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POSITION PAPER

The effectiveness of local authority landlord licensing schemes

SEP 2026

Selective and additional licensing are intended to raise standards in the private rented sector (PRS) in England and Wales. This paper assesses how effective local authority schemes have been in achieving this aim and considers whether alternative approaches could deliver better outcomes.

Contents

Introduction

Landlord licensing was introduced by the Housing Act 2004 and is expanding across England and Wales, with more local authorities introducing or renewing selective and additional licensing schemes.

This can create significant cost, administrative burden, and uncertainty, for landlords and letting agents — particularly where schemes are poorly targeted or inconsistently enforce.

The Housing and Planning Act 2016 allows civil penalty fines levied for offences in the private rented sector to be retained by the Local Authority for further enforcement.

However, research and analysis produced by the Department of Levelling Up, Housing & Communities (DLUHC) in June 2022 said that many local authority enforcement teams operate a reactive, rather than proactive service, narrowly focused on fulfilling statutory duties and targeting only the worst properties. [1]

WHY DO LOCAL AUTHORITIES IMPLEMENT LICENSING SCHEMES?

Local authorities use property licensing as a regulatory tool to address systemic issues in the private rented sector which are believed to be not able to be resolved through existing statutory powers alone. The primary objective is typically to raise management standards and ensure that dwellings meet acceptable safety and habitability requirements. By imposing a licensing regime, councils seek to aim to create a level playing field where professional landlords and agents are not undercut by rogue operators who ignore their legal obligations. Furthermore, these schemes are frequently used as a tool for neighbourhood regeneration, allowing authorities to exert greater control over issues such as anti-social behaviour, overcrowding, and the physical decline of the local housing stock.

Before a local authority can designate an area for additional or selective licensing, it must adhere to a strict statutory process. A central requirement is a meaningful and transparent public consultation, usually lasting at least ten weeks, which allows stakeholders such as Propertymark members as well as residents, landlords and property agents to provide feedback on the proposed scope and fees. Beyond consultation, the authority must conduct a rigorous options appraisal to demonstrate that licensing is the most effective solution available. They are required to show that they have considered alternative approaches, such as voluntary accreditation schemes or targeted enforcement of the Housing Health and Safety Rating System (HHSRS) and explain why these alternatives were deemed insufficient to achieve the desired outcomes.

The justification for introducing a licensing scheme must be rooted in a robust, data-led evidence base:

- For selective licensing, an authority must prove that an area is experiencing one or more specific challenges, such as low housing demand, significant deprivation, or persistent anti-social behaviour linked to the private rented sector.
- For additional licensing, the council must demonstrate that a significant proportion of smaller houses in multiple occupation are being managed ineffectively, resulting in problems for the tenants or the wider community.

In all cases, the authority must justify the fee structure, ensuring it is used solely for the administration and enforcement of the scheme rather than as a general revenue-raising tool, while proving that the designation is a proportionate response to the evidence presented.

What types of licensing schemes can local authorities implement?

MANDATORY LICENSING (HMOS)

Mandatory licensing is a statutory requirement under the Housing Act 2004 that applies across both England and Wales. It targets larger HMOs to ensure that high-density living arrangements meet essential safety and management standards. While the regime is nationwide, there is a significant legislative divergence: in England, the requirement applies to all properties with five or more occupants regardless of the number of storeys, whereas in Wales, the mandatory criteria generally still include a three-storey threshold.

Despite these differences in criteria, the core objective remains the same: to protect tenants by enforcing strict regulations regarding fire safety, shared amenities, and overcrowding. Local authorities have no discretion to opt out of the mandatory scheme, providing a consistent regulatory baseline for the most intensive forms of private renting.

SELECTIVE LICENSING

Selective licensing allows local authorities to require all private rented properties in a designated area to be licensed, regardless of the property type or number of occupants. This means a standard tenancy for a single family will require a licence if it falls within the specified zone. It is the most expansive form of licensing, as it moves beyond shared housing to cover the entire local private rented sector to address specific community-wide issues.

A new General Approval for selective licencing schemes came into force on 23 December 2024 in England, which removed the requirement to obtain confirmation from the Secretary of State before implementing a licensing scheme.[2] Previously, from 1 April 2015 local authorities in England were required to obtain confirmation from the Secretary of State for Communities and Local Government 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. The General Approval means that this is no longer the case.

