

NOTTINGHAM CITY COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

MINUTES of the meeting held in the Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 9 October 2019 from 2:00pm to 3:51pm

Membership

Present

Councillor Anne Peach (Chair)
Councillor Carole McCulloch (Vice Chair, items 22-25)
Councillor Azad Choudhry (items 22-24, 26-27)
Councillor Maria Joannou
Councillor Gul Nawaz Khan (items 22-24, 26-27)
Councillor Pavlos Kotsonis
Councillor Ethan Radford
Councillor Cate Woodward

Absent

Councillor Sue Johnson
Councillor Jane Lakey
Councillor Georgia Power
Councillor Andrew Rule

Colleagues, partners and others in attendance:

Nancy Barnard	-	Governance and Electoral Services Manager
Lynn Griffin-Pearce	-	HR Rewards and Retention Consultant
David Hobbs	-	Selective Licensing Manager
Adrian Mann	-	Governance Officer
Daljit Singh Nijran	-	HR Organisational Manager
Dave Walker	-	Head of Safer Housing and Anti-Social Behaviour
Councillor Linda Woodings	-	Portfolio Holder for Housing, Planning and Heritage

22 APOLOGIES FOR ABSENCE

Councillor Sue Johnson	-	unwell
Councillor Jane Lakey	-	work commitments
Councillor Andrew Rule	-	on leave

23 DECLARATIONS OF INTERESTS

Councillor Azad Choudhry declared an Other Interest in item 25 because he is a trustee of property in the City that is leased privately for rent. He left the meeting prior to the discussion of this item.

Councillor Gul Nawaz Khan declared a Disclosable Pecuniary Interest in item 25 because he is a private landlord in the City and derives income from the leasing of property. He left the meeting prior to the discussion of this item.

24 MINUTES

The minutes of the meeting held on 4 September 2019 were confirmed as a true record and signed by the Chair.

25 HOUSING LICENSING - SELECTIVE LICENSING UPDATE

Councillor Linda Woodings, Portfolio Holder for Housing, Planning and Heritage; David Hobbs, Selective Licensing Manager; and Dave Walker, Head of Safer Housing and Anti-Social Behaviour, presented a report on the progress of the Selective Licensing Scheme. The following points were discussed:

- (a) the Scheme was granted permission to proceed by the Government in April 2018 following the presentation of a comprehensive case to show how it would be instrumental in combatting crime, reducing social deprivation and improving poor housing stock, against the backdrop of rising fears amongst tenants about the security of their tenure. The Scheme started on 1 August 2018 and will run until 31 July 2023. As such, the window to recruit 75 staff to 12 different roles – and to establish all of the required systems in new offices – was relatively narrow;
- (b) the Scheme has been developed to address single-family residences and does not cover Houses in Multiple Occupation (HMOs), which require separate permissions. It is completely self-financing and is not intended to generate revenue beyond the meeting of its own costs. The Scheme area does not include the whole of the City currently, but it does cover around 94% of its rented properties. However, City residents in rented property outside the area can still access the services provided by the Scheme. If the private rental sector grows in an area not covered by the Scheme currently, it has the potential to be expanded at a future date;
- (c) as private landlords have raised some concerns in relation to the Scheme, engagement work is being carried out with them on an ongoing basis. Care is being taken to ensure that the language used in the Scheme's communications does not portray landlords unfairly, as the majority provide a vital service to City communities and work with the Council to ensure that citizens have access to good housing;
- (d) a liaison group and engagement panel is in place to enable dialogue between the regulator and the landlords. Landlords have also been invited to participate in web testing of the online licence application platform, to make as much of the process as straightforward and computer-based as possible. The Scheme has been promoted with landlords at a number of events, often held at libraries – 30 gatherings took place in the summer, attended by 400 landlords. In addition, four larger meetings were held, with an attendance of around 150 at each. The Scheme's regular information newsletter has a circulation list of around 3000;
- (e) approximately 10,000 applications for licences were made during the early period of the Scheme coming into force, with 17,876 applications received to date. So far, 642 full licences have been issued, along with 4888 draft licences – which are now being issued at a rate of around 1000 per month. The number of applications received for temporary, six-month exemptions from the Scheme has been higher

than anticipated. Generally, these exemptions are granted to landlords who are in the process of selling a rented property. Initially, around 50% of applications were rejected due to errors or omissions on the form – rejections for this reason are now down to 3%. The number of Freedom of Information requests and complaints were also high, but have decreased in volume as the Scheme has progressed. Five new staff are being recruited to speed up the processing of applications;

