

Croydon Private Rented Property Licence

Frequently asked questions (FAQs)

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General information

What is the Croydon Private Rented Property Licence scheme?

The Private Rented Property Licence (CPRPL) is a permit to let private properties, in Croydon, to tenants. Only landlords meeting certain standards will have the right to hold a licence.

Is the CPRPL the same thing as selective licensing?

Yes, CPRPL is the new name for the scheme previously known as selective licensing.

Why are you introducing it?

To raise housing standards and cut anti-social behaviour across the borough - better private landlords mean happier tenants and more settled communities.

Who will it apply to?

It's a legal requirement for all Croydon landlords to have a licence for each of their privately rented properties.

When does it start?

1 October 2015.

What will it cost (a landlord)?

A CPRPL is £750 per property. Landlords with multiple rented properties in the borough must complete an application for each property.

Is it £750 over five years for everyone?

The more support a landlord needs to deliver their responsibilities, the more we may charge – this could be the full fee each year.

How long does a licence last?

The government have stated that a licence can be issued for a maximum of five years. However, depending on the management and amenity standards within the property and any concerns the council may have over an applicant's 'fit and proper' person status, we may issue a licence for a reduced period of less than five years.

What happens at the end of the five years?

You will be contacted to renew your licence should the scheme be continued.

What kind of private rented properties does this cover?

It covers single households living in a privately rented house or flat in the borough. There are separate rules for properties with several families and a few exemptions.

See exemptions

What happens if landlords don't have a licence?

Landlords who do not have a licence for their properties will be taken to court and face fines of up to £20,000.

What happens if landlords break the terms and conditions of their licence?

Landlords who break the terms and conditions of their licence will be taken to court and face fines of up to £5,000.

Why would a landlord be refused a licence?

A landlord may be refused a licence if they have a criminal record for certain offences. More information can be found under section 89 of the Housing Act 2004 using the link <http://www.legislation.gov.uk/ukpga/2004/34/section/89>

When do landlords have to be licensed from?

A CPRPL becomes a legal requirement from 1 October 2015. The council will be enforcing this requirement from the commencement date.

Background

Why are you doing this now?

Private renting has increased significantly in Croydon recently, with negative consequences including antisocial behaviour and poor-quality homes.

Isn't antisocial behaviour the responsibility of the council and the police?

Antisocial behaviour is everyone's problem – but too often we find a minority of private landlords whose failure to act, damages communities.

When did you decide to introduce this?

We drew up the proposals summer 2014 before consulting across Croydon and its neighbouring boroughs for several months before Cabinet approval in March 2015.

What feedback did you receive?

Around 70% of private tenants and local residents who responded to our consultation said they supported a borough-wide scheme. Landlords and agents opposed the plans.

Landlords - getting a licence

How do you apply?

We will be encouraging all applicants to apply online from 1 July 2015 via www.croydon.gov.uk/betterplacetorent.

How long will it take?

Around 20 minutes.

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

Landlords will need a current gas safety certificate and sign a declaration that all electrical appliances supplied by them are in a safe condition. More information about documents and information can be found on our website www.croydon.gov.uk/betterplacetorent

What is a Notice of intention?

Notice of Intentions are issued in accordance with Schedule 5, Part 1 of the Housing Act 2004, when the Notice of Intention is issued, it is a proposed licence. This is in effect the licence however as defined in the regulations we are obligated to give the licence holder 14 days to read the licence conditions **and check all personal details**, and make representation if they feel that they are not the most appropriate person to be legally bound by them. There are no other representations that can be made at this stage.

What other checks are there?

All applicants must be considered fit and proper and must sign a declaration that they have no relevant convictions. They can be prosecuted if we subsequently find out they've provided false information.

Fees and licences

How much is the licence fee?

£750 per property.

How long will a licence be valid?

The government have stated that a licence can be issued for a maximum of five years. However, depending on the management and amenity standards within the property, and any concerns the council may have over an applicant's 'fit and proper' person status we may issue a licence for a reduced period of less than five years.

Will I need to renew my CPRPL?

Yes. A new CPRPL is required at the end of the licence period (which is usually five years).

How is the fee calculated?

The fee has been calculated to cover all of the costs of the CPRPL scheme. To help with setting the fee, we used a cost calculator for licensing, provided by the government. All money received from CPRPL fees has to be reinvested into the scheme, it will not subsidise other council work.

What does the licence fee include?

The licence fee covers the costs to administer the scheme. This includes engagement with landlords, enforcement, administration and a CPRPL for a maximum of 5 years.

Does the CPRPL fee include VAT?

The Croydon Private Rented Property Licence scheme and licences are outside the scope of VAT.

Why does my receipt mention VAT?

Unfortunately there was a wording error on the receipt issued after application form(s) were submitted which implied that the licence fee included VAT.

Please be assured that this is not the case as the Croydon Private Rented Property Licence scheme and licences are outside the scope of VAT. We would like to apologise for any confusion this may have caused.

Is it £750 over five years for everyone?

