

Executive Board – 21 February 2023

Subject:	Proposal to Consult on a Draft Designation of Additional HMO Licensing for Houses in Multiple Occupation from 2024 to 2028
Corporate Director(s):	Frank Jordan, Communities, Residents and Environment Services Sajeeda Rose, Growth and City Development
Portfolio Holder(s):	Cllr Toby Neal, Portfolio Holder for Housing & Human Resources
Departmental Directors and Heads of Service	Andrew Errington, Director of Communities andrew.errington@nottinghamcity.gov.uk Kevin Lowry, Interim Director for Housing kevin.lowry@nottinghamcity.gov.uk Pete Mitchell – Head of Environmental Health and Public Protection pete.mitchell@nottinghamcity.gov.uk Mark Lowe, Head of Housing and Regeneration mark.lowe@nottinghamcity.gov.uk
Report author and contact details:	Julie Liversidge, Operations Manager, Housing, Licensing and Compliance, CERS Tel: 07983334706 julie.liversidge@nottinghamcity.gov.uk Dan Lucas - Housing Strategy and Partnerships Manager dan.lucas2@nottinghamcity.gov.uk Ann Barrett - Team Leader, Legal Services ann.barrett@nottinghamcity.gov.uk Susan Turner – Senior Commercial Business Partner, CERS susan.turner@nottinghamcity.gov.uk Ceri Davies, Regeneration Team Leader Tel: 8763530 ceri.davies@nottinghamcity.gov.uk Sophia Beswick, Project Manager, PRS Licensing, CERS sophia.beswick@nottinghamcity.gov.uk
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the city <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Total value of the decision:	£3.5M
Wards affected:	All wards
Date of consultation with Portfolio Holder(s):	22 November 2022
Relevant council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input checked="" type="checkbox"/>
Community Services	<input checked="" type="checkbox"/>
Energy, Sustainability and Customer	<input checked="" type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years	<input checked="" type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input checked="" type="checkbox"/>

Summary of issues (including benefits to citizens/service users):

This paper details the evidence that has been collated and analysed to inform the recommendation to a) approve in principle a draft Designation of Additional Licensing for Houses in Multiple Occupation (HMOs) from 2024-2028 and b) to request permission to consult the public on the Proposal. An existing Designation (scheme 2) is due to end on 31st December 2023.

The infographic below clarifies the difference between the three types of licensing schemes the council currently operate, and the definition of Additional HMO Licensing to which this Proposal refers.



Housing licensing is a key tool available to the council to use to tackle specific housing issues in the private rented sector (PRS). It is designed to tackle problems that arise from unsatisfactory management and poor quality housing and aims to drive up housing standards in the city. The issues which the proposed Designation of Additional HMO Licensing aims to address are listed below and covered in more detail in paragraph 4.3.

- ASB and Noise ASB
- Waste Management
- Property Condition and Disrepair (including those properties whose external condition and curtilage adversely impact on the general character and amenity of the area in which they are located)
- Overcrowding and illegal eviction
- Evading existing licensing scheme

Additional HMO Licensing provides the council with discretionary powers to tackle issues arising from the poor management of HMOs by some landlords in order to drive up standards through inspection and enforcement activity when addressing specific property and neighbourhood issues which affect the public.

Should the proposed Designation be agreed by Executive Board it will be subject to a process of public consultation for a period of no less than 10 weeks the results of which will be considered by a future Executive Board.

Furthermore, the Proposal outlines how the appropriate tests for such Designations have been met, the process of consultation that would be undertaken and the next steps in the decision-making process.

A Designation and scheme of Additional HMO Licensing would not only address the problems listed above which arise from the ineffective management of HMOs but will also provide key benefits for citizens by contributing to safer, more cohesive neighbourhoods. This will be achieved through the improvement of private rented homes (both externally and internally) and the reduction of crime and antisocial behaviour; all of which assist mitigating the impact of deprivation.

- **Greater compliance with regulation** (Housing Act 2004, Part 2) for HMOs in the private rented sector
- **Better inspection, compliance and enforcement** – to enable extended proactive risk based inspection program and more targeted compliance and enforcement
- Increased influence over the quality of HMO accommodation and effectiveness of property and tenant management
- **Speedier resolution of HMO issues** – to be resolved more quickly through the intelligence the scheme provides, thus improving community cohesion and reducing negative impact of HMO on neighbourhood amenity
- **Higher levels of citizen satisfaction** – through partnership working, problem solving and contributing to wider strategic objectives of the council, improving neighbourhoods and living conditions
- **Property improvement – responsive compliance:** The council is aware that landlords improve their properties prior to inspection, by comparing information provided at the time of application, to the improved state of properties upon inspection. This illustrates the benefits of the regulatory environment in improving standards rather than the more costly, reactive, option.
- **Property improvement – voluntary compliance:** The council is aware that landlords improved their properties without intervention simply because an Additional HMO Licensing Designation was introduced, delivering improved standards for residents without further intervention. The fact that licensing exists provides a clear set of standards and expectations for licence holders, with penalties in place for failing to comply with these standards, has delivered direct improvements for residents.

- **Clear set of standards and expectations:** having penalties in place for failing to comply with these standards which include compliance with HMO regulation means licence holders cannot ignore the requirement to improve their properties.
- **Efficient intervention:** licensing allows prompt and efficient investigation of complaints and concerns as those responsible for a property can be traced and contacted quickly and easily when concerns are raised. This provides value for money to the authority and is particularly important in situations where there are immediate safety concerns that require investigation and action.
- **Landlord and agent engagement:** Through the scheme the council is able to engage positively and regularly with landlords, agents and other partners via a variety of means and can disseminate a range of information and updates swiftly and efficiently, without licensing this would not be achievable.

Does this report contain any information that is exempt from publication?

No

Recommendation(s):

That the Executive Board:

1. Supports the case for a Designation of Additional HMO Licensing to be tested through a process of public consultation.
2. Agrees the draft Designation contained in Appendix 1 be approved for consultation in accordance with the Department for Communities and Local Government (DCLG) guidance document 'Approval steps for additional and selective licensing Designations in England' for a period of at least 10 weeks
3. Agrees to review the outcome(s) of the consultation at a later meeting and consider whether the Designation should be made.