ADDITIONAL LICENSING

Additional licensing is a discretionary power that allows local authorities to regulate smaller houses in multiple occupation that fall outside the mandatory criteria, such as those shared by three or four unrelated tenants. Councils use these schemes to address management failures in the smaller shared housing sector, ensuring these properties meet essential safety and amenity standards.

Because these schemes are local rather than national, requirements differ between authorities, making it vital for agents to monitor specific council designations. To introduce additional licensing, an authority must prove that a significant number of these properties are being poorly managed and are negatively impacting tenants or the local neighbourhood.

Licensing conditions

A licensing regime is typically underpinned by a set of core conditions designed to ensure that properties are safe, well managed, and suitable for occupation.

These conditions are not merely administrative; they form the practical framework through which landlords are held accountable for the standard of accommodation provided to tenants.

Key safety obligations usually include:

- An annual gas safety certificate with evidence of servicing made available to tenants.
- A current Electrical Installation Condition Report (EICR) provided within 28 days where applicable.
- Landlords are expected to ensure that smoke and carbon monoxide alarms are correctly installed and fully operational at the start of each tenancy, reflecting the minimum standard for life safety within the home.

Prior to certain written information becoming mandatory under the Renters' Rights Act 2025 in England and the introduction of Occupation Contracts in Wales, licensing schemes also typically required robust tenancy documentation, including a written tenancy agreement, a full inventory, and the provision of all legally prescribed documents at the outset of the tenancy. These requirements support transparency and help to prevent disputes by clearly setting out rights, responsibilities, and the condition of the property at the point of occupation.

Further conditions often include a clearly stated maximum occupancy limit, ensuring that homes are not overcrowded and remain safe and habitable. Landlords and letting agents are also subject to a fit and proper person test, with certain criminal convictions leading to refusal or revocation of a licence. In addition, a documented complaints-handling procedure is generally required, ensuring that tenant concerns are addressed promptly and consistently within a formal framework.

SPOTLIGHT

Energy efficiency

Some local authorities have also begun to require properties to achieve a minimum EPC rating of C as a condition of licensing. This is separate from the current Minimum Energy Efficiency Standards (MEES) framework for England and Wales, under which different energy efficiency requirements apply.
The UK Government has also proposed introducing an EPC C requirement, with an intended deadline of 2030, as set out in its responses to relevant consultations.

This creates a degree of inconsistency between local and national policy, placing additional compliance pressure on landlords who may otherwise be operating within the current legal timetable. While the policy intent of improving energy efficiency is widely supported, the divergence in expectations can lead to uncertainty, particularly where licensing conditions appear to accelerate requirements ahead of statutory deadlines, with implications for investment planning and property upgrading strategies.

Interaction with existing enforcement tools

A key consideration when assessing the necessity of licensing schemes is the extent to which they overlap with existing statutory enforcement mechanisms already available to local authorities.

The Housing, Health and Safety Rating System (HHSRS) provides a comprehensive, risk-based framework that enables councils to assess hazards in residential properties and take enforcement action where Category 1 or Category 2 hazards are identified. This is supported by a suite of established powers, including improvement notices, prohibition orders, and emergency remedial action, which allow authorities to intervene directly in unsafe or non-compliant housing.

In addition, local authorities already have access to robust sanctions outside of licensing regimes, including civil penalty notices, banning orders for the most serious offenders, and Rent Repayment Orders (RROs), which can recover substantial sums where legal breaches have occurred. Taken together, these tools already provide a layered enforcement framework capable of addressing poor standards, unsafe housing, and criminal behaviour within the private rented sector.

SPOTLIGHT

Enforcement

Against this backdrop, selective and additional licensing schemes can risk duplicating existing regulatory functions rather than enhancing them. Where councils already possess both the statutory authority and enforcement mechanisms to investigate, inspect, and penalise non-compliance, licensing may introduce a parallel administrative structure that focuses heavily on registration and fee collection rather than direct intervention.

This raises an important question of proportionality, particularly where the same outcomes could potentially be achieved through more targeted use of existing powers under the HHSRS and associated enforcement regimes.