- (f) the Scheme is anticipated to process in the region of 24,000 applications. A landlord must apply for a licence as soon as they acquire a property that they intend to rent, and a fine of £35,000 can be levied if a landlord actively attempts to avoid applying for a licence, with a possibility of prosecution. Processing applications will be a major focus for the project team over the first two years of the Scheme, with activity shifting towards enforcement and compliance work from the third year. Full reviews will take place during the second and fourth years, with mini-reviews in the years between. An internal audit was carried out within the first six months of the Scheme;
- (g) 175 properties have been inspected as part of the licensing process, and improvements can be required as part of granting the licence. Ultimately, it is intended to inspect 50% of all properties licensed. The inspections will be carried out across the City on a risk-based approach, but they can be triggered on the basis of a complaint from tenants or neighbours (which can be made through an anonymous call line). If a property is inspected on this basis, any other properties in the landlord's portfolio may also be inspected;
- (h) staff engaged in processing applications currently will be trained over the next 6-9 months to carry out a compliance role, in the future. So far, 230 investigations have been carried out, with 857 properties being door-knocked. Twenty-two civil penalty notices have been issued and five prosecutions made. Nine landlords have been failing to meet the requirements of their selective licence and four landlords have failed to licence HMOs in mandatory or additional licensing schemes. Of the 1000 landlords written to in relation to engagement with the Scheme, the current response rate is 45%;
- (i) collaborative working is underway with Safer Housing and Anti-Social Behaviour teams to help meet the major aim of the Scheme of improving housing conditions across the City – including getting better ratings on their Energy Performance Certificates, where private rented homes with an energy rating below 'D' have reduced from 25.9% in 2018 to 15.6% in 2019. If any infractions of the Tenant Fees Act are discovered, they are referred to the Trading Standards team. Work is being carried out to combat illegal evictions and Rent Repayment Orders for tenants can be served on landlords if the landlord does not have the appropriate licence under the Scheme;
- (j) planning is being carried out to address the challenge of reaching landlords who have not engaged with the Scheme, or 'accidental' landlords who have not realised that they are required to, which will include education initiatives. The Scheme website and other communications channels are being improved, including social media presence. If the name of an agent is on the licence, rather than that of the landlord, the landlord will need a new licence if they change agent. However, the person named on the licence holds all of the liabilities

associated with that licence. After the Grenfall Tower disaster, there is growing scrutiny of high-rise residential buildings, which are not necessarily classified and regulated as HMOs;

- (k) although some landlords have said that it has been necessary for them to increase rents as a direct consequence of the Scheme, the fee charged for a licence is not high, relatively speaking, and landlords can claim the cost back as a business expense. A flexible approach has also been adopted with landlords who have a large number of properties. As such, it does not seem necessary to pass the costs of the licence on to tenants. In addition, the ability by agents to charge letting fees to tenants has now been abolished by the Government;
- (l) the Committee felt that the Scheme's outcomes to date were positive in improving the safety and wellbeing of City residents.