1. Reasons for recommendations

- 1.1 The proposed Designation has been identified because evidence gathered in accordance with DCLG guidance¹ supports the case that relevant statutory tests have been met (sections 3 and 4 of the Proposal) and that Additional HMO Licensing of houses in multiple occupation in the area would be an appropriate tool available to ensure compliance.
- 1.2 The legislation requires that there must be a public consultation of at least ten weeks before a local housing authority can make a Designation which will benefit from the Secretary of State's general approval. The Proposal outlines how the consultation is proposed to be undertaken in section 7.
- 1.3 Nottingham's Housing Strategy 2018-2021 'Quality Homes for All' is committed to improving and maintaining good quality homes across all tenures in the city. As part of this, the Strategy committed to licensing schemes for private rented accommodation and to "Use advice, regulation, enforcement and licensing to improve private rented sector homes, protect and enhance the lives of tenants and improve neighbourhoods". The aspiration of the Strategy was for a well-regulated, high performing private rented sector (PRS), and delivering the

¹<https://webarchive.nationalarchives.gov.uk/ukgwa/20120920054335/http://www.communities.gov.uk/publication/s/housing/approvalsteps>

Additional HMO Licensing scheme was a key objective of the Strategy and seen as an important part of the toolkit for achieving this aspiration.

- 1.4 The proposed designation will play a significant role in delivering the priorities set out in the current Strategic Council Plan 2021-2023, particularly Outcome 9 – Better Housing and key strategic aims around antisocial behaviour (ASB) and building quality neighbourhoods as well as enabling reduced energy use in line with our Carbon Neutral 2028 Strategy.
- 1.5 The Private Rented Sector has also increasingly become part of the housing options necessary to help people meet their housing needs when faced with homelessness. For example, of 1,042 households in Nottingham whose homelessness prevention duty ended during 2021/22, 195 secured PRS accommodation. Given the vulnerable situation a household will be facing when they are homeless, or in imminent risk of becoming homeless, it is important that the council, when fulfilling its statutory duties in this regard, is able to refer homeless households to private sector accommodation that is safe and meets the standards that would be expected. The city's Homelessness Prevention Strategy 2019-2024 notes that the need for PRS accommodation continues to grow and the council and its partners must work with landlords to progress leasing/letting schemes to offer as an option. The Strategy also seeks to work with tenants and landlords to reduce evictions from the Private rented sector, and to utilise the PRS as a solution to homelessness.
- 1.6 The Homelessness Prevention Strategy recognises there are many good landlords operating in Nottingham who provide a valuable source of housing for Nottingham people. However, there are other landlords in the private rented sector who do not adhere to their responsibilities in appropriately supporting their tenants and providing a decent standard of accommodation. These landlords are putting people's health, wellbeing and safety at risk and exposing them to increased risk of homelessness. This places further strain on other housing resources in the city, and the council's services that seek to help people find suitable accommodation. This ultimately places costs on the taxpayer. The Strategy sees the council's approach to licensing as a valuable tool in tackling problems in the sector, and as a consequence, making a helpful contribution to tackling homelessness.
- 1.7 The council works to reduce antisocial behaviour (ASB) across the city. Additional HMO Licensing is an effective tool that can be utilised to ensure landlords manage their properties and tenants in an appropriate manner. A Designation of Additional HMO Licensing will significantly assist in achieving improved property conditions and standards as well as reducing ASB, as it allows for landlords who are failing to appropriately manage their HMO and to receive support and assistance from the Additional HMO team in order to do this, therefore protecting tenants and the wider community from their negative impact. Further, the administrative practicalities of the scheme (e.g. having access to intelligence on landlords) allows better and more timely communication and for issues to be resolved more readily, maintaining progress and improvements over the longer term.
- 1.8 The making of the Designation is felt to be consistent with the above strategies and to form part of a coordinated approach in connection with dealing with homelessness and antisocial

behaviour. Additional HMO Licensing will play a part in bringing empty properties back into use through the detection of landlords responsible and work with other council services to ensure decent, well-managed accommodation targeting those empty properties sooner which are detrimental to neighbourhood amenity.

- 1.9 The proposals align well with the government's current White Paper – "A fairer private rented sector" (The White Paper) which recognises licensing as a tool to address particular issues. It should be noted that the council's current Selective Licensing scheme is cited in the White Paper. The White Paper clearly seeks to improve standards in the private rented sector, and understandably has sections on increased enforcement powers with a focus on rogue landlords. It sets out plans to increase local authority enforcement and investigatory powers. The government sees Additional HMO Licensing as an important part of the powers available to local authorities, stating that "it gives the local housing authority powers to inspect properties and force landlords to address specific property issues." The council believes that the proposed Additional HMO Licensing scheme will play a critical role in helping deliver the government's ambitions as set out in this White Paper.
- 1.10 The council wants to ensure that privately rented homes in the city continue to be well managed, well maintained, are of high quality and provide a home of choice for Nottingham's citizens. The primary aim of the additional HMO licensing Designation and scheme is to address problems caused by the ineffective management of smaller HMO thereby improving the quality, safety and management of smaller HMO in the private rented sector through regulation; utilising a multifaceted approach of encouraging positive working relationships with landlords, empowering tenants' rights, managing unsatisfactory behaviours and practice through a bespoke set of licence conditions. The additional HMO licensing scheme is therefore entirely consistent with the overall aims of the Housing Strategy, aspiring to promote quality and sustainable, secure homes in the private rented sector and will significantly assist the council to deal with problems experienced by occupiers or members of the public arising from the ineffective management of the HMO to be covered by the Designation (issues arising with HMO can be found in 4.8 below).

2 Background

- 2.1 Additional HMO Licensing of Houses in Multiple Occupation (HMO) is a tool available to local housing authorities within the provisions of the Housing Act 2004. This is a discretionary form of licensing which can be used in addition to the Mandatory licensing of HMO within the Act. Additional HMO Licensing can be used to license "small HMO" which are not caught by the Mandatory Licensing regime i.e. those with less than 5 occupants but which comprise 2 or more households that are sharing basic amenities such as a bathroom or kitchen.
- 2.2 In order to make an additional HMO licensing Designation Section 56 of the Housing Act 2004 requires that "the authority must consider that a significant proportion of the HMO of a prescribed description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMO or for members of the public"

Additional HMO Licensing in Nottingham to date

- 2.3 Nottingham has previously made two 5-year Designations for additional HMO licensing the first of which was introduced in January 2014 and the second (the current) Designation in January 2019. The current Designation is due to expire on 31 December 2023. Both Designations generally prescribed all HMO other than those which are exempted by legislation or comply with The Housing (Codes of Management Practice) (Student Accommodation) (England) Order 2010 [updated 2019] and which are administered by ANUK² as requiring a licence under the additional HMO licensing Designation. Whilst the first Designation also prescribed HMO defined converted blocks of flats falling within section 257 of the Housing Act 2004 as requiring a licence these were subsequently excluded from the current Designation as they were likely to fall to be licensed under either mandatory or selective licensing in any event and were better administered under those schemes.
- 2.4 A review of licensing under the current Designation can be found in Appendix 3 (with key outcomes in Table 1 below) which demonstrates progress to date and where Additional HMO Licensing has been specifically effective. It also shows that although progress has been made, even in year 4 of the current Designation (year 9 of Additional HMO Licensing) there is still ineffective management by some landlords demonstrated by a lack of engagement and compliance with the scheme resulting in problems for occupiers and/or the general public. The Government recognises that licensing may have to be a long term strategy and that it will not provide instant solutions.