Sanctions

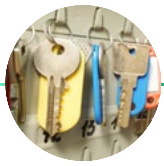
As we have already suggested, one of the most significant financial risks arising from regulatory non-compliance is the potential for a Rent Repayment Order (RRO).

Under the Housing and Planning Act 2016, tenants or local authorities may apply to the First-tier Tribunal for repayment of rent where specified offences or breaches have occurred. Importantly, liability can arise even where the landlord was unaware of the breach, and applications may still be made after the tenancy has ended.

Under the Renters' Rights Act in England, the scope and severity of RROs have increased significantly. The maximum repayment period is extended from 12 months to 24 months' rent, and the look-back period for relevant offences is lengthened, allowing incidents to be considered from up to 24 months prior, rather than the previous 12-month limit. In cases where tenants are in receipt of housing benefit, any repayment ordered is directed back to HM Treasury rather than the individual claimant, further reinforcing the punitive nature of the regime.

An RRO operates independently of other enforcement action and can be imposed in addition to civil penalties or fines, thereby compounding the financial exposure for landlords. As such, it represents one of the most serious consequences of non-compliance within the private rented sector, underlining the importance of rigorous adherence to all statutory and licensing requirements.

SPOTLIGHT



Impact from the Renters' Rights Act

From late 2026, the proposed Private Rented Sector Database, a provision within the Renters' Rights Act 2025, will create a single national record of landlords and their properties in England. By requiring all landlords to register and upload essential compliance documentation, such as gas safety certificates and EPCs, the UK Government aims to increase transparency and assist local authorities in targeting enforcement. For the first time, this will provide a digital map of the sector, which aims to help landlords understand their responsibilities, support tenants understand their rights and make informed choices and provide a clear regulatory framework for local authorities.

The proposed national database risks creating additional bureaucracy that repeats what local authority licensing regimes are already doing. At the moment, licensing schemes require landlords to hand over almost the same information to individual local authorities, often at a cost of over a thousand pounds. If councils keep insisting on their own separate applications for the same certificates stored on the national system, it will lead to landlords having unnecessary financial burdens. Accordingly, they may end up paying to run two different systems that are both checking the exact same paperwork.

This overlap is also a poor use of public money. Rather than councils spending millions to build and manage their own individual databases, they should be required to pull their information directly from the national one. If these systems are not linked up, the fees charged by councils will stay unnecessarily high. We will only see real value for money if the national database takes over the data entry side of things, leaving councils free to get out and actually inspect properties to find the rogue landlords.

Build to Rent and Property Licensing

WHAT IS BUILD TO RENT?

Build to Rent (BTR) is a distinct housing model where residential developments are purpose-built specifically for the private rented sector and are held under single ownership and professional management. Unlike traditional private rented housing, which is often characterised by individual landlords owning one or more properties, Build to Rent developments are typically owned by institutional investors, pension funds, or specialist operators who manage entire blocks or estates as long-term rental assets.

The sector has grown significantly over the last decade and plays an increasingly important role in delivering new housing supply. Build to Rent developments are generally constructed to modern building standards and often provide additional amenities, professional on-site management, dedicated maintenance teams, and enhanced customer service arrangements. As newly built properties, they are also subject to contemporary building regulations, energy efficiency requirements, and safety standards.

THE IMPLICATIONS OF LICENSING FOR BUILD TO RENT

The application of selective licensing schemes to Build to Rent developments raises important questions about proportionality and regulatory duplication. Unlike older housing stock that may suffer from poor management, disrepair, or safety concerns, Build to Rent schemes are purpose-built and professionally managed from the outset. Many of the objectives that licensing schemes seek to achieve, such as improved management standards, tenant engagement, property safety, and regulatory compliance, are already embedded within the Build to Rent operating model.

As a result, requiring large Build to Rent developments to obtain licences for every dwelling can impose substantial administrative and financial burdens without delivering a corresponding improvement in housing standards. In some local authority areas, licensing fees can result in significant costs when applied across hundreds of units within a single development, despite there being little evidence that such properties present the same risks as poorly managed private rented accommodation.

