



Renters' Rights Bill – House of Commons committee stage – amendment NC9 on discretionary licensing

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Summary

We are urging members of the Renters' Rights Bill Committee to support amendment NC9 that would remove unnecessary barriers to the use of licensing schemes to improve housing standards.

We are also urging committee members to seek commitments from the Government to the removal of other such barriers.

Key points

We are urging committee members to support amendment NC9 that would

- increase the maximum duration of discretionary licensing schemes from five to ten years
- enable local authorities operating selective licensing schemes to use licence conditions to improve housing conditions

We are also urging committee members to seek commitments from the Government that it will

- remove the Secretary of State's ability to veto selective licensing schemes covering more than 20% of the local authority area
- remove the requirement for local authorities establishing selective licensing schemes to ensure that the private rented sector forms a high proportion of properties in the area

Background

Licensing provides a means for local authorities to inspect privately rented housing using enforceable conditions - and to identify and resolve problems - without the need for tenants to have complained. It also provides locally tailored regulation of the sector. It makes major contributions to area-based issues, such as crime, anti-social behaviour and waste management, and brings together a range of bodies to focus additional support services for landlords and tenants, improving public health and reducing burdens on the NHS.

Licensing means the market pays for its own regulation, rather than relying on the taxpayer. It provides a sustainable and predictable source of income that enables local authorities to maintain staffing levels and support the training of new officers.

We are recommending the following four ways in which the Government could remove unnecessary barriers to the use of licensing schemes to improve housing standards.



1) Increasing the maximum duration of discretionary licensing schemes from five to ten years

Discretionary licensing schemes, which include selective licensing schemes and additional licensing schemes for houses in multiple occupation with less than five occupiers, are expensive and time consuming for local authorities to introduce. We are therefore recommending that sections 60 and 84 of the Housing Act 2004 should be amended by the Bill to increase the maximum duration of discretionary licensing schemes from five to ten years. This would allow local authorities to advertise longer term posts and to include training of new staff in discretionary licensing schemes. It would also provide more time for local partnerships formed through such schemes to become embedded and effective.

2) Enabling local authorities operating selective licensing schemes to use licence conditions to improve housing conditions

There is currently a peculiar disconnect in the Housing Act 2004 licensing legislation whereby local authorities can introduce selective licensing schemes to address poor housing conditions¹ but cannot include a directly enforceable requirement relating to housing condition as a condition of the licence itself. We are therefore recommending that section 90 of the Housing Act 2004 should be amended by the Bill to enable local authorities to use licence conditions to improve housing conditions. We are suggesting that the wording of subsection 90(1) should be brought into line with the wording of the equivalent provision for licensing of houses in multiple occupation in subsection 67(1).

3) Removing the Secretary of State's ability to veto selective licensing schemes covering more than 20% of the local authority area

The introduction of selective licensing schemes involves considerable uncertainty when the schemes are subject to the Secretary of State's ability to veto them. We are therefore recommending that the general approval for selective licensing schemes² should be extended to include schemes that cover more than 20% of the local authority area or more than 20% of privately rented homes in that area.

4) Removing the requirement for local authorities establishing selective licensing schemes to ensure that the private rented sector forms a high proportion of properties in the area

If there are issues in the private rented sector which can be addressed through selective licensing schemes, it seems arbitrary for local authorities to be unable to establish such schemes without ensuring that the sector forms a high proportion of properties in the area. We are therefore recommending that this requirement³ should be removed.

Further information

For further information please contact Mark Hope, Senior Policy and Public Affairs Executive, at m.hope@cieh.org or on 020 7827 5822.

¹ [The Selective Licensing of Houses \(Additional Conditions\) \(England\) Order 2015](#)

² [The Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation \(England\) General Approval 2015](#)

³ The requirement is in [The Selective Licensing of Houses \(Additional Conditions\) \(England\) Order 2015](#).