Table 1 key outcomes Additional HMO Licensing scheme 2 (current scheme at Aug 22)

Licence applications received	1886
Licences granted in force	1663
Licences with extra conditions added to improve amenities	47%
Licences revoked	8%
Internal property inspections	519
External property inspections	1797
Fit and proper checks carried out for licence holders and property managers	3123
Safety certificates checked (gas/electric/fire) prior to issuing a licence	3626
Issued for only 12 months and referred to planning	74
HMO complaints handled by Safer Housing (of which 30% required an inspection visit)	341
ASB complaints received by the HMO team directly	249
Unlicensed HMO investigations	238
ASB interventions (mainly waste management and noise)	355
Final Community Protection Notices (CPNs)	11
Proposed CPNs	17
Prosecutions	6
Improvement notices	10
Prohibition orders	20
Hazard awareness notices	5

² <https://www.anuk.org.uk/>

- 2.5 A total of 2,379 licences were issued in the first scheme of additional licensing. Although it covered a larger geographical area the second scheme was forecast to be smaller with around 1,800 applications. This was due to the legislative changes in the definition of what comprised a mandatory licensable HMO in 2018. However, the second scheme has so far received 1,961 applications and is still receiving c.20 applications a month. Approximately 141 applications have been either refused, cancelled or withdrawn and as of 1st December 2022, 1,690 had been issued and/or remained in force.
- 2.6 The scheme review in Appendix 3 shows that almost 50% of all HMO inspected were not fully compliant with statutory and/or council requirements at the first inspection, demonstrating ineffective management which required further interventions. Upon first inspection non-compliance with licence conditions and breach of broader legislation along with non-compliance with local authority adopted standards have been identified. Additional HMO Licensing has provided a vehicle to address problems leading to improved visual appearance, amenities and facilities for the benefit of both tenants and the general inhabitants of the area in which the HMO are located. However, a lack of regard for required standards has been identified and some case studies have been included with this Proposal in Appendix 4.
- 2.7 Two-thirds of properties that were non-compliant at first inspection were then improved following first intervention see Appendix 3. This demonstrates that the intervention of a visit to the property and an 'ask and warn' escalation procedure can bring properties up to standard whilst avoiding the need for further enforcement action.
- 2.8 Failure to comply has resulted in formal action being taken and the refusal of licences to some landlords. This has either resulted in the temporary removal of these properties from the market or prompted the sale or transfer into the ownership/ management of more responsible landlords or agents.
- 2.9 The ability to access and regularly inspect properties is a vital tool that additional HMO licensing provides. It encourages proactive and responsible management by compliant landlords, including increased professionalism amongst smaller or non-portfolio landlords. It also allows for better communication and contact with tenants, something which is key to the detection and address of exploitation, safeguarding and wider associations with crime that can manifest around shared housing and substandard accommodation.
- 2.10 The final phase of the current scheme will focus on compliance, enforcement and delivery of scheme outcomes. A more targeted compliance process along with an enhanced less compliant fee has assisted in identifying properties of concern and allowed a more targeted, risk-based inspection programme.
- 2.11 Appendix 5 details the revised operating model which has supported enforcement activity increasing over the last 12 months with 94% of properties requiring intervention when internal inspections have been carried out and so far, 7% of these have been served with enforcement notices or Civil Penalty Notices (CPN) more detailed information can be found in Appendix 3 and section 4.8.

- 2.12 The presence of mandatory and selective schemes of licensing in Nottingham that effectively cover a broader range of property types, makes the requirement for a further additional Designation especially important. It complements the impact and improvement made from mandatory licensing and supports the delivery of selective licensing. It enables a consistent, consolidated and robust approach to raising standards across the whole of the private rented sector. It also prevents landlords who choose not to comply with licensing and standards, ineffectively managing their single occupancy properties from trying to convert to them to small HMO where problems caused by this unsatisfactory management are highly likely to continue, where the impact of poor management and spread of harm could potentially be worse.
- 2.13 It must however be noted that approximately 500 HMOs that fall outside of the current Designation remain unregulated. Case studies have shown that these HMOs also have resulted in problems of the type that an additional HMO Licensing Designation aims to address and support the case for a citywide Designation, see Appendix 6.

3 The evidence for a new scheme

- 3.1 Officers have collated and analysed evidence to establish whether a further scheme of additional HMO licensing is required and if so the extent of the new Designation. Although previous Designations have only been applied to part of the city section 56 of the Housing Act 2004 does allow for the entire district to be designated if the statutory tests for making a Designation are met.
- 3.2 The DCLG guidance document “Approval Steps for additional and selective licensing Designations in England” repeats the requirements of sections 56 and 57 of the Housing Act 2004 and states that before making a Designation for licensing of a particular type of HMO or for a particular area, a local authority must:
- Consider that a significant proportion of the HMO of that description in the area are being managed sufficiently ineffectively as to give rise or be likely to give rise to one or more particular problems for those occupying the HMO or members of the public.
 - Have regard to any information regarding the extent to which any codes of practice approved under section 233 (of the Housing Act 2004) have been complied with by persons managing HMO in the area in question.
 - Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem(s) in question.
 - Consider whether making the Designation will significantly assist them to deal with the problem(s) (whether or not they take another course of actions as well).
 - Consult persons likely to be affected by the Designation.
 - Ensure that the exercise of power is consistent with their overall housing strategy; and

- Seek to adopt a coordinated approach in connection with dealing with homelessness, empty property and antisocial behaviour affecting the private rented sector as regards to combining licensing with other actions taken by them or others.

3.3 An evidence base has been established to inform the proposed Designation using records relating to HMO addresses and complaints held on the council's system.

3.4 In order to comply with the Housing Act 2004 and DCLG guidance which require that a significant proportion of HMO of the proposed description in the area are being managed sufficiently ineffectively, the area covered by the proposed Designation has been arrived at using the following methodology:

4 Methodology

General Approach

4.1 Section 56 of the Housing Act 2004 sets out the statutory test for making an Additional HMO Licensing Designation, namely that: -

“a significant proportion of HMO of the proposed description in the area are being managed sufficiently ineffectively to give rise or be likely to give rise to one or more particular problems either for those occupying the HMO or members of the public.”

Although the government has issued guidance on approval steps for Designations that does not include any form of guidance as to what is meant by key terms such as “significant proportion”. In addition, it should be noted that whilst ineffective management must be at the root of the particular problems those problems do not need to have actually arisen. Likelihood of those problems arising can be sufficient.