The practical administration of licensing can also create challenges for Build to Rent operators. Some local authorities only accept licence fee payments by credit card. For large developments comprising hundreds of dwellings, the total licensing fee can amount to many tens or even hundreds of thousands of pounds. Many developers, institutional investors, and managing agents do not maintain credit card facilities with limits sufficient to process payments of this scale. This can create unnecessary delays and administrative difficulties despite the operator's willingness to comply with licensing requirements.

RECOMMENDATIONS:

Build to Rent developments should be exempt from discretionary selective licensing schemes.

> Given that these properties are newly constructed, professionally managed, and already subject to extensive regulatory oversight, there is limited evidence that licensing delivers additional benefits. Exempting Build to Rent developments would allow local authorities to focus enforcement resources on higher-risk parts of the private rented sector where poor standards are more prevalent.

Where Build to Rent developments remain within a licensing scheme, local authorities should provide flexible payment options.

> Councils should be required to offer invoice-based payment arrangements, bank transfers, or staged payment plans for large-scale developments. Reliance on credit card-only payment systems is impractical for many institutional landlords and managing agents and creates an unnecessary administrative barrier to compliance.

The limitations of licensing schemes

Propertymark shares the ambition of local authorities to improve standards within the PRS. However, we think licensing schemes are a blunt and ineffective measure to achieve this.

1. THE ENFORCEMENT GAP

A recurring theme in recent data is that while the number of licensing schemes is expanding, the level of formal enforcement remains disproportionately low. The Guardian newspaper reported using Freedom of Information requests and housing reports that from early 2026 indicate that approximately two-thirds of local authorities in England have not prosecuted a single landlord in the last three years.[3] This is despite these same authorities receiving an estimated 300,000 complaints annually regarding property conditions. In addition, almost half of housing authorities did not issue even one Civil Penalty Notice (CPN) and that only 25% of local authorities that did issue a CPN collected the money.

2. RESOURCE CONSTRAINTS

The lack of enforcement is frequently attributed to severe resource shortages within local authority environmental health departments. According to the Local Government Association, approximately 13% of all environmental health posts in England were vacant as of October 2023, with the situation worsening into 2025. [4]

Furthermore, over 84% of councils reported significant difficulty in recruiting environmental health professionals, with nearly half of those vacancies remaining unfilled for more than a year. In evidence submitted to the House of Commons, the Chartered Institute of Environmental Health (CIEH) reported a notable decline in the number of officers with detailed knowledge of building construction and housing deficiencies and that due to specialist officers retiring the situation was likely to get worse. [5]

Propertymark's conversations with many councils have alluded to a continued decline in the number of qualified officers available to conduct inspections and process legal actions. In some major cities, the ratio of enforcement officers to private rented dwellings is so low that proactive inspections are rare, with councils instead relying almost entirely on reactive, complaint-led interventions. This lack of boots on the ground undermines the justification that licensing is a necessary tool for identifying "hidden" hazards in the sector.

3. ACHIEVING VALUE FOR MONEY FOR LANDLORDS, LOCAL AUTHORITIES, AND THE PUBLIC

Propertymark thinks that discretionary licensing schemes currently do not provide value for money for three critical stakeholders: the local authority, the taxpayer, and most of all landlords. For a regulatory intervention to be considered successful, the main outcome should be improved housing standards, but this should be proportionate to the significant financial costs involved.

4. IMPROVED TRANSPARENCY OF FEES

Under the Housing Act 2004, licensing fees must be used solely for the administration and enforcement of the scheme. However, there is a growing lack of transparency regarding how these millions of pounds are allocated which produces cynicism from landlords and property agents.

Evidence suggests a disproportionate amount of fee income is swallowed by the administrative costs of processing paperwork rather than ensuring that local authority officers are inspecting properties. Many local authorities such as Oxford, Manchester, and Westminster split their licensing fees into two parts. Stage one is for processing and stage two is for enforcement. Structural inefficiencies within many licensing regimes mean that Stage one administrative fees, covering data entry and document verification frequently account for 35% to 50% of the total license cost, resulting in half of the fee being exhausted before a single on-site inspection is even scheduled.

