

AREA COMMITTEE 8 13th June 2018

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Title of paper:	Proposal for a Scheme of Additional Licensing for Houses in Multiple Occupation	
Director(s)/ Corporate Director(s):	David Bishop Andy Vaughan	Wards affected: Arboretum, Berridge, Bridge Dales, Dunkirk and Lenton, Mapperley, Radford and Park, Sherwood, St Anns, Wollaton East and Lenton Abbey
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Date of consultation with Portfolio Holder(s) (if relevant)	Already consulted via Executive Board	

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 type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>

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

This report is to inform **Area Committee 8** of the proposal to introduce an Additional Licensing scheme for Houses in Multiple Occupation (HMOs). Executive Board have approved the proposed designation in principle and a public consultation will take place on these proposals between May and July 2018, of which consultation with Area Committees forms a part.

The Council believes that the proposed scheme of additional licensing will provide the following benefits:

- A reduction in the number of complaints and problems of the types identified.
- Protection of the health, safety and welfare of tenants through improved management of the HMO;
- Reduced negative impacts from HMOs that will benefit the whole community;
- Improved management and, in the longer term, improved conditions of privately rented accommodation will provide quality and choice for residents;
- Licensing will require absentee or unprofessional landlords to employ a professional property management approach to actively manage their properties and ensure suitable arrangements are in place to deal with any problems that arise;
- Good private landlords would also benefit from not having to compete with poor landlords as the Council is looking to promote licensed and accredited landlords and the quality accommodation they offer.
- As with mandatory licensing, additional licensing will bring a number of properties to the Council's attention that would otherwise have gone undetected.
- The new, tiered fee structure will encourage compliance and good landlords whilst ensuring those landlords who are less compliant and require the most resources, rightly and fairly, pay

more.

The report outlines the need for an Additional Licensing scheme, demonstrating the the existence of problems within the proposed designation and how the proposed scheme could help alleviate them. It shows the successes of and progress made by the current scheme of Additional Licensing (due to end in December 2018), but that there remains a requirement for such a scheme if progress is to be continue and improvements maintained, as part of a robust approach to improving management and conditions in the private rented sector.

Recommendation(s):

1	note the contents of the report; and
2	offer its views on the proposal for a scheme of selective licensing for privately rented houses.
3	ask partners to actively contribute to the consultation process

1 REASONS FOR RECOMMENDATIONS

- 1.1 The proposed designation has been arrived at because evidence, gathered in accordance with the Department for Communities and Local Government (DCLG) guidance suggests that relevant statutory tests have been met and that Additional Licensing in the area would be an appropriate tool to resolve problems.
- 1.2 Ward councillors have been consulted on the proposed scheme and designation.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 Nottingham is committed to delivering housing offer that provides quality housing for all, across tenures, in new and existing housing and in all affordability ranges. A key part of achieving this is to ensure improved and consistent safety and management standards in the private rented sector, which continues to accommodate a large number of Nottingham residents from different communities and of different needs and means. The Council believes that Additional Licensing needs to be part of a long-term strategy for improving property and management standards across the private rented sector.
- 2.2 To comply with the Housing Act 2004 and the CLG guidance, both of which require that a *significant proportion* of the HMOs of the proposed description in the area are being managed sufficiently ineffectively, the following methodology was used. The proposed designated area is based around census output areas containing at least 10 or more HMOs that would be covered under the current definition of additional licensing, where 20% or more of those properties have received a complaint or service request (dates) concerning:
- Waste and refuse (fly tipping, refuse accumulation, bins on streets)
 - Noise
 - Housing disrepair, conditions and detriment to amenity
 - Overcrowding, fire safety, HMO licensing

The same test for the 2014-2018 designation, which was found fit for purpose at Judicial Review.

The proposed designation also accounts for areas with a high number of complaints against HMO address, where progress in effective management is felt to depend on Additional Licensing, or where councillors or stakeholders have raised concern.

2.3 Review of current scheme:

- ✓ Issued 2,458 licences in total to date (April 2018)
- ✓ Improved the conditions of HMOs with the issue of specific conditions and inspections
- ✓ Helped take rogue landlords out of the market and move properties into responsible ownership and management.
- ✓ Reduced ASB in areas that have had a combination of licensing, police and community protection enforcement work.

However

- × The majority of HMOs were below standard at first inspection
- × The majority of HMOs required further conditions to be added to their licence
- × The scheme is still receiving around 30 applications a month in year 5
- × 265 licences have been refused or revoked
- × Landlords of 9 HMOs have been prosecuted and 3 have received Civil Penalty Final Notices

The Council believes that to continue to make improvements in the HMO sector as well as maintain those already achieved, that a refreshed scheme of Additional Licensing is required in Nottingham and that this, along with Mandatory and Selective Schemes will provide a consistent and robust approach to improving the private rented sector overall.

2.4 Proposed scheme in Area Committee 8

The area committee contains 114 HMOs of the type eligible for licensing.

The proposed scheme extends the coverage of the scheme in area committee 8 to include the some of the Lace Market/City Centre as well as the Old Meadows.

2.5 The Council is currently consulting on the proposed scheme. Details of the proposal, evidence to support it and the consultation can be found in the attached report “A Better Quality Private Rented Sector for Nottingham: Proposal for a scheme of Additional Licensing” (enclosed)

2.6 The report seeks to demonstrate the outcomes the Council believes will be achieved by the introduction of this scheme and why making an Additional Licensing designation will significantly assist the Council to achieve its objectives and bring benefits to not only tenants but to the wider community. The proposed scheme aligns with the Council’s vision that every neighbourhood is safe, clean and a great place to live.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 A number of other options were considered as part of the Executive Board Report dated 22nd November 2016. Overall it was concluded that existing initiatives and the

exercise of available powers have not brought about the improvement in the City's PRS which is needed and there is no practical and beneficial alternative to the proposed scheme.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

4.1 The financial comments are as per in the Executive Board Report dated 17th April 2018

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 The legal and financial comments are as per in the Executive Board Report dated 17th April 2018

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISION RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE) (AREA COMMITTEE REPORTS ONLY)

6.1 The strategic asset and property comments are as per in the Executive Board Report dated 17th April 2018

7 EQUALITY IMPACT ASSESSMENT

7.1 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

The EIA is as per the Executive Board Report dated 17th April 2018

8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

8.1 None

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 A Better Quality Private Rented Sector for Nottingham: Proposal for a scheme of Additional Licensing, May 2018