4.2 It is proposed that the council follows the same approach as for the current Designation when prescribing the type of HMO to be covered by the proposed Designation namely that all HMO's be required to be licensed except:

- (a) the building is of a description specified in Annex B (Buildings that are not HMOs for the purpose of the Act - other than Part 1)
- (b) the HMO is subject to an Interim or Final Management Order under Part 4 of the Act
- (c) the HMO is subject to a temporary exemption under section 62 of the Act;
- (d) the HMO is required to be licensed under section 55 (2) (a) of the Act (Mandatory licensing), and
- (e) the HMO is of a type which complies with an Approved Code of Practice under the The Housing (Codes of Management Practice) (Student Accommodation) (England) Order 2010 (or any Order subsequently amending or replacing the same) and which are administered by ANUK
- (f) the HMO is of a type defined by section 257 of the Act (certain converted blocks of flats)

Exemption categories (a)-(d) are exempted by statute and it has always been felt unnecessary to require the student accommodation administered by Accreditation Network UK (ANUK) which complies with statutory management codes to require a licence. As with the current Designation it is felt that s257 HMOs can be more appropriately and simply be regulated by the Selective or Mandatory Licensing schemes and that they are currently being administered effectively under these schemes.

4.3 Data on current issues reported against HMOs of the proposed description and compliance trends across the previous and current schemes of Additional HMO Licensing have tended to indicate that the particular problems that the previous Designations aimed at addressing still seem to be occurring and this is felt to be due to the sufficiently ineffective management of those properties (some of the categories referred to below being specifically cited as examples of unsatisfactory management in the government guidance) . Data relating to the following problems has therefore been examined to establish if there is sufficient evidence so as to meet the section 56 test above and if so to what spatial extent: -

- ASB and Noise ASB
- Waste Management
- Property Condition and Disrepair (including those properties whose external condition and curtilage adversely impact on the general character and amenity of the area in which they are located)
- Overcrowding and illegal eviction
- Evading existing licensing scheme

4.4 Since the first Designation the number and distribution of HMOs throughout the city has continued to increase including in those areas not covered by the current Designation. Given the existence of problems from HMOs in these additional areas has been recorded it was felt appropriate to compile and analyse evidence at a city level to create a composite, to establish if the statutory tests were met so as to merit consideration of a Designation covering the entire city. Data from the following categories of properties were considered in order to establish the location of HMOs of the prescribed description described in 4.2 above:

- Properties currently licensed under the Additional HMO Licensing scheme, plus
- Properties with a live application to the Additional HMO Licensing scheme, plus
- Properties that are suspected of being HMOs of the proposed description by way of lapsed licence, chased licence, officer and neighbourhood intelligence and student council tax exemptions, and
- That have a valid Unique Property reference number (UPRN),
The location of these HMOs is shown in Appendix 2 Map A.

4.5 There will be some HMOs located in blocks of purpose built student accommodation, that are neither institutionally owned nor ANUK accredited. At this point however, these cannot be sufficiently distinguished from single occupancy units in the same block in order to include them as HMOs for the purpose of the methodology. These properties have therefore been omitted from calculations though they would still fall to be licensed were a Designation to be made.

Methodology: Tests

- 4.6 Test 1: To establish the proportion of HMOs in the area that **are giving rise** to the problems identified in 4.3 above UPRNS for HMOs of the proposed description were matched to UPRNs in the council's system (2019-2022 incl.) Appendix 2 Map B shows the location of HMO of the prescribed description where issues have been reported and Map C identifies the location of those HMOs with one or more reports of issues made in relation to them
- 4.7 Test 2: The proportion of HMOs in the area that **are likely to give rise** to the problems identified in 4.3 above the following were examined: -
- the total number of licences issued with extra conditions across scheme 1 (2014-2018) and scheme 2 (2019-2022 incl.) of Additional HMO Licensing.
 - the number of properties in the current scheme requiring intervention following inspection and
 - the number of properties that have satisfactorily resolved issues following intervention between November 2021 and November 2022.

This captures properties that have been subject to a scheme of Additional HMO Licensing for between 4 and 9 years already, requiring interventions emerging separately from reports made to the FLARE system and Community Protection system, and concerning presence of HHSRS Category 1 or 2 hazards and breaches of HMO management regulations (as distinct from licensing conditions).

4.8 Methodology Outputs

- There are a total of 3,230 HMOs of the proposed description in the entire Nottingham city district.
- There were a total of 4,628 reports of issues, consistent with problems identified in 4.3 above, made against these HMO between 2019 and 2022; a rate of 1.43 per property or 7 complaints for every 5 properties.
- 1,450 (45%) of HMOs received one or more issue reports.
- The rate at which properties received a report varied according to spatial concentration of HMOs, however rates did not fall below 0.26 per property or 1 in 4 properties.
- Table A below analyses the number of issues arising from HMO on the basis of number of HMOs per lower super output area (census area of c. 1,000 households) across the city

Table A Issues arising

No. HMO in LSOA	No. LSOAs	Total HMO	Total Issues reported	Properties with Issues reported	Property with report rate	Likelihood of issue arising (properties)
>10	112	459	320	121	0.26	1 in 4
10 to 24	21	315	313	117	0.37	1 in 3
25 to 49	20	661	902	284	0.43	1 in 2
50 to 99	8	583	892	265	0.45	1 in 2
100+	8	1212	2201	663	0.55	1 in 2

- In scheme 1 (2014-18, 2,379 HMO licensed) 62.2% of properties required extra conditions to be placed on the licence.

- In scheme 2 (2019 – date, 1,701 HMOs licensed,) 48.9% of properties required extra conditions placed on the licence³.
- 715 of 2,105 properties externally inspected (34%) required an intervention, this rose to 94% of properties where internal inspections also took place.
- Of these 715 properties, 343 (48%) have still not completed or even started the work required to rectify issues and comply with conditions and regulations.

4.9 Methodology Conclusion

That there is sufficient and robust statistical evidence to show that:

- A significant proportion of HMOs of the proposed description in the area are being managed sufficiently ineffectively to give rise, or be likely to give rise to one or more of the particular problems identified in 4.3 above either for those occupying the HMOs or members of the public, across the entire Nottingham city district.
- These problems have arisen, persist and are likely to arise in any area of Nottingham city where HMOs are present
- The rate at which problems occur in properties subject to a consistent period of licensing provides the reasonable assumption that such problems will in fact be more prevalent among HMOs that are new to licensing or as yet unlicensed.

5. Further Considerations

5.1 Section 57 of the Housing Act 2004 requires that the exercising of the power to make the Designation is consistent with the council's overall housing strategy and is part of a coordinated approach to dealing with homelessness, empty properties and antisocial behaviour affecting the private rented sector, both–

- (a) as regards combining licensing under this Part with other courses of action available to them, and
- (b) as regards combining such licensing with measures taken by other persons.