5. THE FINANCIAL BURDEN ON LANDLORDS

The financial burden on the private rented sector has reached a critical tipping point as local authorities regularly charge licensing fees into four figure costs. For selective licensing schemes, which all private property types, North East Lincolnshire has set a high benchmark with fees reaching as high as £1,284 per property as of April 2026.[6] Landlords and agents operating in Lambeth, have seen similar levels where the standard selective fee has climbed to £1,025,[7] and Leicester, which maintains a high-entry threshold of £1,090. [8]

The escalation is even more severe within additional licensing schemes for smaller HMOs, where administrative complexity is often used to justify higher costs. Wandsworth Borough Council currently holds one of the highest additional licensing fees in the country at £1,507,[9] while Bristol City Council has previously announced headline fees in the region of £1,800,[10] though these are subject to conditional discounts.

In London, Brent Council has recently increased its additional licensing rate to £1,040,[11] representing a significant year-on-year hike. These record-high fees act as a substantial capital levy on professional providers; for an agent managing a modest local portfolio, upfront compliance costs can now easily exceed £50,000, diverting vital funds away from property maintenance and energy efficiency improvements.

6. TOTAL COSTS OF LICENSING SCHEME

The financial scale of discretionary licensing is often obscured by a focus on individual property fees, yet the aggregate cost of maintaining such schemes is staggering. For a major urban authority like Liverpool, the total cost of delivering a five-year designation reached approximately £20 million[12], while the London Borough of Brent operates on projections exceeding £15 million over a five-year cycle.[13] Even in smaller designations, such as the single-ward scheme in North East Lincolnshire, forecasted expenditure is roughly £1.3 million a figure that easily surpasses £5 million when scaled borough-wide.[14] Critically, these multi-million-pound total delivery costs are rarely featured prominently in public consultation documents or debated in full council chambers; instead, stakeholders are presented with a 'per-property fee' that masks the true scale of the administrative expenditure. This lack of transparency prevents a meaningful value for money assessment of whether these millions could be more effectively spent on targeted enforcement rather than the management of a vast, often redundant, administrative database.

The financial impact on landlords is characterised by significant increased costs at a time when labour and materials are high. As we have demonstrated, high upfront licensing fees often exceed £1,000 per property and act as a mandatory levy that diverts funds from essential maintenance and energy efficiency improvements. For portfolio landlords and professional agents managing large portfolios, these aggregate costs frequently reach tens of thousands of pounds. This often forces a choice between absorbing the expense or increasing rents to maintain a viable business model. Ultimately, these costs can discourage investment in highly regulated areas and potentially reduce the overall supply of quality housing as landlords seek more stable and less bureaucratic markets sometimes in neighbouring local authority areas.

7. RENEWING LICENSING SCHEMES

Discretionary licensing was originally intended as a targeted and temporary intervention to resolve specific local issues. However, evidence suggests that once licensing schemes are established, many local authorities are now entering their third or fourth consecutive five-year cycles. Newham Council, the first to introduce a borough-wide license, launched its third phase in June 2023, effectively transforming a temporary measure into a permanent regulatory fixture for over thirteen years.[15]

Similarly, Oxford City Council has operated additional HMO licensing continuously since 2011, renewing the scheme in 2016 and 2021 before layering a new city-wide selective licensing scheme on top in 2022.[16] Barking & Dagenham and Blackpool follow a similar trajectory. Blackpool has maintained various designations in wards such as South Shore and Claremont since 2012, recently launching an expanded eight-ward inner-area scheme for 2025/26.[17] This cycle of serial renewals raises a critical structural question. If a licensing scheme requires a fourth renewal after fifteen years, it has failed in its aim to improve standards and provides further evidence if anymore was needed that they are ineffective.

8. DISCOUNTS ON FEES

Local authorities typically offer a tiered discount structure designed to encourage early compliance and higher management standards. These reductions are usually applied to the second stage of the fee, which covers enforcement, rather than the initial administrative processing cost. The most significant savings are often found through early bird incentives, where landlords who apply within the first few weeks of a new scheme launching can save several hundred pounds. For example, some London boroughs have previously offered reductions of up to three hundred and fifty pounds for prompt applications, which significantly lowers the entry cost for compliant providers.