The more support a landlord needs to deliver their responsibilities, the more we may charge – this could be the full fee each year.

How can I pay?

Payment is required as part of the application by credit or debit card.

What happens then?

Once you have applied and paid for your licence, you will receive a receipt. Your licence application will be checked to verify the information provided; we will contact you if any information is missing.

Completed applications will be assessed and either approved or refused. There is no need to take further action and you will be notified accordingly once a decision has been made.

What happens once my licence is approved?

Once your licence is approved, you will be sent confirmation of your licence, including the terms and conditions. You will also receive a landlord information pack with useful information to help you with your property management responsibilities and be signed up to receive our Croydon Private Rented Property Licence scheme e-newsletter.

Can the council refuse to licence a property?

Yes, if the property does not meet the licence conditions or if the licence holder is not considered 'fit and proper'.

What happens if my licence is refused?

If your licence is refused, we will let you know in writing the reasons for the refusal. If you do not agree with the decision you can apply to the First Tier Tribunal (Property Chamber – Residential Property) within 28 days from when the decision was made.

How can I appeal the decision to refuse a property licence?

If landlords 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 or by calling 020 8726 6103 (available Monday – Friday 09:00 – 16:00) to discuss the decision.

If a landlord is still dissatisfied with the decision, they 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

Who won't need a licence?

Social landlords and resident landlords are the two main exemptions, plus any property rented by anyone in the landlord's immediate family. A full list of exemptions can be found on our website www.croydon.gov.uk/betterplacetorent

What happens if I apply for a licence during the last year? Will I have to pay the full fee?

For applications after the 1st October 2015, the licence fee will be the same regardless of when you register.

What are the rules for new build properties?

Newly built properties that are rented straight from completion will qualify for the discounted fee throughout

Will I need to renew my CPRPL?

Yes. A new CPRPL is required at the end of the licence period (which is usually 5 years).

Is a CPRPL transferable to another property or person?

No, a private rented property licence is non-transferable. Each property must have its own licence.

I own and rent several properties in Croydon - do I need a CPRPL for each one?

Yes, all privately rented properties in Croydon require their own licence.

How do I report an unlicensed property?

Unlicensed properties can be checked and reported at www.croydon.gov.uk/CPRPLregister

Landlords – further general information

Will this penalise good landlords?

This licence won't stop good landlords from thriving – but it will tackle bad ones. Only good landlords will be allowed a licence.



We think the licence will be a hallmark of a good landlord, and those who satisfy all licence checks will pay less than those who require close monitoring under shorter-term licences.

We'll encourage local estate agents to use our Better Place To Rent logo when marketing these properties to prospective tenants.

We will also encourage banks and building societies to view the licence as a sign of a landlord's reliability if they apply for a buy-to-let loan.

Is this a tax on landlords?

We're not profiting from landlords – all fees will go back into funding this scheme.

What are the benefits of CPRPL for landlords?

Registered landlords will receive a landlord information pack with useful information to help you with your property management responsibilities and be signed up to receive our Croydon Private Rented Property Licence scheme e-newsletter.

The scheme will allow the council to identify rogue landlords who impact negatively on the reputation of all private landlords and raise standards of professionalism in the private rented sector in Croydon.

The scheme will also allow the council to have more engagement with private rented landlords, to provide support and information and to support when dealing with nuisance tenants.

Registered landlords can also register to join our landlord forum, which is open to all registered landlords across the borough. Please note that membership of the forum will be allocated on a first come first served basis.

What is the purpose of the landlord forum?

The forum will be a board formed of council officers, tenants, and landlords and letting agents. The forum will review how the scheme is going and will have the power to make recommendations for changes, where needed.

Enforcement and prosecution

How are you going to enforce this?

Through inspecting properties and gathering intelligence – we're looking to allocate around 40 extra staff to administer and enforce the scheme.

All licensed properties will be subject for inspection.

Where required, we can request documentation from licensed landlords e.g. evidence that tenant reference checks have been made.

How will you make good landlords benefit?

It will stop bad landlords from undercutting good landlords through spending less on maintaining their properties.

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

Landlords renting out a property without a licence will face prosecution and fines of up to £20,000, while breaking licence conditions could mean prosecution and a fine of up to £5,000.

As a last resort, the council also has the power to order that a different landlord manages a property.

How will you tackle the landlords who haven't signed up to the scheme?

We will contact unlicensed landlords with information about the scheme and how to apply. If the landlord does not respond we will send a reminder, but if there is still no response we will look to prosecute them for failing to apply for a licence.

How will you respond to tenants' complaints?

Our Private Rented Property Licensing Team will respond quickly to complaints from tenants about their housing conditions.

How will you tackle bad landlords renting without a licence?

We will use a variety of methods to track down unlicensed properties, including targeting classified advertisements and telling tenants how to report problems with their landlord. We may also use external tracing tools such as Experian.

How will you monitor the scheme?

As part of the scheme, there is a number of Key Performance Indicators which will be published in the Newsletter as well as using the Licensing Forum to scrutinise the scheme and make changes where necessary.