5.2 Consistency with the Council's Housing Strategy and co-ordination with other approaches are addressed in Section 1 above but, before making a Designation, the council must consider whether there are any other courses of action available to it (of whatever nature) that might provide an effective alternative method of dealing with the problem or problems in question. Over the past decade the council has operated a range of schemes and initiatives aimed at improving property conditions in the Private rented sector, the management of HMO, and enabling a more positive profile of HMOs in the wider housing market and neighbourhoods. Current initiatives include:

- The "Nottingham Standard", combining the DASH⁴ and UNIPOL⁵ accreditation schemes under one accreditation mark, and significantly increasing the numbers of properties covered by accreditation

³ c.600 pass-ported to Mandatory upon storey criteria removal and flat s.257 HMO moved to selective

⁴ <https://www.dashservices.org.uk/About>

⁵ <https://www.unipol.org.uk/about>

- Specialist teams to deal with ASB and environmental crime
- Community Protection Service, with NCC and Nottinghamshire Police working together to proactively and reactively tackle ASB at a local or community level
- A wide range of partnerships developed by Community Protection across the statutory and voluntary sector to address some of the issues raised by HMOs and the wider private rented sector
- Two successful Rogue Landlord programmes, utilising grant secured from central government
- “Nottingham Together” – the programme of activity (including housing) within the city’s new and emerging communities to build greater community cohesion, funded via the government’s Controlling Migration fund.
- Landlord engagement via regular meetings with the key landlord groups and participation in their events
- Use of the internet and social media to promote the work of the council in the PRS, raise awareness of tenants’ rights and responsibilities and provide ways for tenants to raise concerns via the “Nottingham Renters” site
- The “Nouse” Strategic Housing Network, promoting initiatives in the PRS and providing housing market news and information for landlords and tenants
- The Nottingham Private Rented Accommodation scheme (NPRAS) to encourage landlords to work with NCC’s Housing Aid in providing accommodation for homeless households and enable the council to discharge its duties via the PRS

5.3 These initiatives have proven successful in both raising standards and levels of engagement and awareness within the PRS, particularly when linked to the current scheme of Additional HMO Licensing. However, despite these schemes and initiatives, problems still exist which cannot be resolved in the absence of licensing.

5.4 Enforcement powers are also available under the Housing Act 2004 and associated Regulations; however, this only allows for a reactive response to health and safety concerns about poor accommodation in the Private rented sector. Similarly, powers such as Emergency Prohibition Orders (EPOs) are available but only when there is an imminent danger to the health and safety of occupants.

5.5 By comparison Additional HMO Licensing requires landlords to be proactive in managing the risks in their properties and ensure satisfactory management from the outset. Therefore, Additional HMO Licensing promotes consistent satisfactory standards and reduces the need for reactive interventions.

In some cases, where reactive interventions have been required the existence of an Additional HMO Licensing scheme has encouraged landlords to undertake rectification works more promptly under the threat of impending inspection thus avoiding escalation to costly and time-consuming formal enforcement. This would not be the case without Additional HMO Licensing.

Why other courses of action are not sufficient in isolation to achieve the council's objectives and the benefits of Additional HMO Licensing

5.6 Other initiatives / tools combined with the use of statutory powers have been successful, however the particular problems identified in paragraph 4.3 persist and an Additional HMO Licensing Designation will significantly assist the council in tackling them. Additional HMO Licensing is the only proactive power available to tackle the particular problems identified and allows the council to significantly resource the prevention and tackling of these issues through inspection, enforcement, licence conditions and work with strategic partners.

Also, Additional HMO Licensing has a beneficial impact on a broad range of other issues in the HMO sector including general property conditions, crime and deprivation. Being able to target and deal with properties where tenants may not realise that they are in poor condition or badly managed, or where tenants do not know how to complain or are fearful of what might happen if they do, is highly impactful. Additional HMO Licensing provides the tools and opportunity to engage and work with landlords (if they wish) to improve, or work towards removing them from the market if they do not.

(Example case studies of successful Additional HMO Licensing interventions are available in Appendix 4 and the key benefits of Additional HMO Licensing can be found at the front of this Proposal in the Summary of issues section.)

6. Fit with the council's strategic approach

6.1 Housing licensing is pivotal in delivering the following strategic objectives for the council:

- Better Housing - improving housing conditions by setting a legal bar for minimum standards of housing and management and enforcing against non-compliant landlords working with them to improve or removing them from the market.
- Clean and Connected Communities – requiring landlords to provide waste management plans as a condition of their licences and through monitoring enabling a quicker resolution of issues outside the property impacting on residents and the wider community. Licensing is there to protect people living within the property and those living nearby.
- Carbon Neutral by 2028 – Through engagement and enforcement of housing standards the council will seek to continue to improve the properties with the worst Energy Performance Certificate (EPC) ratings. This work has started and will continue in any future scheme to support reducing tenants bills and their carbon footprints.
- Safer Nottingham – Through requiring landlords to take responsibility for tenants causing ASB and requiring them to have an ASB plan in place, the council and its' partners will continue to make Nottingham a safer place by:
 - increased council presence in areas of concern

- a reduction of properties causing repeat problems
- faster complaint resolution times
- positive engagement and collaboration
- Healthy and Inclusive – through helping to improve conditions for tenants in properties that have damp and mould, cold homes / poor heating and safety / security issues and other hazards, raising the standard of the worst properties.

6.2 The council’s Strategic Plan 2021-2023 details “how the organisation will renew itself through an improvement and transformation programme, to ensure our decision-making, governance and finances are clear, effective and sustainable”. It also states the council will “Undertake a wide-ranging culture and workforce development programme to help our officers and Councillors build on their strengths whilst also developing the new skills and experience needed to support the city council, citizens and city over the long term”.

The Together for Nottingham (Recovery and Improvement) Plan Refresh October 2022 states “Considerable progress has been made on developing a unified ‘Front Door’ approach to our services, through redeveloping our ICT infrastructure and technology, and developing consistent customer service and business support processes across the organisation”. For these reasons we will ensure the design and operation of the proposed Additional HMO Licensing scheme fully aligns with the emerging principles of the council’s Customer Support Transformation Programme to the fullest extent possible, as mandated in the Chief Executives instruction to senior officers dated 10th October 2022.

7. Proposed Designation, consultation and next steps

7.1 In light of the conclusions in section 4, further considerations in section 5 and fit with the council’s strategic approach in section 6 it is proposed that a new Designation be made covering the entire district of Nottingham city council as shown in Appendix 2 Map D. To date partial Designations have resulted in displacement of HMOs to non-licensed areas. This combined with growth in the sector has led to an increasing number of HMOs which have never been subject to any oversight.

7.2 Officers are recommending that the area of the Designation contains a significant proportion of HMOs of the description prescribed in paragraph 4.2 above that cause or are likely to cause the problems set out in paragraph 4.3 above and which are due to sufficiently ineffective management of those properties. Whilst the current scheme has helped to progress the improvement of HMOs conditions and management, the government recognises that licensing may have to be a long-term strategy and will not provide instant solutions. The evidence suggests that problems still persist and that the statutory tests are met so as to merit a further Designation to take effect on the expiry of the current one.