Further discounts are frequently available for properties that demonstrate superior energy performance. Landlords who have invested in upgrading their homes to an energy performance certificate rating of B or higher may receive modest reductions to reflect the lower regulatory risk associated with modernised housing. Additionally, many councils provide multi property discounts for units situated within the same building. This reflects the reduced administrative burden of verifying a single block of flats compared to multiple individual houses across a wider geographic area.

While these incentives are common, they are often conditional and can be easily forfeited. If an application is submitted with missing documentation or if a council officer is required to send reminders regarding compliance, the landlord is typically moved to the highest noncompliant fee tier. This means that the headline fees previously discussed often represent the mandatory baseline for any landlord who fails to navigate the complex application window or the specific technical requirements of a local authority scheme.

Strengthening local authority capacity

RECOMMENDATIONS

The UK Government must ring-fence funding specifically for local authorities to train, recruit, and retain Environmental Health Officers. Current data suggests that licensing fees are often absorbed by administrative overheads rather than being reinvested into frontline enforcement. By dedicating a specific fund to the professional development and retention of enforcement staff, the UK Government can ensure that councils have the sustained capacity to act on the evidence they collect through licensing schemes.

To address the long-term recruitment crisis, the UK Government should launch a national campaign to market Environmental Health as a viable and desirable career path for young people. This should be supported by tangible financial incentives, such as "golden hello" signing bonuses for new entrants and tuition fee grants or loan discounts for those pursuing accredited environmental health degrees. Such measures are essential to reverse the number of professionals leaving the industry and replenish the expertise lost through the retirement of specialist officers.

Local authorities must be held to higher accountability standards regarding the performance of their licensing schemes. Propertymark recommends that councils be required to inspect a majority of properties within a designated scheme area as a condition of the scheme's operation. If a local authority fails to meet a minimum threshold of proactive inspections and enforcement actions, they should be prohibited from renewing the scheme or introducing new discretionary designations. This would ensure that licensing is only used where the council has the genuine intent and resource to improve property standards.

The UK Government should introduce a mandatory duty requiring local authorities to publish annual data on the number of inspections conducted, the ratio of officers to private rented dwellings, and the percentage of civil penalties successfully collected. This transparency would allow landlords, property agents and the wider public to distinguish between authorities that are effectively improving standards and those that are using licensing as a revenue-generating tool without delivering tangible improvements to housing quality.

Improving enforcement

RECOMMENDATIONS

Local authorities should be required to publish the total projected cost of delivering a licensing scheme over its entire five-year cycle within all public consultation documents. This must include a detailed breakdown of staffing, IT, and legal overheads to ensure stakeholders can assess the true scale of the administrative database being funded.

A national cap should be introduced on the percentage of a licensing fee that can be allocated to Stage One administrative processing. Capping these costs at 20% of the total fee would ensure that the majority of landlord capital is directed towards stage two which goes towards on-site inspections and enforcement.

Before a licensing scheme can be renewed for a second or subsequent term, an independent audit should be conducted to prove the previous five years resulted in a measurable improvement in housing standards. If standards have not improved, the scheme should be deemed a failure, and alternative enforcement models must be explored.

Legislation should be amended to prevent the indefinite renewal of discretionary schemes with a sunset clause. This could include a strict limit such as a maximum of two consecutive five-year terms. This would ensure that licensing remains a temporary intervention as originally intended, rather than a permanent additional cost for landlords.

The Ministry of Housing, Communities and Local Government should provide a standardised national fee framework to prevent increased fees. This would ensure that fees remain proportionate to the actual administrative task and do not become a barrier to property investment.

Regulations should be tightened to ensure that licensing revenue cannot be used to subsidise general council housing functions. There should be a mandatory requirement for councils to report annually on the number of proactive inspections carried out per pound of fee income collected.

Discounts on fees

RECOMMENDATIONS

Local authorities should introduce fee reductions for landlords who use a Propertymark protected agent. These agents are already qualified, professionally insured, and bound by a strict code of conduct, meaning they represent a significantly lower regulatory risk. By recognising this professional standing, local authorities can bypass redundant background checks and background vetting.

Local authorities should implement discounts for multiple properties situated within designated licensing areas. Charging full administrative fees for every unit is disproportionate when a single inspection and one set of background checks cover the entire site. A discounted rate for additional units would reflect the reduced administrative burden and prevent the unfair financial penalisation of professional providers.

