

Equality Impact Assessment Form (Page 1 of 7)

Title of EIA: Proposed Designation for Selective Licensing of the Private Rented Sector

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Service Area: Housing Strategy and Partnerships and Environmental Health

Strategic Budget EIA Y/N (please underline)

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Brief description of proposal being assessed:

Selective licensing is a regulatory tool provided by the Housing Act 2004. Part 3 of the Housing Act 2004 sets out the scheme for licensing private rented properties in a local housing authority area. Under section 80 of the Act a local housing authority can designate the whole or any part or parts of its area as subject to selective licensing. Where a selective licensing designation is made it applies to privately rented property in the area.

The Council is proposing to implement a selective licensing scheme in a designated area – see map Enc 2

Under the proposed designation, all privately rented houses will require a licence; and applications will need to be made to the Council by landlords.

One of the key benefits which licensing is perceived to bring is an improvement in housing standards in a sector of the housing market in which a large number of vulnerable citizens are housed.

A further EIA will be carried out on the final scheme proposal should it progress through the various approval stages.

As part of the consultation process a Communities of Interest event will be held in order to engage with the harder to reach communities and those identified as part of this EIA who may potentially be impacted by these proposals.

During the course of consultation on the proposal (which will take place if the proposal is approved by Councillors) it is possible that other issues will be raised in relation to equality, and these will be carefully considered in the EIA of the final proposal.

Information used to analyse the effects on equality:

The Project Team held an informal focus group discussion in August 2016 and invited representatives from different communities in Nottingham to discuss experiences of living in and renting out properties in Nottingham. The aim of the session was to find out what issues are faced by different equality groups, explore what impact a licensing scheme may have on the city's different communities and equality groups, and explore options for future consultation and engagement. In addition data from the 2011 census was used to map areas with a high proportion of PRS and areas with a high concentration of bad health, age group, BME and minority ethnic population and disability and a high proportion of PRS. Learning from the existing licensing schemes has also been used.

	Could particularly benefit X	May adversely impact X (although may be only short term)	How different groups could be affected (Summary of impacts)	Details of actions to reduce negative or increase positive impact (or why action isn't possible)
People from different ethnic groups.	X	X	<p>A Focus Group was held with representatives from different communities who identified potential impacts on different sections of the community. It was acknowledged that Selective Licensing could, along with a wider set of measures, address issues associated with the Private Rented Sector (PRS) such as antisocial behaviour (ASB), poor property conditions, high levels of deprivation and crime. These may have a disproportionate effect on different types of communities. Participants agreed that there should be some form of control over landlords and that they should be accountable for the conditions in their properties</p> <p><u>People from different ethnic groups</u> The population of those living in the City's PRS comprises people from a range of different BME communities. Mapping shows that there are high concentrations of BME citizens in areas of the city where there is a high concentration of PRS properties; furthermore areas with an above</p>	<p>Positive impact can be continually improved by on-going enforcement action against non-compliant landlords.</p> <p>It is hoped that the scheme will help to tackle ASB issues in the PRS</p> <p>It is felt that overall the benefits of selective licensing outweigh the potential disadvantages; it is believed will have a positive impact on disadvantaged groups who are over-represented in many of the communities where it will be implemented</p> <p>There is no data set which links property ownership to ethnic origin, so it is not possible to quantify this impact. It is however acknowledged that there is a high level of ownership amongst the Asian community, and therefore the Council must have regard to this</p>
Men	X	X		
Women	X	X		
Trans	X	X		
Disabled people or carers.	X	X		
Pregnancy/ Maternity	X	X		
People of different faiths/ beliefs and those with none.	X	X		
Lesbian, gay or bisexual people.	X	X		
Older	X	X		
Younger	X	X		
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).				
<i>Please underline the group(s) /issue more adversely affected or which benefits.</i>	X	X		

average PRS also have an above average % of the population that are from a BME background
Overcrowding is likely to be an issue in some areas and illegal conversions of properties particularly affect new and emerging communities.

Potential benefit: Improved quality and safety of accommodation for BME tenants in the rental market due to the compliance with licensing conditions. Life chances/opportunities are affected by housing. As accommodation improves outcomes should improve. May also improve health and wellbeing as homes are improved.

Potential adverse impact:

(a) Landlords

Background: Property investment by the Asian community is the foundation of their financial interests. Property portfolios seen as 'pension schemes' and a means to support families (within the UK and back in Pakistan and India), communities and faith institutions. Life savings are often invested in property. Great concern that the proposals will seriously damage property portfolios having a 'knock-on' effect of reducing 'yields' and lowering income that can be used to support families, the community etc. Representatives of this community perceive that landlords in their community have already been disproportionately affected by the additional licensing scheme and another scheme may

potential adverse impact. Licence applications will provide an opportunity to capture ethnic monitoring data and provide better data on ownership of PRS. This was introduced as part of the Additional Licensing scheme. Out of 1379 Licence Holders, 105 declared their ethnicity. Of these 105 40% are White British/Irish, 47% Asian and 13% Black/Other. Of the Asian landlords to declare their ethnicity the majority, 62% are Asian Pakistani, and make up 35% of landlords where ethnicity is known.