7.3 The public consultation would seek to take reasonable steps to consult persons who are likely to be affected in the following ways:

- An online survey on the proposed Designation and scheme

- Public in person and virtual consultation events
- Articles in the press and press releases
- Presentation at any relevant forums which fall within the consultation period
- Coverage on the Nottingham City Council website
- Digital campaign on social media
- Landlord newsletters
- Consultation of neighbouring local authorities
- Consideration of any representations made in accordance with the consultation
- Reporting on the consultation findings and any recommendations at a later Executive Board

7.4 **Next Steps**

Should the consultation be approved at Executive board the public consultation would follow commencing at the beginning of March 2023 for up to 12 weeks, ending around the end of May 2023. Officers would then analyse and report on the consultation findings at a further Executive Board in September 2023 where a decision on whether to implement the Designation would be made. With the current Designation in place until 31st December 2023 the new proposed Designation would commence no earlier than 1st January 2024 and remain in place for a maximum of five years.

8. Operational Matters

- 8.1 The Designation can operate for a maximum of 5 years and there is a statutory duty to review the Designation from time to time. It is proposed that this Designation run for a 5-year period in order that it provide maximum benefit.

Conditions

- 8.2 It is proposed that the licence conditions for the current Additional HMO Licensing Designation continue to be applied in the new Designation and these are attached at Appendix 7. The consultation will include information on the licence conditions though these may be subject to change as a result of the consultation exercise and can be amended under delegated powers in any event.

Ring fenced reserve

- 8.3 There is a ring-fenced reserve for the current scheme as per the Local Government Association (LGA) 2017 guidance on locally set licence fees “Open for Business” which clearly states fees income should not be drawn into the council’s general fund. Any income generated from the licence fee will be solely utilised for the purposes of the Additional HMO Licensing scheme in accordance with appropriate legislation and Guidance.
See Table B below:

Table B LGA Guidance on locally set licence fees

Do	Don't	Maybe
Check the relevant legislation	Use a surplus from one fee to subsidise another	Include the costs of enforcement against unlicensed traders
Calculate processing costs and enforcement costs separately and ensure that any fees covered by the Services Directive are charged to applicants and new licensees in two stages	Allow fees income to be drawn into the council's general fund	Include a condition on the issued licence that requires the payment of the enforcement part of the fee, where this is not charged upfront
Clearly communicate to applicants the elements that make up the fee	Allow fee levels to roll-over each year without a review	
Ensure fees are determined by the right person	Forget to ask the courts to award costs during a prosecution	
Include staff on-costs		
Include training costs for officers and councillors		

We estimate that 90% of eligible properties will proactively apply for a licence during the five years of the scheme and the income is based on this. The income will not be received uniformly throughout the 5-year period. Therefore, an earmarked reserve is essential to balancing revenue and expenditure over the 5 years and will be drawn down as required.

Two ring-fenced reserves which are already in place in the current scheme would be used to facilitate the new scheme, saving the need for additional reserves to be set up. This refers to the financial treatment not the funds which will be placed within them. The balance of the revenue budget (fee income against activity) as of 1st December 2022 (current scheme) stands at zero and is forecast at £186K end of scheme which will be utilised to cover inspection and enforcement of licences which continue beyond the 5 year Designation.

Non-recoverable costs i.e. those that are not recoverable through the licence fees are forecast at £238,426 (over the 5 years allowing for inflation factors at 2%). These costs are required to cover Housing Health and Safety Rating System (HHSRS) work and are required to be met through the General Fund under the Housing Act 2004. This amount equates to 3 officers (40% of their time as the other 60% supports mandatory licensing HHSRS work) to support the delivery of the scheme in improving property conditions, one of the criteria in the scheme.

The non-recoverable costs of £238,426 shown in Table C below are covered through the budgets already held within other departments of the council, therefore already within the MTFP, so are not included within the fee.

Table C Current non-recoverable annual staffing costs as of 2022/23

	Costs (£k)
2 x Compliance Officer	£32,692
1 x Licensing Support Officer	£12,255
Total	£44,917

- 8.4 The calculations are based on the following assumptions:
- I. Costs to administer the scheme are included in the licence fee and have been assessed using an updated version of the Local Government Association (LGA) toolkit to ensure value for money.
 - II. The costs included are:
 - Staffing costs to run the scheme, these have been included at productive hours only as per the guidance and relevant staff grades for each piece of work.
 - Processing costs of each licence, application, checking etc. – this has been calculated using percentages for the amount of time taken.
 - Enforcement costs (as per recent change to legislation).
 - Management costs.
 - Set-up costs.
 - Exit costs.
 - Staff overhead costs.
 - Inflation factors.

Fees

- 8.5 A fee review has been undertaken for the proposed Designation and it is the first time fees will be increased in five years. This review has taken into account inflationary pressures as well as the new Designation geography and the fees will be applied to the proposed Designation if implemented. Fees may be reviewed at any time before implementation and during the scheme (should it be implemented) in order to assure resource meets operational demand.
- 8.6 It is proposed to continue with a three-tier fee structure
- “less compliant fee” - would be higher than the standard fee making less compliant landlords pay the highest fee, reflecting the additional work/compliance activity associated with such applications and licences.
 - “accredited fee” - would be lower than the standard fee reflecting both the lower level of work associated with such applications and acting as an encouragement for applicants to become accredited.⁶

The proposed fee structure is detailed in Appendix 8 with an overview in Table D below.

Table D: Fees

Standard fee	1 st payment £658 2 nd payment £816 Total £1474
Less compliant fee	1 st payment £658 2 nd payment £1335 Total £1993
Accredited fee	1 st payment £658 2 nd payment £460 Total £1118

⁶ N.B. Proposals to offer a reduced fee for properties that have an Energy Performance Certificate of C rating or above or to require the submission of an Energy Performance Certificate as part of compliance are being considered to support the Carbon Neutral Nottingham 2028 strategy.

The proposed fee will be kept under review and may be subject to change (circa +/- 10%) post consultation and from time to time during the Designation. A new IT system is being implemented in Spring/Summer 2023 with the intention of delivering more efficient processes and a further fee review will be undertaken as required once it is in operation and there has been time to understand its impact.