RESOLVED to:

- (1) receive a further update on the progress of the Selective Licensing Scheme following the completion of its first formal review, after two years of operation;**
- (2) recommend that, in order to clear the current backlog of applications, steps should be taken to ensure that the process is as clear and electronic-based as possible, with a suitable level of automated systems to enhance processing speed;**
- (3) request further information regarding the ability for tenants to claim back 12 months' rent if their rented property has not been licenced, and regarding the prohibition on evicting tenants if the rented property is not licenced;**
- (4) recommend that the Selective Licensing Team promote to tenants in those areas not covered by the Scheme that they can still report problems and access enforcement services.**

26 NOTTINGHAM CREDIT UNION UPDATE

Lynn Griffin-Pearce, HR Rewards and Retention Consultant, and Daljit Singh Nijran, HR Organisational Manager, presented a report on the partnership working with the Nottingham Credit Union (NCU), and the potential financial education and support packages being investigated for Council employees. The following points were discussed:

- (a) the NCU is an independent body that works closely with the Council to meet the related Council Plan priorities for 2019-23, with a focus on how to 'Serve Nottingham Better' by helping people on low incomes to budget and manage their finances more effectively, and to promote NCU as an ethical alternative bank. The HR Rewards team works in partnership with NCU, which releases communications through the Works Perks newsletter and staff intranet. It has 488 Council members with savings (up from 378 early 2019) and 173 have loans. Its Christmas and Holiday savings clubs are popular with staff;

- (b) NCU intends to introduce money tips and financial awareness workshops, in collaboration with UNISON. It hopes to attend team meetings and recruit champions. It aims to open 300-600 Young Savers Accounts for Children in Care, which will be passed over when young person reaches 18, and is working with HM Treasury on a prize-linked savings account. NCU have seen a 7% increase in City Resident members, an 18% increase in savers, and a value of loans increase to 41%. In 2020, NCU will be able to lend £3million of new money to local residents. The new Selective Licensing team also seeks to promote NCU (along with other services) to Nottingham residents living in the private rented sector when undertaking inspections, and Nottingham City Homes (NCH) can provide information to its tenants;
- (c) the financial wellbeing of Council staff is a major HR priority. HR aims to introduce new employee benefits that complement the NCU offering that are accessible and available to all; to encourage better money management through broad and persistent educational resources; to break the cycle of debt and give colleagues a wider choice for borrowing and saving; and to improve the financial health and wellbeing of employees. These measures will have the potential to increase a member of staff's disposable income by up to 5%;
- (d) creating this provision will include working with both NCU and other providers to offer staff as wide a range as possible of financial support and products, through the Council's payroll system. It may also be possible to include employees of NCH within any new initiative. The level of support that could be made available to councillors – who are not employees of the Council – will also be investigated;
- (e) money worries are linked closely to mental health issues amongst employees who, often, are more concerned about money than any other area of life – though are not always open about their money problems. Sleep, absenteeism, productivity and retention are all impacted and money issues and financial wellbeing affects mental health and interpersonal relationships significantly;
- (f) there can be a disconnect between what employers are offering and what employees need, so work is underway to link mental health and financial wellbeing into one 'reward' strategy, which will include financial education on the importance of pensions and advice on getting out of debt. This will start on a small scale and build up incrementally following communication and engagement with Council staff, with impact measurement and review processes in place. Soft market testing has been carried out and it is intended to trial a pilot version of the scheme, before approaching a formal procurement exercise;
- (g) ultimately, investment in improved financial education for staff should result in a happier, engaged and productive workforce that perform better and have reduced sickness, and who are more likely to stay with their employer.

RESOLVED to recommend the early proposals to develop and procure a financial wellbeing and education product for Nottingham City Council employees to the Portfolio Holder for Health, HR and Equalities.

27 WORK PROGRAMME

Nancy Barnard, Governance and Electoral Services Manager, presented the proposed work programme for the 2019/20 municipal year.

RESOLVED to form a working group of Councillor Anne Peach, Councillor Pavlos Kotsonis and Councillor Carole McCulloch (with an invitation to join extended to Councillor Andrew Rule) to meet with Council officers to discuss what processes exist for citizen consultation on policy change; how cohesive, efficient, and broad the consultations are; how the full range of citizens are engaged with and how engagement is maximised; how consultations can be improved; and what cost savings may be possible. The Group will report back to the Committee once it has finalised its scope and a final report will be returned to the Committee once the Group has completed its review.