It is also acknowledged that this is a highly complex issue which will require a lot of support and explanation to certain sections of the community so that they fully understand what is expected of them and are able to comply with the requirements. Such a role should be carried out by the Housing Strategy and Environmental Health teams.

Overall, the additional costs to landlords over five years is considered to be small, although it is acknowledged that those with larger portfolios needing to pay multiple licence fees will have a large upfront outlay.

It is intended that accredited landlords will receive a discount on the fee.

have a big impact on their portfolios

(b)Tenants

The effect of large cohorts of renters in a community was discussed.

Different areas of Nottingham have different amenities that attract people from different ethnic groups. This leads to a concentration of particular ethnic groups in an area. This can put pressure on services in that area as the community is less diverse. It can also mean tension between different communities.

Overcrowding in the PRS was discussed. People from new and emerging communities may be particularly affected by overcrowding or illegal/substandard conversions

Issues of subletting were identified as a key issue that needs to be addressed. This is a particular problem amongst new and emerging communities.

Concern that landlords will inevitably increase rents to cover licensing costs and costs of works to comply with licensing conditions. One of the unintended consequences of a scheme may be to push tenants further into food and fuel poverty. People from BME communities may be more likely to earn less than non BME communities.

Poor standards of accommodation are often at the lower end of the market and landlords may have to do more to their properties at this end to meet the standards required.

There is a risk that Selective licensing will result in rent increases, but this impact would not be fully understood until the scheme had been implemented. Consideration has been given to the potential impact of the cost of licensing being passed on to tenants through higher rents. It is felt that over the five year term of the scheme the proposed licence fee will not constitute more than a few pounds per week. The evidence from the Council's additional licensing scheme suggests that although rents in student HMOs (which make up a significant proportion of the city's HMOs) increased after the introduction of additional licensing, this was part of an upward trend in student rents that was also experienced by other cities with large student populations. It is therefore a risk that the Council should be aware of, but one which is based on speculation.

The Council does not believe that standards of accommodation should be compromised in the interests of greater affordability. These are standards that the Council believes landlords should already be meeting. Outcomes of the scheme that are designed to tackle excess cold will result in lower heating bills and reductions to fuel poverty releasing income to tenants

The scheme may cause landlords to withdraw properties from the sector and lead to less homes being available for renters.

Disabled people or carers

Mapping shows no apparent overlap between areas of high PRS and population experiencing disability. This may be due to the small cohort. Focus group identified that tenants with disabilities often face particular problems when renting properties. They may have problems with security of tenure. Landlords are reluctant to facilitate property adaptations and getting these agreed with landlords was highlighted as a particular difficulty. Tenants with health issues are also much more likely to be affected by problems with damp and housing disrepair issues. They may face problems with getting repairs done quickly. Disabled tenants are much more impacted by the cold and issues such as no heating or hot water affect them more. Disabled tenants have also highlighted problems renting properties when they have assistance dogs, as these are seen as pets and they are not pets.

Potential benefit: An improvement in property standards which it is believed licensing will bring will have a positive impact on the lives of such people

Potential adverse impact: Tenants in this equality strand could be affected by rent rises and other

adjustments to the PRS market that might result from licensing changes.

People from different faith groups

Potential adverse impact: Issues already stated regarding Asian landlords could apply to this equality strand. It should be noted that the Muslim community cannot receive, for religious reason, 'interest' from investments and therefore property is a preferred investment, hence this makes this community sensitive to any matters that could affect property prices or yields.

Lesbian, gay or bisexual people; and

Men, women (including maternity/pregnancy impact), transgender people

Although the proposals are not believed to specifically have an adverse impact on these groups, the risk already mentioned of rent increases could have an impact on all sections of the community.

Older or younger people

Although the proposals are not believed to specifically have an adverse impact on these groups, the risk already mentioned of rent increases could have an impact on all sections of the community.

Outcome(s) of equality impact assessment:

- No major change needed X
- Adjust the policy/proposal
- Adverse impact but continue

•Stop and remove the policy/proposal

Arrangements for future monitoring of equality impact of this proposal / policy / service:

If the proposal proceeds to a final decision by the Council to implement, a further review of this EIA will take place. It may be possible to use referral data to agencies such as Housing Aid, Notts Housing Advice etc to see what specific impacts the scheme is having if it is implemented.

Approved by (manager signature):

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Date sent to equality team for publishing:

Send document or link to:

equalityanddiversityteam@nottinghamcity.gov.uk

Before you send your EIA to the Equality and Community Relations Team for scrutiny, have you:

1. Read the guidance and good practice EIA's
<http://www.nottinghamcity.gov.uk/article/25573/Equality-Impact-Assessment>
2. Clearly summarised your proposal/ policy/ service to be assessed.
3. Hyperlinked to the appropriate documents.
4. Written in clear user friendly language, free from all jargon (spelling out acronyms).
5. Included appropriate data.
6. Consulted the relevant groups or citizens or stated clearly when this is going to happen.
7. Clearly cross referenced your impacts with SMART actions.