9. Other options considered in making the recommendation to consult

Other Options	Implications / Impact	Recommendation
To not pursue a Designation further.	<ul style="list-style-type: none"> • Any necessary enforcement would result in required interventions being resourced by existing council functions • The council would lose the proactive power of entry • Interventions would only be carried out on a reactive basis • Increased number of complaints and complaint resolution time • The number of interventions would be greatly reduced • The absence of additional regulation would leave the market the main driver for property improvements • The council would no longer hold the intelligence gathered on persons responsible for PRS properties or engage with them in the same way • The council's ability to provide assurance regarding its regulation of PRS would be limited, placing the council in a weaker position • Ten years has not been sufficient to embed continued compliance with satisfactory standards in the absence of proactive regulation. • To date partial Designations have resulted in displacement of HMOs to non-licensed areas. This combined with growth in the sector has led to an increasing number of HMOs which have never been subject to any oversight • Ceasing to have an Additional HMO Licensing Designation would mean a return to reactive regulation. This would jeopardise citizens access to quality homes and their access to recourse regarding the negative impact of sub-standard HMOs in their neighbourhoods 	To reject, as evidence shows a clear need for the scheme.

Other Options	Implications / Impact	Recommendation
Consideration of a smaller scheme Designation.	<ul style="list-style-type: none"> • A smaller Designation would limit opportunity to continue the improvements made by the first two Designations • A smaller Designation would increase the number of properties continuing to cause an issue due to unsatisfactory management and displacement of HMOs and associated issues to outside the regulated area. • A smaller Designation of Additional HMO Licensing would mean inconsistency with Mandatory Licensing which is impractical when considering they are subject to the same safety and amenity regulations in law • A smaller Designation would continue to allow lack of understanding as to the geography of the Designation to be a factor in non- compliance via reduced take up of HMO licences 	To reject, as evidence gathered indicates a citywide Designation of Additional HMO Licensing will most effectively tackle HMO issues.
Voluntary accreditation only.	<ul style="list-style-type: none"> • Eliminates the council's right of proactive entry to Additional HMO properties • Accreditation schemes have a set of standards (or codes) relating to the management or physical condition of properties and recognise landlords who achieve these requirements across their portfolios • The council currently works with DASH, UNIPOL and ANUK as its accreditation providers. Voluntary accreditation with the Nottingham Standard (DASH and UNIPOL) has seen an increase in membership with the lower fee incentive that also delivers a better outcome in this area. 	To reject, the option of using voluntary schemes alone would not be expected to deliver necessary improvements. (Voluntary schemes alongside Additional HMO Licensing are considered more effective as landlord accreditation has worked well in conjunction with licensing).
Targeted use of Interim Management Orders (IMOs) and Final Management Orders (FMOs).	<ul style="list-style-type: none"> • The Housing Act 2004 gives local authorities powers to use Management Orders for tackling comprehensive and serious management failures. However, these are complex to implement and administer (and thus expensive) as they involve taking over the management of the property and are done on a case by case basis with individual properties 	To reject, this is not a preferable option for driving up standards across an area and would not provide a level of improvement in standards that Additional HMO Licensing can deliver (IMOs and FMOs can be

Other Options	Implications / Impact	Recommendation
	<ul style="list-style-type: none"> They are also reactive for dwellings where such problems are apparent and as such do not provide value for money compared to a proactive approach which prevents or addresses problems sooner and limits citizens exposure to poor standards 	used in individual cases if required alongside licensing).
Direction under Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015	<ul style="list-style-type: none"> Nottingham already has a citywide Article 4 Direction meaning planning permission is required to convert a family home (C3) to a HMO (C4), and Planning and HMO licensing sections work together to locate HMOs that are evading one, other or both regulations. Article 4 however only regulates the control of development for planning purposes by removing permitted development rights thereby potentially restricting the number of new HMOs being created by change of use, it does not tackle conditions or management issues in HMOs, existing or new. 	Insufficient on its own - Article 4 and Planning Control in general are focussed on the suitability of a land use rather than the detailed regulation, control and management of that use.

10. Risk

10.1 The following risks have been identified:

I. There are risks to this scheme which could have an impact on the business model (covered below)

II. An example of some of the risks that could impact on the scheme's viability with proposed mitigation are below in **Table E**:

Table E Risk

Risk	Mitigation
Level of applications vary	Monitor levels of applications closely. Use of reserve accounts as necessary during the duration of the scheme to assist with managing the budget, when fluctuations in applications and fee income does not match with consistent levels of operational activity.
Landlords may gain accreditation in order to secure a lower fee and the	Work closely with accreditation partners to monitor these numbers and to ensure that accreditation continues to be strongly

Risk	Mitigation
number of accredited landlords could change impacting costs and income.	indicative of full compliance and lesser operational undertaking. Since scheme 1 the council has a good understanding of the likely numbers of accredited applications and this will be monitored closely.
If operational activity identifies unexpected deviation in quality of property (better or worse) which impacts operational input required, staffing balance or costs causing them to be different to those that are anticipated	To monitor this closely and re-adjust operating model as/if appropriate.
If there are any legislative / guidance changes and/or case law rulings	To continue to maintain awareness of any proposed and actual changes to guidance and legislation, understand the impact this may have on the scheme and take mitigating action if required
The volatile state of national finance and unknown potential inflationary pressures	To keep the fee under regular review, adjusting as appropriate during the scheme. It is permitted to adjust the fee mid Designation/scheme as required.
There are wider economic factors, e.g. recession, rent level changes and changes to taxation which may impact on a variety of factors such as number of privately rented properties and ability to pay licence fees.	To continue on-going monitoring of the number of applications being received against projections. To stay aware of on-going changes in the wider economy that may impact on scheme delivery and the ability of landlords to complete administrative undertakings in a timely manner.
Ability to recruit appropriate number of experienced and qualified staff to support scheme delivery due to availability of staff and pressure from other local housing authorities that are implementing schemes locally / regionally.	To continue to support the development of colleagues in the team including apprenticeships and other appropriate training opportunities. To work with colleagues in HR to ensure we can maximise recruitment of staff from as wide a pool as possible, considering alternatives to traditional recruitment routes. To maintain awareness of the need for NCC to offer competitive salaries to recruit and retain staff.
Additional HMO Licensing is a discretionary scheme of housing licensing and benefits from the Secretary of State's general approval	Officers are confident that the evidence for the scheme is robust and meets the tests required to make an Additional HMO Licensing Designation, and that this

Risk	Mitigation
as long as a minimum period of 10 weeks consultation is carried out. It can however be challenged at Judicial Review, as was the case with the first Designation in 2014, which NCC successfully withstood.	position would be reasonably defensible if challenged.
Flare replacement, issues with upgrade, integration and continuity	Work is ongoing to identify and mitigate potential blockages. However, overall, once the system is operational there should be improvements and efficiencies to support scheme implementation.