What happens to landlords who refuse to apply or comply with the scheme?

Landlords who fail to apply for a CPRPL could face prosecution and fines of up to £20,000 and 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.

Landlords who break licence conditions could face prosecution and fines of up to £5,000.

Additional methods may be introduced such as:

- a Management Order, to take control of the property from the landlord
- a Rent Repayment Order (RRO) for up to 12 months rental income

Inspections

How will inspections work?

Licensed private rented properties will be inspected at least once every five years for good properties and more often if our enforcement teams become aware of issues. These will be scheduled appointments which you are encouraged to attend.

How long will each inspection take?

Depending on the size and condition of the property, the inspection will take 10-30 minutes.

What will inspectors look for?

Everything a good landlord looks after as standard – a property with well-maintained rooms, outdoor spaces and appliances, good fire safety measures, no overcrowding, and signs that issues are dealt with promptly and effectively.

Officers will also need to check that the licence conditions are being complied with, for example we will need to see that tenants have been provided with a written tenancy agreement.

Landlord or property out of borough

I live in Croydon but my property is out of the borough. Do I need to apply for a CPRPL?

No, at present licences are only required for private rented properties within The London Borough of Croydon.

I don't live in Croydon, but I privately rent properties in Croydon, do those properties need a CPRPL?

Yes, all private rented properties within The London Borough of Croydon must have a licence as a legal requirement from 1 October 2015.

Health and safety checks

What health and safety checks should I carry out?

A list of health and safety checks that should be carried out at all private rented properties is available on our website.

Legal powers of the council

What legal powers will licensing give to the council?

The council will adopt all legal powers as provided for by the Housing Act 2004 including:

- the capacity to grant or refuse a licence

- right of entry
- requirement for a private rented property to have a licence
- the requirement to impose additional licence conditions
- the power to take over the management of any property that is required to be licensed but is not so

Licence holder definition

Who should be the CPRPL holder?

The Housing Act 2004 requires the council to only grant a licence to the most appropriate person, which in most circumstances would be the owner of the property or the named landlord on the tenancy agreement.

- 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.
- The licence holder should be able to authorise, organise and pay for essential repairs to the property.
- They must be available to the tenants should questions or problems arise in respect of the property, and must have the means to resolve them where reasonably practical.
- You can be a landlord and live abroad, however the licence holder has to be based in the UK. Landlords based abroad should nominate someone based in the UK to be the licence holder (e.g. an appropriate management company).

Please be advised that if the proposed licence holder or manager fail the fit and proper test, your application may be rejected and the licence application fee will not be refunded.

What is the difference between the licence holder and the landlord?

The licence holder may, in some cases be the landlord's managing agent, but the end result is the same, in that the licence holder is responsible for ensuring that the landlord complies with the conditions of the licence.

I own a property that is let to a registered letting agent - how will the CPRPL scheme affect this arrangement?

The proposal should not affect this arrangement. The letting agent can apply for the licence on your behalf and can become the licence holder if they manage the property.

Can someone complete the application on my behalf?

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

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 are 'fit and proper' persons to hold a CPRPL.

The 'fit and proper' person test applies to any person managing the premises and any director or partner in a company or organisation which owns or manages the property.

This means having no serious record of poor management or an outstanding criminal charge that is inconsistent with operating as a landlord. It helps to confirm the landlord is both reputable and capable of following good tenancy management. To assist the council in making proper assessments of suitability, details about previous convictions for criminal offences must be disclosed.

If the licence holder is convicted of any relevant offence(s) during the licence period you must notify the council immediately by contacting us by email propertylicensing@croydon.gov.uk or call 020 8726 6103 (available Monday – Friday 09:00 – 16:00).

Please be advised that if the licence holder or manager fails the fit and proper test, your application may be rejected and the licence application fee will not be refunded.

Discounts and refunds

New builds / conversions & Landlords starting to rent private properties in Croydon

Landlords who are applying on a newly built property, or newly converted dwelling, are eligible for the discounted fee of £350; with a licence needed for each individual flat. This does not include large scale refurbishments of dwellings which were previously privately rented.

PLEASE NOTE: For new builds/conversions and existing properties that are to be rented out for the first time, applications can be made prior to the first tenancy commencing. If the tenancy has already commenced the application must be made within **one month of the start of the tenancy**, otherwise the discounted fee will not apply. We may require proof of the tenancy start date and registration with Council Tax, in these circumstances.

Will I be refunded if I make a mistake on my application?

You will not be refunded if you make an error on your application, if you need assistance please contact the Private Rented Property Team by email propertylicensing@croydon.gov.uk or call 020 8726 6103 (available Monday – Friday 09:00 – 16:00).

If I sell the property or stop privately renting it, am I entitled to a refund?

No, the licence fee is non-refundable.

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
- you are refused planning permission for a non-mandatory licence.

Also, please note that if you cancel your licence before it expires, a refund will not be issued for any remaining time.

Please note that licences are non-transferrable, therefore for change of licence holder or property address, a new registration at full fee is required.