a matter for the local housing authority to determine, whether having regard to the above factors, the area is one that is suffering from a high level of deprivation, the local housing authority may only make a designation if a high proportion of housing in the area is in the private rented sector.

32. 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.

33. 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.

High levels of crime

34. 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; whether the crime rate in the area is significantly higher than in other parts of the local authority area or that the crime rate 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.

35. 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 in that area are in the private rented sector. In particular the local housing authority should 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;
- the nature of the criminal activity, e.g. theft, burglary, arson, criminal damage, graffiti;
- whether some of the criminal activity is the responsibility of some people living in privately rented accommodation.

36. 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.
37. 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

38. Selective licensing is not a tool that can be used in isolation. The local housing authority will have to show how such a designation will be part of the overall strategic borough wide approach¹⁷, and how it fits with existing policies on:

- Homelessness
- Empty Homes
- Regeneration
- Anti-social behaviour associated with privately renting tenants

39. 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.

40. 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.

41. 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.

42. The local housing authority must show:

- it has considered whether there are any other courses of action available to them 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).

43. 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

¹⁷ Housing Act 2004, Section 81

support to help them deal with problem tenants. Local housing 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.

44. 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, has there been 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

45. 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.

46. Local housing authorities will be 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.

47. If the designation does not require the confirmation of the Secretary of State because of its extent the local housing authority must consult on the proposed scheme for at least 10 weeks. We recommend that if the scheme requires confirmation the local housing authority should aim to consult for at least 10 weeks unless there are special reasons for not doing so.

48. 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.

49. 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

50. Applications for confirmation of Selective licensing designations should be submitted to the Department for Communities and Local Government 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 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 large scale scheme is.
- Current position with regards to tackling:
 - low housing demand;
 - anti-social behaviour;
 - poor property conditions;
 - an influx of migration;
 - a high level of deprivation;
 - high levels of crime;

demonstrating 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.

51. 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 supply the level of compliance with other licensing schemes it operates, including mandatory House of Multiple Occupation licensing.

52. Applications should be e-mailed to: selectivelicensing@communities.gsi.gov.uk

Hard copies should be sent to:

The Department for Communities and Local Government

Private Sector Property

Fry Building

2 Marsham Street

London SW1P 4DF

Department's role in the confirmation process

53. 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.
54. 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.
55. We aim to make a decision in relation to an application within 8 weeks from receipt, but processing applications may take longer if we have not been given all the information required, or we require further information or research, or if the case is complex.
56. We may request further information relating to the application and supporting documentation, including clarification of matters which are unclear and we may seek further evidence of certain matters. If we do not have sufficient information to make a decision we will let you know.
57. 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,

where a scheme will impact on a large geographical area or number of privately rented properties, that there is robust evidence to support the reasons for making the designation.

58. There is no presumption towards refusal or acceptance. All applications will be considered impartially on a case by case basis balancing the views and interest of all parties and we will consider representations in support of the application from Government Departments and agencies, such as the Home Office.
59. However, the Secretary of State will take into account in deciding whether to confirm a scheme, the robustness of the proposed measures to ensure compliance¹⁸. In particular, the Secretary of State will expect to be assured there are systems in place to monitor compliance, and enforcement measures are in place where there is non-compliance. He 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.
60. It is important that licensing schemes that exist are robustly enforced and if a local housing authority is unable to show compliance this will cast doubt on its ability to ensure compliance with the application scheme.

¹⁸ 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)

Duration and Notification of a Selective licensing Scheme

61. Where a designation does not require confirmation, it cannot come into force until three months after it is made. Where it requires confirmation, it cannot come into force until three months after it has been confirmed by the Secretary of State¹⁹.

62. A designation may be made for up to 5 years²⁰.

63. 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.
- notify all those consulted on the proposed designation within two weeks of the designation being confirmed.

64. 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.

¹⁹ Housing Act 2004, section 82 (3) and (7)

²⁰ Housing Act 2004, section 84 (2)

Local Authority Review of a Selective licensing Scheme

65. Sections 84 of the Act require local housing authorities to:

- Review the operation of a designation made by them from time to time, and;
- If following a review they consider it appropriate to do so, they may revoke the designation.

66. 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 those standards are sorely needed to be improved, 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 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

67. When considering whether a local housing authority should renew a selective licensing scheme which requires confirmation by the Secretary of State, consideration will be given as to whether the existing schemes have met or not met their objectives, and whether they were properly made. The Secretary of State will only confirm a renewal if he is satisfied there is a continuing need for a scheme in the area and the consultation and other processes have been gone through.

68. 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 Act²¹.

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 **anti-social behaviour** emanating from the property, the landlord is failing to take appropriate action to deal with the problem, and, that 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.

²¹ The criteria for making such an order is set out in SI 2006/369- The Housing (Interim Management Orders) (Prescribed Circumstances) (England) Order 2006