11. Finance colleague comments (including implications and value for money/vat)

- 11.1 This report is looking for approval to proceed with the required consultation of the Additional HMO Licensing scheme and the review thereof.
- 11.2 The total cost of the scheme over the five years is estimated to be circa £3.5M with a licence cost per 'HMO' being calculated as shown in Table D Fees above. All costs need to reviewed and ongoing assurance completed by the Service to ensure that the costs are allowable under the conditions of the legislation, whilst also ensuring best value for the fee payer is achieved.
- 11.3 A fee review has been undertaken and periodic review will continue throughout any further schemes. A review may be actioned prior to the decision to implement.
- 11.4 Financial analysis and impact of the scheme will be reviewed, and any implications identified during and at the conclusion of the consultation process.
- 11.5 All finances associated with the scheme will need to adhere to all policies and procedures as required and meet the required conditions of the scheme.
- 11.6 The calculation is based on the following assumptions:

Costs to administer the scheme are included in the licence cost and have been assessed by the Service using an updated Local Government Association (LGA) toolkit to ensure value for money.

The costs included are:

- **Administration** – the actual costs of producing the licence; staff costs, photocopying, paper, postage
- **Visits** – time spent inspecting the premises including travel to and from and preparing for the visit

- **On costs** – e.g. accommodation, heating, lighting, supplies and services, IT services and equipment, maintenance and development of systems and equipment, Finance and Legal Support
- **Local democracy costs** – committee meetings and production of associated papers
- **Fee setting and review** – attending courses, reading, understanding and interpreting guidance and legislation and at least an annual review
- **Enforcement & compliance costs** – number of staff required to undertake robust compliance/enforcement

Susan Turner Senior Commercial Business Partner CERS 13.01.23

12. Legal colleague comments

- 12.1 This Proposal recommends proceeding to consultation on a proposed third Designation for Additional HMO Licensing. Earlier Designations have focused on only parts of the administrative district however section 56 of the Housing Act 2004 expressly permits local housing authorities to make Designations covering the entirety of the district which is what is proposed here.
- 12.2 In order for the Board to ultimately approve a Designation for Additional HMO Licensing councillors must be satisfied that the test in section 56(2) of the Housing Act 2004 is met namely

“The authority must consider that a significant proportion of the HMOs of the relevant description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.”

In addition, section 57 requires a Designation to be: -

- consistent with the authority's overall housing strategy.
- part of a co-ordinated approach in connection with dealing with homelessness, empty properties and antisocial behaviour affecting the private rented sector, and for
- the authority to have considered whether there are any other courses of action available to it (of whatever nature) that might provide an effective method of dealing with the problem or problems in question, and that it considers that making the Designation will significantly assist it to deal with the problem or problems (whether or not they take any other course of action as well).

- 12.3 The issues identified above are all addressed in the main body of the Proposal and councillors should satisfy themselves that these tests are met and of the evidential basis of the Corporate Directors' recommendations before proceeding to consultation. Whilst guidance has been issued on the making of such Designations it is silent on the issue matters such as what constitutes a “significant proportion” and the methodology to be adopted in determining this criteria. The Board therefore has a wide discretion as to the approach it may take so long as it is ultimately reasonable and justifiable. The problems

which are identified in paragraph 4.3 which the Designation is intended to address are consistent with those cited in the guidance as examples of properties being managed sufficiently ineffectively, and as a result having a detrimental effect on a local area and it therefore seems reasonable to consider them.

- 12.4 A Designation cannot come into force unless it is either confirmed by the Secretary of State or falls within the terms of a general approval issued by him or her. By consulting for a minimum period of 10 weeks (as is proposed here) any Designation ultimately made by the council would fall within the General Approval Order issued by the Secretary of State in 2015. Whilst any final decision to make a Designation will be open to Judicial Review on the normal administrative law grounds as this report is at an early stage of the process and merely seeks authority to consult on the proposals the risk of such a challenge at this stage is low.

Ann Barrett Team Leader, Planning Environment and Leisure Solicitors 30.12.22

13. I.T. colleague comments

- 13.1 “The IT Service understands that the proposals made within the report will be implemented using the systems (or replacements) currently employed by the council for the delivery of the service. As such there is understood to be no significant change to these systems or the underlying support needed.

The IT Service will continue to support the delivery of the service under the new additional scheme as it does the current scheme providing on going ‘Business as Usual’ support in terms of systems support and maintenance and chargeable project based support as required by the service.”

Dave Foster Corporate Systems Manager 05.01.23

14. HR colleague comments

- 14.1 As the duration of the scheme is time limited for 5 years, it is essential an appropriate exit strategy is in place in order to terminate the contract in line with NCC guidance and national legislation. Management will need to ensure appropriate timelines are in place to notify the affected employee and give appropriate contractual notice. Potential costs in any exit arrangement such as redundancy compensation have been budgeted for.

Janade Akhter HR Consultant 21.12.22

15. Social value considerations

- 15.1 The use of Additional HMO Licensing is consistent with the council’s overall strategic approach to housing and its approach to a number of key priorities for the city. Additional HMO Licensing, by tackling the problems which are evidenced in the proposal, will help to achieve a number of positive outcomes in terms of regeneration, health and wellbeing, and community safety, which are all major priorities for the city. This will help to deliver improved outcomes for citizens.

16. Regard to the NHS constitution

16.1. The NHS Constitution has as one of its guiding principles that the NHS will work across organisational boundaries. It says: “The NHS is committed to working jointly with other local authority services, other public sector organisations and a wide range of private and voluntary sector organisations to provide and deliver improvements in health and wellbeing”. The council’s approach to housing also follows this principle, seeking to work with a range of other services to improve citizens’ lives, not least their health and wellbeing. One of the key benefits the council believes that Additional HMO Licensing will bring is improved housing conditions; the positive impact that better housing can make on health and wellbeing has been demonstrated both nationally and locally.

17. Equality impact assessment (EIA)

17.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix 9, and due regard will be given to any implications identified in it.

18. Data Protection Impact Assessment (DPIA)

18.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because:

A DPIA will be provided when the proposal is presented to Executive Board for the decision on whether to implement, subject to consultation findings

Yes

19. Carbon Impact Assessment (CIA)

19.1 Has the carbon impact of the proposals in this report been assessed?

No

Yes

Attached as Appendix 10, and due regard will be given to any implications identified in it.

20. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

20.1 N/A

21. Published documents referred to in this report

21.1 A Fairer Private rented sector 2022

Department for Communities and Local Government (DCLG) guidance document - Approval steps for additional and selective licensing Designations in England.

Housing Act 2004

Implementation of proposed scheme of Additional HMO Licensing of houses in multiple occupation September 2018 available here:

<https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=7396>

Nottingham Homelessness Prevention Strategy 2019-2024

Open for business: LGA guidance on locally set licence fees (2017)

The city's Housing Strategy: Quality Homes for All 2018-2021

The Housing (Codes of Management Practice) (Student Accommodation) (England) Order 2010 [updated 2019]

The Strategic council Plan 2021-2023

The Together for Nottingham (Recovery and Improvement) Plan Refresh Oct 2022