National coordination with local leadership

The UK Government should legally require all local authorities to use the national Private Rented Sector Database as their primary source of information. This would stop councils from building expensive, standalone systems and ensure that landlords only have to upload their compliance documents, such as gas safety and EPCs, to one single platform.

Local licensing fees should be restructured to reflect the work saved by the national database. Since the national system will handle the data entry and document storage, local authorities should be prohibited from charging landlords for these administrative tasks. Fees should be strictly limited to the actual cost of physical property inspections and local enforcement activity.

For letting agents who manage properties across multiple council boundaries, the UK Government should introduce a Lead Authority model. This would allow agents and landlords to have their core business practices and fit and proper status verified once by a single primary council. Other local authorities would then be required to accept this existing verification, removing the need for agents to pay for and undergo the same background checks in every different borough where they operate.

To prevent councils from creating their own bespoke requirements to justify high fees, the UK Government should set a single national standard for what counts as a complete application. If a landlord meets the requirements of the national database, no local council should be allowed to ask for extra, repetitive paperwork as a condition of a local licence.

Alternatives to Selective Licensing

Propertymark has consistently raised concerns about the use of broad borough-wide licensing schemes. Our opposition is based on that they often impose significant financial and administrative burdens on compliant landlords without effectively targeting the minority of criminal or rogue operators who undermine the private rented sector. In its view, such schemes can create duplication, inconsistency between local authorities, and unnecessary cost, while failing to deliver proportionate improvements in standards where enforcement activity is already limited.

CO-REGULATORY APPROACH

Instead, we advocate a more proportionate co-regulatory approach, where local authorities work in partnership with recognised professional bodies rather than relying primarily on punitive licensing regimes. This model is intended to combine robust standards with practical enforcement, directing resources towards non-compliant operators while supporting landlords who already operate within established professional frameworks.

NATIONAL LANDLORD DATABASE

Local authority licensing schemes for private rented property are costly and increase the administration burden on agents, even where properties are legally compliant. The Private Rented Sector Database under the Renters' Rights Act 2025 will fulfil the function of licensing schemes, so the UK Government should commit to removing them once operational. Recording legally required documentation will make it harder for criminal landlords to operate, removing the need for selective licensing.

INTRODUCE A PRIVATE RENTED SECTOR CHARTER'

Private Rented Charters set out standards the law demands from all private landlords and letting agents. If adopted by local authorities, where tenants rent a room, a flat or a house in the area, the council and every organisation signed up to the charter aims to make sure that landlords and letting agents meet those standards. Propertymark has produced a modal Private Rented Sector Charter and motion template.

ACCREDITATION SCHEMES

Propertymark strongly supports the expansion of accreditation schemes, such as the London Landlord Accreditation Scheme (LLAS). These schemes promote training, competence, and adherence to professional standards without the high costs and administrative burden associated with selective licensing. Accreditation is viewed as a more constructive mechanism for raising standards, encouraging compliance through professionalism rather than compulsion.

TARGETED ENFORCEMENT

In practice, Propertymark supports a shift towards targeted enforcement, where local authorities use data and intelligence to focus on known non-compliant landlords rather than imposing universal licensing requirements across entire areas. This approach is seen as a more efficient use of public resources, ensuring enforcement activity is directed at those most likely to be operating outside the law.

About Propertymark

Propertymark is the UK's leading professional body of property agents, with over 19,000 members representing over 12,500 branches.

We are member-led with a Board which is made up of practicing agents, and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme, and mandatory Continuing Professional Development.

propertymark QUALIFICATIONS

Propertymark Qualifications, is the UK's specialist awarding organisation offering industry recognised qualifications in property and property affiliated disciplines.

Their qualifications are regulated by the national Qualification Regulators in England (Ofqual), Wales (Qualifications Wales) and, Northern Ireland (CCEA). In addition, their Scotland-specific Qualifications are credited and levelled within the SCQF (Scottish Credit and Qualifications Framework). This is helping to support adherence with the Scottish Letting Agent Register and Letting Agent Code of Practice.

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CONTACT PROPERTYMARK

For further information and to arrange a meeting, please email **policy@propertymark.co.uk**

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